



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

SUZANNE M. BUMP, ESQ.
AUDITOR

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February 7, 2012

His Excellency Deval Patrick, Governor of the Commonwealth
The Honorable Therese Murray, President of the Senate
The Honorable Robert A. DeLeo, Speaker of the House
The Honorable Stephen Brewer, Chair, Senate Committee on Ways and Means
The Honorable Brian S. Dempsey, Chair, House Committee on Ways and Means

**RE: RECOMMENDATION FOR MANDATE FUNDING: Projected Fiscal 2012 Local Cost for
Transportation of Certain Homeless Students: \$11.3 Million**

Dear Colleagues:

In response to petitions from the Representatives from the Town of Danvers and the City of Waltham, I determined that the State Plan to implement certain provisions of the federal McKinney-Vento Act relating to educational opportunities for homeless children imposes unfunded state mandates (see attached determination letters). In relevant part, the federal Act provides that a homeless student living in temporary housing in a "host community" outside of the city or town where the family lived prior to becoming homeless (the community of origin) may choose to remain enrolled in the community of origin schools. Most significantly, the State Plan requires school systems throughout Massachusetts to continually fund school transportation and school services for some homeless students after they relocate to other communities. This requirement is in contrast to the general rule whereby school districts are not responsible for students who move outside of district boundaries. Because the State McKinney-Vento Plan is a voluntary agreement with the federal government, I determined that the requirements are unfunded state mandates subject to the Local Mandate Law, M.G.L. c. 29, § 27C.

Under the Local Mandate Law, state laws or rules that impose new costs upon cities, towns and school districts must either be fully funded by the Commonwealth, or subject to local acceptance. Danvers and Waltham each documented two-year costs to transport homeless students to and from schools of origin exceeding \$200,000. Data supplied by the State Department of Elementary and Secondary Education (DESE) indicates that the fiscal 2011 impact of this transportation mandate on local governments statewide approached \$10.4 million. Because local participation in the State McKinney-Vento Plan is mandatory and not subject to local acceptance, I concluded that the State should be obligated to fund the related school and transportation costs.

Accordingly, my Division of Local Mandates (DLM) conducted a statewide survey of school superintendents to collect relevant data and project the amount of the cost to be incurred in fiscal 2012 at the local level. The projection for transporting students to and from schools of origin is approximately

\$11.3 million. Thus, I respectfully recommend that the Legislature and the Governor consider providing funding for this mandated cost for fiscal 2012, as well as ongoing reimbursements in future fiscal years.

The enclosed spreadsheet shows projected fiscal 2012 transportation costs reported to DLM by the school districts, along with fiscal 2011 amounts reported to DESE. Just over 80% (267 of 329) of the districts responded to our survey. Respondents include all of the cities in Massachusetts, and all districts that reported \$25,000 or more in fiscal 2011 costs to DESE. DLM used the fiscal 2011 amounts reported to DESE as the projected fiscal 2012 costs for the 62 nonrespondents. These 62 are highlighted in the spreadsheet, and in all except 17 instances, the amount is zero.

While fiscal 2012 projections amount to \$11,272,322, the fiscal 2011 costs reported to DESE total to \$10,399,827. Accordingly, respondents projected that the cost to transport homeless students to and from schools of origin would increase by \$872,495, that is, 8.4% in the current fiscal year. This projected increase corresponds closely to the actual 8.5% increase in the average Boston area price of gasoline from December 2010 to December 2011, as reported by the U.S. Bureau of Labor Statistics. Eight school districts projected costs of \$250,000 or more; this group accounts for almost \$3.5 million of the total projection, approximately 31%. The following table shows the range of projected cost experience.

**Number of Districts Projecting
Various Ranges of Costs**

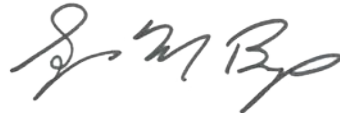
Range of Costs	Number of Districts	Total Cost for Group
\$250,000 or Greater	8	\$ 3,482,813
\$100,000-\$249,999	25	3,677,521
\$50,000-\$99,999	23	1,507,960
\$25,000-\$49,999	43	1,534,616
\$10,000-\$24,999	51	803,579
> \$0 < \$10,000	59	265,833
No Cost	120	
Totals	329	\$11,272,322

I also wish to note that my mandate determination addressed the requirement in the State McKinney-Vento Plan that some school districts provide classroom services to students who no longer live in the district. Because as a general rule there is no duty to educate nonresidents, I concluded that this requirement, too, is an unfunded state mandate – if as a result districts incur additional costs net of related state or federal aid. On this matter, 245 of the respondents (92%) either indicated that these students could be accommodated in existing classrooms at no net additional cost, or left this item blank in the survey. Twenty-two indicated additional costs primarily in the nature of mental health, tutoring, other enrichment services and special education programming. Fifteen of these 22 stated the amount of the additional cost incurred ranging from \$400 to \$50,000. The total for the 15 approached \$281,000. These responses indicate that the classroom impact of the State McKinney-Vento Plan is not presently widespread across school districts. Thus at this point, I recommend that DESE collect data to monitor these costs, and report any growth trends to the Governor, the Legislature, and the State Auditor, as reimbursement, pursuant to the requirements of the Local Mandate Law, may be necessary.

Based upon this response, it is reasonable to conclude that the primary difficulty that most school districts experience with the mandates of the State McKinney-Vento Plan is the financial impact of transporting homeless students to and from schools of origin. As noted above, survey respondents project fiscal 2012 costs of approximately \$11.3 million.

I hope that this information is useful as you develop any upcoming supplemental budgets for fiscal 2012 and subsequent years. Please contact me directly or DLM Director Vincent McCarthy (617-727-0025) with questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne M. Bump". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

Suzanne M. Bump

cc: Jay Gonzalez, Secretary, Administration and Finance
Mitchell Chester, Commissioner, Department of Elementary and Secondary Education
Aaron Gornstein, Undersecretary, Department of Housing and Economic Development
Members of the Legislature (by email)

Enclosures