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FY2027 Senate Budget Amendment

Chapter 70 Hold-Harmless Transparency

Draft language for S.4 · May 15, 2026

Amendment Language

SECTION X. Section 6 of chapter 70 of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by inserting after subsection (f) the following subsection:—

(g) The department shall annually publish, concurrently with the release of the chapter 70 school aid estimates and spreadsheets required under this chapter, a supplemental hold-harmless transparency table for each district receiving hold-harmless aid pursuant to this section. The supplemental table shall include, for each applicable district: (1) the nominal hold-harmless amount provided for the current fiscal year; (2) the inflation-adjusted value of such amount, calculated using the same foundation budget inflation index applied by the department for purposes of chapter 70 calculations; and (3) the cumulative real-dollar erosion in the value of such hold-harmless funding since fiscal year 2010.

The department may satisfy the requirements of this subsection through publication of a supplemental spreadsheet, appendix, or online data table accompanying the annual chapter 70 local aid materials.

Nothing in this subsection shall alter, reduce, increase, or otherwise modify the calculation or distribution of chapter 70 aid under this chapter.

Legislative Memo

Purpose

This amendment requires the Department of Elementary and Secondary Education (DESE) to publish a supplemental transparency table for all hold-harmless districts alongside the annual Chapter 70 aid spreadsheets. The amendment does not change aid calculations, redistribute funding, or create a new entitlement. It only requires publication of data the department already calculates internally.

Why This Matters

More than 200 Massachusetts school districts currently receive hold-harmless aid. While nominal aid levels remain flat, the real purchasing power of those allocations has eroded significantly over time due to inflation and enrollment shifts. Districts and municipalities often lack a standardized statewide mechanism for comparing nominal and inflation-adjusted values. This amendment creates that visibility without altering the underlying formula.

Relationship to the SWM Budget

The Senate Ways and Means FY2027 budget already reconvenes the Foundation Budget Review Commission (FBRC) to review the adequacy and fairness of the Chapter 70 formula for urban, suburban, and rural districts. This amendment complements that work by establishing a permanent transparency mechanism that provides legislators, municipal officials, and the FBRC with standardized hold-harmless erosion data.

Fiscal Impact

Minimal. The amendment is expected to cost less than \$50,000 statewide because DESE already maintains the underlying Chapter 70 calculation data and annual inflation indices. The amendment only requires publication in a supplemental format.

Policy Impact

This amendment is intentionally narrow and bipartisan. It does not increase or decrease aid, alter district eligibility, or reopen the Chapter 70 formula directly. It creates a consistent public reporting standard so policymakers can better understand the long-term effects of hold-harmless funding on district purchasing power.

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