BERNARD F. CROWLEY, JR.
ACTING COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
51 Sleeper Street
PO Box 9494
Boston, MA 02205-9494

December 6, 2001

TO LOCAL GOVERNMENT OFFICIALS:

Following final enactment of the FY2002 state budget, and pursuant to Chapter 58 of the Massachusetts General Laws, the Department of Revenue is sending you notification of the estimated amounts to be received by your municipality during the fiscal year ending June 30, 2002, as detailed on the enclosed green Form C.S. 1-ER.

In late February of 2001, the Department of Education (DOE) provided preliminary estimates of FY2002 net school spending requirements prescribed by the Education Reform Act, Chapter 71 of the Acts of 1993, as amended. In many cases, your final FY2002 Cherry Sheet will reflect a level of Chapter 70 aid different from that included in DOE's February notification and on your preliminary FY2002 Cherry Sheet. As was the case last year, section 3 of the FY2002 budget establishes a local option process to make any increase in Chapter 70 above the amount appearing in section 3 of the Governor's budget available to be spent by the school committee without appropriation. Instructions on the local approval process, as well as accounting and reporting procedures, will be posted to the Division of Local Services' web site: http://www.dls.state.ma.us/Cherry/index.htm

The FY2002 estimated receipts for cities, towns and regional school districts total $5.135 billion, an increase of $277 million or 5.7 percent from the FY2001 Cherry Sheet totals of $4.858 billion. The increase is primarily attributable to a $223 million increase in Chapter 70 aid, a $48 million increase in Lottery aid and a $41 million increase in School Construction aid. Local officials should also be aware of reductions to certain accounts, below the level appearing on the preliminary Cherry Sheets. Highway Fund aid was reduced by $32.6 million or 75 percent and State-owned land was reduced by $6 million or 28.6 percent. Lottery aid was reduced by $11.9 million to reflect the shortfall of the estimated FY01 lottery surplus paid last May. Consequently, the second quarter local aid distribution will not be reduced to reflect this shortfall.

Magnet Education and Equal Education Improvement grants have also been reduced significantly. We have not provided Cherry Sheet estimates for these accounts since DOE will be collecting data on final program costs incurred to date and payments will be adjusted based on costs incurred and the appropriations. Also, please note that the MCAS Remediation Assistance distribution appearing on the preliminary Cherry Sheets has not been included on the final Cherry Sheets. Since Remediation Assistance was funded as a grant program, districts must apply to DOE to receive funds. Finally, the Tuition of State Wards program was not funded, however, this line-item was not included on the preliminary FY02 Cherry Sheets.

Division of Local Services staff are available to answer your questions or provide additional information. You may call the Local Aid Section of the Division of Local Services at (617) 626-2386 or (617) 626-2376.

Very truly yours,

Bernard F. Crowley, Jr.
Acting Commissioner

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