



# GETTING TO TUITION-FREE FULL DAY KINDERGARTEN

Using Additional Massachusetts Chapter 70  
Aid to Replace Tuition Income

October 2019



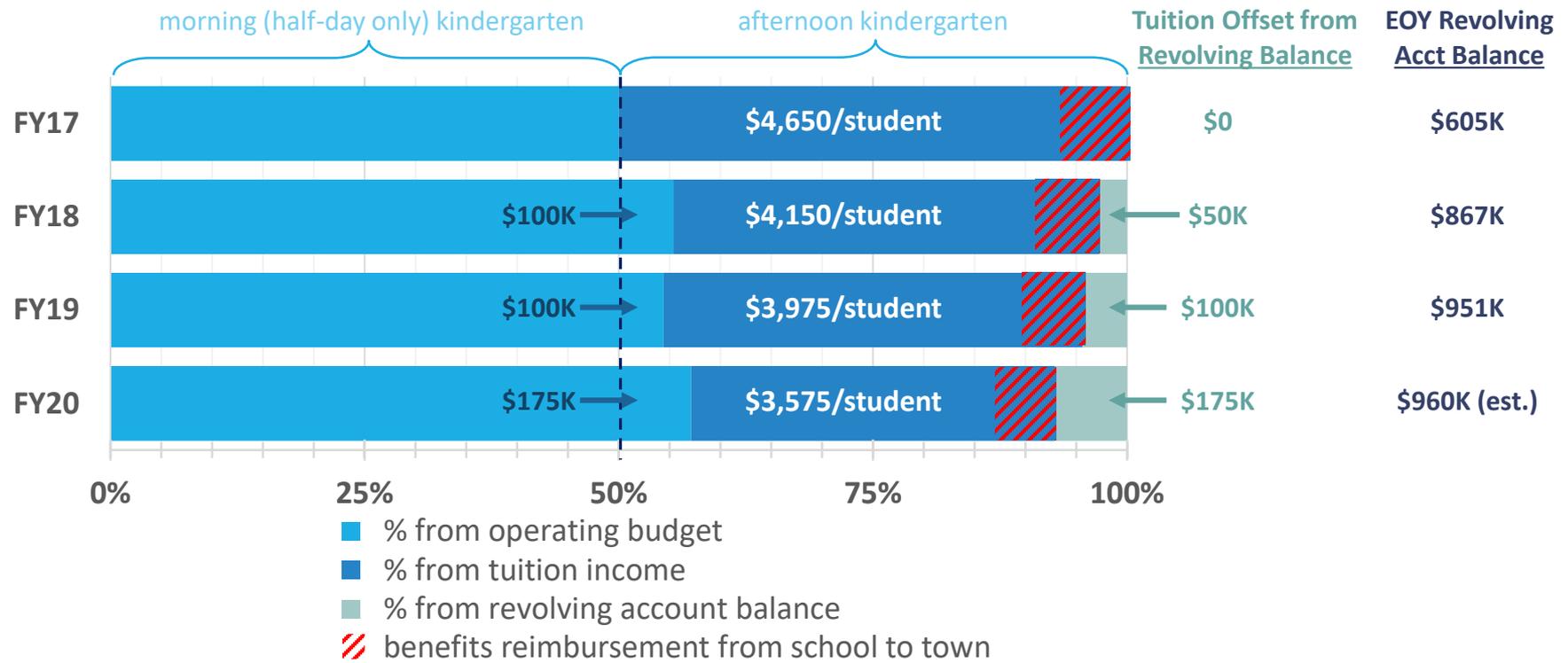
THE TOWN OF  
**ANDOVER**  
PUBLIC SCHOOLS

# Summary

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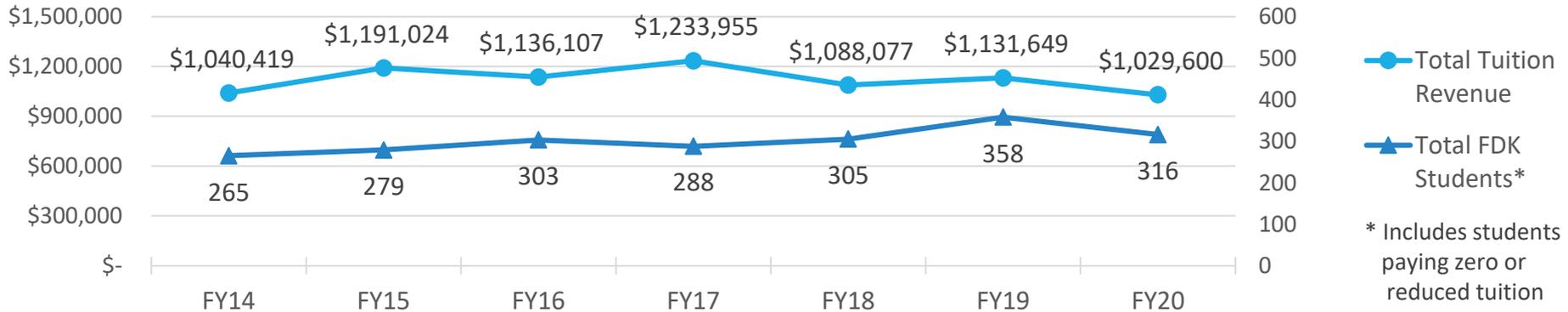
- After three consecutive years of full-day kindergarten (FDK) tuition decreases, Andover has reached a financial inflection point:
  - Revenue gained from FDK tuition is approximately equivalent to the increase Andover would see in state Chapter 70 aid if Andover did not charge tuition
- Town buy-in is required now to execute a plan for tuition-free FDK for FY21 (2020/21 school year)
  - Benefits for FDK revolving account employees to be paid same as all other other school employee benefits
  - Ch70 “gap year” will be covered by revolving account balance
  - FY22 school operating budget will increase by amount of state aid that results from move to tuition-free FDK
- Increase in school operating budget due to tuition-free kindergarten will be covered entirely by Chapter 70 aid, at no additional cost to taxpayers

# Funding of Kindergarten Expenses

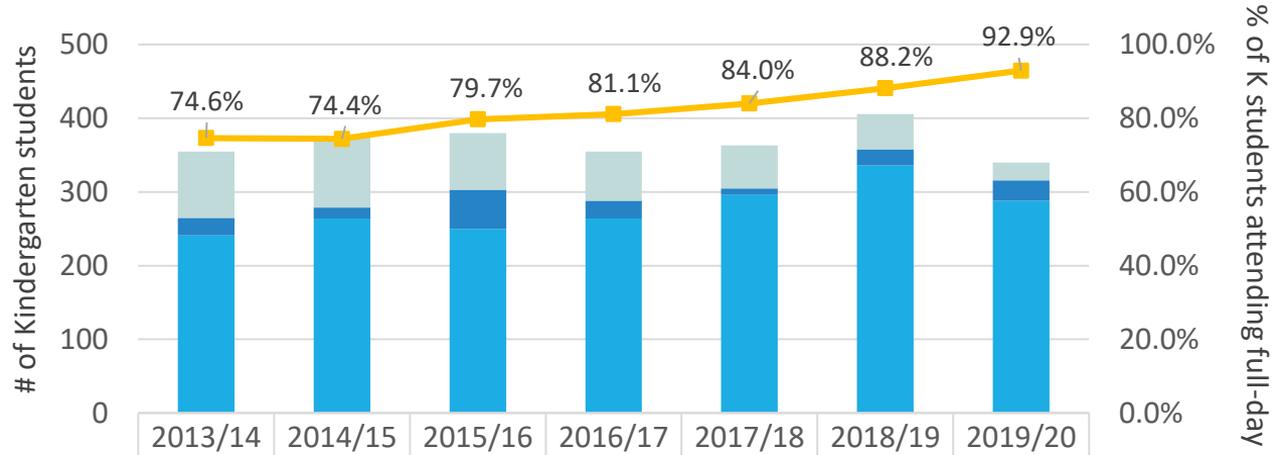


# Tuition Revenue

- Andover FDK tuition began in FY07. Funds are held in the FDK revolving account
- In FY17, Andover had the second highest FDK tuition in state at \$4,650 per student
- Tuition was decreased in FY18 (\$4,150), FY19 (\$3,975) and FY20 (\$3,575)
- Some students (retained or special needs) do not pay FDK tuition. Low-income students do not pay tuition as of FY20 (formerly reduced rate of \$500 or \$1,500)
- Tuition revenue is dependent on enrollment, which is highly variable



# Participation in Full-Day K has Increased



half-day students	90	96	77	67	58	48	24
tuition-free full-day students	24	15	53	24	9	22	28
full day students paying tuition	241	264	250	264	296	336	288
% in full day K	74.6%	74.4%	79.7%	81.1%	84.0%	88.2%	92.9%

# Andover FY20 Foundation Budget Calculation

	10/1/18 Foundation Enrollment	Contribution to Foundation Budget	foundation budget increase per enrollee
ACTUALS	Pre School	70 \$ 301,528	\$ 4,307.54
	Half Day Kindergarten	381 \$ 1,641,175	\$ 4,308
	Full Day Kindergarten	22 \$ 189,535	\$ 8,615
	Elementary	2,201 \$ 19,074,494	\$ 8,666
	Middle School	1,525 \$ 12,652,359	\$ 8,297
	High School	1,856 \$ 18,940,572	\$ 10,205
	Vocational	5 \$ 76,931	\$ 15,386
INCREMENTS	ELL - PK to 5	172 \$ 420,107	\$ 2,442
	ELL - 6 to 8	28 \$ 71,534	\$ 2,555
	ELL - High	14 \$ 27,919	\$ 1,994
	SPED In-District (formula)	220 \$ 6,425,023	\$ 29,205
	SPED Out-of-District (formula)	58 \$ 1,722,915	\$ 29,705
	Economically Disadvantaged	560 \$ 2,291,543	\$ 4,092
<b>TOTAL</b>	<b>5,835 \$ 63,835,635</b>	<b>\$ 10,941</b>	

↑ FY20 foundation budget

Clarification on DESE "number of student" calculations:

Total foundation enrollment does not include SPED (in- or out-of-district), ELL, or economically disadvantaged because the pupils are already counted in other categories.

Total foundation enrollment assigns pupils in pre-kindergarten and half-time kindergarten an enrollment count of .5.

Special education in-district headcount is an assumed percentage

Special education out-of-district headcount is also an assumed percentage

## Key Points:

- To DESE, a student paying any amount of kindergarten tuition counts toward only half-day enrollment
- Full-day enrollment adds 2x the foundation budget as half-day enrollment, an additional \$4,308 per student in FY20

# Why is there a Chapter 70 “Gap” Year?

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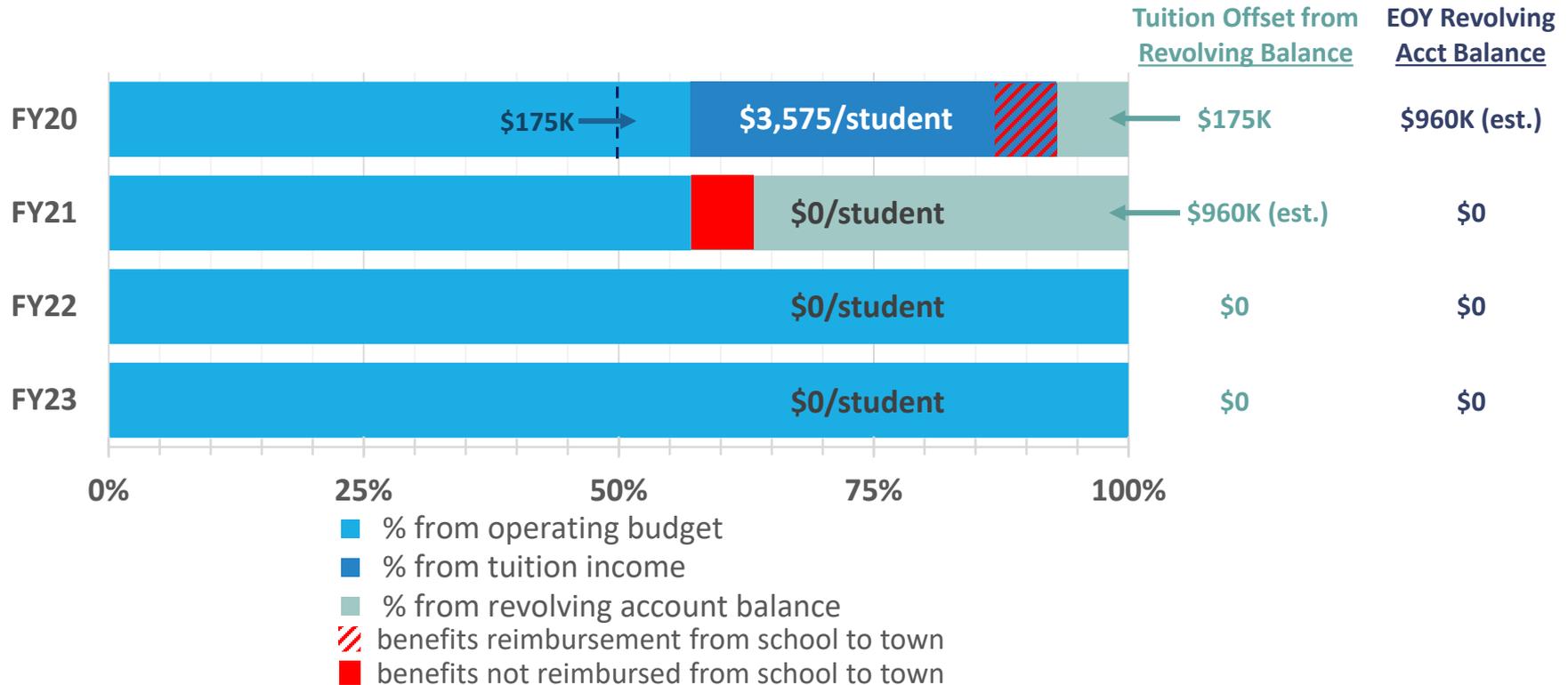
Per DESE calculations, enrollment statistics on....	are used to determine Chapter 70 aid to the district in....
10/1/2018	FY 2020 (2019/20 school year)
10/1/2019	FY 2021 (2020/21 school year)
10/1/2020	FY 2022 (2021/22 school year)
10/1/2021	FY 2023 (2022/23 school year)

If Andover had no FDK tuition on 10/1/2020:

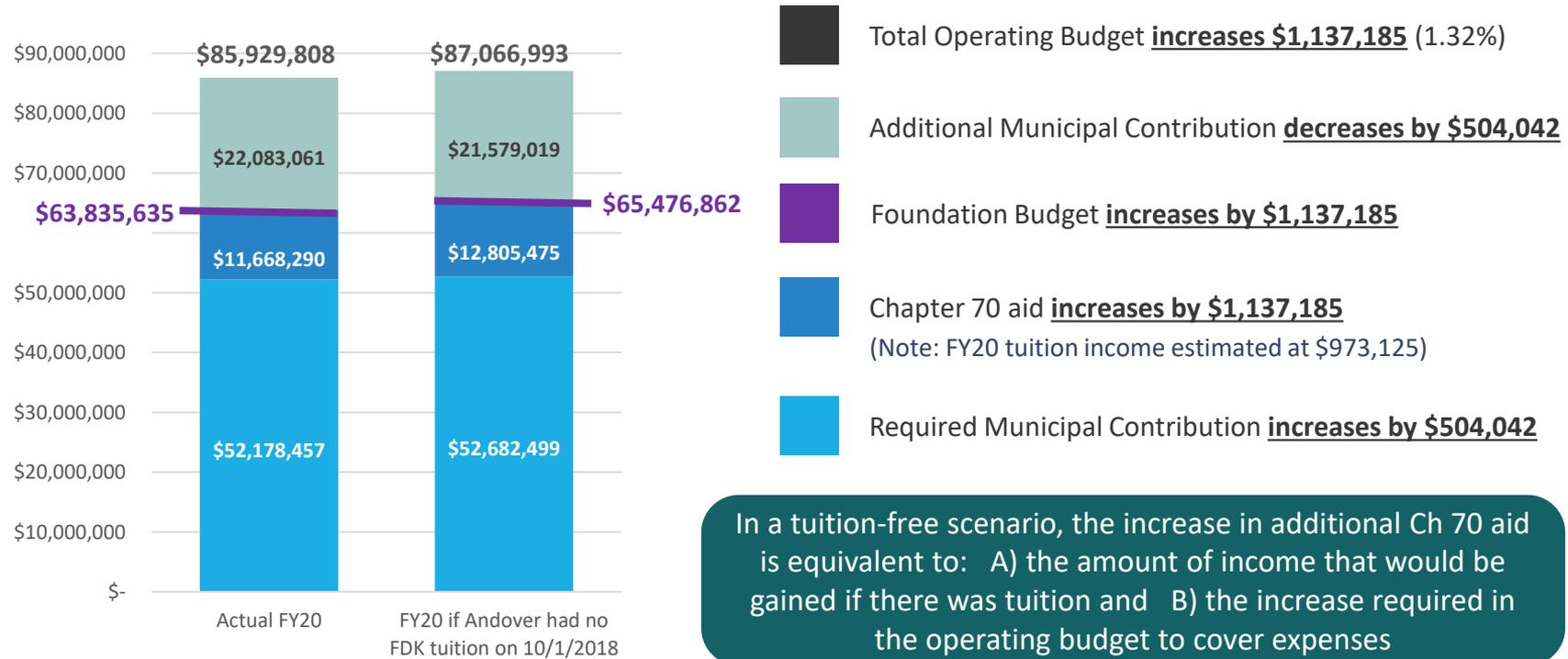
- Andover would gain \$0 tuition revenue in FY 2021 (2020/21 school year)
- The Chapter 70 increase reflecting this enrollment change comes in FY 2022 (2021/22 school year)

# Funding of Kindergarten Expenses

(half + full day FY20, moving to only full day for FY21 and beyond)



# FDK Increase in Operating Budget can be Covered by State Aid, with No Cost to Taxpayers



# Key Takeaways (1 of 2)

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- Increase required in school operating budget due to tuition-free kindergarten could be covered entirely by Chapter 70 aid, at no additional cost to taxpayers
- The Chapter 70 increase from a HDK-to-FDK transition is separate and distinct from the Chapter 70 increase Andover is seeing from the foundation formula revision:
  - Each FDK enrollee adds double what a HDK enrollee adds to the foundation budget (FY20 FDK at \$8,615 and HDK at \$4,308 per student)
  - To DESE, a student paying any level of tuition counts as an HDK enrollee

# Key Takeaways (2 of 2)

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- Plan summary:
  - Town would pay employee benefits for FDK staff (same as other non-revolving account APS staff) beginning FY21
  - School-related FDK expenses during Chapter 70 “gap” year (FY21) would be funded from the FDK revolving account
  - In subsequent years (FY22 and beyond), school operating budget would receive the Chapter 70 increase resulting from tuition-free FDK

# Tuition-Free FDK Plan Requirements

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- In FY21 (Chapter 70 “gap” year):
  - FDK tuition – and, therefore, tuition revenue – would be \$0
  - Most FDK expenses could be covered by existing balance in FDK revolving account
  - Town would assume cost of benefits for FDK staff (as opposed to being reimbursed by school funds)
- In FY22 and beyond (Chapter 70 “break-even” years):
  - School operating budget would increase to accommodate FDK expenses (increase for FY22 and maintain as part of annual budget)
  - Town continues to pay cost of benefits for FDK staff (same as other non-revolving account APS staff)
  - Additional Chapter 70 money would cover this operating budget increase



QUESTIONS?