

# Chapter 70 and Net School Spending Hanson Public Schools FY24 Preliminary Numbers

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JUNE 2023

# Project Scope

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The Town of Hanson (Town) is part of the Whitman Hanson Regional School District.

The regional agreement was recently amended changing the regional assessment methodology from the alternate to the statutory method.

Hanson's foundation enrollment represents 39% of the region; Whitman 61%. Its minimum required local contribution is 46% of the region; Whitman's 54%.

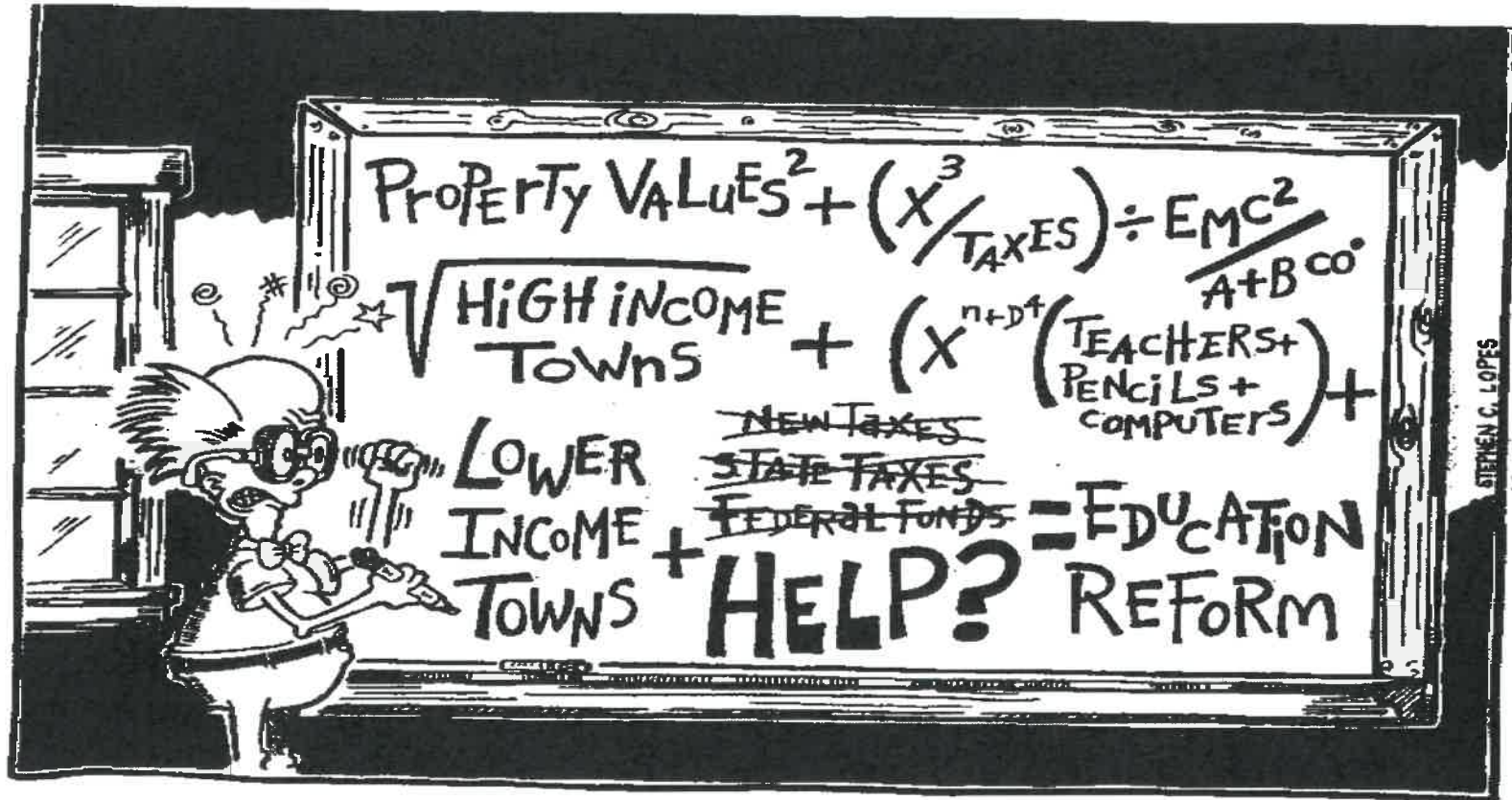
Hanson's local target share is 63%; Whitman's 49%. Both communities' local contributions are based on their wealth factors.

# Project Scope

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The Town would like to understand the basics of the Chapter 70 and Net School Spending numbers and has requested that I present the FY24 preliminary Chapter 70 and Net School Spending numbers for the Board of Selectmen.

This presentation will explain such topics as Chapter 70 distributions, town target, preliminary, and required local and district contributions, target shares, municipal revenue growth factor and other concepts and will provide the Town with a Chapter 70 baseline.



EDUCATION REFORM'S FINANCING FORMULA

# Agenda

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## □ Chapter 70 Trends

- State Totals
- Whitman Hanson

## □ FY23 Foundation formula (Chapter 70 and Net School Spending) Hanson and Whitman

- Foundation Budget
  - Foundation Enrollment
- Local District Contributions
  - Local Effort
  - Increments Toward Effort
  - Minimum Required Local Contribution
  - Apportionment
- Chapter 70
- Net School Spending
- Summary and FY23 Comparison

## □ Whitman Hanson Region

# Goal of the Chapter 70 formula

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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.

# Big Picture

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- ❑ Required Net School Spending = Local Contribution + Ch 70 Aid
- ❑ Required Net School Spending  $\geq$  Foundation Budget
- ❑ A District can spend as much as it wants on education; the state calculates a minimum local required contribution based on wealth

# Big Picture

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The following chart shows Whitman Hanson's Chapter 70 trends from FY93 through FY23, FY23 as budgeted

- Foundation Enrollment
- Foundation budget
- Chapter 70 aid
- Local contribution
- Required and actual net school spending

Statewide, actual net school spending exceeded required net school spending by about 24% for FY23



FY24 House 1 Chapter 70 continues implementation of the [Student Opportunity Act](#) (the Act)

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Preliminary FY24 Chapter 70 is \$6,584,595,911, a \$586 million increase (9.8%) over FY23

The Act establishes new, higher foundation budget rates in 5 areas:

- Benefits and fixed charges
- Guidance and psychological services
- Special education out-of-district tuition
- English learners
- Low-income students

House 1 includes rate changes above inflation toward the goal rates in these 5 areas and closes an additional 1/6<sup>th</sup> of the gap

FY24 will be the third year of implementation of the Act



# House 1 sets the low-income threshold at 185% of the federal poverty level in accordance with the Act

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The Act restores the definition of low-income enrollment used prior to FY17, based on 185% of the federal poverty level, up from the 133% threshold used for the economically disadvantaged match from FY17 to FY22

- Statewide low-income enrollment for FY24 is 421,314, compared to 407,501 for FY23

Starting in FY23, the Department has designated a student enrolled on October 1st as low income if the student is:

- Identified as participating in state public assistance programs, including the Supplemental Nutrition Assistance Program, Transitional Aid to Families with Dependent Children, MassHealth, and foster care; or
- Verified as low income through a supplemental data collection process; or
- Reported as homeless through the McKinney-Vento Homeless Education Assistance program application



The Act also increases the assumed in-district special education enrollment percentages

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The Act increases the rate for vocational students from 4.75% to 5% and from 3.75% to 4% for non-vocational students

Proposed rate increases for FY24 close an additional  $\frac{1}{6}$ <sup>th</sup> of the gaps, so the factors used for FY24 are 4.90% and 3.90%, respectively

On top of the targeted rate increases, all foundation budget categories have been adjusted upward to account for inflation

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An employee benefits inflation rate is applied to the employee benefits and fixed charges category

- Based on the enrollment-weighted, three-year average premium increase for all GIC plans
- For FY24 the increase is 5.16%

An inflation increase of 4.50% has been applied to all other foundation budget rates, based on the U.S. Department of Commerce's state and local government price deflator and capped at the 4.50% maximum set in the Act

The Act also adds a new minimum aid adjustment to the formula

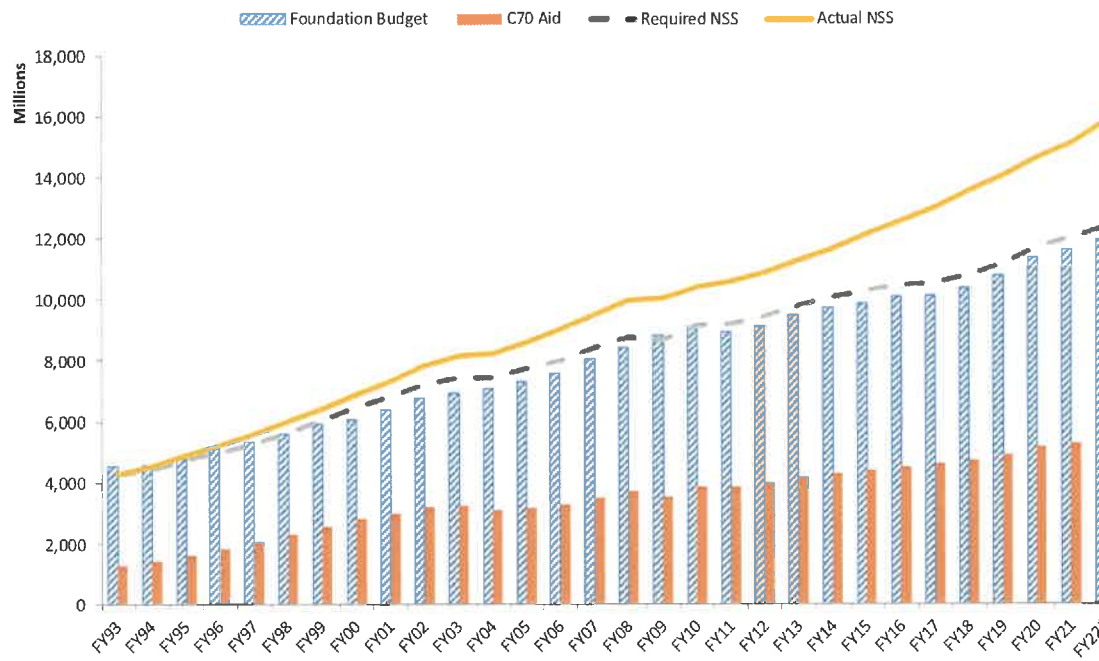
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This provision provides hold harmless aid to operating districts that otherwise would have lost aid due to the new foundation budget factors

- Determines the aid that these districts would have received if foundation budget rates were only increased by inflation
- If this amount is higher than the revised formula amount, districts get the higher amount

# State Totals

0000 State Total



□ The foundation formula consists of the foundation budget, local contributions, Chapter 70 state aid and required and actual net school spending.

□ The state wide average of actual NSS exceeding RNSS is 28% for FY22 as budgeted

# State Totals

## 0000 State Total

	Foundation Enrollment		Foundation Budget		Required Local Contribution			Chapter 70 Aid Reflects Penalties, where applicable			"Formula" Requirement Required Net School Spending Aid + Local Contribution		"Adjusted" Requirement Required NSS Includes Carryover		Actual NSS	
	Enrollment	% Chg	Budget	% Chg	Contribution	Penalties, where applicable	% Chg	Contribution	Aid + Local	Includes Carryover	% Chg	Required NSS	% Chg	Actual NSS	% Chg	
FY08	949,580	-0.2%	8,406,096,436	4.9%	4,997,705,374	3,725,343,327	6.3%	8,723,048,701	8,728,682,766	3.9%	9,978,220,111	4.8%	9,978,220,111	4.8%		
FY09	944,224	-0.6%	8,811,314,229	4.8%	5,110,365,426	3,536,496,064	-5.1%	9,058,861,488	8,657,696,403	-0.8%	10,062,456,334	0.8%	10,062,456,334	0.8%		
FY10	940,985	-0.3%	9,088,557,473	3.1%	5,250,106,061	3,869,526,145	9.4%	9,119,632,206	9,132,909,041	5.5%	10,398,293,771	3.3%	10,398,293,771	3.3%		
FY11	938,333	-0.3%	8,921,047,970	-1.8%	5,302,267,226	3,850,684,455	-0.5%	9,153,151,681	9,172,639,502	0.4%	10,581,836,319	1.8%	10,581,836,319	1.8%		
FY12	937,307	-0.1%	9,119,340,580	2.2%	5,413,602,268	3,990,228,732	3.6%	9,404,106,361	9,420,891,979	2.7%	10,875,258,087	2.8%	10,875,258,087	2.8%		
FY13	934,763	-0.3%	9,467,117,141	3.8%	5,582,113,529	4,170,667,652	4.5%	9,752,884,831	9,780,978,100	3.8%	11,275,104,938	3.7%	11,275,104,938	3.7%		
FY14	938,083	0.4%	9,711,217,585	2.6%	5,748,475,145	4,300,755,418	3.1%	10,049,329,511	10,080,116,924	3.1%	11,701,568,084	3.8%	11,701,568,084	3.8%		
FY15	940,831	0.3%	9,866,011,313	1.6%	5,817,618,237	4,400,237,013	2.3%	10,217,954,199	10,255,444,654	1.7%	12,154,317,651	3.9%	12,154,317,651	3.9%		
FY16	942,120	0.1%	10,090,177,272	2.3%	5,943,909,029	4,511,467,180	2.5%	10,455,431,003	10,487,749,773	2.3%	12,608,181,537	3.7%	12,608,181,537	3.7%		
FY17	940,103	-0.2%	10,128,238,383	0.4%	5,926,185,567	4,626,879,372	2.6%	10,553,890,628	10,570,003,672	0.8%	13,032,457,958	3.4%	13,032,457,958	3.4%		
FY18	941,303	0.1%	10,379,173,843	2.5%	6,046,916,786	4,745,645,156	2.6%	10,792,561,942	10,796,832,248	2.1%	13,572,066,831	4.1%	13,572,066,831	4.1%		
FY19	941,411	0.0%	10,777,588,551	3.8%	6,246,842,886	4,906,614,766	3.4%	11,153,457,652	11,158,956,055	3.4%	14,079,862,373	3.7%	14,079,862,373	3.7%		
FY20	939,683	-0.2%	11,359,048,512	5.4%	6,513,607,368	5,175,694,094	5.5%	11,689,301,462	11,695,589,441	4.8%	14,680,147,542	4.3%	14,680,147,542	4.3%		
FY21	938,085	-0.2%	11,626,531,095	2.4%	6,705,321,561	5,283,343,073	2.1%	11,988,664,634	12,029,313,514	2.9%	15,152,860,897	3.2%	15,152,860,897	3.2%		
FY22*	907,506	-3.3%	11,926,225,792	2.6%	6,827,673,657	5,502,959,667	4.2%	12,330,633,324	12,355,394,918	2.7%	15,819,128,328	4.4%	15,819,128,328	4.4%		
FY22/FY08	-42,074	-4.4%	3,520,129,356	41.9%	1,829,968,283	1,777,616,340	47.7%	3,607,584,623	3,626,712,152	41.5%	5,840,908,217	58.5%	5,840,908,217	58.5%		

The foundation formula consists of the foundation budget, local contributions, Chapter 70 state aid and required and actual net school spending.

The state wide average of actual NSS exceeding RNSS is 28% for FY22 as budgeted

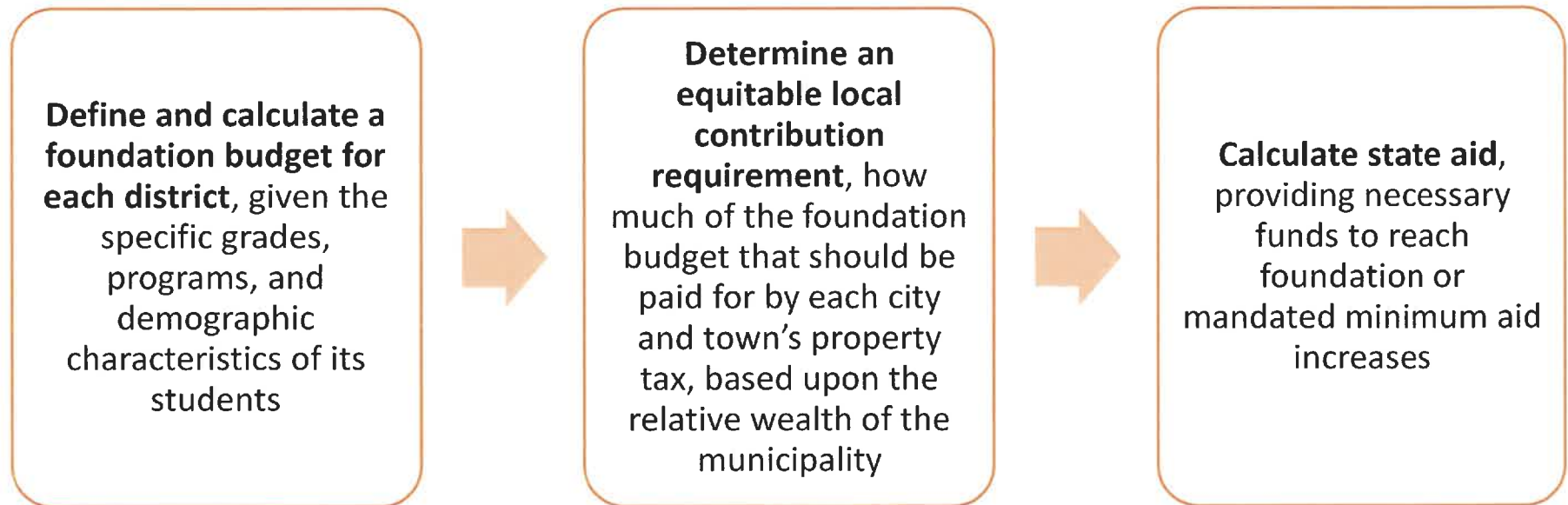
# Chapter 70 Key Terms

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- ❑ A **foundation budget** is calculated for each school district, representing the minimum spending level needed to provide an adequate education. The foundation budget is adjusted each year to reflect changes in the district's enrollment; changes in student demographics (grade levels; low income status; English language proficiency); inflation; and geographical differences in wage levels. The foundation budget is substantially based on **foundation enrollment** which are resident students that live in the district and attend a public school.
- ❑ A **local contribution** represents the amount of local appropriations required to meet net school spending. This is a town-wide calculation, one each for the three member towns.
- ❑ A **local district contribution** is the amount of the town-wide calculation, allocated to each of the regional districts to which each town belongs.
- ❑ **Chapter 70 Aid** represents the amount of state aid to finance the state share of the foundation budget. Chapter 70 aid is generally composed of Foundation Aid and/or Minimum Aid.
- ❑ **Net School Spending** is the sum of the Chapter 70 aid distribution amount and the local required district contribution and must be equal to or greater than the foundation budget. Preliminary NSS numbers are issued by DESE in January. Final NSS numbers are issued after the state budget is approved.
- ❑ **Student Opportunities Act (SOA)** the bill implements the major recommendations of the Foundation Budget Review Commission (FBRC), incorporates other enhancements to the Commonwealth's school funding framework, and codifies the formula changes that have previously been implemented through annual provisions in the state budget.



# There are three primary steps in determining each district's Chapter 70 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

Chapter 70 is a municipal based formula. The State calculates Hanson and Whitman's numbers first which then forms the Whitman Hanson Region.

# Hanson Foundation Budget

123 Hanson

	Base Foundation Components							Incremental Costs Above the Base						TOTAL
	1	2	3	4	5	6	7	8	9	10	11	12	13	
	----- Kindergarten -----			Junior/	High		Special Ed	Special Ed	English learners	English learners	English learners			
	Pre-school	Half-Day	Full-Day	Elementary	Middle	School	Vocational	In-District	Tuitioned-Out	PK-5	6-8	High School/Voc	Low income	
Foundation Enrollment	0	0	0	0	0	0	5	0	0	0	0	0	0	5
1 Administration	0	0	0	0	0	0	2,213	0	0	0	0	0	0	2,213
2 Instructional Leadership	0	0	0	0	0	0	3,998	0	0	0	0	0	0	3,998
3 Classroom & Specialist Teachers	0	0	0	0	0	0	40,325	0	0	0	0	0	0	40,325
4 Other Teaching Services	0	0	0	0	0	0	2,817	0	0	0	0	0	0	2,817
5 Professional Development	0	0	0	0	0	0	1,261	0	0	0	0	0	0	1,261
6 Instructional Materials, Equipment & Technol	0	0	0	0	0	0	7,428	0	0	0	0	0	0	7,428
7 Guidance & Psychological Services	0	0	0	0	0	0	2,226	0	0	0	0	0	0	2,226
8 Pupil Services	0	0	0	0	0	0	2,998	0	0	0	0	0	0	2,998
9 Operations & Maintenance	0	0	0	0	0	0	10,014	0	0	0	0	0	0	10,014
10 Employee Benefits/Fixed Charges*	0	0	0	0	0	0	9,175	0	0	0	0	0	0	9,175
11 Special Education Tuition*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Total	0	0	0	0	0	0	82,454	0	0	0	0	0	0	82,454
13 Wage Adjustment Factor	100.0%							Foundation Budget per Pupil						16,491
*The wage adjustment factor is applied to underlying rates in all functions except instructional equipment, benefits and special education tuition.														
14 Low-income percentage	0.00%							English learner foundation budget as % total foundation budget						0.0%
15 Low-income group	.0							Low-income foundation budget as % total foundation budget						0.0%

Each district has a foundation budget, a target to spend, to be funded by local contributions and Ch 70 aid.

It is driven primarily by foundation enrollment and inflation.

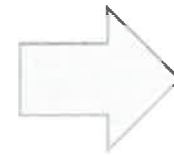
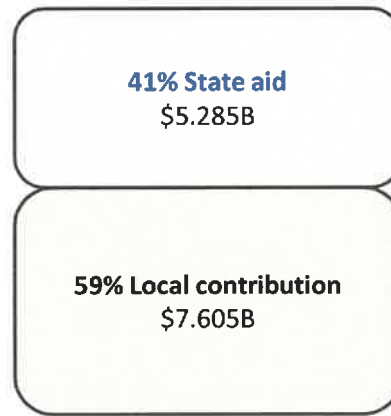
Hanson sends its students to WH, thus there is no foundation budget for Hanson, except for its vocational students.

## Determining each municipality's target local share starts with the local share of statewide foundation

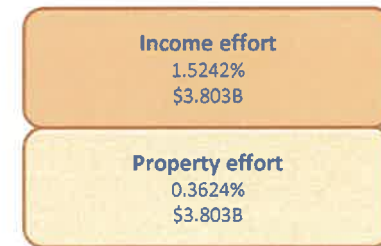
Calculate statewide foundation budget



Determine target local share of statewide foundation



Statewide, determine percentages that yield ½ from property and ½ from income



Property and income percentages are applied uniformly across all cities and towns to determine the **combined effort yield** from property and income.

An individual municipality's target local share is based on its local property value, income, and foundation budget

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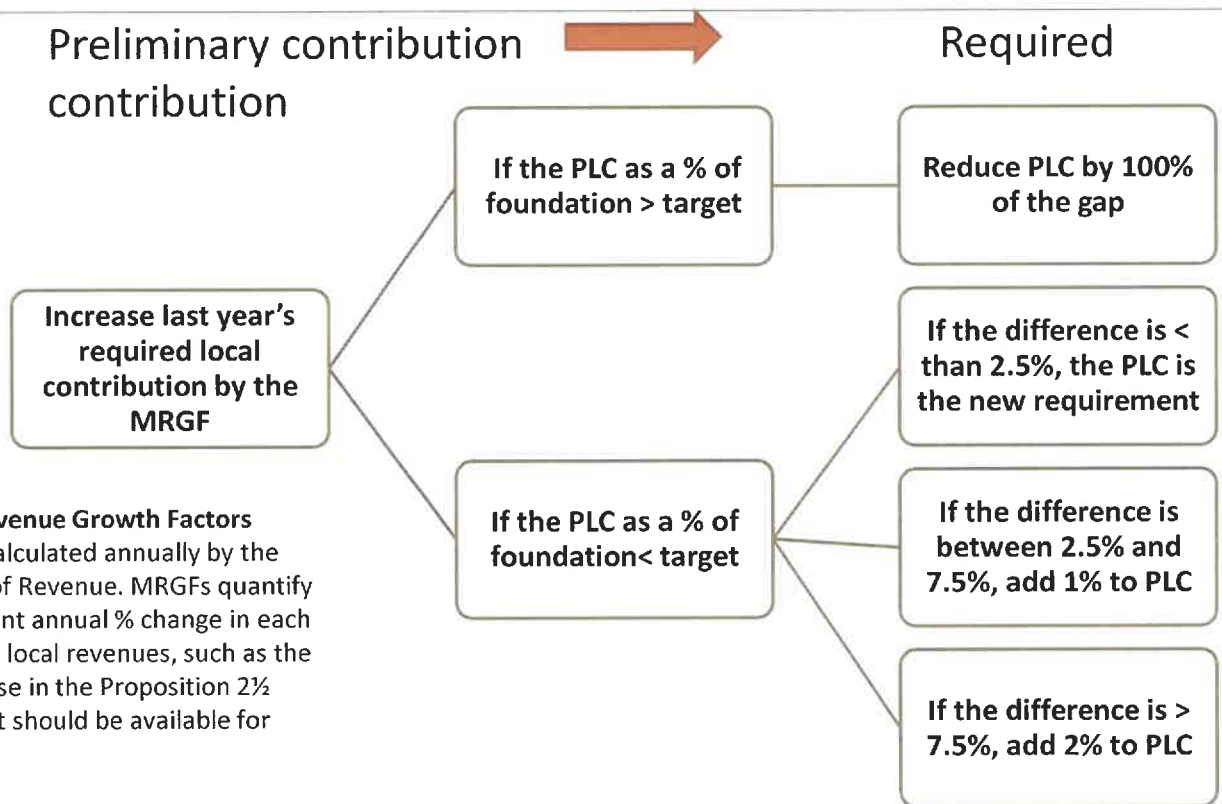
The sum of a municipality's local property and income effort equals its Combined Effort Yield (CEY)



Target Local Share = CEY/Foundation budget (calculated at the city/town level)

- Capped at 82.5% of foundation (168 municipalities or 48% are capped)

Next the formula calculates each municipality's preliminary local contribution (PLC) and makes adjustments relative to target to determine the required local contribution (RLC)



**Municipal Revenue Growth Factors (MRGF)** are calculated annually by the Department of Revenue. MRGFs quantify the most recent annual % change in each municipality's local revenues, such as the annual increase in the Proposition 2½ levy limit, that should be available for schools

# Hanson Local Contribution Target

## 123 Hanson

### Effort Goal

1) 2022 equalized valuation	1,705,096,200
2) Uniform property percentage	0.2534%
3) Local effort from property wealth	6,025,243
4) 2020 income	450,387,000
5) Uniform income percentage	1.5329%
6) Local effort from income	6,904,180
7) Combined effort yield (3 + 6)	12,929,423
8) FY24 Foundation Budget	20,447,146
9) Maximum local contribution (82.5% * 8)	16,868,896
10) Target local contribution (lesser of 7 or 9)	12,929,423
11) Target <b>local</b> share (10 as % of 8)	63.23%
12) Target <b>aid</b> share (100% minus 11)	36.77%

Each district must fund its local contribution as determined by the State based on ability to pay.

Hanson' local contribution is based on its wealth factors.

Its local contribution target is \$12,929,423.

Its local target share is 63.23%.

# Hanson Increments Toward Target

## 123 Hanson

### FY24 Increments Toward Goal

13) FY23 required local contribution	11,135,828
14) Municipal revenue growth factor (DOR)	3.79%
15) #REF!	11,557,876
16) Preliminary contribution pct of foundation (15 / 8)	56.53%

### *If preliminary contribution is above the target share:*

17) Excess local effort (15 - 10)	0
18) 100% reduction toward target (17 x 100%)	0
19) FY24 Required Local Contribution (15-18)	0
20) Contribution as percentage of foundation (19 / 8)	0.00%

### *If preliminary contribution is below the target share:*

21) Shortfall from target local share (10 - 15)	1,371,547
22) Shortfall percentage (11 - 16)	6.70%
23) Added increment toward target (13 x 1% or 2%)*	111,358
<i>*1% if shortfall is between 2.5% and 7.5%; 2% if shortfall &gt; 7.5%</i>	
24) Special increment toward 82.5% target**	0
<i>**if combined effort yield &gt; 175% foundation</i>	
Combined effort yield as % of foundation	
25) Shortfall from target after adding increments (10 - 15 - 23 - 24)	1,260,189
26) FY24 Required Local Contribution (15+23+24)	<b>11,669,234</b>
27) Contribution as percentage of foundation (26 / 8)	57.07%

□ Local contributions are calculated starting with last year's local contribution increased by its municipal revenue growth factor (MRGF).

□ Hanson is below its target by 6.7%.

□ Thus, Hanson incurs a 1% increment adding to its contribution.

□ After the increment, Hanson is \$1.2 m below its effort.

□ Its FY23 required local contribution is \$11,669,234

# Local Contribution Apportionment to Districts to which Hanson Belongs

123 Hanson	Whitman			Combined Total for All Districts
	Hanson	Hanson	South Shore	
<u>Prior Year Data (for comparison purposes)</u>				
1 FY23 foundation enrollment	3	1,356	82	1,441
2 FY23 foundation budget	47,093	16,811,336	1,600,404	18,458,832
3 Each district's share of municipality's combined FY23 foundation	0.26%	91.07%	8.67%	100.00%
4 FY23 required contribution	28,410	10,141,928	965,490	11,135,828
<u>FY24 apportionment of contribution among community's districts</u>				
5 FY24 total unapportioned required contribution ('municipal contribution' tab row 19 or 25)				11,669,234
6 FY24 foundation enrollment	5	1,390	86	1,481
7 FY24 foundation budget	82,454	18,574,405	1,790,287	20,447,146
8 Each district's share of municipality's total FY24 foundation	0.40%	90.84%	8.76%	100.00%
9 FY24 Required Contribution	47,057	10,600,456	1,021,721	11,669,234
10 Change FY24 to FY23 (9 - 4)	18,647	458,528	56,231	533,406

Local contributions are apportioned to districts to which a community belongs based on foundation shares.

Hanson belongs to WH and South Shore.

Thus Hanson's local contribution is apportioned to these districts based on foundation shares to derive its local required district contributions.

The \$10,600,456 local district contribution to WH is the starting point for the statutory assessment to Hanson.



# Whitman Foundation Budget

338 Whitman

	Base Foundation Components							Incremental Costs Above the Base						TOTAL
	1	2	3	4	5	6	7	8	9	10	11	12	13	
	Pre-school	Half-Day	Full-Day	Elementary	Junior/Middle	High School	Vocational	Special Ed In-District	Special Ed Tuitioned-Out	English learners PK-5	English learners 6-8	English learners High School/Voc	Low Income	
Foundation Enrollment	0	0	0	0	0	0	13	1	0	0	0	0	0	13
1 Administration	0	0	0	0	0	0	5,755	3,055	0	0	0	0	0	8,810
2 Instructional Leadership	0	0	0	0	0	0	10,394	0	0	0	0	0	0	10,394
3 Classroom & Specialist Teachers	0	0	0	0	0	0	104,846	10,081	0	0	0	0	0	114,927
4 Other Teaching Services	0	0	0	0	0	0	7,325	9,413	0	0	0	0	0	16,738
5 Professional Development	0	0	0	0	0	0	3,277	486	0	0	0	0	0	3,764
6 Instructional Materials, Equipment & Technology	0	0	0	0	0	0	19,314	424	0	0	0	0	0	19,738
7 Guidance & Psychological Services	0	0	0	0	0	0	5,786	0	0	0	0	0	0	5,786
8 Pupil Services	0	0	0	0	0	0	7,794	0	0	0	0	0	0	7,794
9 Operations & Maintenance	0	0	0	0	0	0	26,035	3,413	0	0	0	0	0	29,448
10 Employee Benefits/Fixed Charges*	0	0	0	0	0	0	23,854	3,898	0	0	0	0	0	27,752
11 Special Education Tuition*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Total	0	0	0	0	0	0	214,380	30,771	0	0	0	0	0	245,151
13 Wage Adjustment Factor	100.0%							Foundation Budget per Pupil						18,858
14 Low-income percentage	0.00%							English learner foundation budget as % total foundation budget						0.0%
15 Low-income group	0							Low-income foundation budget as % total foundation budget						0.0%

Each district has a foundation budget, a target to spend, to be funded by local contributions and Ch 70 aid.

It is driven primarily by foundation enrollment and inflation.

Whitman sends its students to WH, thus there is no foundation budget for Hanson, except for its vocational students. Similar to Hanson.

# Whitman Local Contribution Target

## 338 Whitman

### Effort Goal

1) 2022 equalized valuation	2,145,260,700
2) Uniform property percentage	0.3534%
3) Local effort from property wealth	7,580,638
4) 2020 income	554,157,000
5) Uniform income percentage	1.5329%
6) Local effort from income	8,494,916
7) Combined effort yield (3 + 6)	16,075,554
8) FY24 Foundation budget	32,509,116
9) Maximum local contribution (82.5% * 8)	26,820,021
10) Target local contribution (lesser of 7 or 9)	16,075,554
11) Target <b>local</b> share (10 as % of 8)	49.45%
12) Target <b>aid</b> share (100% minus 11)	50.55%

Each district must fund its local contribution as determined by the State based on ability to pay.

Whitman's local contribution is based on its wealth factors.

Whitman's target contribution is \$16,075,554.

Its local target share is 49.45%, lower than Hanson's.

# Whitman Increments Toward Target

## 338 Whitman

### FY24 Increments Toward Goal

13) FY23 required local contribution	13,347,767
14) Municipal revenue growth factor (DOR)	4.00%
15) FY24 preliminary contribution (13 raised by 14)	13,881,678
16) Preliminary contribution pct of foundation (15 / 8)	42.70%

### *If preliminary contribution is above the target share:*

17) Excess local effort (15 - 10)	
18) 100% reduction toward target (17 x 100%)	
19) FY24 required local contribution (15 - 18), capped at 90% of founda	
20) Contribution as percentage of foundation (19 / 8)	

### *If preliminary contribution is below the target share:*

21) Shortfall from target local share (10 - 15)	2,193,876
22) Shortfall percentage (11 - 16)	6.75%
23) Added increment toward target (13 x 1% or 2%)*	133,478
<i>*1% if shortfall is between 2.5% and 7.5%; 2% if shortfall &gt; 7.5%</i>	
24) Special increment toward 82.5% target**	0
<i>**if combined effort yield &gt; 175% foundation</i>	
Combined effort yield as % of foundation	
25) Shortfall from target after adding increments (10 - 15 - 23 - 24)	2,060,398
26) FY24 required local contribution (15 + 23 + 24)	14,015,156
27) Contribution as percentage of foundation (26 / 8)	43.11%

□ Local contributions are calculated starting with last year's local contribution increased by its municipal revenue growth factor (MRGF).

□ Whitman is below its target of 6.75%

□ Thus, Whitman incurs a 1% increment adding to its contribution.

□ After the increment, Whitman is \$2.0 m below its effort.

□ Its FY23 required local contribution is \$14,015,156.

# Local Contribution Apportionment to Districts to which Whitman Belongs

338 Whitman

Whitman    Whitman Hanson    South Shore

Combined Total  
for All Districts

Prior Year Data (for comparison purposes)

1FY23 foundation enrollment	14	2,086	140	2,240
2FY23 foundation budget	249,187	25,868,189	2,732,396	28,849,772
3Each district's share of municipality's combined FY23 foundation	0.86%	89.67%	9.47%	100.00%
4FY23 required contribution	115,290	11,968,294	1,264,183	13,347,767

FY24 apportionment of contribution among community's districts

5FY24 total unapportioned required contribution ('municipal contribution' tab row 19 or 25)				14,015,156
6FY24 foundation enrollment	13	2,180	151	2,344
7FY24 foundation budget	245,151	29,120,554	3,143,411	32,509,116
8Each district's share of municipality's total FY24 foundation	0.75%	89.58%	9.67%	100.00%
9FY24 Required Contribution	105,688	12,554,297	1,355,170	14,015,155
10Change FY24 to FY23 (9 - 4)	-9,602	586,003	90,987	667,388

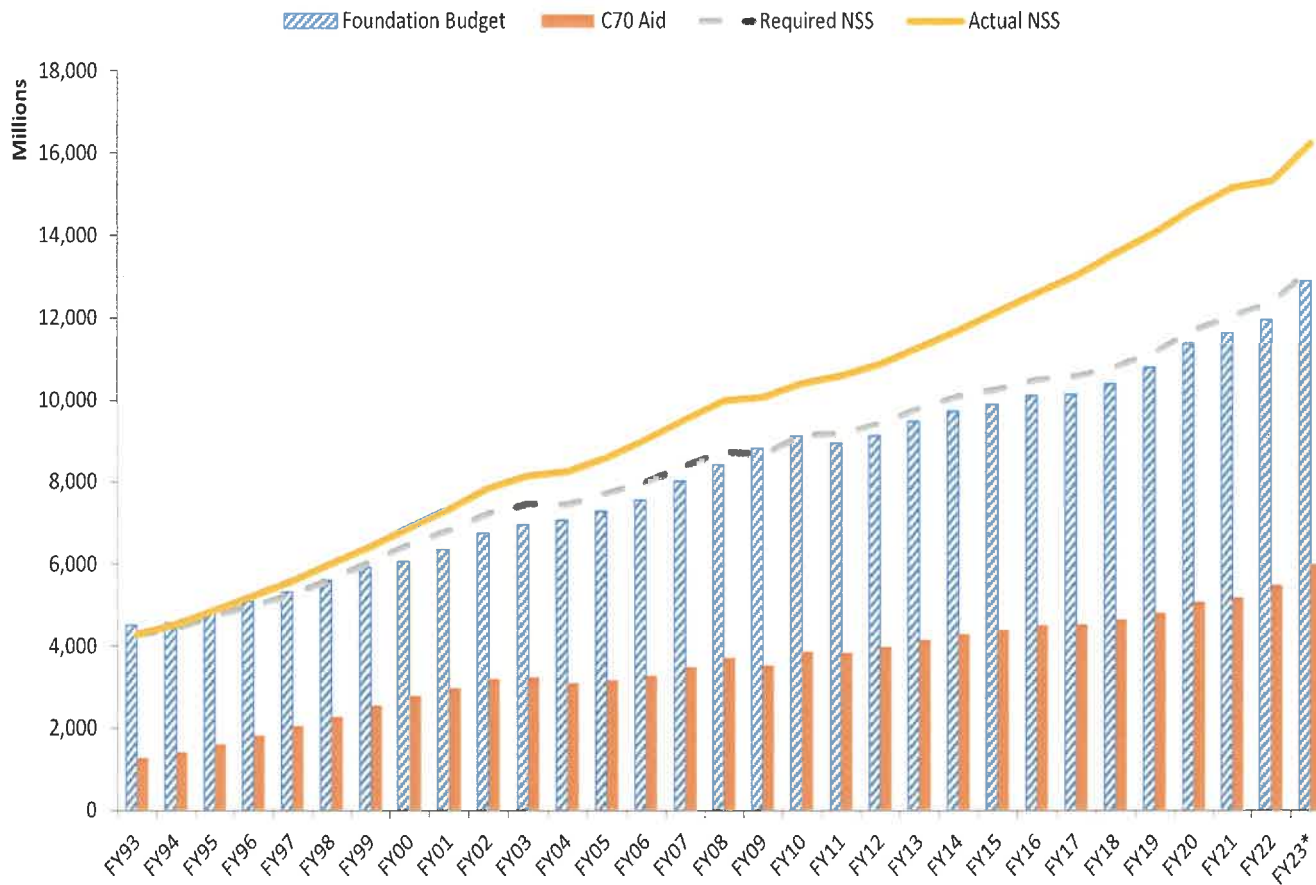
Local contributions are apportioned to districts to which a community belongs based on foundation shares.

Whitman belongs to WH and South Shore.

Thus Whitman's local contribution is apportioned to these districts based on foundation shares to derive its local required district contributions.

The \$12,554,527 local district contribution to WH is the starting point for the statutory assessment to Whitman.

# Whitman Hanson Region



- This chart presents WH's Ch 70 and NSS numbers since the inception of Ed Reform.
- Its foundation budget and required NSS are basically the same.
- WH has met and exceeded its NSS requirement every year.

# Whitman Hanson Region

	Foundation Enrollment		Foundation Budget		Chapter 70 Aid <i>Reflects</i>		Required Net School Spending		Required NSS		Actual NSS		Dollars Over/Under Requirement		% Over/ Under	
	Enrollment	% Chg	Budget	% Chg	Required Local Contribution	Penalties, where applicable	% Chg	Aid + Local Contribution	Includes Carryover	% Chg	Actual NSS	% Chg	Requirement	% Over/ Under		
FY08	4,180	-1.7%	33,351,647	3.4%	10,636,667	22,947,017	2.5%	33,583,684	33,583,684	4.1%	36,755,687	6.6%	3,172,003	9.4%		
FY09	4,223	1.0%	35,222,900	5.6%	11,243,141	21,457,945	-6.5%	35,222,900	32,701,086	-2.6%	35,262,287	-4.1%	2,561,201	7.8%		
FY10	4,281	1.4%	36,937,607	4.9%	12,830,981	23,500,164	9.5%	36,331,145	36,331,145	11.1%	37,557,227	6.5%	1,226,082	3.4%		
FY11	4,310	0.7%	36,853,532	-0.2%	13,057,622	23,339,328	-0.7%	36,396,950	36,396,950	0.2%	38,206,481	1.7%	1,809,531	5.0%		
FY12	4,193	-2.7%	36,625,906	-0.6%	13,430,108	23,464,624	0.5%	36,894,732	36,894,732	1.4%	38,147,108	-0.2%	1,252,376	3.4%		
FY13	4,159	-0.8%	37,691,613	2.9%	14,011,112	23,680,501	0.9%	37,691,613	37,691,613	2.2%	38,942,732	2.1%	1,251,119	3.3%		
FY14	4,152	-0.2%	38,579,785	2.4%	14,560,975	24,018,810	1.4%	38,579,785	38,579,785	2.4%	39,474,730	1.4%	894,945	2.3%		
FY15	4,067	-2.0%	38,173,063	-1.1%	15,278,470	24,120,485	0.4%	39,398,955	39,398,955	2.1%	40,738,057	3.2%	1,339,102	3.4%		
FY16	3,964	-2.5%	38,322,360	0.4%	16,147,370	24,219,585	0.4%	40,366,955	40,366,955	2.5%	41,305,906	1.4%	938,951	2.3%		
FY17	3,939	-0.6%	38,333,512	0.0%	16,774,824	24,436,230	0.9%	41,211,054	41,211,054	2.1%	42,954,085	4.0%	1,743,031	4.2%		
FY18	3,860	-2.0%	38,233,604	-0.3%	17,627,386	24,552,030	0.5%	42,179,416	42,179,416	2.3%	44,239,290	3.0%	2,059,874	4.9%		
FY19	3,781	-2.0%	38,780,823	1.4%	18,467,197	24,665,460	0.5%	43,132,657	43,132,657	2.3%	46,132,215	4.3%	2,999,558	7.0%		
FY20	3,708	-1.9%	39,870,088	2.8%	19,523,939	24,776,700	0.5%	44,300,639	44,300,639	2.7%	48,092,160	4.2%	3,791,521	8.6%		
FY21	3,659	-1.3%	40,183,483	0.8%	20,355,354	24,776,700	0.0%	45,132,054	45,132,054	1.9%	48,994,521	1.9%	3,862,467	8.6%		
FY22	3,528	-3.6%	40,067,181	-0.3%	21,155,625	24,882,540	0.4%	46,038,165	46,038,165	2.0%	0	-100.0%	-46,038,165	-100.0%		
FY23*	3,442	-2.4%	42,679,524	6.5%	22,110,222	25,089,060	0.8%	47,199,282	49,501,190	7.5%	0	0.0%	-49,501,190	-100.0%		
	-738	-17.7%	9,327,877	28.0%	11,473,555	2,142,043	9.3%	13,615,598	15,917,506	47.4%	-36,755,687	-100.0%				

- ❑ This chart presents WH's Ch 70 and NSS numbers since FY 2008.
- ❑ Foundation enrollment has declined by 738 students, 18%.
- ❑ Required contributions, Chapter 70 aid, required and actual NSS have all increased.
- ❑ WH has not filed its EOYR for FY22. I
- ❑ Its actual NSS > than the requirement is 8.6%; state average is 23%

# Whitman Hanson Foundation Budget

780 Whitman Hanson

	Base Foundation Components							Incremental Costs Above the Base						14
	1	2	3	4	5	6	7	8	9	10	11	12	13	
	Pre-school	----- Kindergarten ----- Half-Day	Full-Day	Elementary	Junior/ Middle	High School	Vocational	Special Ed In-District	Special Ed Tuitioned-Out	English learners PK-5	English learners 6-8	English learners High School/Voc	Low income	
Foundation Enrollment	100	0	223	1,331	859	1,107	0	137	35	99	26	44	1,242	3,570
1 Administration	22,134	0	98,715	589,194	380,254	490,036	0	418,558	123,604	10,658	2,967	5,042	86,803	2,227,965
2 Instructional Leadership	39,974	0	178,291	1,064,148	686,779	885,058	0	0	0	18,652	5,192	8,824	411,301	3,298,218
3 Classroom & Specialist Teachers	183,298	0	817,509	4,879,326	2,771,151	5,251,730	0	1,381,135	0	130,555	36,343	61,768	4,015,113	19,527,929
4 Other Teaching Services	47,010	0	209,676	1,251,473	581,406	623,750	0	1,289,547	1,888	18,652	5,192	8,824	0	4,037,417
5 Professional Development	7,249	0	32,348	193,101	135,086	168,806	0	66,624	0	5,328	1,483	2,521	194,783	807,231
6 Instructional Materials, Equipment & Technol	26,529	0	118,326	706,242	455,794	939,799	0	58,152	0	13,321	3,708	6,303	29,870	2,358,045
7 Guidance & Psychological Services	17,340	0	77,341	461,617	335,852	492,737	0	0	0	7,993	2,225	3,782	162,578	1,561,465
8 Pupil Services	5,204	0	23,667	211,855	223,349	663,724	0	0	0	2,665	742	1,261	844,833	1,977,400
9 Operations & Maintenance	50,900	0	227,012	1,354,945	948,010	1,184,579	0	467,548	0	31,973	8,900	15,127	0	4,288,993
10 Employee Benefits/Fixed Charges*	72,864	0	324,969	1,939,640	1,326,339	1,523,929	0	534,078	0	29,895	8,322	14,144	662,470	6,436,650
11 Special Education Tuition*	0	0	0	0	0	0	0	0	1,173,548	0	0	0	0	1,173,548
12 Total	472,602	0	2,107,854	12,651,541	7,844,019	12,224,147	0	4,215,643	1,299,039	269,693	75,075	127,595	6,407,751	47,694,960
13 Wage Adjustment Factor	100.0%													
14 Low-income percentage	34.99%													
15 Low-income group	6													

Each district has a foundation budget, a target to spend, to be funded by local contributions and Ch 70 aid.

It is driven primarily by foundation enrollment and inflation.

WH foundation enrollment is 3,570.

Its foundation budget is \$47,694,960.

It is in low income group 6.

Foundation Budget per Pupil 13,360

English learner foundation budget as % total foundation budget 1.0%  
Low-income foundation budget as % total foundation budget 13.4%



# Foundation Rates

## Foundation Budget Rates Per Pupil, FY23 Chapter 70

	Administration	Instructional Leadership	Classroom & Specialist Teachers	Other Teaching Services	Professional Development	Instructional Materials, Equipment & Technology	Guidance & Psychological Services	Pupil Services	Operations & Maintenance	Employee Benefits/Fixed Charges	Special Education Tuition	Total, All Categories
Pre-school	211.81	382.53	1,754.05	449.86	69.37	253.87	153.16	50.76	487.08	651.59	0.00	4,464.08
Kindergarten half-day	211.81	382.53	1,754.05	449.86	69.37	253.87	153.16	50.76	487.08	651.59	0.00	4,464.08
Kindergarten full-day	423.61	765.08	3,508.10	899.76	138.81	507.76	306.35	101.56	974.15	1,303.16	0.00	8,928.34
Elementary	423.61	765.08	3,508.05	899.76	138.83	507.76	306.35	152.32	974.15	1,303.19	0.00	8,979.10
Junior/Middle	423.61	765.08	3,087.10	647.69	150.49	507.76	362.69	248.81	1,056.10	1,369.51	0.00	8,618.84
High School	423.61	765.08	4,539.82	539.20	145.92	812.40	425.94	573.75	1,024.00	1,226.16	0.00	10,475.88
Vocational	423.61	765.08	7,717.75	539.20	241.25	1,421.69	425.94	573.75	1,916.47	1,672.97	0.00	15,697.71
Special Education in-district	2,923.61	0.00	9,647.16	9,007.42	465.37	406.19	0.00	0.00	3,265.80	3,703.80	0.00	29,419.35
Special Education tuitioned-out	3,262.78	0.00	0.00	49.84	0.00	0.00	0.00	0.00	0.00	0.00	30,978.37	34,290.99
English learners PK-5	101.16	177.02	1,239.09	177.02	50.57	126.43	75.86	25.30	303.45	278.17	0.00	2,554.07
English learners 6-8	106.77	186.83	1,307.82	186.83	53.38	133.45	80.08	26.69	320.28	293.59	0.00	2,695.72
English learners high school/voc	99.63	174.34	1,220.36	174.34	49.80	124.52	74.71	24.91	298.86	273.96	0.00	2,515.43
Low-income group 1 (0-5.99%)	53.94	255.58	2,495.00	0.00	121.05	18.55	101.03	524.98	0.00	403.58	0.00	3,973.71
Low-income group 2 (6-11.99%)	55.43	262.60	2,563.53	0.00	124.37	19.06	103.80	539.40	0.00	414.67	0.00	4,082.86
Low-income group 3 (12-17.99%)	56.90	269.63	2,632.05	0.00	127.70	19.58	106.58	553.82	0.00	425.76	0.00	4,192.02
Low-income group 4 (18-23.99%)	58.39	276.64	2,700.58	0.00	131.02	20.08	109.36	568.24	0.00	436.84	0.00	4,301.15
Low-income group 5 (24-29.99%)	59.87	283.66	2,769.11	0.00	134.35	20.59	112.13	582.66	0.00	447.93	0.00	4,410.30
Low-income group 6 (30-35.99%)	65.09	308.37	3,010.30	0.00	146.04	22.39	121.89	633.40	0.00	486.94	0.00	4,794.42
Low-income group 7 (36-41.99%)	68.64	325.22	3,174.83	0.00	154.02	23.61	128.56	668.03	0.00	513.55	0.00	5,056.46
Low-income group 8 (42-47.99%)	72.20	342.08	3,339.36	0.00	162.01	24.84	135.22	702.64	0.00	540.16	0.00	5,318.51
Low-income group 9 (48-53.99%)	75.76	358.94	3,503.91	0.00	169.99	26.06	141.88	737.27	0.00	566.78	0.00	5,580.59
Low-income group 10 (54-59.99%)	79.31	375.80	3,668.44	0.00	177.97	27.28	148.55	771.89	0.00	593.40	0.00	5,842.64
Low-income group 11 (70-79.99%)	83.62	396.18	3,867.46	0.00	187.63	28.76	156.61	813.77	0.00	625.59	0.00	6,159.62
Low-income group 12 (80%+)	87.92	416.57	4,066.47	0.00	197.28	30.24	164.67	855.64	0.00	657.78	0.00	6,476.57

□ The SOA act increased several foundation budget line items consistent with the Foundation Budget Review Commission's recommendations.

□ Each districts' foundation enrollment is multiplied by foundation rates to derive the foundation budget.

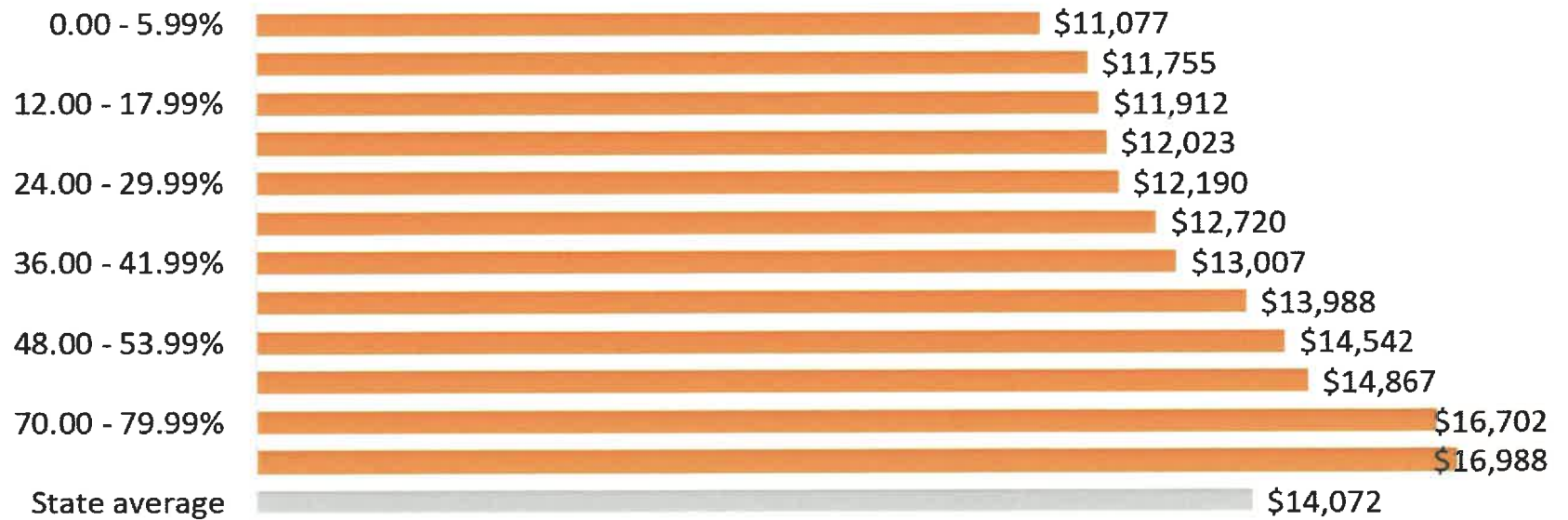
□ Whitman Hanson is in low income group 6.



Foundation budgets vary based on student needs, including concentrations of low-income students

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### Foundation budget per pupil, by low-income % range



Note: Chart excludes vocational and agricultural districts.

# Whitman Hanson Chapter 70 Aid

## **780 Whitman Hanson Aid Calculation FY24**

### **Prior Year Aid**

1 Chapter 70 FY23 **25,089,060**

### **Foundation Aid**

2 Foundation budget FY24 47,694,960

3 Required district contribution FY24 23,154,753

4 Foundation aid (2 -3) 24,540,207

5 Increase over FY23 (4 - 1) **0**

### **Minimum Aid**

6 Minimum \$30 per pupil increase 107,100

7 Minimum aid amount  
(if line 6 - line 5 > 0, then line 6 - line 5, otherwise 0) **107,100**

### **Subtotal**

8 Sum of 1,5,7 **25,196,160**

### **Minimum Aid Adjustment**

9 Minimum aid adjustment 25,196,160

10 Aid adjustment increment  
(if line 9 - line 8 > 0, then line 9 - line 8, otherwise 0) **0**

### **Non-Operating District Reduction to Foundation**

11 Reduction to foundation **0**

### **FY24 Chapter 70 Aid**

12 Sum of 1,5,7,10 minus 11 **25,196,160**

☐ WH received \$25,089,060 Ch 70 base (prior year) aid.

☐ The State must fund each district its foundation aid, the difference between its foundation budget and required contributions from its member towns (required district contributions). This is the grandfathering effect: that every district will receive at least its prior year base aid.

☐ WH receives \$24,540,207 in foundation aid to maintain foundation, \$451K less than base aid.

☐ Every district is entitled to \$30 per pupil in minimum aid.

☐ Thus, WH receives an additional \$107,100 in minimum aid and will continue to receive minimum aid until foundation aid exceeds base aid.

# Required Net School Spending and FY23 Comparison

## Comparison to FY23

	FY23	FY24	Change	Pct Chg
Enrollment	3,442	3,570	128	3.72%
Foundation budget	42,679,524	47,694,960	5,015,436	11.75%
Required district contribution	22,110,222	23,154,753	1,044,531	4.72%
Chapter 70 aid	<b>25,089,060</b>	<b>25,196,160</b>	107,100	0.43%
Required net school spending (NSS)	47,199,282	48,350,913	1,151,631	2.44%
Target aid share	43.27%	45.18%		
C70 % of foundation	58.78%	52.83%		
Required NSS % of foundation	110.59%	101.38%		

- ❑ Net School Spending is the sum of the required local district contribution and Ch 70.
- ❑ For FY24, WH’s foundation enrollment and budget, local required district contribution and required net school spending increased from FY23.
- ❑ Chapter 70 increased by \$107,100.
- ❑ WH’s net school spending requirement increased by \$1.15m to \$48.3m.

# Whitman Hanson Comparison

Whitman	Whitman	Hanson
<b>Determination of City and Town Total Required Contribution</b>		
<b>Effort Goal</b>		
1 2022 EQV	\$ 2,145,260,700	\$ 1,705,096,200
2 Property Percentage	0.3534%	0.3534%
3 Local Effort From Property Wealth	\$ 7,580,637	\$ 6,025,242
4 2020 Income	\$ 554,157,000	\$ 450,387,000
5 Uniform Income Percentage	1.5329%	1.5329%
6 Local Effort From Income	\$ 8,494,917	\$ 6,904,181
7 Combined Effort Yield	\$ 16,075,554	\$ 12,929,423
8 Foundation Budget FY24	\$ 32,509,116	\$ 20,447,146
9 Maximum Local Contribution	\$ 26,820,021	\$ 16,868,895
10 Target Local Contribution	\$ 16,075,554	\$ 12,929,423
11 Target Local Share	49.45%	63.23%
12 Target Aid Share	50.55%	36.77%
<b>FY24 Increments Toward Goal</b>		
13 Required Local Contribution FY23	\$ 13,347,767	\$ 11,135,828
14 MRGF	4.00%	3.79%
15 FY24 Preliminary Contribution	\$ 13,881,678	\$ 11,557,876
16 Preliminary Contribution as a % of Foundation	42.70%	56.53%
<b>If Final Contribution is Above the Target</b>		
17 Excess Local Effort	\$ -	\$ -
18 100% Reduction Toward Target	\$ -	\$ -
19 FY24 Required Local Contribution	\$ -	\$ -
20 Contribution as a % of Foundation	0.00%	0.00%
<b>If Final Contribution is Below the Target</b>		
21 Shortfall From Target Local Share	\$ 2,193,876	\$ 1,371,547
22 Shortfall Percentage	6.75%	6.70%
23 Added Increment Toward Target	\$ 133,478	\$ 111,358
24 Special Increment Toward Target	\$ -	\$ -
25 Shortfall From Target After Adding Increment	\$ 2,060,398	\$ 1,260,189
26 FY24 Required Local Contribution	\$ 14,015,155	\$ 11,669,234
27 Contribution as a % of Foundation	43.11%	57.07%

- Whitman is the larger community, EQV, income, combined effort yield and other data points.
- Hanson's target local share is larger than Whitman's – 63 to 49%; thus, Hanson is considered the wealthier community.
- The MRGFs are very close, Whitman 4%, Hanson 3.79%.
- Both towns are below their effort target.
- Both towns incur a 1% increment.
- Both towns have large shortfalls from target.
- Both towns will see increases in their local contributions going forward to include increments.

# Whitman Hanson Comparison

<b>FY24 Summary</b>	<b>Whitman</b>	<b>Hanson</b>	<b>Total</b>
Foundation Enrollment	2,180	1,390	3,570
Foundation Budget	\$ 29,120,554	\$ 18,574,405	\$ 47,694,959
Required District Contribution	\$ 12,554,297	\$ 10,600,456	\$ 23,154,753
Chapter 70 Aid			\$ 25,196,161
Required Net School Spending			\$ 48,350,914
Required NSS % of Foundation			101.38%
<b>Percentages FY24</b>	<b>Whitman</b>	<b>Hanson</b>	<b>Total</b>
Foundation Enrollment - FY24	61.1%	38.9%	100.0%
Foundation Budget - FY24	61.1%	38.9%	100.0%
Required District Contribution - FY24	54.2%	45.8%	100.0%
<b>Percentages FY24</b>	<b>Whitman</b>	<b>Hanson</b>	<b>Total</b>
Foundation Enrollment - FY24	60.6%	39.4%	100.0%
Foundation Budget - FY24	60.6%	39.4%	100.0%
Required District Contribution - FY24	54.1%	45.9%	100.0%
<b>Per Pupil Wealth</b>	<b>Whitman</b>	<b>Hanson</b>	
Combined Effort Yield	\$ 7,374	\$ 9,302	
Maximum Local Contribution	\$ 12,303	\$ 12,136	

□ Whitman has the larger foundation enrollment, foundation budget and required district contribution.

□ On a per pupil wealth basis, both towns are very similar, Whitman \$12,303; Hanson \$12,136.

# Summary

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- ❑ For a number of years, Whitman Hanson's foundation enrollment and foundation budgets were declining. Its foundation enrollment increased from FY23 to FY24.
- ❑ Whitman Hanson is a minimum aid district and will continue to be until its foundation aid is greater than its base aid.
- ❑ Hanson's local minimum contribution is based on its wealth factors. It is considered the wealthier community within Whitman Hanson.
- ❑ Hanson is under their local effort by 6.7% and will see their local contribution increase annually by the growth factor and an increment for several more years.

# For Further Information

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