

# State Commits to Hold Local Aid Amounts Level in Pandemic

## *Aid Accord Shield Municipalities From Potential Cuts*

Michael P. Norton | 7/30/20 6:09 PM

JULY 30, 2020.....In a development welcomed by cities and towns, the Baker administration and the Legislature are committing to maintain fiscal 2021 local aid and school aid at last year's levels, and to provide an additional \$107 million in school aid to cover inflation and enrollment factors.

Administration and Finance Secretary Michael Heffernan notified local officials of the commitment in an email Thursday from the Department of Revenue, and emphasized that the money is separate from \$450 million in new federal supports for K-12 schools to assist with educating students during the pandemic.

The Division of Local Services released a [list of aid amounts for all cities and towns](#) in connection with Heffernan's announcement.

The commitment mirrors the aid levels that the News Service reported on Tuesday, when Revenue Committee Co-chairman Sen. Adams Hinds posted the pledge on Twitter and then deleted it, asserting afterwards that the agreement had not been finalized.

In his announcement, Heffernan said the commitment was being made even though "critical information from the federal government is still needed in order to finalize a full fiscal year budget."

"The FY21 funding commitment also includes Chapter 70 increases for inflation and enrollment that will keep all school districts at foundation, under the law as it existed for FY20, providing an additional \$107 million in aid over FY20," Heffernan wrote.

The promise is being made without the benefit of the usual, annual debate within the Legislature about taxes, the use of reserves, budget cuts or reform plans, and comes as state officials face an unprecedented decline in state tax collections associated with the COVID-19 pandemic.

"This is very welcome news for cities and towns in every corner of Massachusetts," said Massachusetts Municipal Association Executive Director Geoff Beckwith. "With the state facing a budget shortfall of between \$6 billion to \$8 billion due to the COVID-19 recession, local leaders have been very concerned about the potential impact on local aid. Today, the Administration, House and Senate have demonstrated that the state-local relationship is a true partnership."

Beckwith added: "By protecting local aid during this crisis, the state will maintain vital financial support for cities and towns. With this key financial guidance, communities can finalize their fiscal 2021 budgets, allowing them to continue their work fighting the coronavirus pandemic and delivering the essential quality-of-life services that drive our economy."

Lawmakers and Gov. Charlie Baker have started fiscal 2021 with interim budgets and lawmakers plan to debate a budget to cover the rest of fiscal 2021 at some point later this year. Lawmakers hope more finality about federal aid, the path of the virus, and the state's recovery will enable them to craft a more dependable budget than they would be capable of assembling under the current circumstances, which are marked by high uncertainty and volatility.

The aid commitment locks in a substantial portion of the state budget and raises questions about the potential for steep cuts in other service areas unless the Legislature is able to cover budget gaps with reserves, new revenues and other savings.

The agreement calls for the \$1.13 billion unrestricted general government aid program to be level funded at fiscal 2020 amounts for all communities. Cities and towns will also receive at least level funding for Chapter 70 school aid, officials said, and total Chapter 70 school aid will increase by \$107 million, bringing that account up to \$5.28 billion.

An administration spokesman said in a statement that education spending agreed to in the commitment "translates to higher total spending year-over-year than the \$303 million increase originally proposed in House 2, which fully funded the first year of the Student Opportunity Act.

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"Despite the almost unprecedented fiscal challenges we all face, the amount of state and federal support announced thus far ensures the Administration and the Legislature can continue supporting record investments in Massachusetts students," the spokesman said.

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