



Eileen M. Donoghue  
*City Manager*

Dr. Joel Boyd, Superintendent of Schools  
Lowell Public School Central Administration  
155 Merrimack Street  
Lowell, MA 01852

Mr. Superintendent,

As we near the close of the third quarter of the fiscal year, I write to update you of the ongoing preparations for the City of Lowell's FY2021 budget. My finance department has recently informed me that the Department of Elementary and Secondary Education ("DESE") has sent the City of Lowell the official compliance report for the district's spending requirements in FY2019. I am pleased to report to you, as well as to the City Council that the City of Lowell exceeded the Commonwealth's "net school spending" requirement for 2019 by \$4,902,941. This figure is a true demonstration of the City Council's commitment to education funding, which is especially notable amongst gateway cities.

Education is a key component of each pillar of my Administration and a priority for the Lowell City Council. The Governor's budgeted proposal for FY2021 increased the Chapter 70 allocation for Lowell by over \$12.8 million to \$175,807,304. This year-over-year increase and proposed level of funding for the Lowell Public School District is unprecedented. I am proposing a further increase to the direct cash contribution of 3.96%, an amount equal to last year's municipal revenue growth factor ("MRGF"). The MRGF has been calculated each year since FY94 by the state Department of Revenue and quantifies the most recent annual percentage change in each community's local revenues. Including the additional direct tax support, the total proposed single line appropriation support to the Lowell Public Schools in FY2021 will be approximately \$192,814,329, an increase of over \$13.4 million over FY2020. This figure, however, does not take into account the approximately \$50.7 million in costs to support the district funded by the city budget, nor the aggressive capital investment campaign in the schools. According to DESE's report, if the city were to level-fund the schools from the tax levy, the district would again exceed the net school spending requirement by approximately \$2.3 million.

It is my sincere hope that this information will be useful to the School Department for budgeting purposes as you plan for the 2020-2021 school year. It must be noted that the amount of Chapter 70 funding from the Commonwealth is subject to further deliberation as it makes its way through the legislative process. The total appropriation to the schools could decrease, proportionally to any decrease to the amount in the final budget approved by the state.

Sincerely,

Eileen M. Donoghue  
City Manager

Cc: Mayor John J. Leahy and Members of the Lowell City Council

**Massachusetts Department of Elementary and Secondary Education**  
**Office of School Finance**  
**Chapter 70 Net School Spending Compliance, FY19**

**Lowell**

	School Committee	City/Town	Total
1 Administration (1000)	2,963,427	1,706,370 *	4,669,797
2 Instruction (2000)	117,910,907	0 *	117,910,907
3 Attendance-Health (3100, 3200)	577,938	1,839,050 *	2,416,988
4 Food Services (3400)	0	0	0
5 Athletics/Student Activities/Security (3500, 3600)	1,836,815	800,982	2,637,797
6 Maintenance (4000)	5,752,049	4,589,204 *	10,341,253
7 Employer Retirement Contributions (5100)	1,903,505	7,168,042	9,071,547
8 Insurance (5200)	16,782,721	3,298,599	20,081,320
9 Retired Employee Insurance (5250)	0	7,311,791	7,311,791
10 Rentals (5300)	692,089	0 *	692,089
11 Short Term Interest (5400)	0	0	0
12 Tuition (9000)	6,895,854	22,095,753	28,991,608
13 Total School Spending (lines 1 through 12)	155,315,305	48,809,791	204,125,095
14 FY18 School Revenues			
14a) FY19 School Revenues *	0	0	0
14b) FY19 Charter Reimbursement	0	885,826	885,826
14c) Subtotal, School Revenues (14a + 14b)	0	885,826	885,826
<b>15 FY19 Net School Spending (13 - 14)</b>	<b>155,315,305</b>	<b>47,923,965</b>	<b>203,239,269</b>
16 FY19 Chapter 70 Required Net School Spending			198,336,328
17 Carryover from FY18			0
<b>18 Total FY18 Net School Spending Requirement (16 + 17)</b>			<b>198,336,328</b>
19 Shortfall in Net School Spending (18 - 15)			0
20 Carryover/Penalty Calculation, Percent Unexpended (19 / 16)			0.0%
21 FY19 Carry-Over into FY20 (Line 19 or 5% of line 16 )			0
22 Penalty (19 - 21)			0

\* Budgeted amounts as reported on FY18 End of Year Pupil and Financial Report, Schedule 19

**Massachusetts Department of Elementary and Secondary Education  
Office of School Finance  
Chapter 70 Net School Spending Compliance, Budgeted FY20**

**Lowell**

	School Committee	City/Town	Total
1 Administration (1000)	4,146,956	1,601,441	5,748,397
2 Instruction (2000)	125,903,464	0	125,903,464
3 Attendance-Health (3100, 3200)	778,020	1,880,874	2,658,894
4 Food Services (3400)	0	0	0
5 Athletics/Student Activities/Security (3500, 3600)	1,719,977	800,982	2,520,959
6 Maintenance (4000)	5,323,418	4,997,543	10,320,961
7 Employer Retirement Contributions (5100)	1,110,000	7,168,042	8,278,042
8 Insurance (5200)	17,642,366	3,298,599	20,940,965
9 Retired Employee Insurance (5250)	0	7,311,791	7,311,791
10 Rentals (5300)	697,515	0	697,515
11 Short Term Interest (5400)	0	0	0
12 Tuition (9000)	7,001,539	25,716,235	32,717,774
13 FY18 Budgeted School Spending (lines 1 through 12)	164,323,255	52,775,507	217,098,762
14 FY18 Budgeted School Revenues			
14a) FY20 Budgeted School Revenues	0	0	0
14b) FY20 Charter Reimb (local districts)	0	2,051,441	2,051,441
14c) Subtotal, NSS Revenues (36a + 36b)	0	2,051,441	2,051,441
<b>15 FY20 Net School Spending (13 - 14)</b>	<b>164,323,255</b>	<b>50,724,066</b>	<b>215,047,321</b>
16 FY20 Chapter 70 Required Net School Spending			212,748,264
17 Carryover from FY19			0
<b>18 Total FY20 Requirement (16 + 17)</b>			<b>212,748,264</b>
19 Shortfall in Budgeted FY20 Net School Spending (18 - 15)			0
20 Carryover/Penalty Calculation, Percent Unexpended (19 / 16)			0.0%