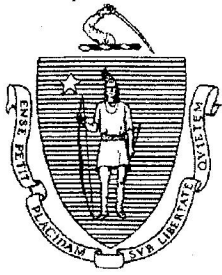


**APPENDIX D: LOCAL CONTRIBUTION TOWARDS REQUIRED SPENDING
FISCAL 2017 BUDGET AND ACTUAL FOR 2013-2016**

	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budget 2017
Calculation of Required Contribution:					
1 Foundation budget	298,950,312	311,832,465	316,944,283	329,468,507	332,590,292
Less:					
2 Chapter 70 aid	210,364,137	219,897,733	220,569,583	231,540,738	235,402,233
3 Required Contribution	<u>\$ 88,586,175</u>	<u>91,934,732</u>	<u>96,374,700</u>	<u>97,927,769</u>	<u>97,188,059</u>
Calculation of Actual Contribution:					
School expenditures:					
4 School budget	\$ 285,570,702	299,045,854	304,751,781	318,291,993	322,965,803
Add state charges:					
Charter schools	25,526,265	24,433,604	24,456,630	24,793,043	24,357,499
School Choice	2,291,731	2,684,637	2,700,679	2,669,896	2,848,508
Special Education	132,274	157,550	141,940	179,832	187,025
5 Total	<u>313,520,972</u>	<u>326,321,645</u>	<u>332,051,030</u>	<u>345,934,764</u>	<u>350,358,835</u>
Less School Local Aid:					
Chapter 70 aid	210,364,137	219,897,733	220,569,583	231,540,738	235,402,233
Charter school tuition reimbursement	3,810,686	2,668,126	1,840,663	2,084,813	1,809,456
6 Total School Local Aid	<u>214,174,823</u>	<u>222,565,859</u>	<u>222,410,246</u>	<u>233,625,551</u>	<u>237,211,689</u>
7 Actual contribution	99,346,149	103,755,786	109,640,784	112,309,213	113,147,146
8 Required contribution	<u>88,586,175</u>	<u>91,934,732</u>	<u>96,374,700</u>	<u>97,927,769</u>	<u>97,188,059</u>
9 Excess contribution	<u>\$ 10,759,974</u>	<u>11,821,054</u>	<u>13,266,084</u>	<u>14,381,444</u>	<u>15,959,087</u>
Calculations of total excess contributions:					
Excess contribution from above schedule	10,759,974	11,821,054	13,266,084	14,381,444	15,959,087
Additional contributions (city services):					
City Administration (1)	3,725,227	4,016,965	4,014,156	4,046,924	4,235,305
Police(1)	467,166	339,590	407,084	763,558	785,679
Water/Sewer	529,671	497,078	523,414	506,975	520,951
10 Total excess contributions	<u>15,482,038</u>	<u>16,674,687</u>	<u>18,210,738</u>	<u>19,698,901</u>	<u>21,501,022</u>
School expenditures not eligible for net school spending:					
Transportation	15,353,337	16,226,565	16,538,082	17,637,181	18,011,633
Crossing Guards	506,251	514,841	497,644	484,384	543,346
Equipment	11,360				
Building Rentals	285,363	386,402	405,937	409,039	538,374
Adult Education	95,358	63,134	98,904	70,598	95,585
Prior year unexpended encumbrances	122,890	146,442	65,480	76,293	
11 Total Non Educational Expenditures	<u>16,374,559</u>	<u>17,337,384</u>	<u>17,606,047</u>	<u>18,677,495</u>	<u>19,188,938</u>
12 Excess (deficient) contribution	(892,521)	(662,697)	604,691	1,021,406	2,312,084
13 Required Spending Shortfall Prior Year	<u>(1,350,982)</u>	<u>(2,243,503)</u>	<u>(2,906,200)</u>	<u>(2,301,509)</u>	<u>(1,280,103)</u>
14 Funding (Deficiency)	<u>(2,243,503)</u>	<u>(2,906,200)</u>	<u>(2,301,509)</u>	<u>(1,280,103)</u>	<u>1,031,981</u>



Massachusetts Department of Elementary and Secondary Education

ANNEX A
gb #4-214
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75 Pleasant Street, Malden, Massachusetts 02148-4906

Telephone: (781) 338-3000
TTY: N.E.T. Relay 1-800-439-2370

Mitchell D. Chester, Ed.D.
Commissioner

January 3, 2017

Maureen Binienda, Superintendent
Worcester Public Schools
20 Irving Street
Worcester, MA 01609

Dear Superintendent Binienda:

As you know, the Commonwealth's school finance statute, Chapter 70 of the General Laws, establishes an annual minimum local contribution requirement for each Massachusetts school district. This local contribution, when added to a district's Chapter 70 aid, equals its "net school spending requirement." Failure to comply with this requirement may result in the loss of Chapter 70 aid, delays in the approval of your municipal tax rate by the Department of Revenue, and/or enforcement action by the Attorney General.

Worcester's End-of-Year Financial Report shows that the district **did not** meet its spending requirement in FY16. Its required net school spending was \$331,770,015. Reported net school spending was \$330,489,912 which was **\$1,280,103 below the required amount**. This shortfall falls within the five percent range allowed by law, and will be added to the district's FY17 spending requirement.

Worcester's FY17 requirement—including the \$1,280,103 carryover—is \$333,870,395. Schedule 19 budget data show that the district plans to spend \$334,832,378. I am pleased to see that the district appears to be in compliance in this year.

If you have any questions concerning this information, please contact Melissa King in the School Finance unit at (781) 338-6532 (mking@doe.mass.edu).

Sincerely,

Mitchell D. Chester, Ed.D.
Commissioner of Elementary and Secondary Education

c: Joseph Petty, Mayor, City of Worcester
Jay Sullivan, Massachusetts Department of Elementary and Secondary Education

Enclosures: Two

JAN 17 2018 PM 4:42

12/27/2016

Massachusetts Department of Elementary and Secondary Education

Office of School Finance

Chapter 70 Net School Spending Compliance, FY16

348 WORCESTER	School Committee	City/Town	Total
1 Administration (1000)	3,935,925	4,046,924 *	7,982,849
2 Instruction (2000)	190,273,842	0 *	190,273,842
3 Attendance-Health (3100, 3200)	5,432,479	0 *	5,432,479
4 Food Services (3400)	0		0
5 Athletics/Student Activities/Security (3500, 3600)	2,020,563	763,558	2,784,121
6 Maintenance (4000)	20,930,949	506,975 *	21,437,924
7 Employer Retirement Contributions (5100)	16,027,864	0	16,027,864
8 Insurance (5200)	32,337,792	0	32,337,792
9 Retired Employee Insurance (5250)	11,783,203	0	11,783,203
10 Rentals (5300)	0	0 *	0
11 Short Term Interest (5400)	0	0	0
12 Tuition (9000)	16,948,173	25,855,948	42,804,121
13 Total School Spending (lines 1 through 12)	299,690,790	31,173,405	330,864,195
14 FY16 School Revenues			
14a) FY16 School Revenues *	76,293	0	76,293
14b) FY16 Charter Reimbursement	0	297,990	297,990
14c) Subtotal, School Revenues (14a + 14b)	76,293	297,990	374,283
15 FY16 Net School Spending (13 - 14)			330,489,912
16 FY16 Chapter 70 Required Net School Spending			329,468,507
17 Carryover from FY15			2,301,508
18 Total FY16 Net School Spending Requirement (16 + 17)			331,770,015
19 Shortfall in Net School Spending (18 - 15)			1,280,103
20 Carryover/Penalty Calculation, Percent Unexpended (19 / 16)			0.39%
21 FY16 Carry-Over into FY17 (Line 19 or 5% of line 16)			1,280,103
22 Penalty (19 - 21)			0

* Budgeted amounts as reported on FY15 End of Year Pupil and Financial Report, Schedule 19

12/27/2016

Massachusetts Department of Elementary and Secondary Education
 Office of School Finance

Chapter 70 Net School Spending Compliance, Budgeted FY17

348 WORCESTER	School Committee	City/Town	Total
1 Administration (1000)	4,720,644	4,235,305	8,955,949
2 Instruction (2000)	190,432,715	0	190,432,715
3 Attendance-Health (3100, 3200)	5,239,254	0	5,239,254
4 Food Services (3400)	0	0	0
5 Athletics/Student Activities/Security(3500, 3600)	1,244,533	785,679	2,030,212
6 Maintenance (4000)	21,210,118	520,951	21,731,069
7 Employer Retirement Contributions (5100)	16,908,301	0	16,908,301
8 Insurance (5200)	34,433,694	0	34,433,694
9 Retired Employee Insurance (5250)	12,127,455	0	12,127,455
10 Rentals (5300)	0	0	0
11 Short Term Interest (5400)	0	0	0
12 Tuition (9000)	17,390,153	25,583,576	42,973,729
13 FY17 Budgeted School Spending (lines 1 through 12)	303,706,867	31,125,511	334,832,378
14 FY17 Budgeted School Revenues			
14a) FY17 Budgeted School Revenues	0	0	0
14b) FY17 Charter Reimb (local districts)	0	0	0
14c) Subtotal, NSS Revenues (36a + 36b)	0	0	0
15 FY17 Net School Spending (13 - 14)			334,832,378
16 FY17 Chapter 70 Required Net School Spending			332,590,292
17 Carryover from FY16			1,280,103
18 Total FY17 Requirement (16 + 17)			333,870,395
19 Shortfall in Budgeted FY17 Net School Spending (18 - 15)			0
20 Carryover/Penalty Calculation, Percent Unexpended (19 / 16)			0.00%