

May 2012

## Increasing State Assessments Limit State Aid for Operations

*Growing charter school and MBTA assessments represent 95% of the total*

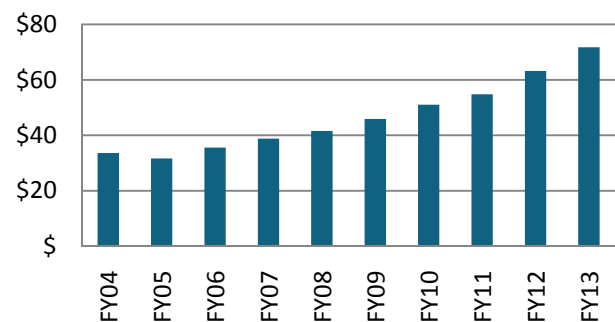
In describing state aid to Boston, City officials often refer to net state aid or state aid less assessments. The growth of these assessments is noted as a reason for limited state aid for operations. What are these assessments? State assessments are charges levied by the Commonwealth to municipalities and regional school districts for a variety of services. The final state FY13 budget is not yet set so for this article the FY13 Senate numbers will be used. For Boston, state assessments total \$178.5M of which the charter school tuition payments and the City's share of the MBTA State and Local Assistance Fund represent 95% of the total expected assessments in FY13.

### Charter School Assessment

For each student residing in Boston and attending one of the 18 charter schools in Boston or a charter school outside of the City, state funds follow the student. On an annual basis the City is assessed a charter tuition amount that is based on formula that factors in grade level, programs, low-income status and a spending rate for facilities. Boston's FY13 charter school assessment of \$91.4M represents a growth of \$11.7M or 14.6% over FY12. In FY07, the charter tuition assessment was \$48.4M and over the next six years, the cost has grown by \$43M or 88.8%.

The Commonwealth does reimburse Boston for its increase in the charter school assessment for each student by 100% in the first year and 25% for each of the next five years. Since FY07 the reimbursements have increased from \$9.6M to \$19.7M in FY13. As charter school enrollment has grown, net charter state assessments (assessments less reimbursements) since FY07 have increased to \$71.7M, a jump of \$33M or 85.1% as shown in the table above.

**Net Charter School Costs**  
in Millions



### MBTA Assessment

The 175 communities served by the MBTA are required to contribute to the annual MBTA budget. The total assessment is divided among the communities based on weighted population, with Boston paying \$78.3M or 50.2% of the total. Under Proposition 2½, the MBTA assessment can only increase by 2.5% annually assuming no expansion of service.

### Other State Assessments

Of the balance of \$8.7M, 78% consists of two accounts:

1. \$3.9M for the unfunded pension liability for current retirees of the Suffolk County's Sheriff's Office. These County employees retired before the Sheriff's Office was incorporated into the state government.
2. \$2.9M for the Registry of Motor Vehicles non-renewal surcharge, a fee for not issuing a license renewal until unpaid municipal parking fines or motor vehicle excise fees are paid.

The remaining \$1.9M is divided among state assessments for mosquito control and air pollution services, the City's share of the Metropolitan Area Planning Council budget and other services.