

# **FY 19**

## **Superintendent's Recommended Budget**

Presentation to School Committee

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*March 12, 2018*

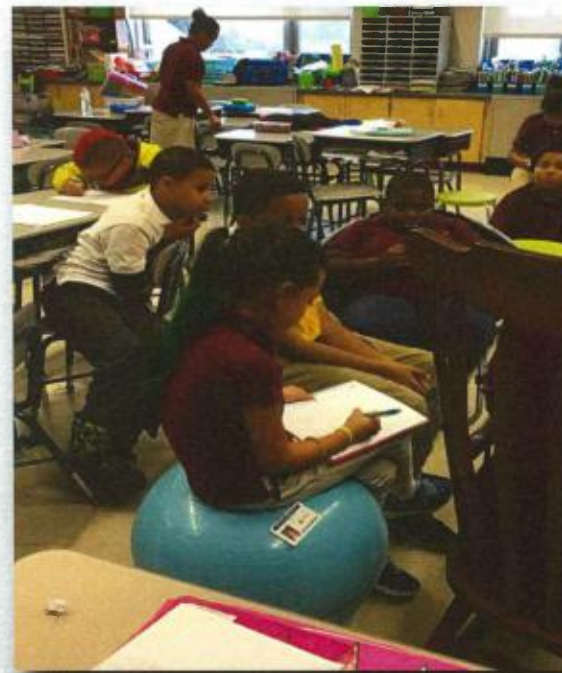


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# What is a budget?

- A statement of core values
- A financial planning tool
- A communication vehicle
- A strategic road map
- A living document
- *A budget is **not** etched in stone*



*School Committee members must understand the nuances of the school system's budget....*

*"A Budget is an organizational plan stated in monetary terms"*

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# The Foundation Formula Consists of

## Three Major Calculations:

- A Foundation Budget
- A Local Contribution
- Chapter 70 Aid
- Add the Three Together = Net School Spending



# WHAT IS NETSCHOOL SPENDING?

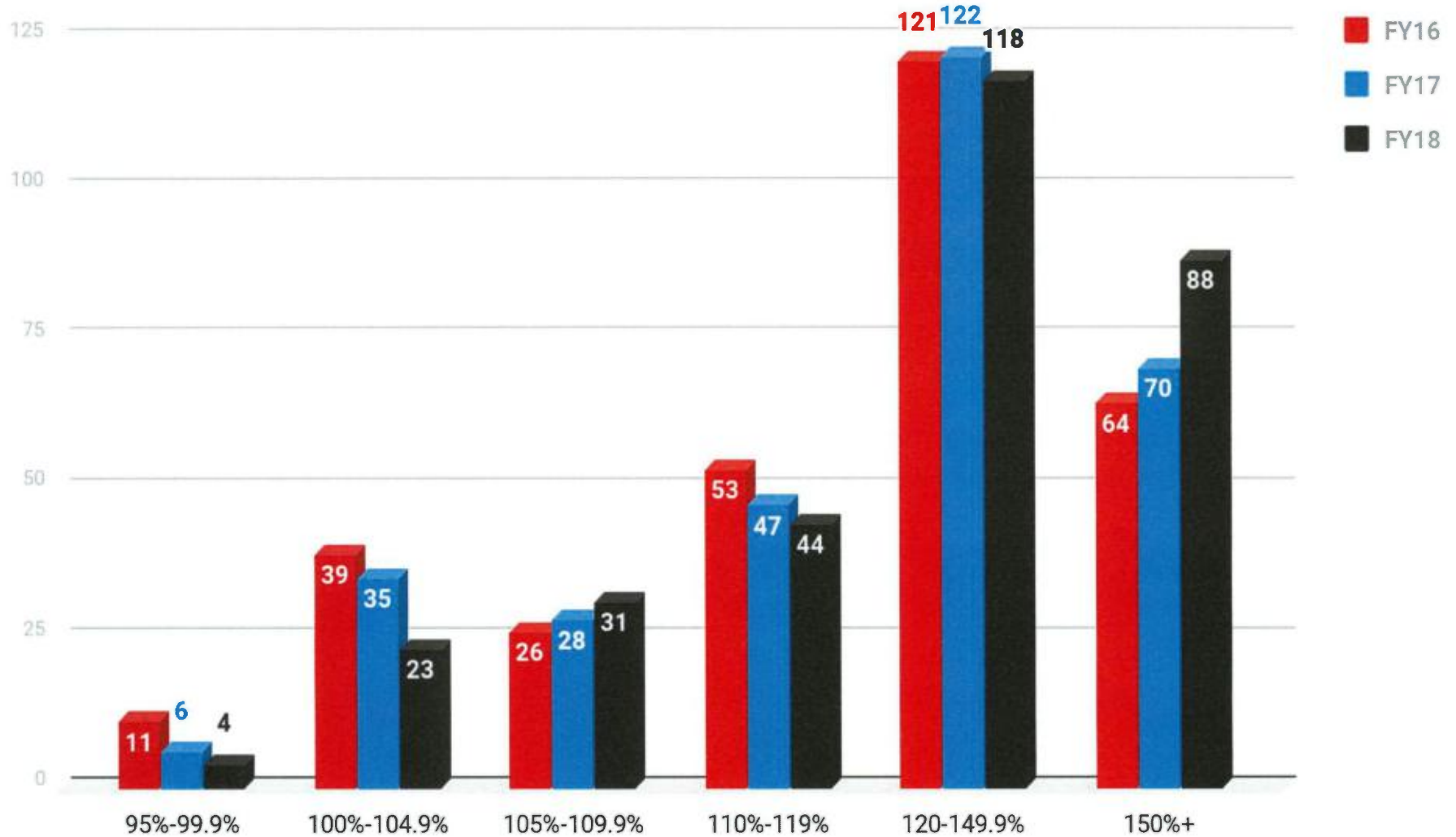
- COST DIRECTLY RELATED TO THE EDUCATION OF STUDENTS
- “REQUIRED NET SCHOOL SPENDING” IS SET EACH YEAR BY DESE known as the “foundation budget”
- INCLUDES TOWN/CITY INDIRECT SPENDING FOR SCHOOLS (known as “Actual Net School Spending”)

When a potential homebuyer is looking to purchase a home in a certain community and wants to know how much the community spends on its schools, the actual net school spending is the figure that is used..... The total reported to the Commonwealth.



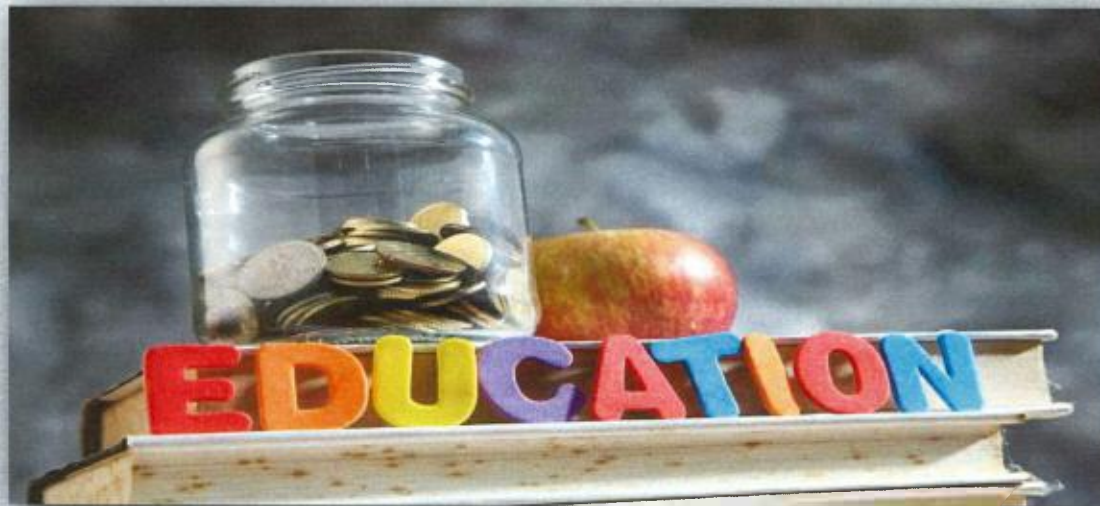
# STATEWIDE NET SCHOOL SPENDING

## NET SCHOOL SPENDING BUDGET COMPARISON



# Goal of the Chapter 70 Formula

- To ensure that every district has sufficient resources to meet its foundation budget spending level, through an equitable combination of local property taxes and state aid.
- Section 1. *It is the intention of the general court, subject to appropriation, to assure fair and adequate minimum per student funding for public schools in the commonwealth by defining a foundation budget and a standard of local funding effort applicable to every city and town in the commonwealth.*





# Chapter 70 Aid: How it is Determined

*A district's Chapter 70 aid is determined in three basic steps:*

1. It defines and calculates a foundation budget, an adequate funding level for each district, given the specific grades, programs, and demographic characteristics of its students.
2. It then determines an equitable local contribution, how much of that “foundation budget” should be paid for by each city and town’s property tax, based upon the relative wealth of the community.
3. The remainder is funded by Chapter 70 state aid.

Local Contribution + State Aid = a district's Net School Spending (NSS) requirement. This is the minimum amount that a district must spend to comply with state law.



# The Last Piece of the Budget Puzzle

## Schedule 19

- The City is allowed to “charge back” or “write off” certain charges and expenses for services they provide for the Fall River School Department against the Local Contribution. At the state level, these municipal “fees” are also referred to as Schedule 19 charges.
- In Fall River we call these “indirect costs”, which are outlined in our shared cost agreement- a statement of partnership between the Fall River Public Schools and the City of Fall River