



LOWELL PUBLIC SCHOOLS
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To: Salah Khelfaoui, Superintendent

From: Gary N. Frisch, Assistant Superintendent for Finance/School Business Administrator

Re: Foundation Budget/Chapter 70 Aid

Attached please find a PowerPoint presentation regarding the Foundation Budget/Chapter 70 aid program for Lowell Public Schools, FY 19.

Chapter 70 aid is determined by a foundation budget unique to each school district based on the specific grades, demographics and characteristics of each student. Once the foundation budget is calculated, then a local contribution amount is developed based on the community's property tax and relative wealth.

The remaining amount is funded by Chapter 70 state aid. The foundation budget is also the net school spending requirement for the school system. Net School Spending is the minimum amount that must be spent for each school district.

As shown in the attached PowerPoint, urban centers typically have the highest foundation budget per pupil, with the exception of regional vocational schools, because they have a higher concentration of economically disadvantaged students.

For urban centers Lowell's Foundation Budget per pupil is close to the average for all urban centers in the commonwealth. The graph in the attached PowerPoint shows that Worcester, Lynn and Lawrence have higher foundation budgets per pupil than Lowell.

In comparison to FY 18, Lowell's foundation enrollment increased by 143 students and the foundation budget increased by \$6.7 million. The budget is funded from the city and the state aid. The City's share increased by 1.5 million and the state share increased by 5.2 million.

The City required contribution comes in the form of cash and in-kind services. These in-kind services are costs incurred by the city such as administrative overhead, utilities and other costs made on behalf of the school department. These costs are outlined in the memorandum of agreement that is also under review by the business office and the city's finance office.

The school department's budget is based on the cash contribution from the city and state aid. The city is required to contribute 24% and the state 76% of the foundation budget. The City is due to release their cash contribution soon. Ideally we would like to see the cash increase be at a minimum, the 1.5 million increase as required by the State.