

HOUSE No. 1944

By Representative Hall of Westford and Senator Fargo, joint petition of Geoffrey D. Hall and others relative to the distribution of state aid for public education and regulating the requirements for spending by local governments. Municipalities and Regional Government.

The Commonwealth of Massachusetts

PETITION OF:

Geoffrey D. Hall
Susan C. Fargo
Michael E. Festa

James B. Eldridge
Mary Frantz

In the Year Two Thousand and Seven.

AN ACT SIMPLYFING AND MAKING MORE EQUITABLE THE PROVISIONS OF CHAPTER 70 RELATIVE TO DISTRIBUTION OF STATE AID AND THE REQUIREMENTS FOR SPENDING BY LOCAL GOVERNMENTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. For the purpose of causing state aid to education to
2 more accurately reflect the demographics of Massachusetts cities
3 and towns by using the current number of pupils in each munici-
4 pality and by using current values to determine the financial ability
5 of each municipality to provide an adequate education for all pupils,
6 and for the purpose of distributing education aid more equitably
7 among the cities and towns, Chapter 70 is hereby amended by the
8 following sections.

1 SECTION 2. Section 2 of Chapter 70 of the General Laws is
2 hereby amended by striking out the definition of “Base Aid” and
3 inserting in place thereof the following new definition:—
4 “Base Aid” shall be, in any fiscal year, the amount of aid distrib-
5 uted to a municipality under the provisions of this chapter for fiscal
6 year 2008.

1 SECTION 3. Section 2 of Chapter 70 of the General Laws is
2 hereby amended by striking out the definition of “Foundation aid”
3 and inserting in place thereof the following new definition:—
4 “Foundation aid” shall be the state share of the foundation budget,
5 as defined herein, times the foundation budget.

1 SECTION 4. Section 2 of Chapter 70 of the General Laws is
2 hereby amended by striking out the definition of “Minimum required
3 local contribution” and inserting in place thereof the following new
4 definition:—
5 “Minimum required local contribution” shall be the amount of the
6 foundation budget minus the greater of either foundation aid or base
7 aid, assuming full funding of foundation aid; provided however that
8 the commissioner may authorize a reduction in said minimum
9 required local contribution, on terms and conditions prescribed by
10 the commissioner, to obviate undue financial hardship on a municipi-
11 pality applying for such relief in accordance with procedures relating
12 thereto established by the commissioner.

1 SECTION 5. Section 2 of Chapter 70 of the General Laws is
2 hereby amended by striking out the definition of “Standard of
3 Effort” and inserting in place thereof the following new defini-
4 tion:—
5 “Standard of effort” shall be the local share of the foundation
6 budget, as defined herein, times the foundation budget.

1 SECTION 6. Section 2 of Chapter 70 of the General Laws is
2 hereby amended by inserting the following new definition:—
3 “Local share of the foundation budget,” expressed as a per-
4 centage, shall be seventy percent for a municipality exactly at the
5 state-wide average equalized property valuation per pupil.
6 For municipalities at less than the state-wide average equalized
7 property valuation per pupil, the local share of the foundation budget
8 shall be the product of seventy percent and the relativity factor.
9 For municipalities at greater than the state-wide average equalized
10 property valuation per pupil, the local share of the foundation budget
11 shall be one hundred percent minus the quantity (thirty percent
12 divided by the relativity factor).

1 SECTION 7. Section 2 of Chapter 70 of the General Laws is
2 hereby amended by inserting the following new definition:—
3 “Relativity factor” for each municipality shall be the local equal-
4 ized valuations per pupil divided by the state-wide average equalized
5 valuation per pupil.

1 SECTION 8. Section 2 of Chapter 70 of the General Laws is
2 hereby amended by inserting the following new definition:—
3 “State share of the foundation budget,” expressed as a percentage,
4 shall be thirty percent for a municipality exactly at the state-wide
5 average equalized property valuation per pupil.

6 For municipalities at less than the state-wide average equalized
7 property valuation per pupil, the state share of the foundation budget
8 shall be one hundred percent minus the quantity (seventy percent
9 times the relativity factor).

10 For municipalities at greater than the state-wide average equalized
11 property valuation per pupil, the state share of the foundation budget
12 shall be thirty percent divided by the relativity factor.

1 SECTION 9. Section 2 of Chapter 70 of the General Laws is
2 hereby amended by inserting the following new definition:—
3 “Stabilization aid” in any fiscal year shall be the positive differ-
4 ence between base aid and the amount of foundation aid distributed
5 to a municipality under the provisions of this chapter.

1 SECTION 10. Section 2 of Chapter 70 is hereby further amended
2 by striking therefrom the following definitions:—

- 3 (1) Adjusted property valuation;
- 4 (2) Equity aid;
- 5 (3) Equity gap;
- 6 (4) Excess debt service;
- 7 (5) Foundation gap;
- 8 (6) Foundation aid percent
- 9 (7) General revenue sharing aid;
- 10 (8) Gross overburden amounts;
- 11 (9) Gross standard of effort;
- 12 (10) Local contribution;
- 13 (11) Minimum aid;
- 14 (12) Municipal revenue growth factor;

- 15 (13) Overburden aid;
- 16 (14) Preliminary local contribution;
- 17 (15) Standard of effort gap;
- 18 (16) State overburden obligation.

1 SECTION 11. Section 5 of Chapter 70 is hereby repealed.

1 SECTION 12. Section 6 of Chapter 70 is hereby amended by
2 striking out the following phrase:— “but not including equity aid”.

1 SECTION 13. Chapter 70 is hereby amended by striking out
2 Section 10 and inserting in its place the following new section:—

3 Section 10. Amount of State Aid to be Paid to Each Municipality.
4 Subject to appropriation, the amount of state aid paid to each munic-
5 ipality shall be the sum of foundation aid and stabilization aid, as
6 defined in Section 9 hereunder and as modified by the provisions of
7 Section 11.

1 SECTION 14. Chapter 70 is hereby amended by striking out
2 Section 13 and inserting in its place the following new section:—

3 Section 13. Allocation of Funds Appropriated for State School
4 Aid.

5 (a) The funds appropriated for state school aid under this chapter
6 shall be allocated among municipalities as provided in Section 10
7 hereunder.

8 (b) If upon any date of distribution the amount available for distri-
9 bution under this section is insufficient to make the full distributions
10 of state school aid required by this section, the distributions of foun-
11 dation aid thereunder shall be the amount otherwise due each city or
12 town under this section multiplied by a fraction such that the sum of
13 foundation aid and stabilization aid for all the cities and towns shall
14 be the amount available for distribution under this section. If upon
15 any date of distribution the amount available for distribution under
16 this section exceeds the amount necessary to make the full distribu-
17 tions required by this section, the distributions of foundation aid
18 thereunder shall be the amount otherwise due each city or town
19 under this section increased by a fraction such that the sum of foun-
20 dation aid and stabilization aid for all the cities and towns shall be
21 the amount available for distribution under this section.

1 SECTION 15. This act shall take effect on January 1, 2008 and
2 shall be applicable to fiscal years 2009 and thereafter.