



**LAWRENCE**  
PUBLIC SCHOOLS

**FISCAL YEAR 2024 PROPOSED BUDGET**

May 2023



# TABLE OF CONTENTS



I.	Letter from the Superintendent	Page 3
II.	Fiscal Year 2024 Revenue	Page 4
III.	Fiscal Year 2024 Expenditures	Page 11
IV.	Enrollment Trends	Page 15



# LETTER FROM THE SUPERINTENDENT



May 5, 2023

City Hall  
200 Common Street  
Lawrence, MA 01840

Re: Lawrence Public Schools Proposed FY 2024 Budget

Dear Mayor DePeña:

I am submitting a copy of the Proposed Fiscal Year 2024 Budget for the Lawrence Public Schools. The proposed budget figure is \$260,133,057. As you know, this represents the City's minimum net school spending budget as required under the Chapter 70 formula. The projected increase in Chapter 70 funding is due to the Foundation budget Review and Commission's adoption of changes required by the Student Opportunity Act.

Our budget was developed using a multi-year projection to maximize the impact of our funding on advancing student achievement, as well as to promote funding sustainability and continuity year over year. As part of this, our team took care to ensure a successful transition off of funding from the Elementary and Secondary Education Relief Fund (ESSER), which will end after the upcoming fiscal year. I am pleased to report that the drop-off of ESSER funding will not impact staffing levels or programmatic continuity within the district.

Significant investments in the FY 2024 budget include continued investments in the following areas:

- **Acceleration Academies and summer school opportunities** to accelerate student learning through intensive instruction tailored to student needs.
- **Enhanced curriculum materials and professional development** for educators to further promote high-quality instruction in every classroom.
- **A holistic learning environment** in support of all students' academic, physical and mental wellness, including expanded social-emotional services and extensive opportunities in the arts, athletics and beyond.
- **Facilities upgrades, repairs, and school building improvements** across the district, as well as furnishings for the renovated Oliver and Leahy school buildings.

I look forward to further discussing our recommendations and continuing our work together on behalf of the students of Lawrence.

Sincerely,

Juan Rodriguez  
Interim Superintendent



# FISCAL YEAR 2024 REVENUE



The Lawrence Public Schools Fiscal Year 2024 appropriation request is \$260,133,057, supported mainly from state aid. The Fiscal Year 2024 budget represents a \$27,387,910 (11%) increase from the Fiscal Year 2023 Adopted Budget.

## *State Aid*

There are three main categories of education-related state receipts and assessments that the City of Lawrence receives to support public school students: Chapter 70 state aid, charter school tuition and reimbursements, and school choice.

### **Chapter 70 and the Student Opportunity Act (SOA)**

The Education Reform Act of 1993 established the Chapter 70 funding program, creating minimum education spending requirements for school districts to prevent or alleviate funding inequities. The Commonwealth calculates minimum per student spending rates that every community should spend (known as the foundation budget). These rates are differentiated by grade level and need, such as English learners, low income, and students with disabilities. Massachusetts then determines a community's ability to afford this minimum spending level (the required local contribution), and provides state aid (Chapter 70) to support this minimum amount. A community with a lower ability to pay for education receives a higher percentage of Chapter 70 funding compared to communities with a greater ability to pay for education.

In November 2019, the Massachusetts legislature passed the Student Opportunity Act (SOA) after many years of debate. As part of the law, foundation budget tuition rates would be increased over seven years. The largest tuition rate increases are for economically disadvantaged students and English learners. The first year of SOA increases were supposed to impact FY2021, but were delayed due to the pandemic. SOA increases have been implemented for FY2022, FY2023 and FY2024.

### *Foundation Budget*

To determine a 'minimum adequate level' of education spending for every community, Massachusetts sets statewide rates known as the foundation budget. This foundation budget is based on the community's October 1 enrollment from the prior year. Districts are given a base rate for each student in the district. These rates vary from \$9,505 for elementary school students to an additional \$2,888 for middle school English learners.

These rates are adjusted by two factors: a price deflator index and the Student Opportunity Act. In terms of the price deflator index, the FY2024 rates would have increased by 5.16% due to the price deflator index, but were capped by the Commonwealth at 4.5%. This increase was applied to all foundation budget rates.

The Student Opportunity Act increased base foundation rates rose by 6% on average from FY2022 to FY2023 and FY2023 to FY2024. In addition, the foundation budget provides higher funding for students with greater needs. These needs include special education (based on an assumed enrollment level, not actual special education enrollment), English learners, and low income students. For example, the English learner high school rate increased by 15% and the highest poverty rate increased by 17% from FY2023 to FY2024.

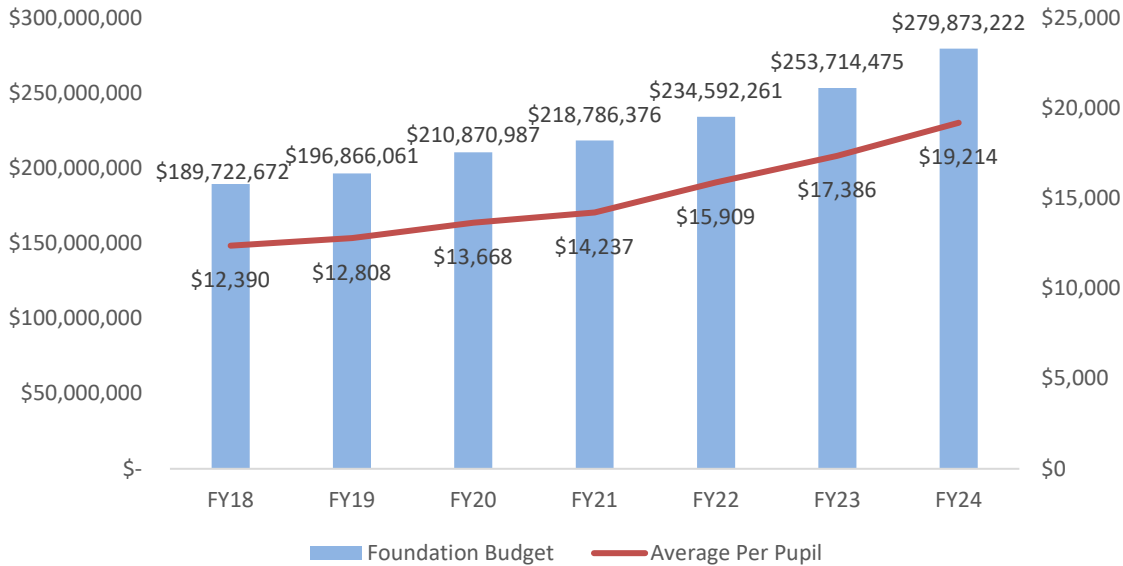


# FISCAL YEAR 2024 REVENUE



The amount of funding for low income students uses a twelve tier scale, providing a higher amount of funding for higher concentrations of poverty. For communities with low income rates from 80% - 100%, the foundation budget rate is \$7,576 per low income student in FY2024.

### Foundation Budget and Average Per Pupil Rates



The District’s foundation budget increased by \$7.1 million, \$14.0 million, and \$7.9 million in FY19, FY20, and FY21 respectively. With the implementation of the Student Opportunity Act, the foundation budget increased by \$15.8 million, \$19.1 million and \$26.2 million in FY22, FY23 and FY24, respectively.

Please note that Lawrence’s foundation budget does not equal its district appropriation. The foundation budget includes all public education students that reside in Lawrence, including students attending charter schools and public choice options. The foundation budget excludes costs related to transportation, adult education and long-term leases. An explanation of the local appropriation calculation is found later in this document.

#### *Required Local Contribution*

After the foundation budget is set for every community, the state determines every communities’ ability to pay based on two methodologies. First, the state calculates a community’s target local contribution through its property value (equalized valuation) and income levels. In addition, the state applies the municipal revenue growth factor to the prior year’s required local contribution. A comparison of these two methodologies is made to determine an appropriate increase.

Lawrence’s required local contribution has been approximately five percent (5%) of the foundation budget since FY2018. In essence, only a nickel for every dollar spent on education in Lawrence is from local tax dollars. In FY2024, Lawrence’s foundation budget increased by \$26.2 million, but its local contribution only increased by \$720,707.



# FISCAL YEAR 2024 REVENUE

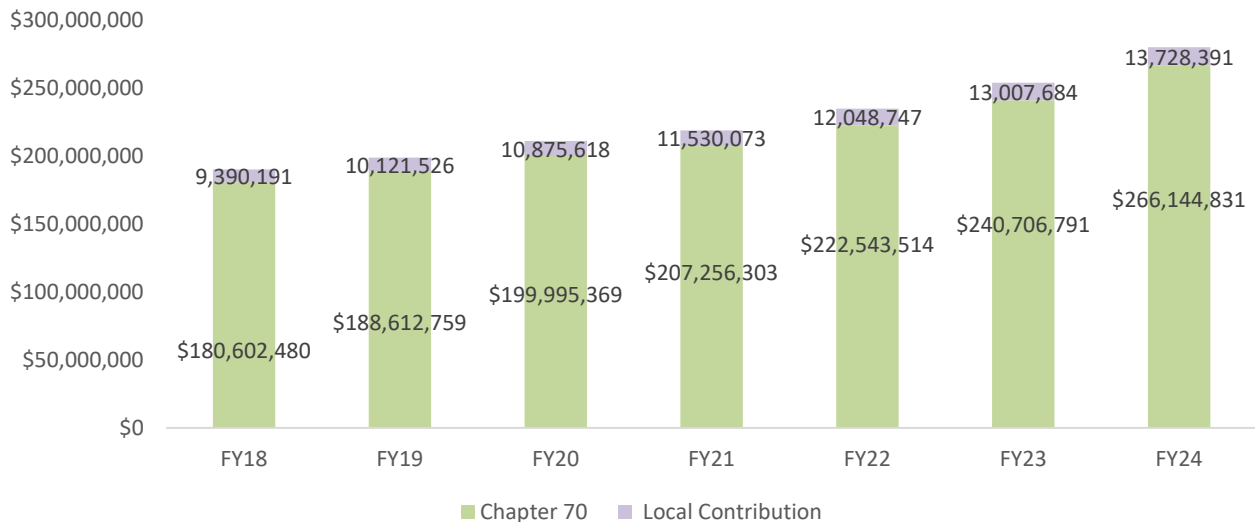


## Chapter 70

Education aid, known as Chapter 70, makes up the difference between a community’s foundation budget and the required local contribution. If the formulas used to determine the level of Chapter 70 aid would cause a community’s aid to decline from one year to the next, the community would receive a minimum per pupil in increased aid. This ensures that all communities statewide share in increased education funding each year.

Lawrence’s Chapter 70 aid increased on average by five percent (5%) per year from FY2018 to FY2021. Since the implementation of the Student Opportunity Act, Lawrence’s Chapter 70 aid has increased on average by nine percent (9%). In FY2024, Lawrence’s Chapter 70 aid is projected to increase by \$25.4 million (11%).

Lawrence's Chapter 70 and Local Contribution History



## Other State Assessments and Receipts

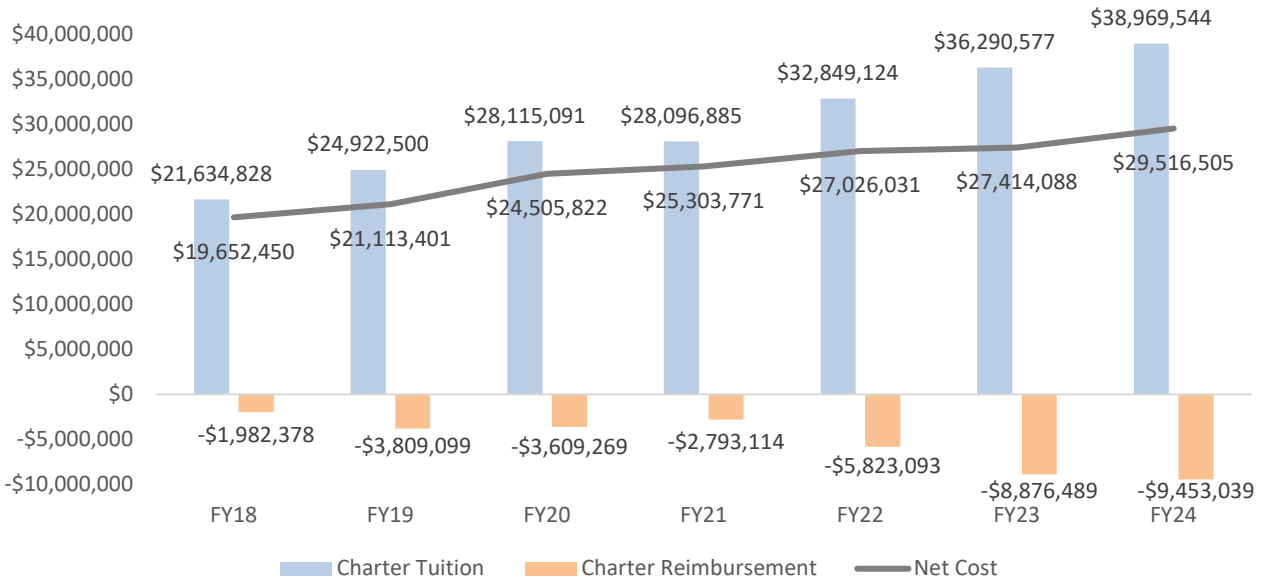
### Charter School Tuition and Reimbursement

As part of the Education Reform Act of 1993, if a student attends a Commonwealth charter school, the equivalent per pupil tuition rate is sent in the form of tuition aid to the applicable Commonwealth charter school. The local community where the student resides is “charged” for this cost in the form of a charter school tuition assessment.

In order to offset this cost, Massachusetts provides temporary relief to the impacted community in the form of charter tuition reimbursement. The state’s reimbursement formula is 100% reimbursement in the first year after a student leaves a district for a charter school, 60% in the second year, and 40% in year three.



## Charter Tuition, Reimbursement and Net Cost

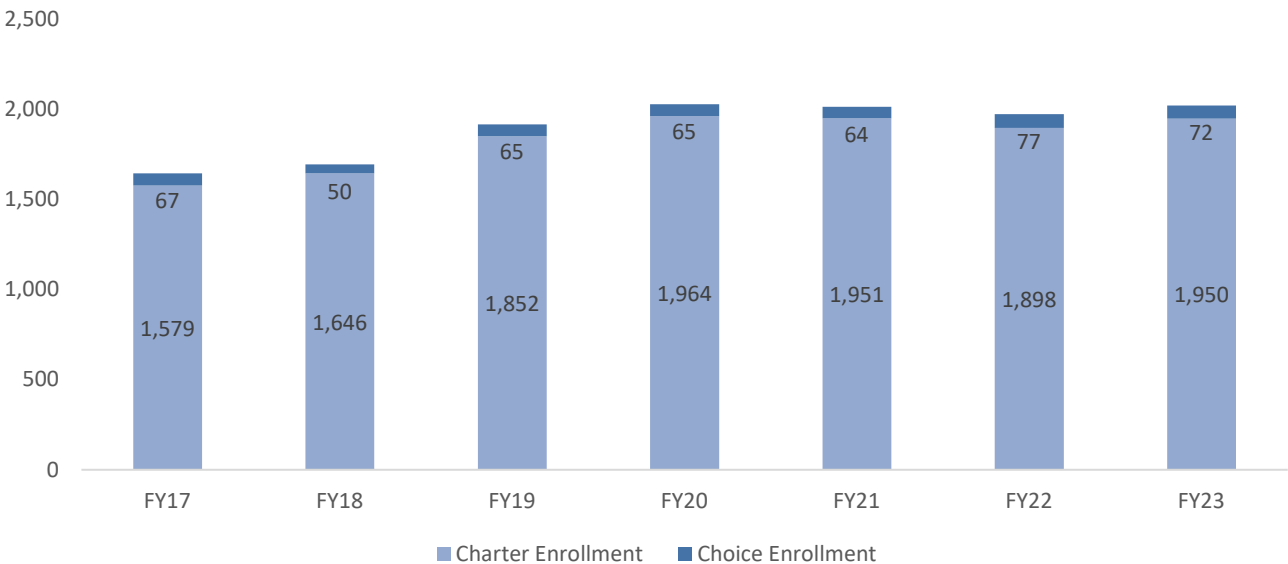


### School Choice

In addition to charter schools, the school choice program allows parents to send their children to schools in communities other than the municipality in which they reside. School choice tuition is assessed to the sending district and sent to the receiving district. School choice tuition rates are capped at \$5,000, except for students with disabilities.

Lawrence’s school choice assessment for FY2024 is projected to decline from \$681,851 in FY2023 to \$589,011 in FY2024.

## Lawrence Charter and Choice Enrollment History





# FISCAL YEAR 2024 REVENUE



## Special Education

The final state education assessment is special education due to costs for students served in state special education programs.

In summary, the Governor's FY2024 budget results in a net increase of \$XXXX in education aid to the City of Lawrence. Below is a breakdown of state receipts and assessments for Lawrence.

	FY2021 Final	FY2022 Final	FY2023 Final	FY2024 Governor's	Variance (FY23-FY24)
<b>Receipts</b>					
Chapter 70	207,256,303	222,543,514	240,706,791	266,144,831	25,438,040
Charter Tuition Reimbursement	2,793,114	5,823,093	8,876,489	9,453,039	576,550
<b>Subtotal: Receipts</b>	<b>210,049,417</b>	<b>228,366,607</b>	<b>249,583,280</b>	<b>275,597,870</b>	<b>26,014,590</b>
<b>Assessments</b>					
School Choice	495,299	584,190	681,851	589,011	-92,840
Charter Tuition	28,096,885	32,849,124	36,290,577	38,969,544	2,678,967
Special Education	59,980	57,685	93,330	93,775	445
<b>Subtotal: Assessments</b>	<b>28,652,164</b>	<b>33,490,999</b>	<b>37,065,758</b>	<b>39,652,330</b>	<b>2,586,572</b>
<b>Net Education Aid</b>	<b>181,397,253</b>	<b>194,875,608</b>	<b>212,517,522</b>	<b>235,945,540</b>	<b>23,428,018</b>

## Net School Spending

To calculate the minimum appropriation for the Lawrence Public Schools, you start with net school spending, subtract eligible costs that count towards net school spending, and add back eligible revenues, and add costs that are not net school spending eligible but must be accounted for in the school department's budget.

For Lawrence, the formula starts with net school spending, subtracts charter school tuition assessment, school choice tuition assessment, state special education assessment, and municipal-related costs in support of schools. In addition, the calculation adds back the aid for charter tuition reimbursement, the cost of adult education, long-term leases, and transportation, all of which are not net school spending eligible. The minimum appropriation for the Lawrence Public Schools is \$260,133,057.





# FISCAL YEAR 2024 REVENUE



	FY2023	FY2024	Variance
<b>Net School Spending</b>	<b>253,714,475</b>	<b>279,893,222</b>	<b>26,178,747</b>
<i>Less</i>			
Charter Tuition	-36,290,577	-38,969,544	-2,678,967
School Choice Tuition	-681,851	-589,011	92,840
Special Education	-93,330	-93,775	-445
Municipal-related costs	-3,447,688	-2,373,629	1,074,059
<b>Subtotal</b>	<b>-40,513,446</b>	<b>42,025,959</b>	<b>-1,512,513</b>
<i>Add</i>			
Charter Tuition Reimbursement	8,876,489	9,453,039	576,550
Transportation	9,067,629	11,212,755	2,145,126
Adult Education	1,300,000	1,300,000	0
Leases	300,000	300,000	0
<b>Subtotal</b>	<b>19,544,118</b>	<b>22,265,794</b>	<b>2,721,676</b>
<b>Total Appropriation</b>	<b>232,745,147</b>	<b>260,133,057</b>	<b>27,387,910</b>

## Grants

The Lawrence Public Schools receive a variety of federal and state grants to support programs across its schools. These grants come in the form of entitlement and competitive grants to support our low income students, students with disabilities, English learners, underperforming schools, and recover from the COVID-19 pandemic.

*Recurring grant revenue* comes from grants that LPS receives annually. The amount of each of these grants is based on the District's student population, and is determined by a grant-specific formula. LPS has historically received these grants annually for more than five years.

- **Title I and IIA** are federal formula grants that are part of the Every Student Succeeds Act (ESSA). They provide supplemental financial support based on overall enrollment and the district's low income student population. These supplemental resources can be used in a variety of ways to support low income students, including professional development, additional literacy support, summer school and curricular materials.
- **Title III** is also part of ESSA. It provides supplemental resources to support English learners. This grant is allocated based on the number of English learners in a district and can be used for a variety of supplemental supports targeted to these students.
- **Title IVA** is the last formula-driven federal grant as part of ESSA. It is allocated based on the number of students in the district. This grant prioritizes a well-rounded education, safe and health schools, and effective use of technology.
- The **EEC grant** is from the Massachusetts Department of Early Education and Care. It provides funding for preschool support.
- The **Individuals with Disabilities Education Act (IDEA)** is a federal grant that supports services for students with disabilities. Funds are allocated based on total school enrollment and the number of children with disabilities.
- Massachusetts' **Circuit Breaker** reimbursement program provides funding to districts for high-cost



# FISCAL YEAR 2024 REVENUE



special education students. The threshold for eligible costs are those costs that exceed four times the average per pupil foundation budget rate. Eligible costs subject to reimbursement have been expanded under the SOA law.

LPS also receives *one time and multi-year competitive grants*.

Federal stimulus bills meant to address the *COVID-10 pandemic* have provided multiple rounds of funding for school districts nationwide. The Lawrence Public Schools has received multiple grants to support the return of students and provide additional support. There are three grants associated with the Elementary and Secondary School Emergency Relief Fund (ESSER). These funds can be used to support extra programming to support students at they return to in-school learning and facilities improvements. ESSER III can be used through September 2024.

## *FY2024 All Funds Revenue*

Source	FY2023	FY2024	Variance
General Fund	\$232,745,147	\$260,133,057	\$27,387,910
Title I	\$7,196,300	\$7,340,226	\$147,926
Title IIA	\$647,944	\$660,903	\$12,959
Title III	\$797,099	\$813,041	\$15,942
Title IVA	\$490,885	\$500,703	\$9,818
IDEA	\$4,000,780	\$4,080,796	\$80,016
EEC	\$78,127	\$78,127	\$0
Circuit Breaker	\$4,283,361	\$4,283,361	\$0
ALC	\$1,137,265	\$1,137,265	\$0
Comcast	\$224,940	\$224,940	\$0
Verizon	\$100,345	\$100,345	\$0
HSE / GED Test Center	\$4,557	\$4,557	\$0
ESSER II/III	\$4,000,000	\$36,000,000	\$32,000,000
<b>Total</b>	<b>\$255,706,750</b>	<b>\$315,357,321</b>	<b>\$59,650,571</b>



# FISCAL YEAR 2024 EXPENDITURES



The Lawrence Public Schools developed a multi-year all funds projection to ensure that its programs, staffing and investments meet the anticipated revenues over the coming years. This longer-term planning process is especially important with the loss of ESSER stimulus funds.

## LPS Projected Expenditures by Funding Source

Funding Source	FY2024	FY2025	FY2026
General Fund	\$260,133,057	\$281,276,381	\$303,982,988
IDEA	\$4,080,796	\$4,162,411	\$4,245,660
Title I	\$7,340,226	\$7,487,031	\$7,636,772
Title IIA	\$660,902	\$674,121	\$687,604
Title III	\$813,041	\$829,302	\$845,887
Title IVA	\$500,703	\$510,717	\$520,931
SPED - Early Childhood	\$78,127	\$78,127	\$78,127
ESSER	\$36,000,000	\$2,000,000	\$0
Circuit Breaker	\$4,283,361	\$4,283,361	\$4,283,361
ALC	\$1,137,265	\$1,176,011	\$1,137,265
HSE/GED Test Center	\$4,557	\$4,557	\$4,557
Private	\$0	\$0	\$0
Comcast	\$224,940	\$224,940	\$224,940
Verizon	\$100,345	\$100,345	\$100,345
<b>Total Expenditures</b>	<b>\$315,357,319</b>	<b>\$302,807,304</b>	<b>\$323,748,436</b>

## LPS Projected Positions by Funding Source

Funding Source	FY2024	FY2025	FY2026
General Fund	2,285.4	2,373.4	2,373.4
IDEA	41.5	41.5	41.5
Title I	54.3	54.3	54.3
Title IIA	4.0	4.0	4.0
Title III	11.0	11.0	11.0
Title IVA	1.0	1.0	1.0
SPED - Early Childhood	1.0	1.0	1.0
ESSER	88.0	-	-
Circuit Breaker	-	-	-
ALC	6.0	6.0	6.0
HSE/GED Test Center	-	-	-
Private	-	-	-
Comcast	2.0	2.0	2.0
Verizon	1.0	1.0	1.0
<b>Total Positions</b>	<b>2,495.2</b>	<b>2,495.2</b>	<b>2,495.2</b>



# FISCAL YEAR 2024 EXPENDITURES



The following charts provide multi-year projections for school budget expenditures and positions. These expenditures and positions are in the budgets controlled by principals. Examples of costs include teacher and paraprofessional salaries, school supplies, and building utilities.

## Projected School Expenditures by Funding Source

Funding Source	FY2024	FY2025	FY2026
General Fund	\$158,727,250	\$163,331,023	\$168,195,919
IDEA	\$2,576,679	\$2,576,679	\$2,653,979
Title I	\$3,722,917	\$3,722,917	\$3,834,604
Title IIA	\$361,956	\$361,956	\$372,815
Title III	\$404,417	\$404,417	\$416,550
Title IVA	\$0	\$0	\$0
SPED - Early Childhood	\$54,227	\$52,780	\$51,202
ESSER	\$4,298,296	\$0	\$0
Circuit Breaker	\$0	\$0	\$0
ALC	\$0	\$0	\$0
HSE/GED Test Center	\$0	\$0	\$0
Private	\$0	\$0	\$0
Comcast	\$0	\$0	\$0
Verizon	\$0	\$0	\$0
<b>Total Expenditures</b>	<b>\$170,145,742</b>	<b>\$170,449,773</b>	<b>\$175,525,069</b>

## Projected School Positions by Funding Source

Funding Source	FY2024	FY2025	FY2026
General Fund	2,123.00	2,196.00	2,196.00
IDEA	37.5	37.5	37.5
Title I	46.5	46.5	46.5
Title IIA	4	4	4
Title III	9	9	9
Title IVA	0	0	0
SPED - Early Childhood	1	1	1
ESSER	73	0	0
Circuit Breaker	0	0	0
ALC	0	0	0
HSE/GED Test Center	0	0	0
Private	0	0	0
Comcast	0	0	0
Verizon	0	0	0
<b>Total Positions</b>	<b>2,293.98</b>	<b>2,293.98</b>	<b>2,293.98</b>



# FISCAL YEAR 2024 EXPENDITURES



The following charts provide multi-year projections for district-wide and central department budget expenditures and positions. These expenditures and positions are in the budgets controlled by central department leaders, but the majority of costs support school staff, students, and buildings. Examples include employee benefits, out-of-district tuitions, transportation, adult education, and therapeutic services for students with disabilities.

## Projected District-Wide and Central Department Expenses by Funding Source

Funding Source	FY2024	FY2025	FY2026
General Fund	\$101,405,807	\$117,945,357	\$135,787,069
IDEA	\$1,504,117	\$1,585,733	\$1,591,681
Title I	\$3,617,309	\$3,764,114	\$3,802,167
Title IIA	\$298,946	\$312,165	\$314,789
Title III	\$408,624	\$424,885	\$429,338
Title IVA	\$500,703	\$510,717	\$520,931
SPED - Early Childhood	\$23,900	\$25,347	\$26,925
ESSER	\$31,701,704	\$2,000,000	\$0
Circuit Breaker	\$4,283,361	\$4,283,361	\$4,283,361
ALC	\$1,137,265	\$1,176,011	\$1,137,265
HSE/GED Test Center	\$4,557	\$4,557	\$4,557
Private	\$0	\$0	\$0
Comcast	\$224,940	\$224,940	\$224,940
Verizon	\$100,345	\$100,345	\$100,345
<b>TOTAL</b>	<b>\$145,211,577</b>	<b>\$132,357,532</b>	<b>\$148,223,367</b>

## Projected District-Wide and Central Department Positions by Funding Source

Funding Source	FY2024	FY2025	FY2026
General Fund	162.4	177.4	177.4
IDEA	4	4	4
Title I	7.8	7.8	7.8
Title IIA	0	0	0
Title III	2	2	2
Title IVA	1	1	1
SPED - Early Childhood	0	0	0
ESSER	15	0	0
Circuit Breaker	0	0	0
ALC	6	6	6
HSE/GED Test Center	0	0	0
Private	0	0	0
Comcast	2	2	2
Verizon	1	1	1
<b>TOTAL</b>	<b>201.2</b>	<b>201.2</b>	<b>201.2</b>



# FISCAL YEAR 2024 EXPENDITURES

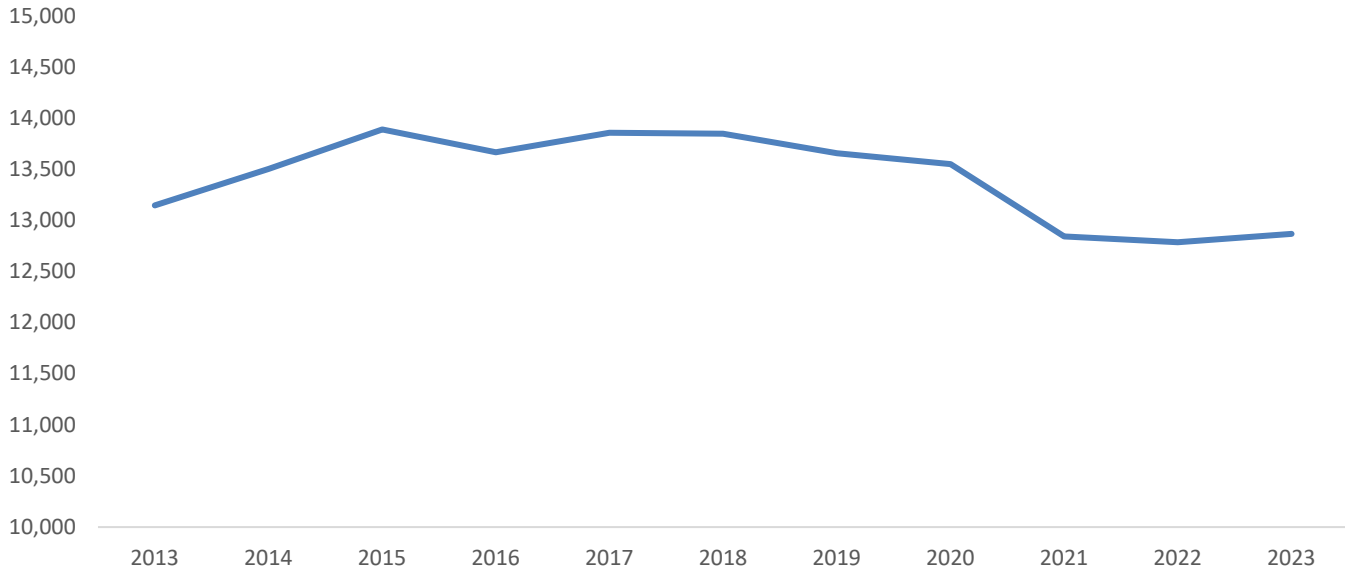


Detailed spending and position information can be found in the appendix.



The key driver in funding and costs is student enrollment. LPS enrollment has remained steady since 2021, after declining from 2018 to 2020.

LPS Enrollment



By grade level, enrollment has recently declined at the elementary level. This decrease has not reached the middle and high school levels yet.

LPS Enrollment by Grade Span

