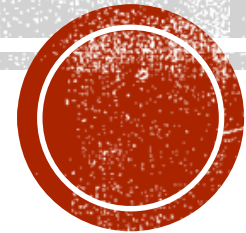


REQUIRED NET SCHOOL SPENDING

Southwick-Tolland- Granville Regional School District

November 2022



CHAPTER 70

Chapter 70 is the Commonwealth's school funding formula. It defines an adequate spending level (foundation budget) based upon the demographics, grade levels and programs of its pupils.

The formula defines how much a city or town can afford to pay to reach its foundation budget, using a combination of property value and income. Aid makes up the difference between the "required local contribution" and the foundation budget. The sum of the required contribution and the aid equals the "net school spending requirement."

Many districts choose to spend more than their required spending level ("actual net school spending").



WHAT IS NET SCHOOL SPENDING

- Required Net School Spending = Minimum Local Contribution + Chapter 70 Aid.
 - Minimum Local Contribution is the amount the towns must pay to meet the foundation budget
 - Chapter 70 Aid is the amount the state must pay to meet the foundation budget



WHAT OTHER COSTS MAKE UP TOWNS' CONTRIBUTION TO THE BUDGET?

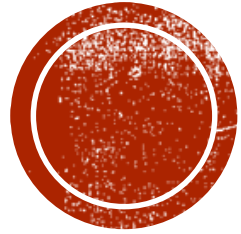
- These categories of expense are not included in the Foundation Budget, but are required to be paid by member towns ("non-discretionary") :
 - Transportation
 - Long-term debt (Capital and MSBA)



WHAT DOES THIS MEAN?

- Towns provide minimum local contribution (set by state).
- Towns provide additional funds for non-discretionary charges:
 - Transportation
 - Debt service (Capital and MSBA)





PREVIOUS YEARS' BUDGETS



RLC PAID

- FY19- \$ (S-\$8,684,186; T-\$431,147; G-\$1,484,565)
- FY20- \$ (S-\$9,054,238; T-\$406,396; G-\$1,487,701)
- FY21- \$ (S-\$9,367,553; T-\$422,883; G-\$1,529,253)
- FY22- \$ (S-\$9,078,342; T-\$391,281; G-\$1,469,462)
- FY23-\$ (S-\$9,633,324; T-\$385,163; G-\$1,556,263)



DISCRETIONARY ASSESSMENT

- Discretionary Assessment to Budget
 - FY19- \$138,086 (S-\$115,343; T-\$4,847; G-\$17,896)
 - FY20- \$190,622 (S-\$160,180; T-\$6,405; G-\$24,037)
 - FY21- \$0
 - FY22- \$0
 - FY23-\$160,643 (S-\$136,270; T-\$4,925; G-\$19,447)



PREVIOUS YEAR'S OFFSETS

- Excess and Deficiency
- School Choice Revolving
- Transportation (set by the state)
- Rural School Aid- new in FY23
 - \$110,000



ADDITIONAL REVENUES USED TO OFFSET BUDGET

- **Excess and Deficiency**
 - **FY18- \$650,000**
 - **FY19- \$115,000 (offset by school choice)**
 - **FY20- \$550,000**
 - **FY21- \$800,000**
 - **FY22- \$875,000**
 - **FY23- \$891,683**



ADDITIONAL REVENUES USED TO OFFSET BUDGET

- School Choice Revolving
 - FY18- \$750,000
 - FY19- \$1,185,000 (offset low E &D)
 - FY20- \$779,000
 - FY21- \$967,464
 - FY22- \$963,000
 - FY23-\$1,055,000



HOLD HARMLESS

- FY19- \$4,612,798
- FY20- \$4,392,636
- FY21- \$4,176,364
- FY22- \$4,962,136
- FY23-\$4,226,969



UPCOMING CONCERNS FY24

- New Governor- How does this impact our budget?
 - March 2023 expected cherry sheet
 - Estimate from Dec. Webinar
- Inflation rates- capped at 4.5% two years in a row (actual 7.5% FY23/ 9.1% FY24)
 - Cuts?
 - Larger class sizes?
 - Less services?
- OSD- 14% inflation (about \$126,000 in fixed cost increases)
- Hold Harmless... no additional state funds (except for \$35-\$60 per student)



STGRSD COMPARISON--REQUIRED NSS AND ACTUAL NSS FY18 TO FY22

