

By Mr. Hall of Westford, petition of Geoffrey D. Hall, other members of the House and another relative to the distribution of local aid funds for educational purposes. Education, Arts and Humanities.

The Commonwealth of Massachusetts

In the Year Two Thousand and One.

AN ACT SIMPLIFYING 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  
2 to more accurately reflect the demographics of Massachusetts  
3 cities and towns by using the current number of pupils in each  
4 municipality and by using current values to determine the finan-  
5 cial ability of each municipality to provide an adequate education  
6 for all pupils, and for the purpose of distributing education aid  
7 more equitably among the cities and towns, Chapter 70 is hereby  
8 amended by the following sections.

1 SECTION 2. Section 2 of Chapter 70 of the 1998 Official Edi-  
2 tion of the Massachusetts General Laws is hereby amended by  
3 striking out the definition of "Base Aid" and inserting in place  
4 thereof the following new definition:

5 "Base Aid" shall be, in any fiscal year, the amount of aid dis-  
6 tributed to a municipality under the provisions of this chapter for  
7 fiscal year 2002.

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  
5 budget, 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  
3 required local contribution" and inserting in place thereof the  
4 following new definition:

5 "Minimum required local contribution" shall be the amount of  
6 the foundation budget minus the greater of either foundation aid  
7 or base aid, assuming full funding of foundation aid; provided  
8 however that the commissioner may authorize a reduction in said  
9 minimum required local contribution, on terms and conditions  
10 prescribed by the commissioner, to obviate undue financial hard-  
11 ship on a municipality applying for such relief in accordance with  
12 procedures relating 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 definition:

4 "Standard of effort" shall be the local share of the foundation  
5 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  
8 budget shall be the product of seventy percent and the relativity  
9 factor.

10 For municipalities at greater than the state-wide average equal-  
11 ized property valuation per pupil, the local share of the foundation  
12 budget shall be one hundred percent minus the quantity (thirty  
13 percent 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  
4 equalized valuations per pupil divided by the state-wide average  
5 equalized 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 per-  
4 centage, shall be thirty 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 state share of the foundation  
8 budget shall be one hundred percent minus the quantity (seventy  
9 percent times the relativity factor).

10 For municipalities at greater than the state-wide average equal-  
11 ized property valuation per pupil, the state share of the foundation  
12 budget 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 distrib-  
5 uted to a municipality under the provisions of this chapter.

1 SECTION 10. Section 2 of Chapter 70 is hereby further  
2 amended 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 Municipi-  
4 pality. Subject to appropriation, the amount of state aid paid to  
5 each municipality shall be the sum of foundation aid and stabiliza-  
6 tion aid, as defined in Section 9 hereunder and as modified by the  
7 provisions of 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  
6 chapter shall be allocated among municipalities as provided in  
7 section 10 hereunder.

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

1 SECTION 15. This act shall take effect on January 1, 2002 and  
2 shall be applicable to fiscal years 2003 and thereafter.