

2017 MERC PUBLICATION

# GREATER FRANKLIN REGION

Cohesive Commercial Statistical Area™

## MUNICIPAL REVENUE 2017©



By

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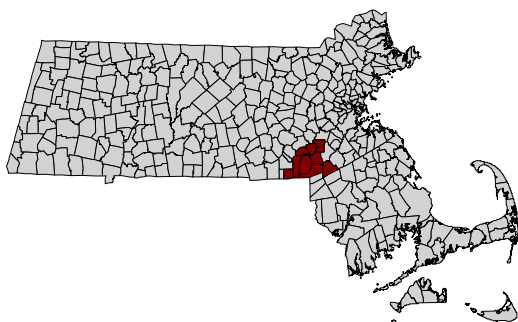
## INTRODUCTION

The Greater Franklin Region (GFR) Cohesive Commercial Statistical Area (CCSA™) includes nine communities located southwest of Boston, Massachusetts. The region lies within commuting distance of Boston and Worcester, Massachusetts, and Providence, Rhode Island. The Greater Franklin Region includes Bellingham, Blackstone, Foxborough, Franklin, Medfield, Medway, Millis, Norfolk and Wrentham; it has a population of more than 134,000 and a K-12 public school enrollment of more than 23,000.

Greater Franklin is an economically diverse region that has grown faster than the Commonwealth over the past two decades. The region has convenient access to several major highways including Routes 495, I-95, and I-90, the Massachusetts Turnpike. In addition, there is a commuter train station in Franklin.

This publication presents municipal revenue, K-12 public school enrollment, and education costs (See Appendix II) for Greater Franklin. Municipalities report budgeted revenue, actual revenue and actual expenditures to the Massachusetts Department of Revenue (DOR), Division of Local Services (DLS). The MetroWest Economic Research Center (MERC) at Framingham State University uses the underlying information to prepare analyses for the local region. Budgeted revenue and actual expenditures are presented in this report. Revenue consists of the total tax levy, state aid, local receipts and an “all other” category. Local receipts include motor vehicle excise taxes, licenses, and charges for services such as water, sewer and trash collection. The tax levy consists of assessments on personal property, open space and industrial, commercial, and residential real estate. Personal property includes furnishings of second homes, some inventories and equipment of utility companies and unincorporated businesses. Tax levies are subject to limitations imposed by related legislation. For additional information on local taxing options see Appendix I.

Public school enrollment is calculated for kindergarten through grade 12 students using the annual classroom census conducted in October of each year and reported to the MA Department of Elementary and Secondary Education (DESE). Included are all public school students in regular education, special education, regional schools and regional vocational high schools.



# **GREATER FRANKLIN REGION – MUNICIPAL REVENUE**

## **TABLE OF CONTENTS**

INTRODUCTION	1
TABLE OF CONTENTS	2
MUNICIPAL REVENUE – OVERVIEW	3
MUNICIPAL REVENUE	
Growth in Municipal Revenue FY2000-FY2017	4
Total Revenue Components FY2000-FY2017	5
Components of Revenue FY2015 & FY2017 GFR & MA	6
Revenue by Source FY2017	7
Revenue per Capita FY2000-FY2016	8
Municipal Revenue per Capita by Community FY2017	9
Revenue and Tax Levy Components FY2017	10
Distribution of Tax Levy by Community FY2017	11
Greater Franklin Tax Rates FY2017	12
Single Family Average Tax Bill - Real and Normal FY2000-FY2016	13
Single Family Average Tax Bill & Assessed Value FY2000-FY2017	14
Single Family Average Tax Bill by Community FY2017	15
State Aid in Selected Categories FY2006-FY2017	16
General Fund Expenditures FY2015	17
Total General Fund Expenditure by Community FY2015	18
Educational Expenditure by Community FY2015	19
Educational State Aid as a % of Educational Expenditures FY2015	20
Educational State Aid by Category FY2017	21
K-12 PUBLIC SCHOOL ENROLLMENT – OVERVIEW	22
K-12 Education Spending FY1993-FY2017	23
K-12 Per Pupil Cost By Category FY2017	24
K-12 Enrollment By Community FY2007-FY2017	25
K-12 Total and Per Pupil Cost by Community FY2017	26
K-12 Public School Enrollment By Grade 2016	27
K-12 Public School Enrollment By Community 2016	28
K-12 Charter School Enrollment 2006-2016	29
K-12 School Enrollment by Year 2006-2016	30
K-12 Enrollment as a Percentage of 2015 Population	31
K-12 Total Grade Size 2016	32
K-12 Students with Disabilities 2016	33
APPENDIX I: SHIFTING THE TAX BURDEN	34-35
APPENDIX II: EDUCATION COST	36-39
SOURCES	40

# ***GREATER FRANKLIN REGION – MUNICIPAL REVENUE***

## **MUNICIPAL REVENUE**

Municipalities report budgeted revenue, actual revenue and actual expenditures to the Massachusetts Department of Revenue (DOR), Division of Local Services (DLS) on form Schedule A which includes a tax recapitulation report. The DLS of the DOR prepares many analyses from these reports. The MetroWest Economic Research Center (MERC) at Framingham State University uses the underlying information as well as DLS reports to prepare analyses for the local region.

Unless otherwise stated, revenue presented in this report represents budgeted revenue reported to the Massachusetts Department of Revenue, Division of Local Services by the respective municipalities. It consists of the total tax levy, state aid, local receipts and an “all other” category. The tax levy consists of assessments on personal property and industrial, commercial, open space and residential real estate. Personal property includes furnishings of second homes and some inventories and equipment of unincorporated businesses. On-site vehicles of utility companies are generally included in this category as well. State aid is earmarked as state aid for education and state aid for general government. Local receipts include motor vehicle excise taxes, licenses and charges for services. The “all other” category includes free cash and other available funds. Budgeted revenue and actual revenue differ very little.

Tax levies are subject to limitations imposed by related legislation. In any given year, the tax levy cannot exceed 2½ percent of the total assessed value of the property of the community. In addition, the tax levy cannot increase by more than 2½ percent of the prior year tax levy limit plus new growth without voter approval of an operating budget override or a debt exclusion override. An operating budget override constitutes a permanent adjustment to the tax levy base that is used for subsequent year calculation limits while a debt exclusion override is in effect only for the life of the bond for which it was approved. It does not become a permanent adjustment to the tax levy base. Individual communities are also able to determine the extent to which property taxes will be borne by residential taxpayers or commercial and industrial (C&I) taxpayers. Some communities choose to tax residential, commercial and industrial property at the same rate while others use split rates. Personal property is generally taxed at C&I rates imposed by the respective community.

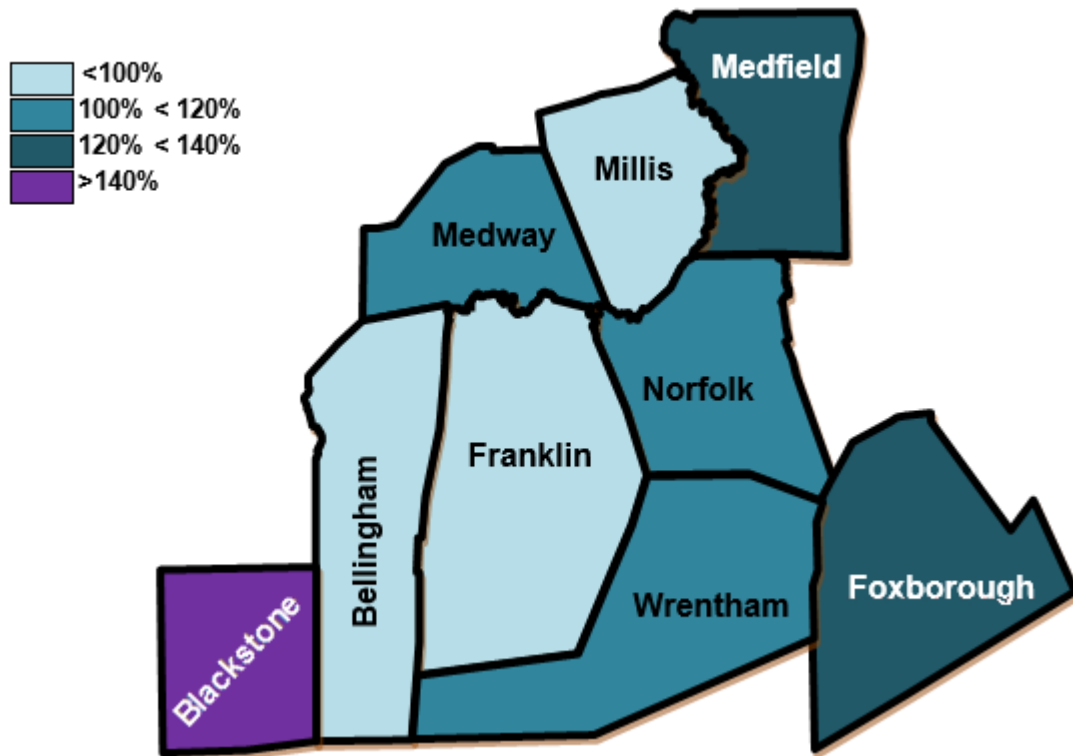
With the residential exemption, the tax burden shifts within the residential class from owner-occupied and relatively lower valued properties, to relatively higher valued ones and to those not eligible for the exemption such as vacant land, rental properties and seasonal homes. The small commercial exemption is a similar shift within the class in that it excludes a percentage of the assessed value of each eligible parcel. It covers commercial real estate property valued at less than \$1 million that is occupied by certified small business (10 or fewer employees).

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

In the Greater Franklin Region, municipal revenue increased from \$255.3 million in FY2000 to \$539.8 million in FY2017, a gain of 111.4% over the 18-year period. Municipal revenue percentage growth for every community in Greater Franklin was higher than 95% for the 18-year period. In addition, municipal revenue percentage growth varied among the individual communities. The map below shows municipal revenue percentage increases in Greater Franklin divided into four intervals: up to 100%, 100-120%, 120-140%, and over 140%. Relatively smaller rates of increase in municipal revenue occurred in Bellingham (96.7%), Franklin (97.9%), and Millis (95.1%) all in the first group. The second interval included Medway, Norfolk, and Wrentham with respective growth rates of 113.8%, 117.9%, and 108.5%. The third interval included Medfield at 121.4% and Foxborough at 135.0%. Over the period, the highest percentage growth in municipal revenue occurred in Blackstone at 155.0%.

### GROWTH IN MUNICIPAL REVENUE

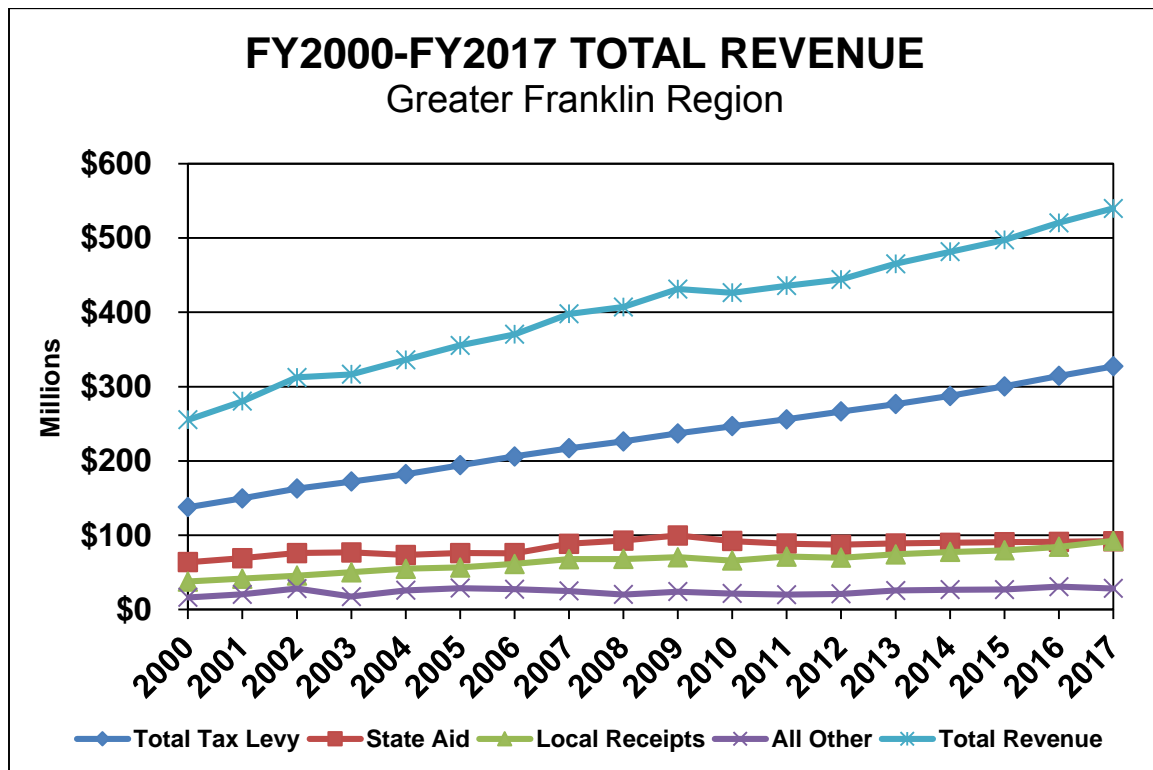
FY2000 to FY2017



Source: MA Department of Revenue, DLS, and MERC

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

Total municipal revenue for the Greater Franklin Region rose from \$255.3 million in FY2000 to \$539.8 million in FY2017, an increase of 111.4%. Over the same period, the total tax levy increased 137.7% from \$137.7 million to \$327.3 million. State aid climbed from \$63.7 million in FY2000 to \$99.7 million in FY2009, then fell to \$87.1 million in FY2012, and finally rose to \$91.9 million in FY2017. The amount of state aid in this graph includes funding for school construction: the latest estimate of \$5 million per year has been accounted for separately by the Massachusetts School Building Authority (MSBA) since FY2006. The local receipts amount of \$92.3 million in FY2017 was nearly triple the FY2000 figure of \$37.7 million. The “all other” category for FY2017 of \$28.3 million, which includes available free cash, accounted for 5.2% of municipal revenue. This category has experienced several fluctuations since FY2000. It nearly doubled from FY2000 to FY2002 from \$16.3 million to \$28.1 million, and then decreased to \$17.3 million the next year.

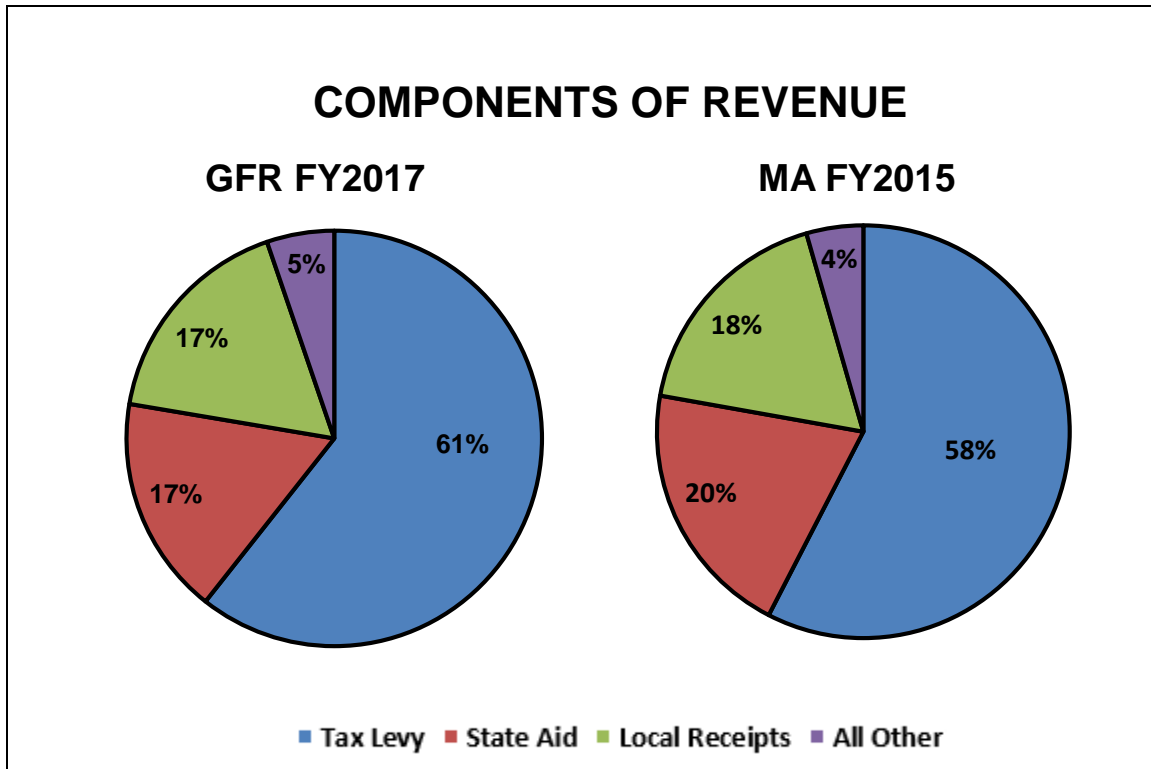


Source: MA Department of Revenue, DLS, and MERC

Fiscal Year	Total Tax Levy	State Aid	Local Receipts	All Other	Total Revenue
2000	\$137,694,914	\$63,705,183	\$37,652,601	\$16,284,389	\$255,337,087
2004	\$182,086,504	\$73,396,727	\$54,764,445	\$25,830,957	\$336,078,633
2008	\$226,254,317	\$92,727,057	\$67,968,909	\$20,142,748	\$407,093,031
2012	\$266,499,533	\$87,130,012	\$69,653,097	\$20,967,208	\$444,249,850
2016	\$314,357,672	\$91,027,585	\$84,370,583	\$30,631,718	\$520,387,558
2017	\$327,341,659	\$91,877,488	\$92,285,593	\$28,320,506	\$539,825,246

## **GREATER FRANKLIN REGION – MUNICIPAL REVENUE**

Total municipal revenue consists of the tax levy, state aid, local receipts and the “all other” category. The pie charts below compare the percentage distribution of FY2017 municipal revenue for the Greater Franklin Region (GFR) to the distribution for total FY2015 municipal revenue for all 351 communities in the state. The FY2017 GFR shares were as follows: tax levy at 60.6%; state aid at 17.0%; local receipts at 17.1%; and “all other” at 5.2%. Comparable percentages for all municipalities in the state in FY2015 were: tax levy at 57.6%; state aid at 20.2%; local receipts at 17.7%; and “all other” at 4.5%. At this time, state totals are available for only FY2015 and prior years. Percentages for FY2015 for the Greater Franklin Region were: tax levy (60.4%); state aid (18.2%); local receipts (16.0%); and “all other” (5.4%).



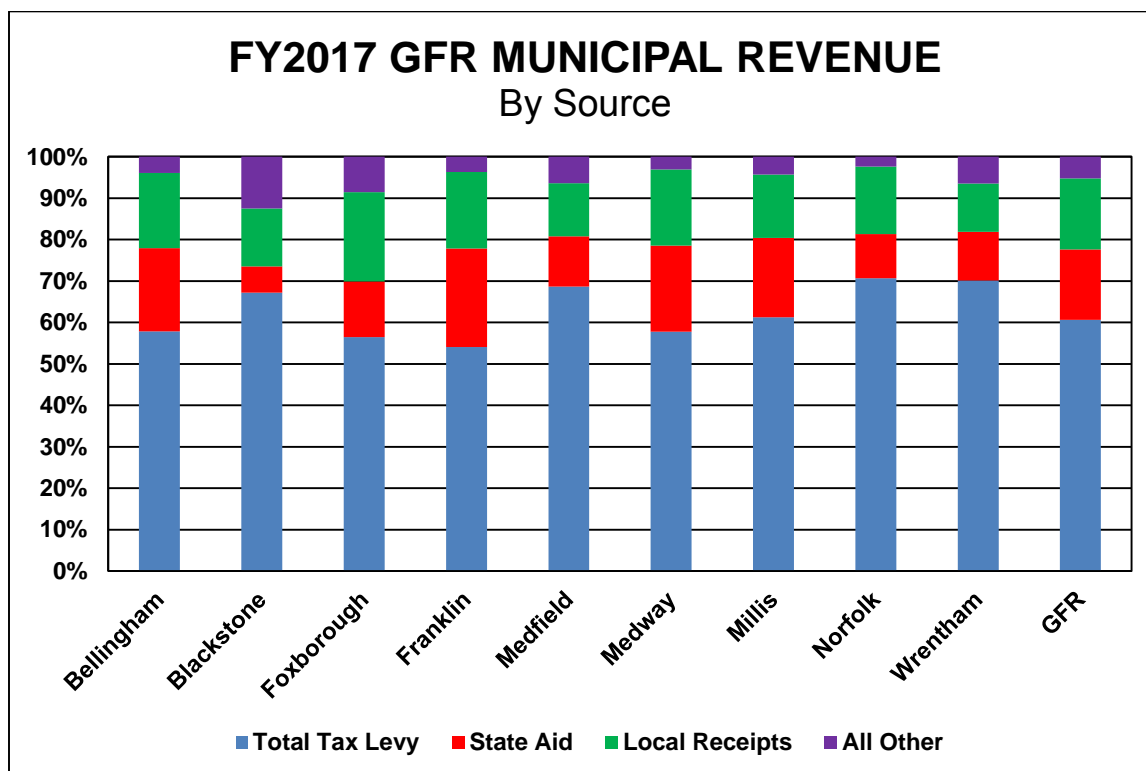
*Source: MA Department of Revenue, DLS, and MERC*

Component	GFR 2015	GFR 2017	MA 2015
Tax Levy	60.4%	60.6%	57.6%
State Aid	18.2%	17.0%	20.2%
Local Receipts	16.0%	17.1%	17.7%
All Other	5.4%	5.2%	4.5%



## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

Municipal revenue for the Greater Franklin Region (GFR) in FY2017 totaled \$539.8 million. The Greater Franklin communities collected 60.6% of their revenue from the tax levy, 17.0% from state aid, 17.1% from local receipts, and 5.2% from the “all other” category. There was wide variation in the distribution of the revenue components by municipality. The tax levy as a percentage of total municipal revenue ranged between 54.1% in Franklin and 70.6% in Norfolk. State aid as a percentage of total municipal revenue ranged between 6.3% in Blackstone and 23.7% in Franklin. Please note that state aid given directly to Blackstone’s regional school district is not included in this data and not reflected in this graph. Local receipts ranged between 11.7% in Wrentham and 21.5% in Foxborough. Lastly, the “all other” category ranged between 3.1% in Medway and 12.4% in Blackstone.



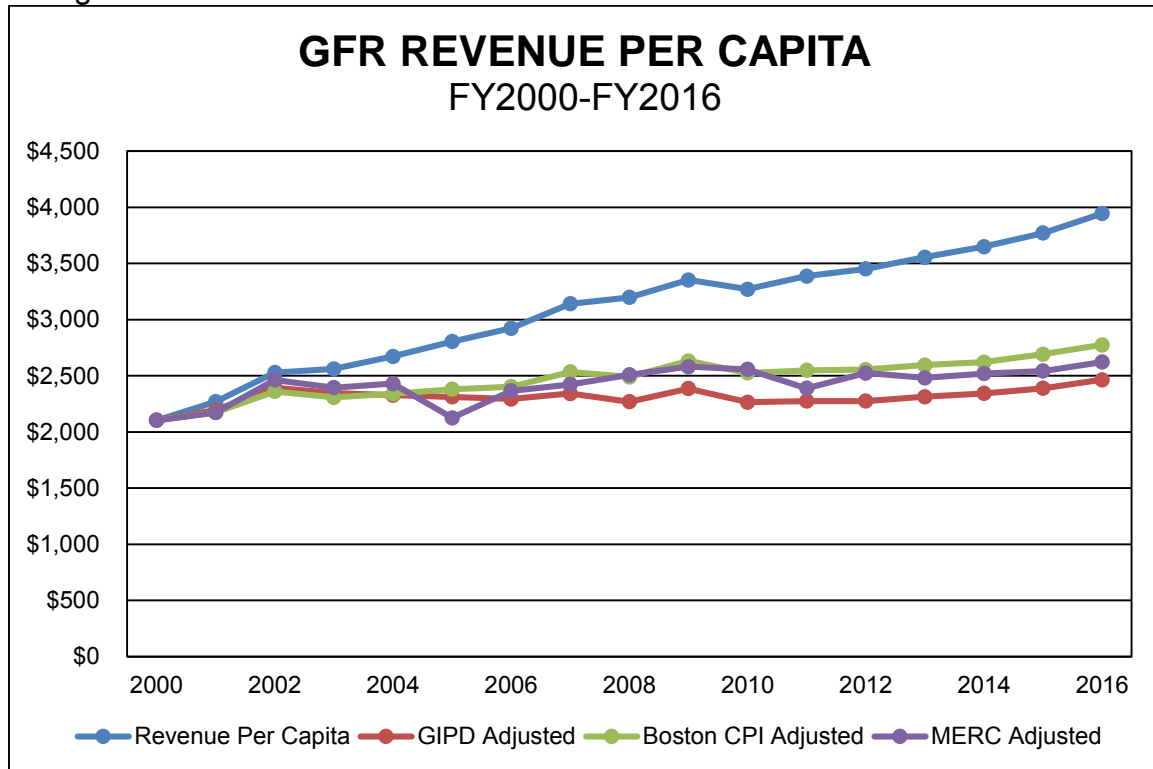
Source: MA Department of Revenue, DLS, and MERC

Municipality	Tax Levy	State Aid	Local Receipts	All Other
Bellingham	\$37,146,841	\$12,866,323	\$11,650,175	\$2,502,475
Blackstone*	\$17,092,119	\$1,614,892	\$3,568,039	\$3,166,696
Foxborough	\$45,145,586	\$10,729,474	\$17,212,444	\$6,803,847
Franklin	\$70,757,560	\$31,043,709	\$24,125,438	\$4,844,002
Medfield	\$42,723,594	\$7,551,933	\$7,974,044	\$3,973,230
Medway	\$33,822,517	\$12,145,083	\$10,759,540	\$1,790,703
Millis	\$20,035,403	\$6,257,811	\$5,007,626	\$1,395,873
Norfolk	\$29,872,126	\$4,529,986	\$6,865,718	\$1,014,267
Wrentham	\$30,745,913	\$5,138,277	\$5,122,569	\$2,829,413
<b>Greater Franklin</b>	<b>\$327,341,659</b>	<b>\$91,877,488</b>	<b>\$92,285,593</b>	<b>\$28,320,506</b>

\*Does not include regional education state aid.

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

Municipal revenue per capita for the Greater Franklin Region (GFR) increased from \$2,104 in FY2000 to \$3,943 in FY2016. This represented an average annual rate of increase of 4.0% over the sixteen-year period. This statistic can also be viewed as spending per capita as communities work with balanced budgets. The largest rate of increase over a one-year period occurred between FY2001 and FY2002 with a gain of 11.4%. This was immediately followed by the lowest rate of increase, a gain of 1.3% over the one-year period between FY2002 and FY2003. Inflation adjusted trends are displayed from FY2000 to FY2016. These were calculated using the Boston CPI for Urban Wage Earners and Clerical Workers, Government Implicit Price Deflator (GIPD), and MERC Cost of Living Index for MetroWest.

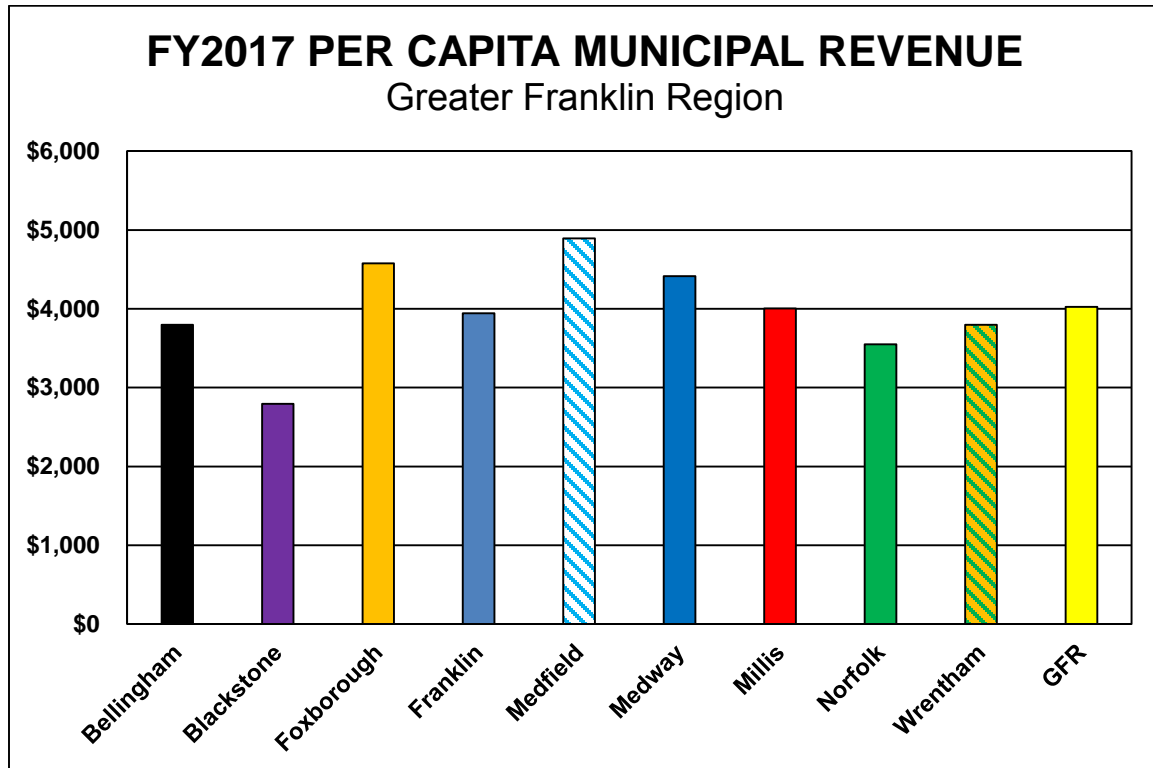


Source: MA Department of Revenue, DLS, and MERC

Fiscal Year	Nominal Revenue Per Capita	% Change Over Prior Year
2000	\$2,104	-
2002	\$2,528	11.4%
2004	\$2,672	4.3%
2006	\$2,922	4.2%
2008	\$3,197	1.8%
2010	\$3,270	2.5%
2012	\$3,452	1.9%
2014	\$3,649	2.7%
2015	\$3,770	3.3%
2016	\$3,943	4.6%
<b>16-Year Average</b>	<b>N/A</b>	<b>4.0%</b>

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

Per capita municipal revenue in the Greater Franklin Region (GFR) in FY2017 was \$4,023. The value was determined by dividing total municipal revenue in Greater Franklin by the 2015 estimated population, the most recent numbers available. The corresponding value for FY2016 was \$3,943. For FY2017, three communities had figures above this regional value, and six communities had figures below. Municipal revenue per capita was highest for residents of Medfield with \$4,892. These data can be viewed as spending per capita as municipalities work with balanced budgets. Please note that Blackstone's regional school state aid is not included in this municipal revenue data.



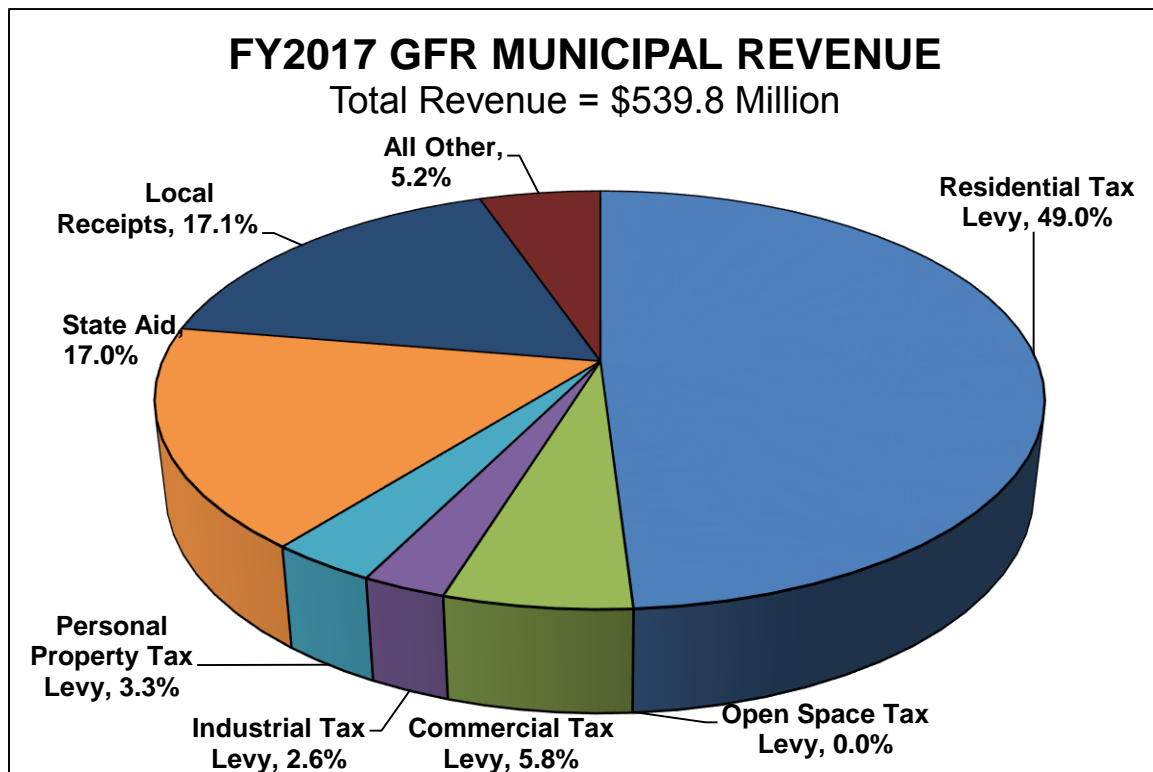
Source: MA Department of Revenue, DLS, and MERC

Municipality	Total Revenue	2015 Estimated Population	Municipal Revenue Per Capita
Bellingham	\$64,165,814	16,891	\$3,799
Blackstone*	\$25,441,746	9,104	\$2,795
Foxborough	\$79,891,351	17,456	\$4,577
Franklin	\$130,770,709	33,147	\$3,945
Medfield	\$62,222,801	12,718	\$4,892
Medway	\$58,517,843	13,253	\$4,415
Millis	\$32,696,713	8,169	\$4,003
Norfolk	\$42,282,097	11,908	\$3,551
Wrentham	\$43,836,172	11,548	\$3,796
<b>Greater Franklin</b>	<b>\$539,825,246</b>	<b>134,194</b>	<b>\$4,023</b>

\*Does not include regional education state aid

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

The Greater Franklin Region total municipal revenue for FY2017 amounted to \$539.8 million, an increase of 3.7% from FY2016. For FY2017, the total tax levy generated 60.6% of total municipal revenue for the region. The tax levy includes residential real estate taxes, commercial real estate taxes, industrial real estate taxes and personal property taxes, representing 49.0%, 5.8%, 2.6%, and 3.3%, respectively, of Greater Franklin's municipal revenue. The open space tax levy accounts for a negligible portion of the total tax levy. State aid at 17.0%, local receipts at 17.1% and the "all other" category with 5.2% provided the remaining 39.4% of FY2017 Greater Franklin municipal revenue.

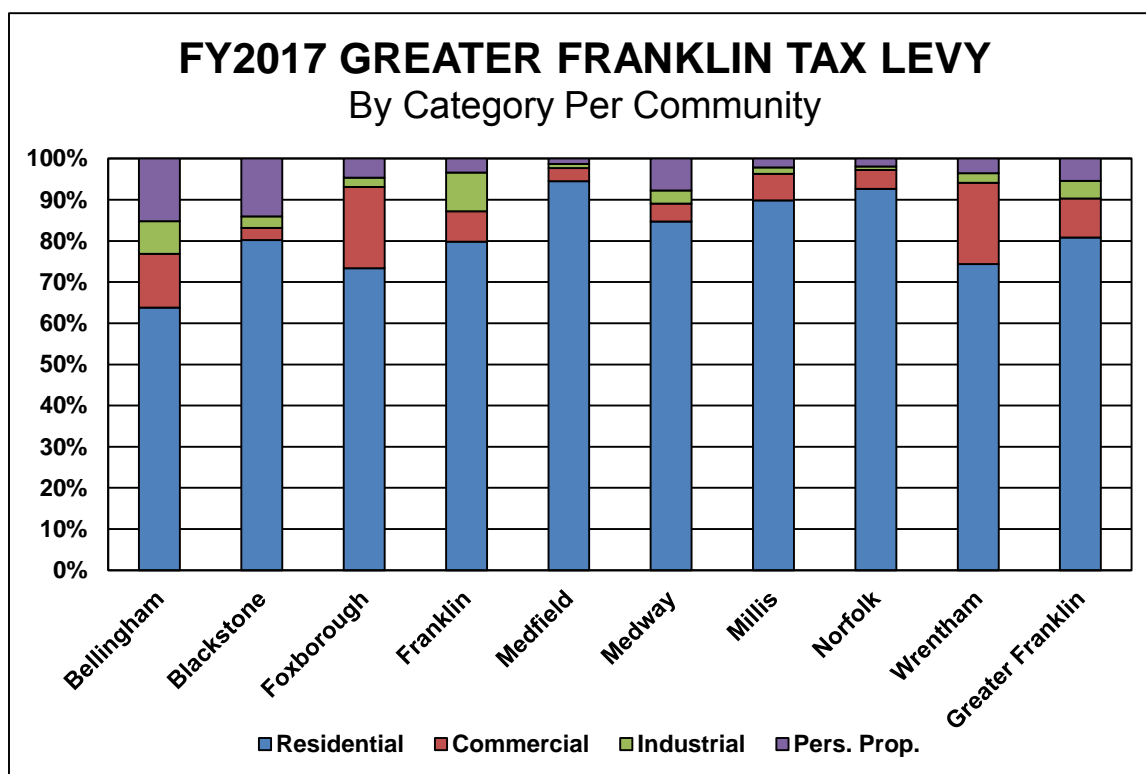


Source: MA Department of Revenue, DLS, and MERC

Revenue Category	Amount	% of Total Revenue
Residential Tax Levy	\$264,615,490	49.0%
Open Space Tax Levy	\$9,334	Negligible
Commercial Tax Levy	\$31,042,703	5.8%
Industrial Tax Levy	\$13,938,042	2.6%
Personal Property Tax Levy	\$17,736,090	3.3%
Total Tax Levy	\$327,341,659	60.6%
State Aid	\$91,877,488	17.0%
Local Receipts	\$92,285,593	17.1%
All Other	\$28,320,506	5.2%
<b>Total Revenue</b>	<b>\$539,825,246</b>	<b>100.0%</b>

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

In FY2017 the tax levy for the Greater Franklin Region (GFR) totaled \$327.3 million, 80.8% from residential real estate, 9.5% from commercial real estate, 4.3% from industrial real estate, and 5.4% from personal property. The percent of tax revenue generated by residential real estate taxes varied by community with the highest percentage occurring in Medfield at 94.5%, the lowest percentage in Bellingham at 63.8% and the remaining communities ranging between 73.4% and 92.6%. In three communities, commercial property contributed a greater percentage to the tax levy than the GFR average value of 9.5%: Bellingham at 13.1%, and Foxborough and Wrentham at 19.7%. The industrial component of the tax levy was highest in Franklin at 9.4%. Bellingham at 15.2%, and Blackstone with 14.1% had relatively higher personal property tax shares compared to the other towns. Norfolk's \$9,334 open space tax levy is negligible.

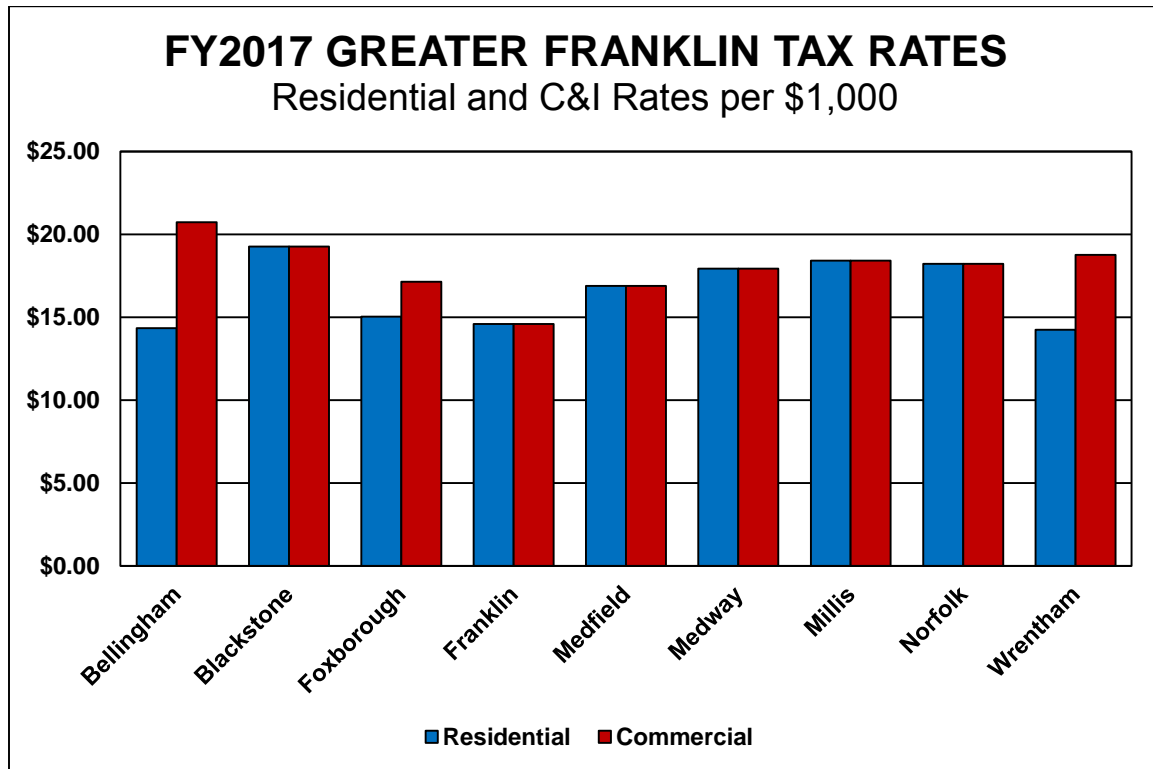


Source: MA Department of Revenue, DLS, and MERC

Municipality	Residential	Commercial	Industrial	Per. Prop.
Bellingham	\$23,707,725	\$4,858,491	\$2,930,333	\$5,650,292
Blackstone	\$13,711,395	\$499,845	\$477,282	\$2,403,597
Foxborough	\$33,124,301	\$8,911,034	\$1,030,621	\$2,079,630
Franklin	\$56,488,747	\$5,242,016	\$6,655,989	\$2,370,808
Medfield	\$40,384,348	\$1,352,208	\$438,442	\$548,596
Medway	\$28,651,842	\$1,467,260	\$1,087,893	\$2,615,522
Millis	\$18,003,004	\$1,288,317	\$321,564	\$422,518
Norfolk	\$27,672,063	\$1,361,478	\$270,827	\$558,424
Wrentham	\$22,872,065	\$6,062,054	\$725,091	\$1,086,703
<b>Greater Franklin</b>	<b>\$264,615,490</b>	<b>\$31,042,703</b>	<b>\$13,938,042</b>	<b>\$17,736,090</b>

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

In FY2017 Blackstone, Franklin, Medfield, Medway, Millis, and Norfolk adopted a single residential and commercial and industrial (C&I) tax rate. In contrast, Bellingham, Foxborough and Wrentham opted for split rates. Residential rates ranged from \$14.25 per thousand in Wrentham to \$19.26 in Blackstone. C&I rates ranged from \$14.58 in Franklin to \$20.72 in Bellingham. Included in the table below are residential and total assessed values for each community.

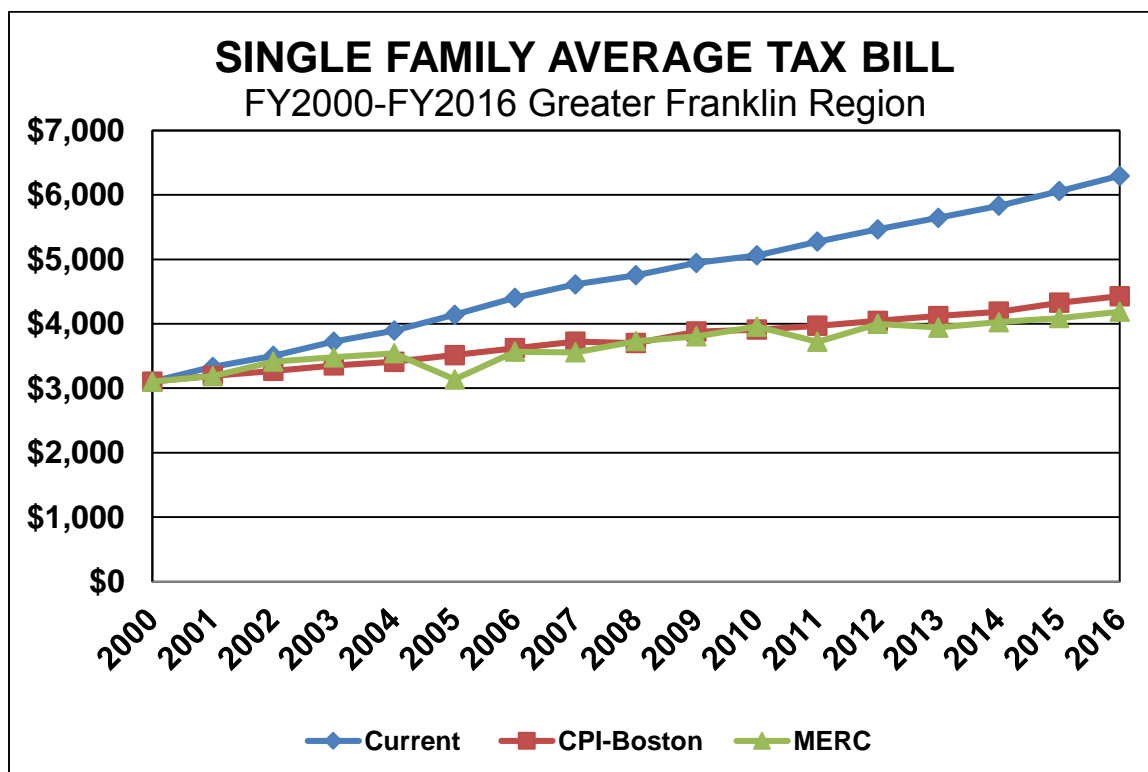


Source: MA Department of Revenue, DLS, and MERC

Municipality	Residential Rate/\$1,000	C&I Rate/\$1,000	Residential Assessed Value	Total Assessed Value
Bellingham	\$14.34	\$20.72	\$1,653,258,358	\$2,305,676,056
Blackstone	\$19.26	\$19.26	\$711,910,421	\$887,441,232
Foxborough	\$15.04	\$17.13	\$2,202,413,648	\$2,904,181,620
Franklin	\$14.58	\$14.58	\$3,874,399,665	\$4,853,056,224
Medfield	\$16.89	\$16.89	\$2,391,021,224	\$2,529,520,141
Medway	\$17.92	\$17.92	\$1,598,875,127	\$1,887,417,247
Millis	\$18.42	\$18.42	\$977,361,759	\$1,087,698,300
Norfolk	\$18.22	\$18.22	\$1,518,774,054	\$1,639,523,939
Wrentham	\$14.25	\$18.75	\$1,605,057,192	\$2,026,124,500
<b>GFR</b>	<b>N/A</b>	<b>N/A</b>	<b>\$16,533,071,448</b>	<b>\$20,120,639,259</b>

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

The single family home average tax bill exhibited an upward trend from FY2000 to FY2016 in Greater Franklin. The graph below illustrates the average tax bill for single family homes in Greater Franklin over time in nominal dollars and adjusted for inflation. Using the MERC price deflator which uses prices in MetroWest as a comparison point, the annual average rate of change for the single family average tax bill was +1.9%. The prices in MetroWest are used because that is the closest cost of living index available at MERC. Increases in the real single family average tax bill throughout the period were modest. The CPI adjusted figures for the tax bill are also displayed, and were calculated using the Boston CPI for Urban Wage Earners and Clerical Workers; this increase was +2.25%.

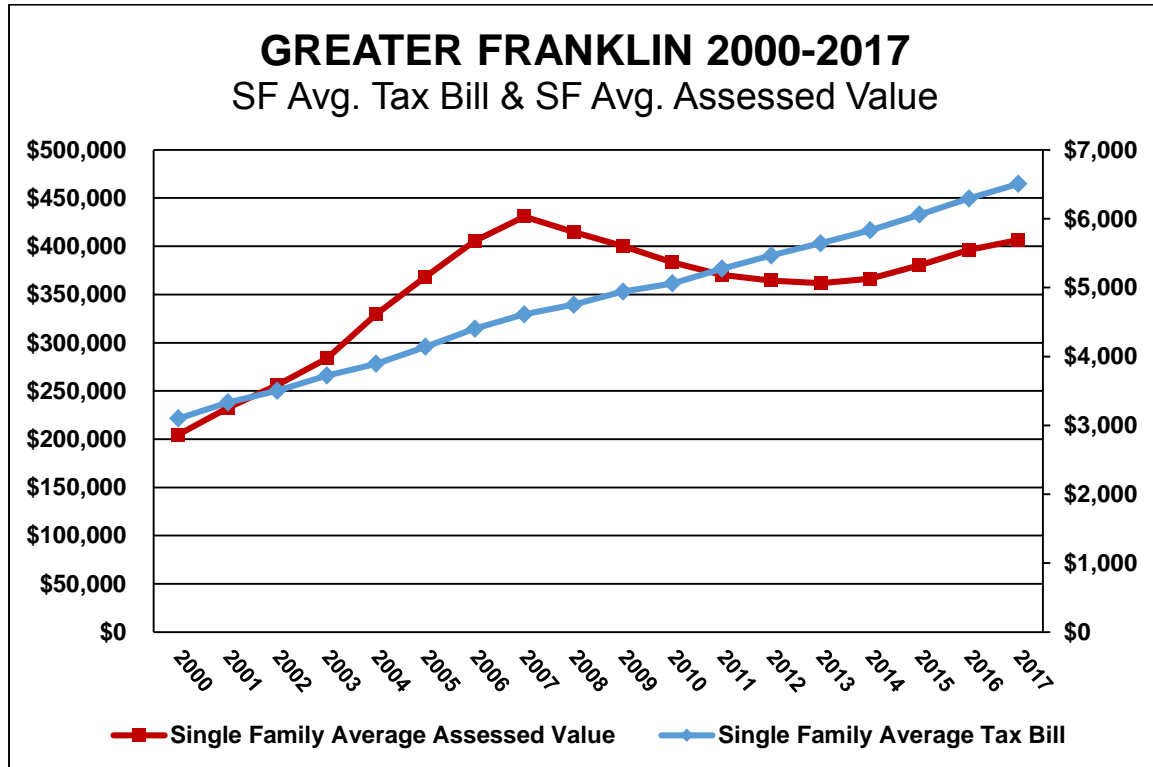


Source: MA Department of Revenue, DLS and MERC

Fiscal Year	NOMINAL VALUES	BOSTON CPI (adjusted)	MERC (adjusted)
2000	\$3,102	\$3,102	\$3,102
2002	\$3,332	\$3,269	\$3,412
2004	\$3,501	\$3,410	\$3,542
2006	\$3,724	\$3,622	\$3,566
2008	\$3,895	\$3,701	\$3,730
2010	\$4,141	\$3,910	\$3,957
2012	\$4,404	\$4,047	\$3,997
2014	\$5,831	\$4,188	\$4,026
2015	\$6,060	\$4,327	\$4,087
2016	\$6,294	\$4,429	\$4,186

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

The single family home (SF) tax bill is shown on the right vertical axis, and the single family average assessed value is shown on the left vertical axis. From FY2000 through FY2007, the percentage increase in the single family assessed value year to year was higher than the percentage increase in the single family tax bill. From FY2009 through FY2015 the percentage change in the average tax bill was higher than the increase in assessed value. In FY2016 the percentage change in average assessed value was higher, and in FY2017 there is a higher change in average tax bill. For six years in a row, FY2008 until FY2014, the change in average assessed value was negative.



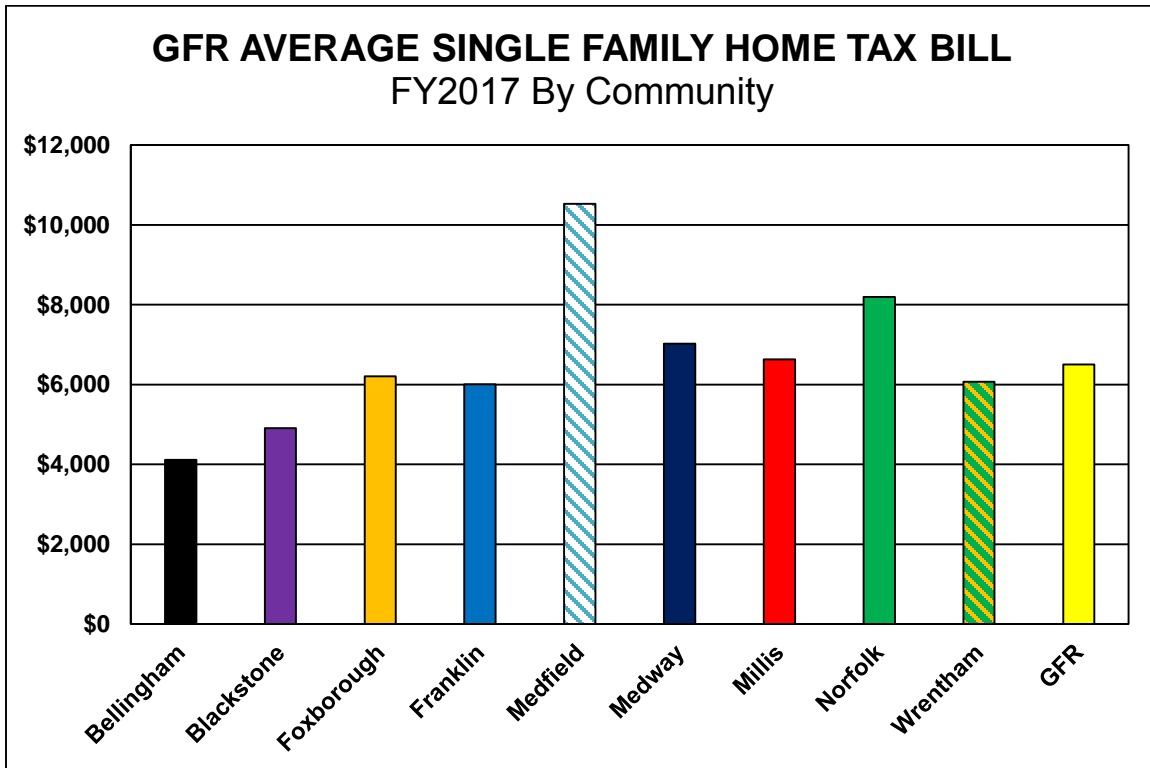
Source: MA Department of Revenue, DLS, and MERC

Fiscal Year	Average Single Family Tax Bill	% Change over Prior Year	Average Single Family Assessed Value	% Change over Prior Year
2000	\$3,102	N/A	\$204,682	N/A
2002	\$3,501	5.1%	\$256,064	10.3%
2004	\$3,895	4.6%	\$329,389	16.2%
2006	\$4,404	6.4%	\$405,364	10.1%
2008	\$4,753	3.1%	\$414,686	-3.7%
2010	\$5,062	2.4%	\$383,329	-4.2%
2012	\$5,466	3.7%	\$364,511	-1.6%
2014	\$5,831	3.3%	\$366,250	1.3%
2016	\$6,294	3.9%	\$396,120	4.2%
2017	\$6,506	3.4%	\$406,488	2.6%



## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

Among Greater Franklin Region (GFR) communities, Medfield had the highest average single family home tax bill for FY2017 at \$10,529. Norfolk and Medway followed with average single family tax bills of \$8,194 and \$7,022, respectively. Bellingham had the lowest single family tax bill in FY2017, at \$4,111. This bill for the remaining towns ranged between \$4,909 and \$6,629. Millis' average single family tax bill increased from FY2016 to FY2017 by 6.4%, the highest one-year percentage increase in the region, followed by Bellingham at 4.6%. For the remaining communities, the average single family tax bill percentage increases from FY2016 to FY2017 were less than 4%.

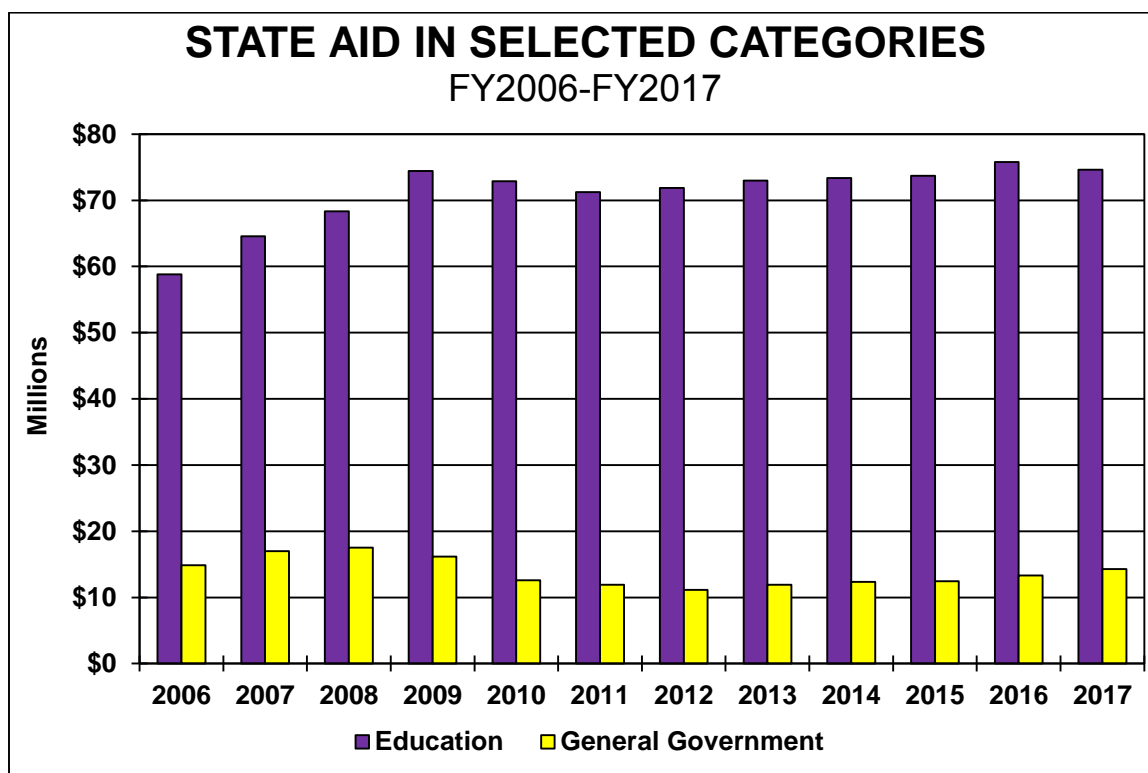


Source: MA Department of Revenue, DLS, and MERC

Municipality	Total Single Family Assessed Value	Number of Single Family Parcels	Single Family Average Value	Tax Bill
Bellingham	\$1,339,030,180	4,671	\$286,669	\$4,111
Blackstone	\$531,669,100	2,086	\$254,875	\$4,909
Foxborough	\$1,775,541,400	4,302	\$412,725	\$6,207
Franklin	\$3,166,111,000	7,688	\$411,825	\$6,004
Medfield	\$2,196,147,000	3,523	\$623,374	\$10,529
Medway	\$1,436,868,500	3,667	\$391,838	\$7,022
Millis	\$780,546,100	2,169	\$359,864	\$6,629
Norfolk	\$1,369,443,850	3,045	\$449,735	\$8,194
Wrentham	\$1,448,804,200	3,399	\$426,244	\$6,074
<b>Greater Franklin</b>	<b>\$14,044,161,330</b>	<b>34,550</b>	<b>\$406,488</b>	<b>\$6,505</b>

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

State aid for education given directly to the communities in the Greater Franklin Region increased from \$58.8 million in FY2006 to \$74.6 million in FY2017. The data presented ranges from FY2006 to FY2017 because in FY2006 continuing school construction aid stopped being reported with the data and is now handled by the Massachusetts School Building Authority. State aid for education in Greater Franklin has gone through several periods of growth followed by decline. State aid for general government in the Greater Franklin Region similarly went through cycles of growth and decline. State aid for general government started at \$14.8 million in FY2006, reached a high of \$17.5 million in FY2008, and was \$14.3 million in FY2017. Total state aid was \$88.9 million for FY2017.

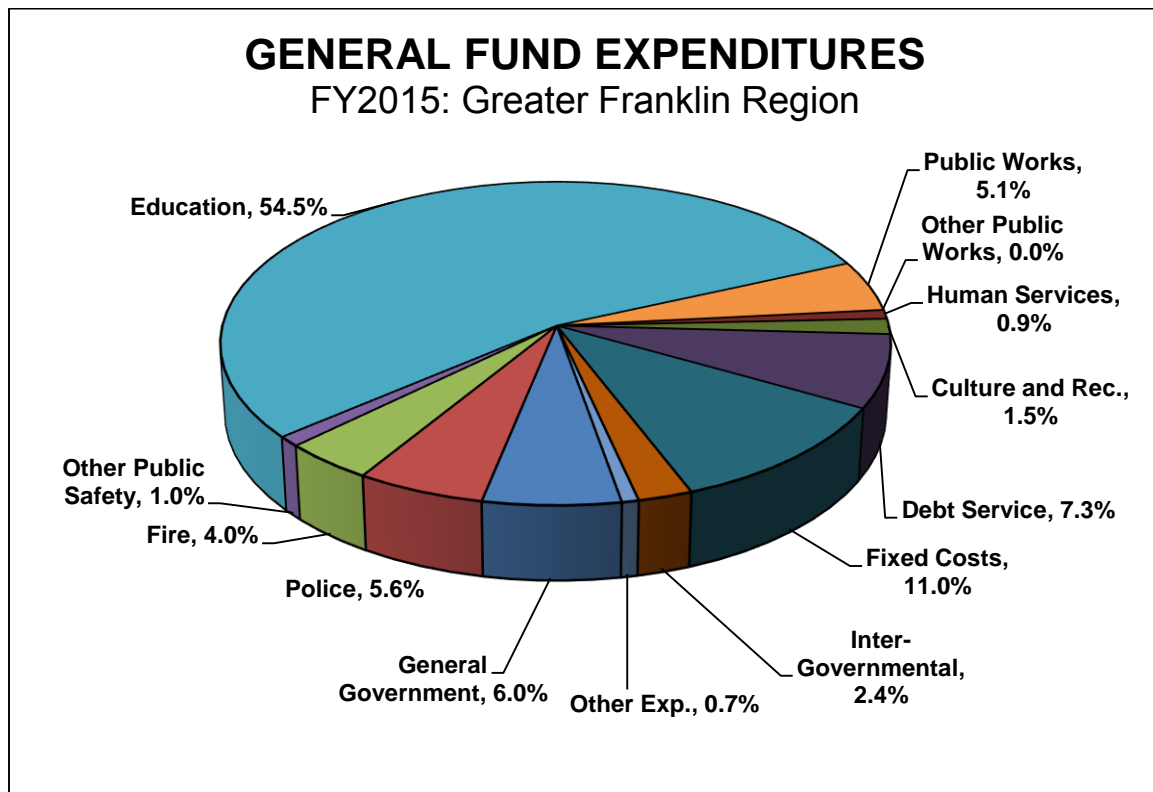


Source: MA Department of Revenue, DLS, and MERC

Fiscal Year	State Aid Education	State Aid Gen. Gov.	State Aid Total
2006	\$58,806,065	\$14,838,760	\$73,644,825
2008	\$68,359,583	\$17,533,232	\$85,892,815
2010	\$72,903,943	\$12,586,282	\$85,490,225
2012	\$71,891,414	\$11,131,201	\$83,022,615
2014	\$73,390,778	\$12,345,862	\$85,736,640
2016	\$75,792,784	\$13,316,014	\$89,108,798
2017	\$74,617,091	\$14,283,419	\$88,900,510

## **GREATER FRANKLIN REGION – MUNICIPAL REVENUE**

Total general fund expenditures for Greater Franklin in FY2015, the last year for which we have full data, were \$425 million. There are various funds that municipalities employ that are unique to each community. For example, some municipalities use an enterprise fund which is not part of the general fund to account for water and sewer. Others use the general fund to account directly for water and sewer. This means careful interpretation is required when comparing the distribution of the general fund as it is often published in municipal reports. Expenditures using other funds are estimated at \$72 million for FY2015. Education was allocated approximately 54.5% of general funds, the largest allocation of any category. Police, fire, and other public safety accounted for approximately 10.6% of general funds. Debt service and fixed costs accounted for 7.3% and 11.0% of general funds respectively. The remaining categories in the graph accounted for 11.5% of general fund expenditures and are identified as “all other” in the table. Note that total revenue is assumed to be equal to total expenditures as communities work with balanced budgets.

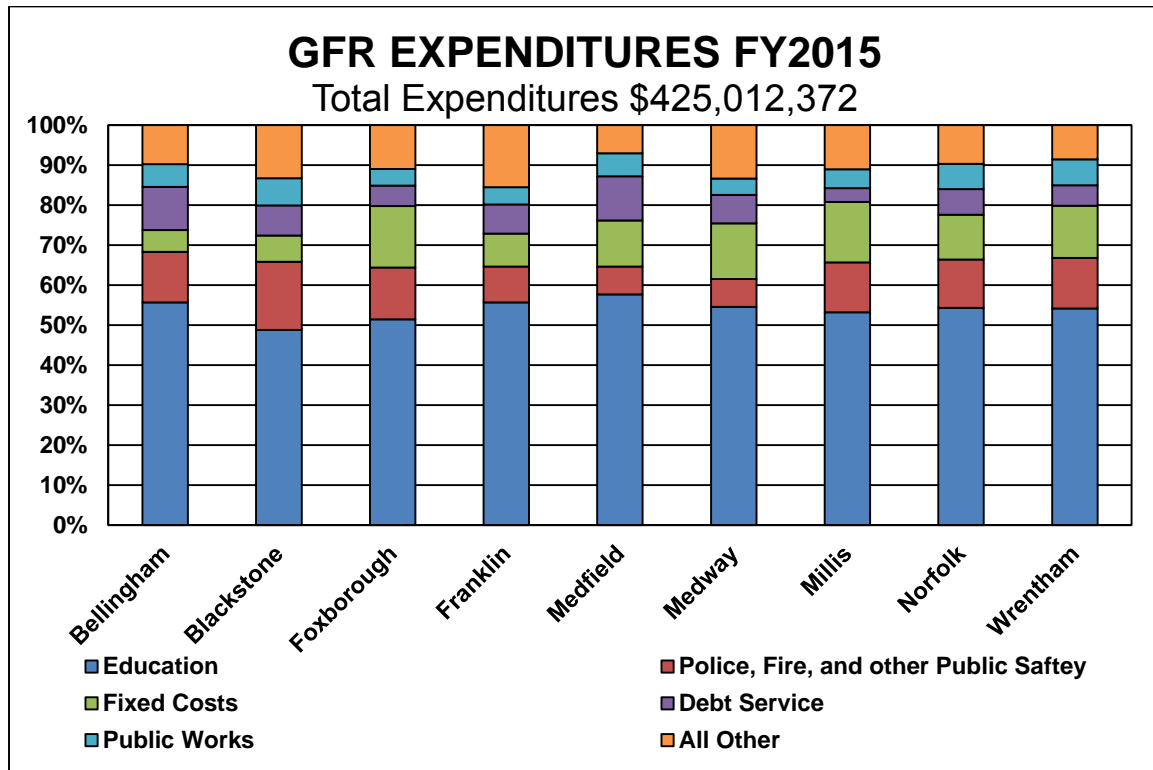


Source: MA Department of Revenue, DLS, and MERC

Categories	% of General Fund	FY2015 Amount
Education	54.5%	\$231,742,041
Public Works	5.1%	\$21,634,326
Debt Service	7.3%	\$31,064,429
Fixed Costs	11.0%	\$46,608,754
Police, Fire, & Pub. Safety	10.6%	\$45,004,549
All Other	11.5%	\$48,958,273

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

FY2015 general fund expenditures for the Greater Franklin Region (GFR) were \$425.0 million. The graph below illustrates the distribution of GFR expenditures among six major categories for each community in the region. In FY2015 Medfield allocated the highest percentage of general funds toward education, at 57.7% and debt service at 11.0%. The community that appropriated the highest percentage toward police, fire, and other public safety was Blackstone, at 17.1%. Allocation to public works ranged between 6.8% in Blackstone, to 4.1% in Medway. Community allocations for fixed costs, which includes insurance, ranged between 15.3% in Foxborough and 5.4% in Bellingham. In the “all other” category, Franklin appropriated the highest percentage at 15.5%, compared to Medfield which allocated the smallest at 7.0%

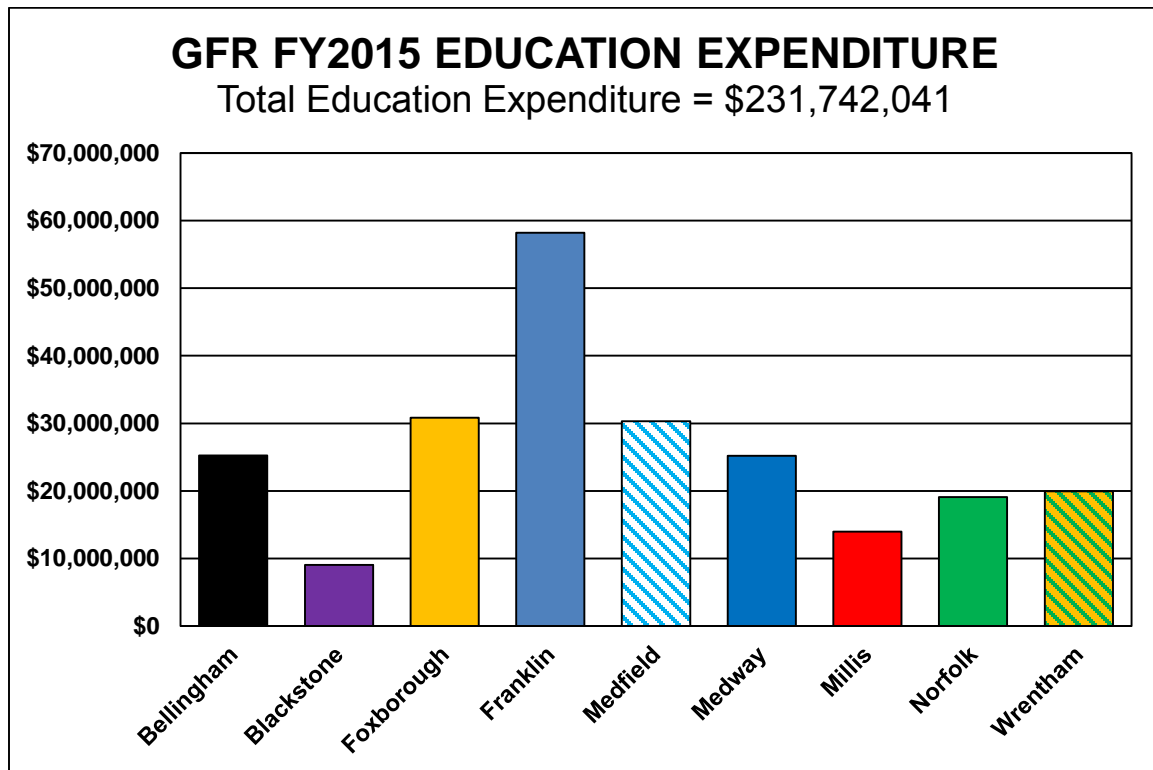


Source: MA Department of Revenue, DLS and MERC

Municipality	Education	Debt Service	Police, Fire, and Other Public Safety	Public Works	Fixed Costs	All Other
Bellingham	55.7%	10.8%	12.6%	5.6%	5.4%	9.7%
Blackstone	48.8%	7.5%	17.1%	6.8%	6.6%	13.3%
Foxborough	51.5%	5.1%	12.9%	4.2%	15.3%	10.9%
Franklin	55.7%	7.2%	9.0%	4.3%	8.2%	15.5%
Medfield	57.7%	11.0%	6.9%	5.8%	11.5%	7.0%
Medway	54.6%	7.1%	7.0%	4.1%	13.9%	13.4%
Millis	53.2%	3.4%	12.5%	4.7%	15.1%	11.0%
Norfolk	54.3%	6.4%	12.1%	6.3%	11.2%	9.7%
Wrentham	54.2%	5.2%	12.6%	6.5%	13.0%	8.5%

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

The graph and table below show education expenditure, while the table below also shows the total general fund expenditure by community, and the amount spent on education as a percentage of total general fund expenditures. In FY2015 the Greater Franklin Region (GFR) communities appropriated \$231.7 million from general funds to education. While Franklin had the highest total spending on education, Medfield had the highest percentage of general fund expenditures on education at 57.7%. In FY2015 Franklin spent \$58.2 million on education while Medfield spent \$30.3 million. Blackstone allocated the smallest percentage, \$9,048,707 out of \$18,553,997, or 48.8%, to education. The percentage of general fund allocated to education in the other communities ranged from 51.5% in Foxborough to 55.7% in Bellingham and Franklin.

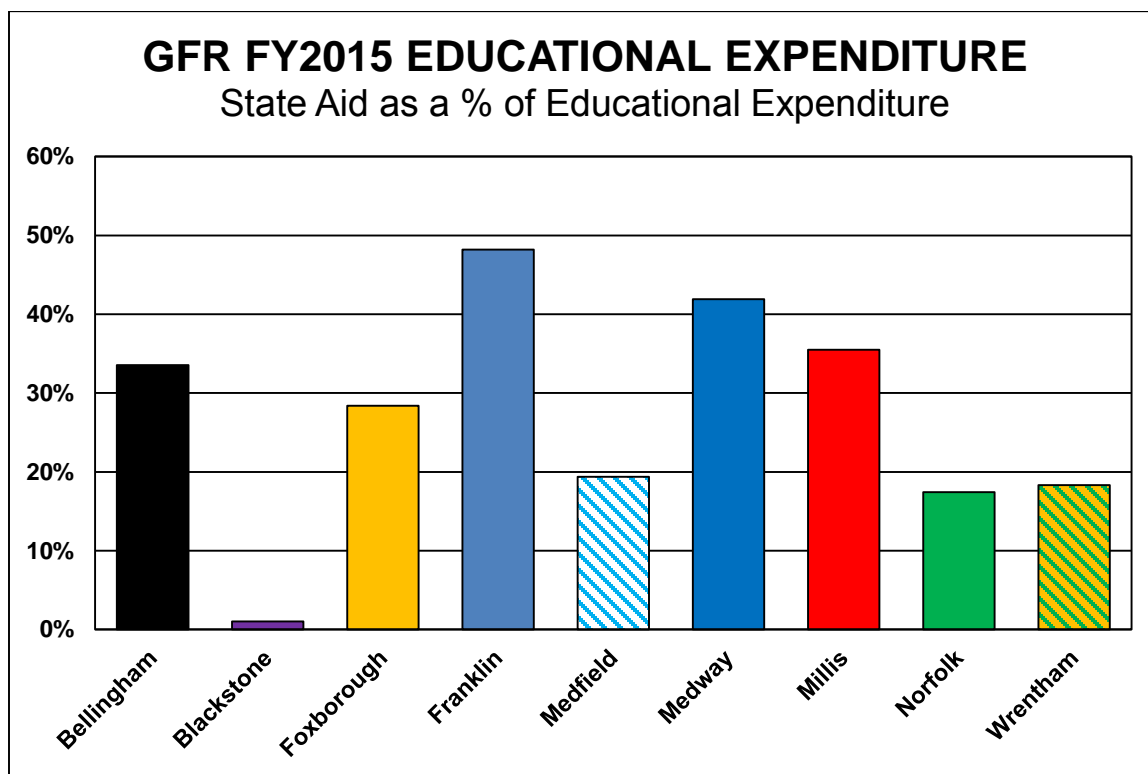


Source: MA Department of Revenue, DLS, and MERC

Municipality	FY2015 Education Expenditure	Total Gen. Fund Expenditures	Education Exp. as % of General Fund
Bellingham	\$25,240,673	\$45,296,710	55.7%
Blackstone	\$9,048,707	\$18,553,997	48.8%
Foxborough	\$30,821,231	\$59,863,531	51.5%
Franklin	\$58,188,418	\$104,534,257	55.7%
Medfield	\$30,290,529	\$52,482,436	57.7%
Medway	\$25,186,281	\$46,154,056	54.6%
Millis	\$13,963,352	\$26,242,558	53.2%
Norfolk	\$19,066,200	\$35,097,904	54.3%
Wrentham	\$19,936,650	\$36,786,923	54.2%

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

This graph displays state aid for education as a percentage of education expenditures reported in the general fund. The table includes the related dollar amounts. Franklin, the community with the largest population, received the most educational state aid at \$28.0 million, or 48.2% of its total education expenditures. Medway received \$10.6 million in state aid, constituting 41.9% of its educational expenditures. Bellingham received \$8.5 million in state aid, representing 33.6% of its educational expenditures. Millis received \$5.0 million in state aid, approximately 35.5% of its educational expenditures. For the remaining towns, Foxborough, Medfield, Norfolk, and Wrentham, state aid constituted 28.4%, 19.4%, 17.4%, and 18.3% of educational expenditures, respectively. It is noteworthy that Blackstone has regional schools which receive state aid that is not captured in this data and not shown in the graph.



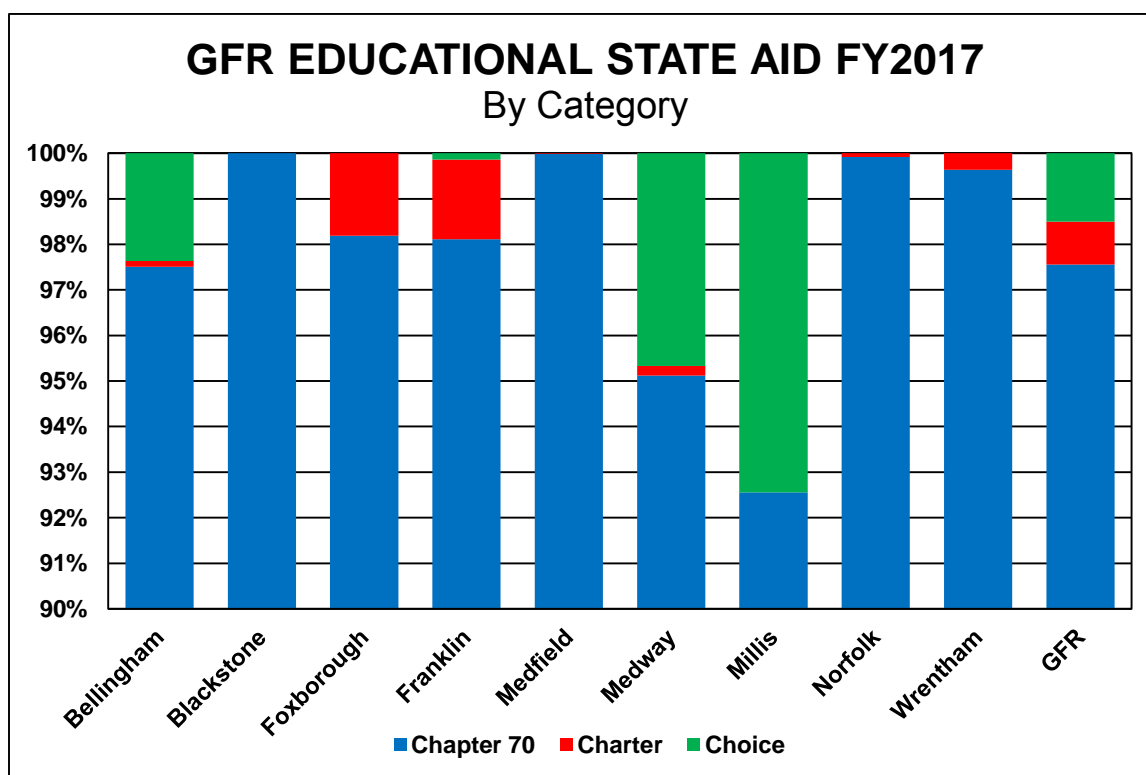
Source: MA Department of Revenue, DLS, and MERC

Municipality	Total Educational State Aid	Total Educational Expenditures	Educ. State Aid as a % of Educational Expenditures
Bellingham	\$8,471,391	\$25,240,673	33.6%
Blackstone *	\$91,224	\$9,048,707	1.0%
Foxborough	\$8,746,625	\$30,821,231	28.4%
Franklin	\$28,042,661	\$58,188,418	48.2%
Medfield	\$5,873,670	\$30,290,529	19.4%
Medway	\$10,560,698	\$25,186,281	41.9%
Millis	\$4,954,725	\$13,963,352	35.5%
Norfolk	\$3,320,305	\$19,066,200	17.4%
Wrentham	\$3,652,198	\$19,936,650	18.3%

\*Does not include regional district education state aid.

## GREATER FRANKLIN REGION – MUNICIPAL REVENUE

FY2017 state aid for education to the Greater Franklin Region (GFR) is \$75.2 million. Community totals range from about \$122,000 in Blackstone to \$28.2 million in Franklin. However, it should be noted that state aid for the regional school districts is not included in this data. The major components of state aid for education shown in this graph are Chapter 70 (in blue), charter tuition assessment reimbursement (in red), and school choice receiving tuition (in green). Chapter 70 state aid as a percent of total educational state aid ranged between 93% in Millis and 100% in Blackstone, with a GFR average of 98%. Charter tuition assessment reimbursement as a percent of total educational state aid ranged from 0% in Blackstone and Millis to 2% in Foxborough, with a GFR average of 1%. Four communities received reimbursement for school choice, as a percent of educational state aid: Bellingham (2%), Franklin (0.1%), Medway (5%), and Millis (7%). Note the base in the graph below is 90%.



Source: MA Department of Revenue, DLS, and MERC

Municipality	Chapter 70	Charter	Choice
Bellingham	\$8,352,435	\$10,833	\$202,459
Blackstone	\$122,447	\$0	\$0
Foxborough	\$8,717,600	\$161,073	\$0
Franklin	\$27,695,206	\$493,003	\$39,000
Medfield	\$5,975,759	\$879	\$0
Medway	\$10,221,319	\$22,667	\$501,540
Millis	\$4,682,217	\$0	\$376,474
Norfolk	\$3,349,780	\$2,772	\$0
Wrentham	\$3,676,093	\$13,535	\$0
<b>Greater Franklin</b>	<b>\$72,792,856</b>	<b>\$704,762</b>	<b>\$1,119,473</b>

## ***GREATER FRANKLIN REGION – K-12 ENROLLMENT***

### **K–12 PUBLIC SCHOOL ENROLLMENT**

The MetroWest Economic Research Center (MERC) at Framingham State University annually collects data on K-12 public school enrollment for several substate regions. The Greater Franklin Region public enrollment is calculated for kindergarten through grade 12 using the annual state student census conducted in October of each year. Included in the data are all public school students in regular education, special education, English Language Learners (ELL), regional charter schools and regional vocational high schools. MERC contacts the region's charter schools, Foxborough Regional Charter School and the Benjamin Franklin Classical Charter School, to obtain their enrollment figures.

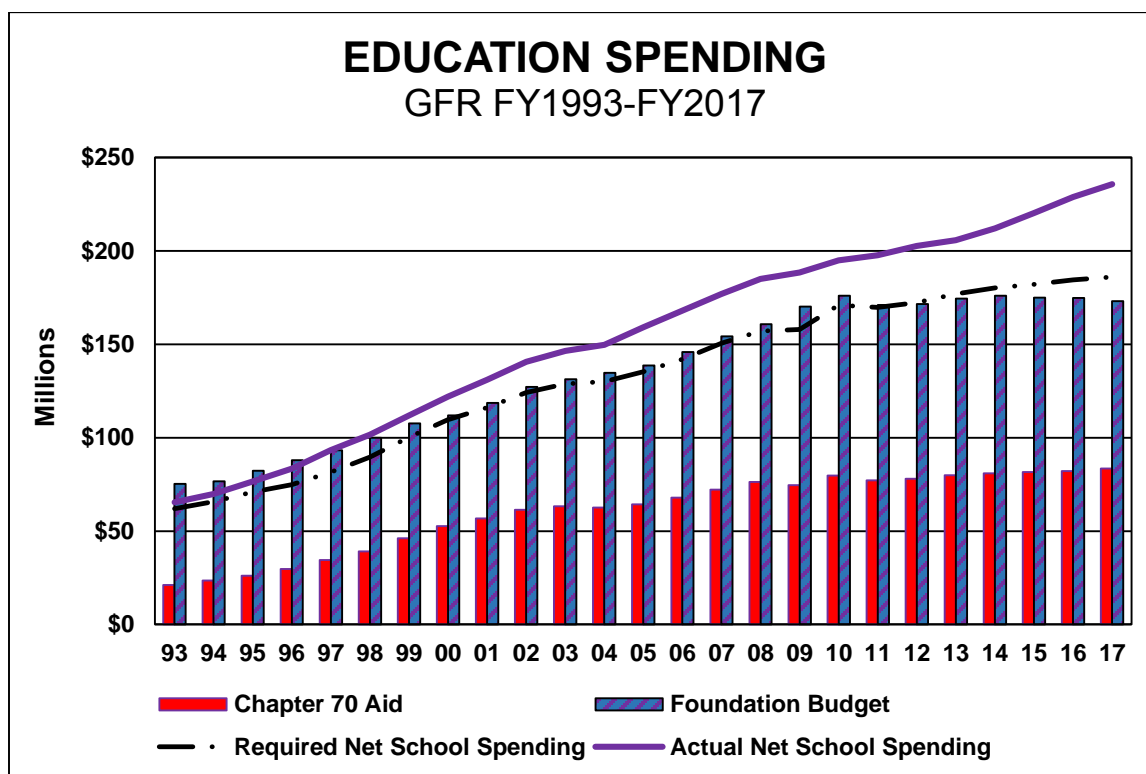
The Massachusetts Department of Elementary and Secondary Education (DESE) implemented a student enrollment database, the Student Information Management System (SIMS) in 2000. The MERC K-12 data presented in this report is obtained from both the October 2016 SIMS student census and data provided directly to MERC by the local school districts.

The next four pages use cost and enrollment data gathered by fiscal year in the Chapter 70 District Profiles; all pages, thereafter, utilize SIMS data.



## GREATER FRANKLIN REGION – K-12 ENROLLMENT

The chart below shows school spending totals over time for the nine municipal school districts for the Greater Franklin Region as reported by DESE. Amounts represent Chapter 70 state aid for education, the foundation budget, required net school spending, and actual net school spending. The purple line represents actual spending, which reached \$235.7 million in FY2017. The blue bars are the foundation budget which is a measure of the amount needed to provide the respective students in any given community an adequate education. The red bars show Chapter 70 state aid educational assistance given to the communities. The difference between the dashed line, required net school spending, and red bars is the required local contribution. Communities spend more than necessary, represented by the difference between the purple line and the dashed line. For FY2017 required net school spending of \$186.0 million included additional items not in the foundation budget. Blackstone data is unavailable, Blackstone-Millville Regional has been substituted. See Appendix II: Education Cost.

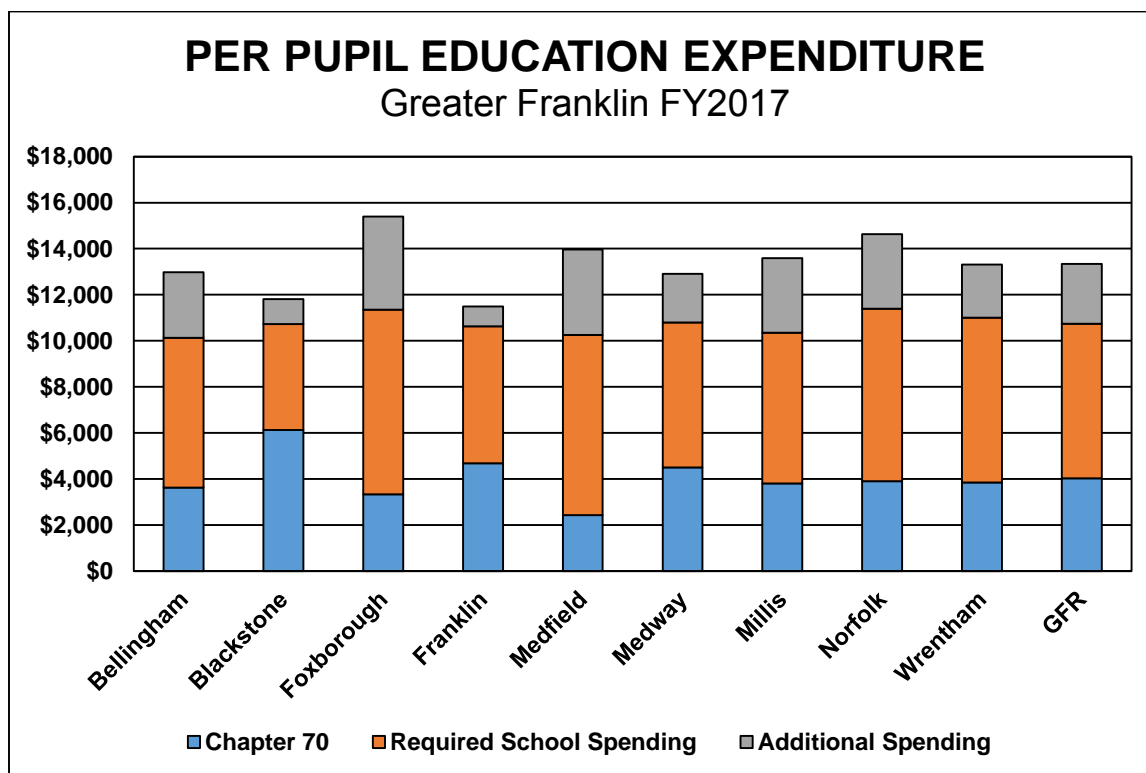


Source: Massachusetts Department of Elementary and Secondary Education and MERC

Fiscal Year	Foundation Budget	Required Net School Spending	Actual Net School Spending	Chapter 70 Aid
1993	\$75,247,922	\$61,909,779	\$65,424,293	\$21,200,039
2000	\$111,997,887	\$109,533,505	\$121,876,586	\$52,708,178
2004	\$134,690,580	\$130,064,896	\$149,660,760	\$62,528,608
2008	\$160,763,523	\$157,083,447	\$185,054,325	\$76,267,955
2012	\$171,481,206	\$172,401,484	\$202,658,247	\$78,039,288
2016	\$174,851,347	\$184,548,155	\$228,927,029	\$82,182,414
2017	\$173,071,446	\$185,986,687	\$235,683,181	\$83,426,973

## GREATER FRANKLIN REGION – K-12 ENROLLMENT

The following graph shows the cost of education on a per pupil basis in FY2017 for each community in the Greater Franklin Region and the regional average. The values as reported by DESE are in three categories: Chapter 70 state aid, the required local contribution of the town, and the additional amount each town chooses to spend. Income and property values are used to calculate state aid and the local contribution. Seven of the nine communities ranged between \$11,000 and \$14,000 per pupil, with the regional average being \$13,344. The two communities spending above \$14,000 were Foxborough at \$15,395 and Norfolk at \$14,636. Blackstone data is unavailable, Blackstone-Millville Regional has been substituted. See Appendix II: Education Cost.

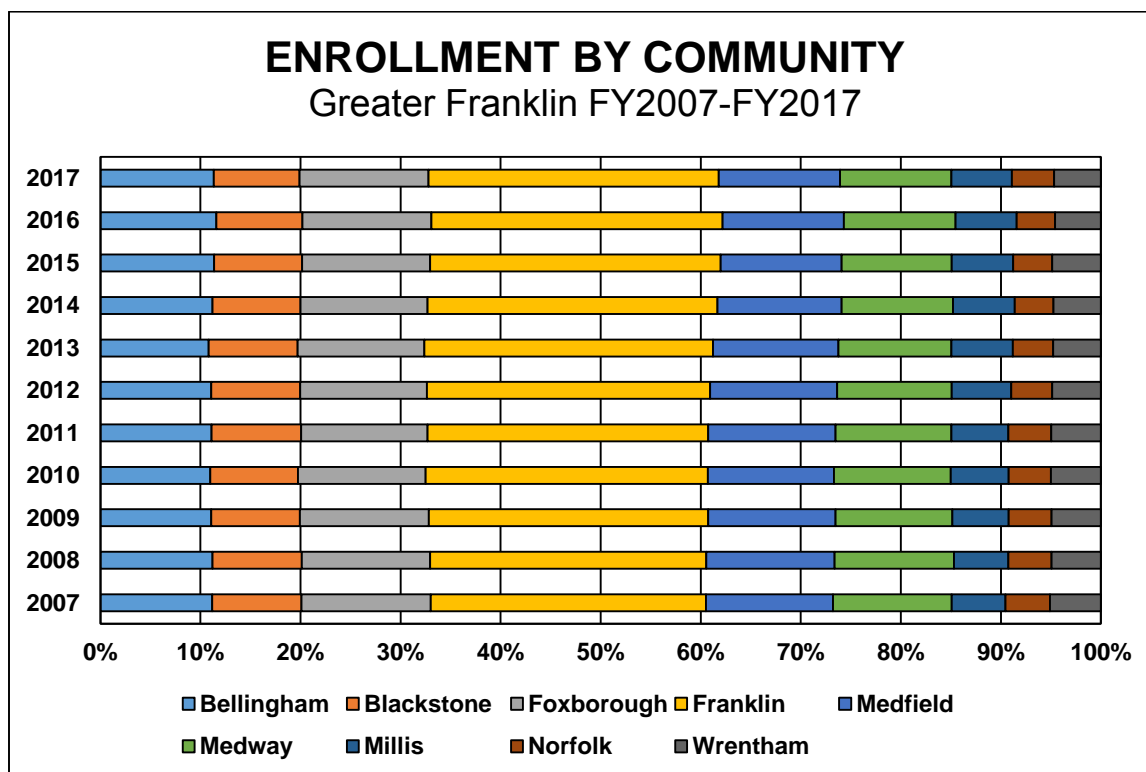


Source: Massachusetts Department of Elementary and Secondary Education and MERC

Municipality	Chapter 70	Local Contributions	Additional Spending	Total
Bellingham	\$3,620	\$6,515	\$2,850	\$12,985
Blackstone-Millville	\$6,127	\$4,603	\$1,074	\$11,804
Foxborough	\$3,327	\$8,026	\$4,042	\$15,395
Franklin	\$4,680	\$5,944	\$872	\$11,495
Medfield	\$2,430	\$7,819	\$3,715	\$13,964
Medway	\$4,498	\$6,294	\$2,122	\$12,914
Millis	\$3,808	\$6,550	\$3,235	\$13,593
Norfolk	\$3,908	\$7,486	\$3,242	\$14,636
Wrentham	\$3,840	\$7,159	\$2,309	\$13,309
<b>Greater Franklin</b>	<b>\$4,026</b>	<b>\$6,711</b>	<b>\$2,607</b>	<b>\$13,344</b>

## GREATER FRANKLIN REGION – K-12 ENROLLMENT

This graph shows the enrollment by community in the Greater Franklin Region from FY2007 to FY2017 as a percentage of the total regional enrollment. The three communities with the largest decreases were Medway with a decrease of 480 students, Medfield with a decrease of 459 students, and Franklin with a decrease of 451 students. All other communities had declines of less than 400, but every community in the region did see a decrease in student enrollment. The smallest decline was in Millis with a decline of seven students. The table shows enrollments and percentages in FY2007 and FY2017 by community and for the region. FY2017 enrollment estimates of 20,565 compare reasonably with October 1 figures of 20,651 on a later page. Blackstone data is unavailable, Blackstone-Millville Regional has been substituted.

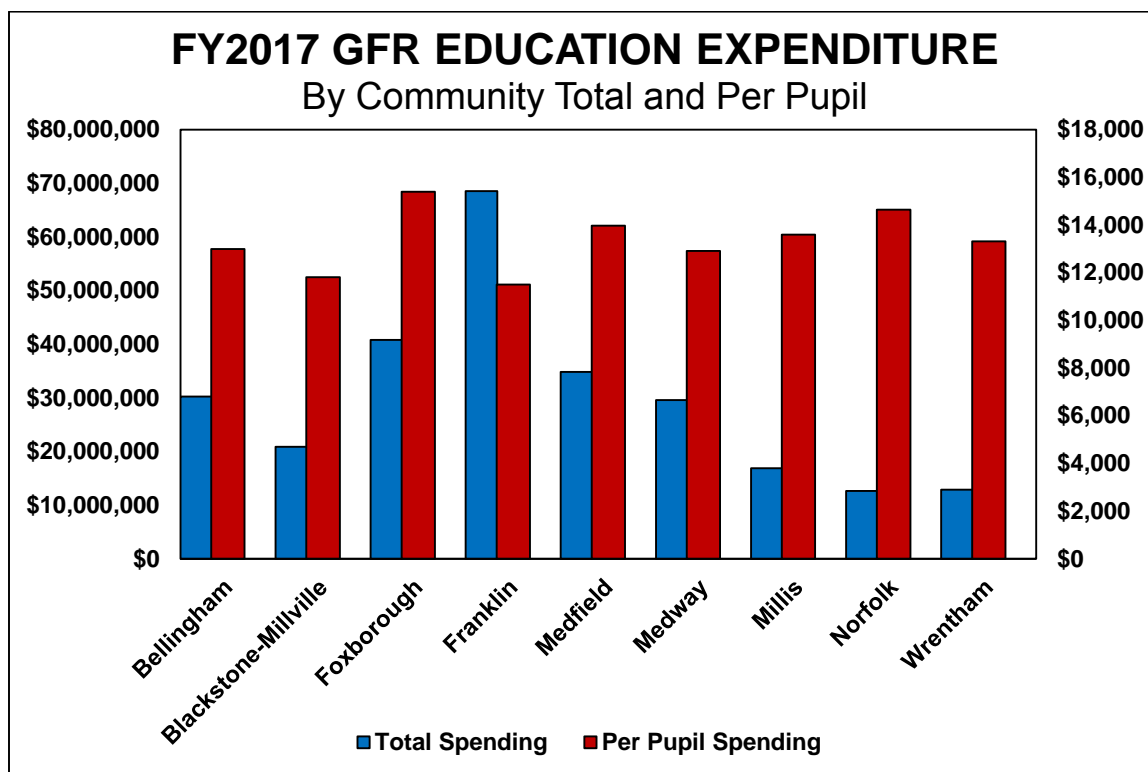


Source: Massachusetts Department of Elementary and Secondary Education and MERC

Community	FY2007		FY2017	
Bellingham	2,602	(11.2%)	2,230	(11.3%)
Blackstone-Millville	2,078	(8.9%)	1,767	(8.6%)
Foxborough	3,011	(12.9%)	2,648	(12.9%)
Franklin	6,414	(27.5%)	5,963	(29.0%)
Medfield	2,954	(12.7%)	2,495	(12.1%)
Medway	2,770	(11.9%)	2,290	(11.1%)
Millis	1,248	(5.4%)	1,241	(6.0%)
Norfolk	1,038	(4.5%)	865	(4.2%)
Wrentham	1,187	(5.1%)	966	(4.7%)

## GREATER FRANKLIN REGION – K-12 ENROLLMENT

This graph displays both the total education expenditure and per pupil education expenditure by community for the Greater Franklin Region as reported by DESE. The total spending is displayed in blue and is associated with the left axis, while the per pupil expenditure is displayed in red and is associated with the right axis. While total education spending in the region varied between \$12.7 million in Norfolk and \$68.5 million in Franklin, the per pupil spending for all communities fell between \$11,000 and \$16,000. Franklin had the highest total spending at \$68.5 million and the lowest per pupil spending at \$11,495. Foxborough had the second highest total spending at \$40.8 million and the highest per pupil spending at \$15,395. Norfolk, while having the lowest total spending at \$12.7 million, had the second highest per pupil spending at \$14,636.

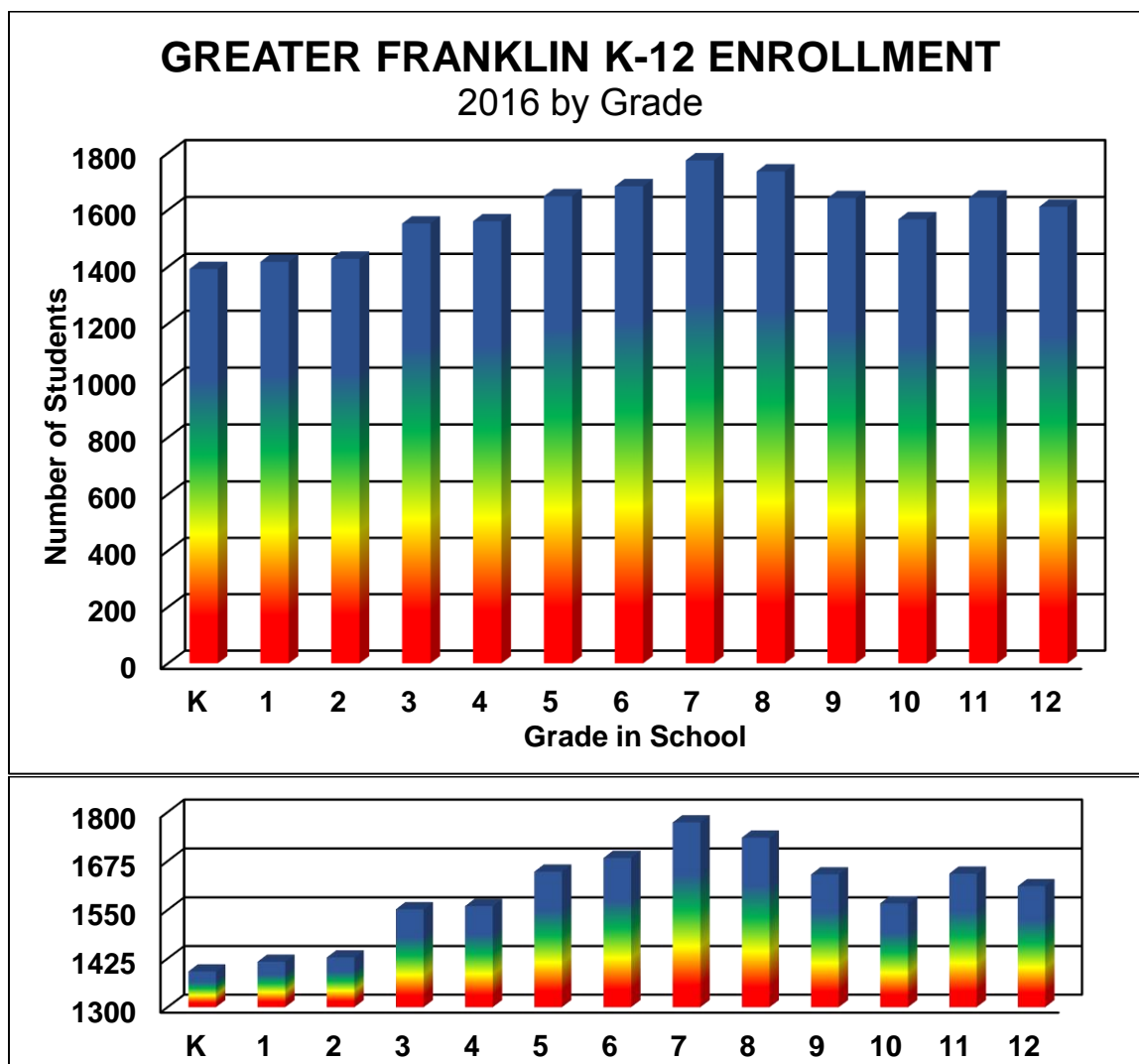


Source: Massachusetts Department of Elementary and Secondary Education and MERC

Community	Total Spending	Per Pupil Spending
Bellingham	\$30,254,495	\$12,985
Blackstone-Millville	\$20,857,563	\$11,804
Foxborough	\$40,765,386	\$15,395
Franklin	\$68,547,546	\$11,495
Medfield	\$34,839,649	\$13,964
Medway	\$29,572,369	\$12,914
Millis	\$16,868,507	\$13,593
Norfolk	\$12,660,417	\$14,636
Wrentham	\$12,856,036	\$13,309

## GREATER FRANKLIN REGION – K-12 ENROLLMENT

In 2016 the largest student enrollment of 1,774 was in Grade 7, followed by Grade 8 with a student enrollment of 1,735. Kindergarten, Grade 1, and Grade 2 had the lowest student enrollment in the region, all below 1,500. The average enrollment per grade was 1,589. The graph does not include enrollment for vocational schools and charter schools. The top graph shows the base of zero while the lower section highlights differences by using a base of 1,300 students.



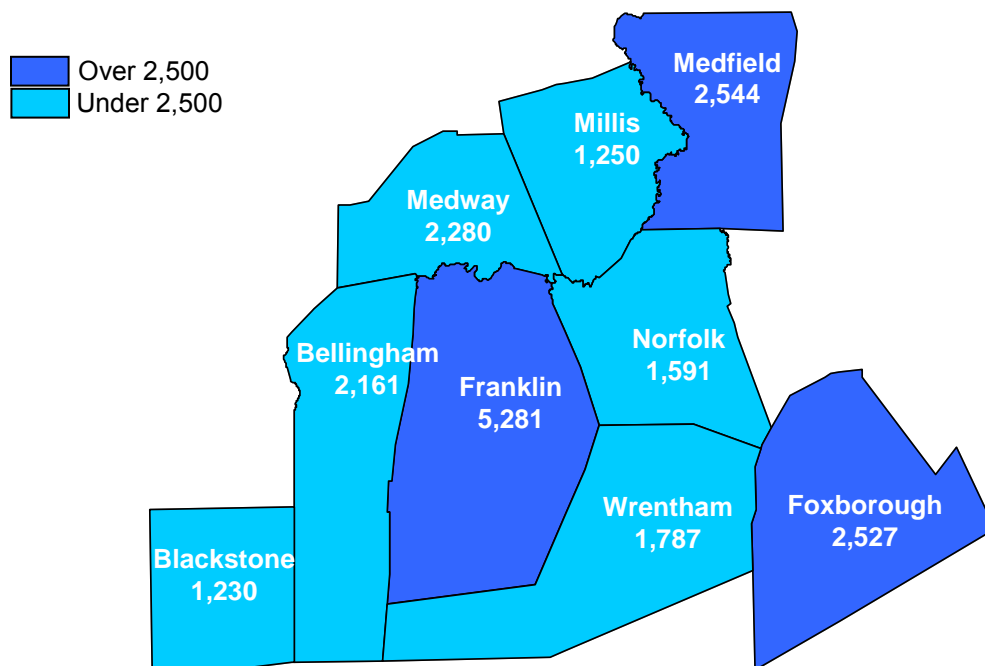
Source: Massachusetts Department of Elementary and Secondary Education and MERC

Grade	Enrollment	Grade	Enrollment
K	1,392	7	1,774
1	1,417	8	1,735
2	1,428	9	1,641
3	1,552	10	1,567
4	1,560	11	1,643
5	1,648	12	1,611
6	1,683		

## GREATER FRANKLIN REGION – K-12 ENROLLMENT

The K-12 public school enrollment in Greater Franklin in 2016 was 20,651, not including vocational and charter schools. The communities reporting the highest enrollment were Franklin (5,281) and Medfield (2,544). Foxborough (2,527), Medway (2,280), and Bellingham (2,161) had enrollments between 2,000 and 3,000 students. The remaining Greater Franklin communities were Wrentham (1,787), Norfolk (1,591) and Millis (1,250). Blackstone reported the smallest student enrollment at 1,230. Enrollment in vocational high schools totaled 648. Charter school student enrollment was 1,708.

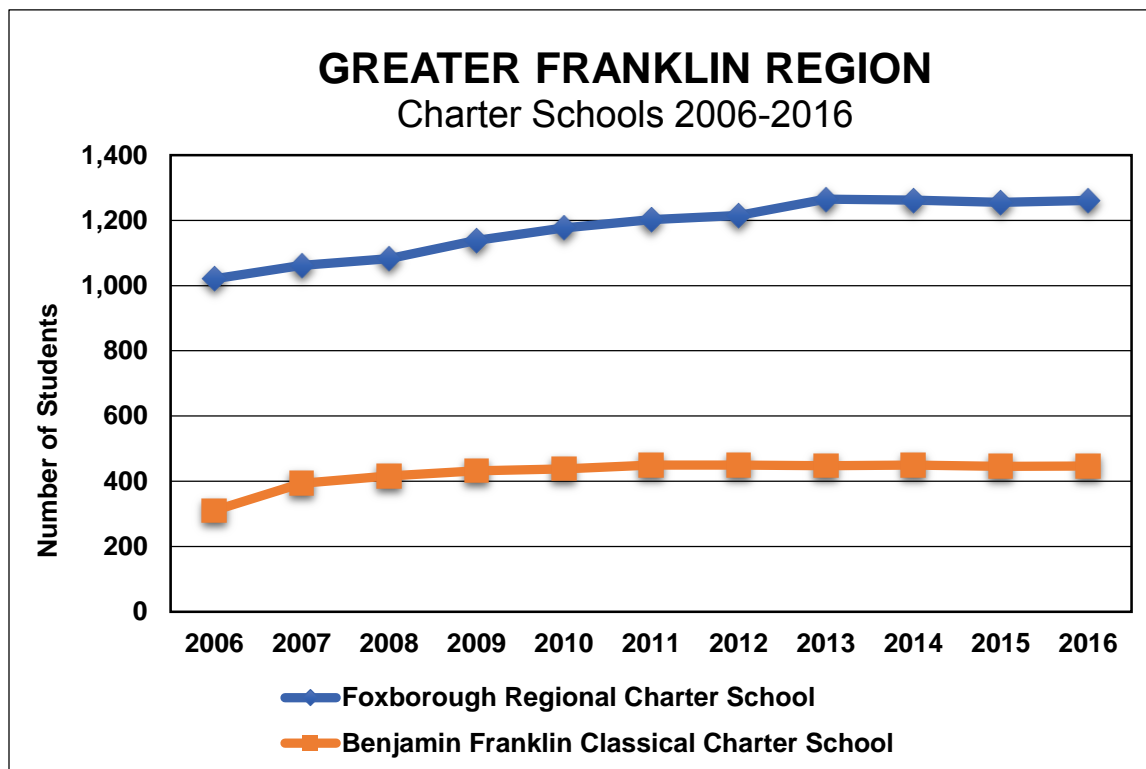
### GFR 2016 PUBLIC SCHOOL ENROLLMENT By Community



Source: Massachusetts Department of Elementary and Secondary Education and MERC

## GREATER FRANKLIN REGION – K-12 ENROLLMENT

The Greater Franklin Region has two charter schools, the Foxborough Regional Charter School and the Benjamin Franklin Classical Charter School. From 2006 to 2016, enrollment in the Foxborough Regional Charter School increased 23.5% and enrollment in the Benjamin Franklin Classical Charter School increased 44.2%. The Foxborough Regional Charter School increased enrollment in every year from 2006 to 2013, had a decline of 3 students in 2014 and 7 students in 2015, then added 6 students in 2016. The Benjamin Franklin Classical Charter School had increased in enrollment from 2006 to 2011, with the largest increase from 2006 to 2007, adding 84 students (27.1%).

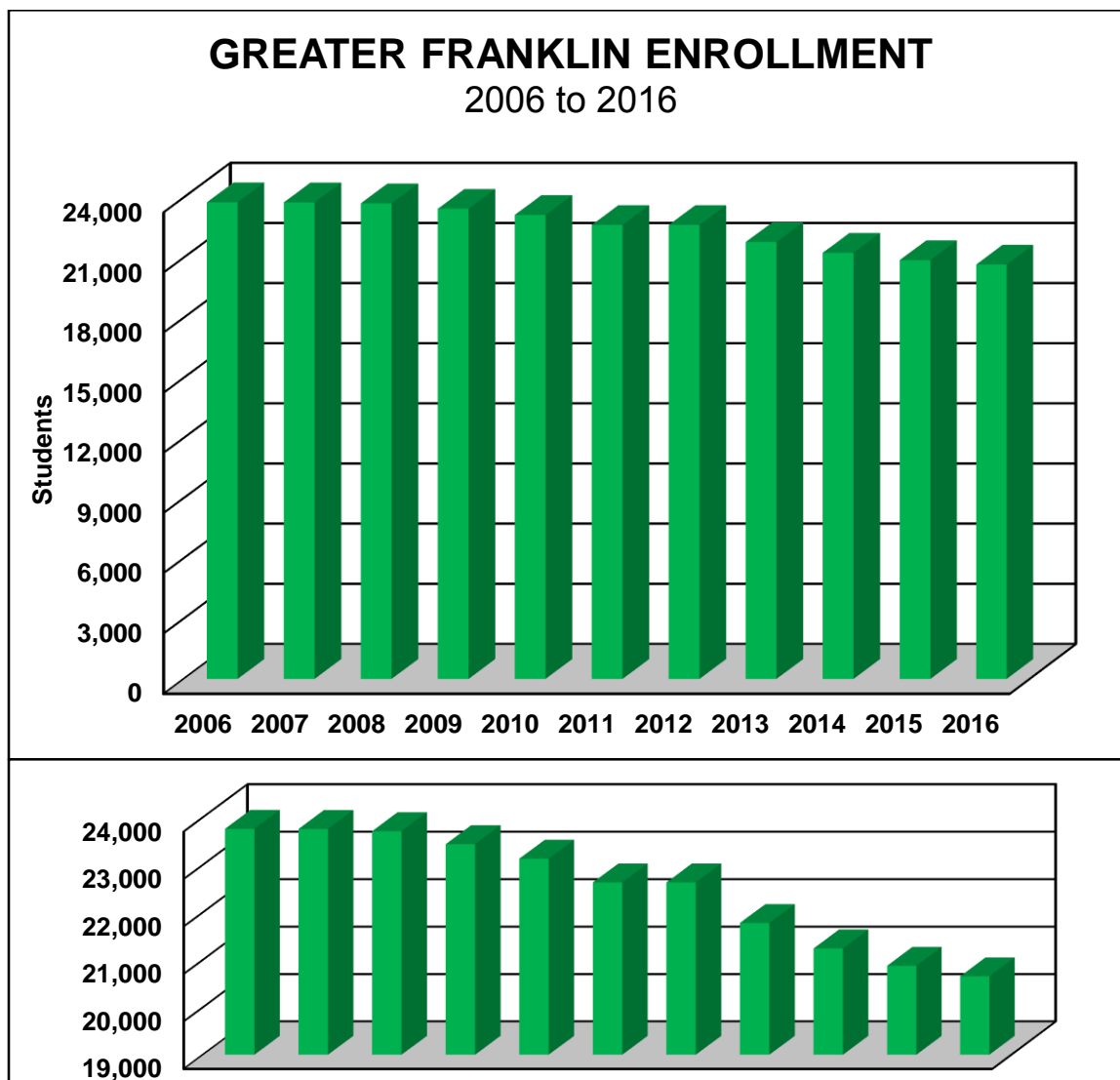


Source: Massachusetts Department of Elementary and Secondary Education and MERC

Period	Foxborough Regional Charter School	Benjamin Franklin Classical Charter School	Total Enrollment
2006	1,021	310	1,331
2011	1,202	450	1,652
2016	1,261	447	1,708

## GREATER FRANKLIN REGION – K-12 ENROLLMENT

Student enrollment in Greater Franklin K-12 public schools, including vocational and charter schools, totaled 23,007 in 2016, a decrease of 10.6% from the 25,733 in 2006. The vocational school enrollment increased by 0.5% and charter school enrollment increased by 28.3% from 2006 to 2016. The top graph shows the base of zero while the lower part highlights differences by using a base of 19,000 students. Note that vocational school enrollment data is not available from 2010 through 2014.



Source: Massachusetts Department of Elementary and Secondary Education and MERC

Period	Greater Franklin Enrollment (except Voc. & Charter)	Vocational School Enrollment	Charter School Enrollment	Total Enrollment
2006	23,757	645	1,331	25,733
2011	22,628	N/A	1,652	24,280*
2016	20,651	648	1,708	23,007

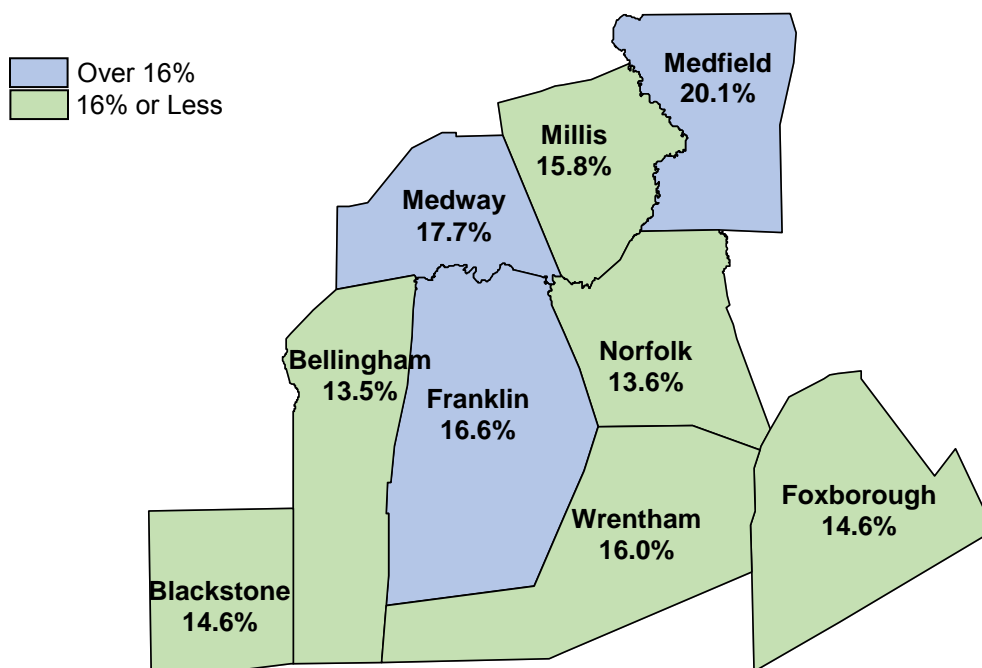
See Above for Explanation \*



## GREATER FRANKLIN REGION – K-12 ENROLLMENT

In 2016 K-12 public school enrollment for the nine Greater Franklin communities was 21,299. This figure includes the 648 student enrollment in the regional vocational schools, but does not include the regional charter schools. This map measures the proportion of the community enrolled in public school. Public school enrollment in 2016 is given as a percentage of 2015 population estimates, the most recent data available. The highest enrollment as percentage of population occurred in Medfield at 1 in 5, followed by Medway at 1 in 6. The remaining communities had over 14% of the population attending public schools. Franklin has the highest population and public school enrollment in which an average of 1 in 6 population members were in a public school at 16.6%.

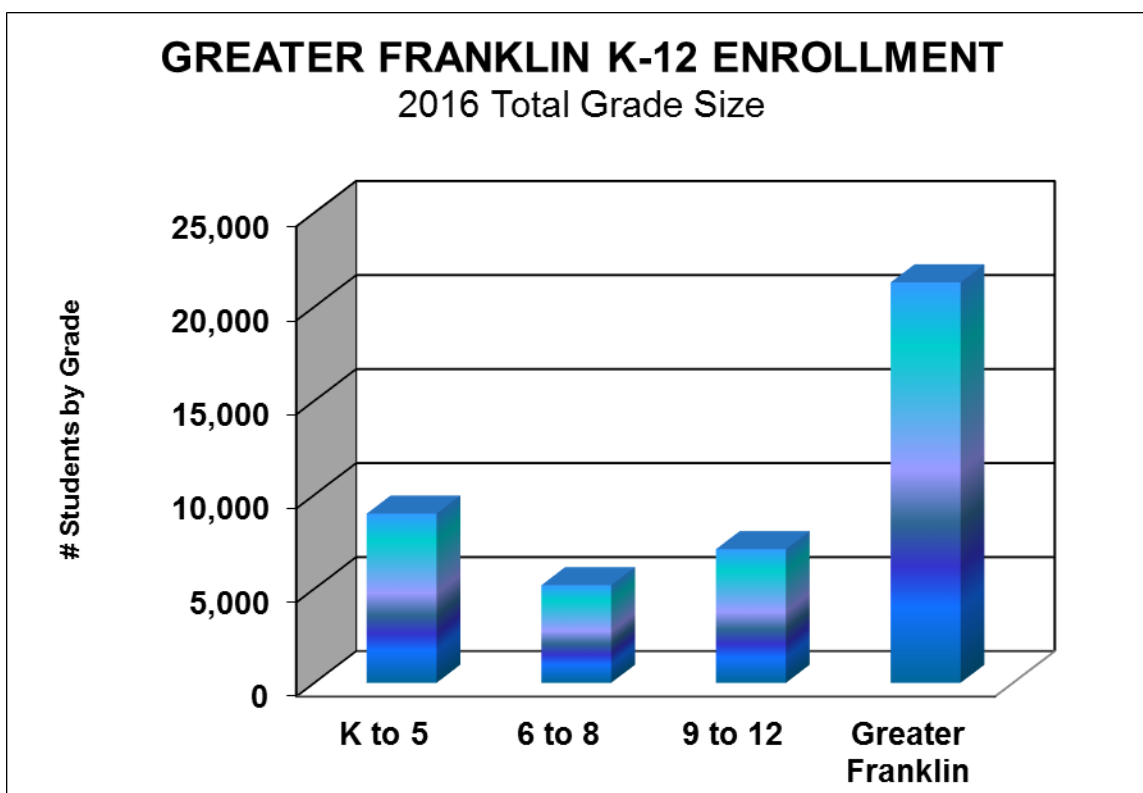
### GFR PUBLIC SCHOOL ENROLLMENT As Percentage of 2015 Population



Source: Massachusetts Department of Elementary and Secondary Education and MERC

## GREATER FRANKLIN REGION – K-12 ENROLLMENT

The graph below displays the total number of Greater Franklin students in elementary, middle, and high school in 2016. The table provides additional information in average grade size. In 2016 Greater Franklin K-12 public school enrollment averaged over 1,638 students per grade. At the elementary school level, the average number of students per grade was 1,500. The average number of students per grade in middle school was 1,731. The average number of students per grade at the high school level was 1,778 students. The average number of student per grade included the vocational schools. Charter school enrollment is not included in the average grade size.

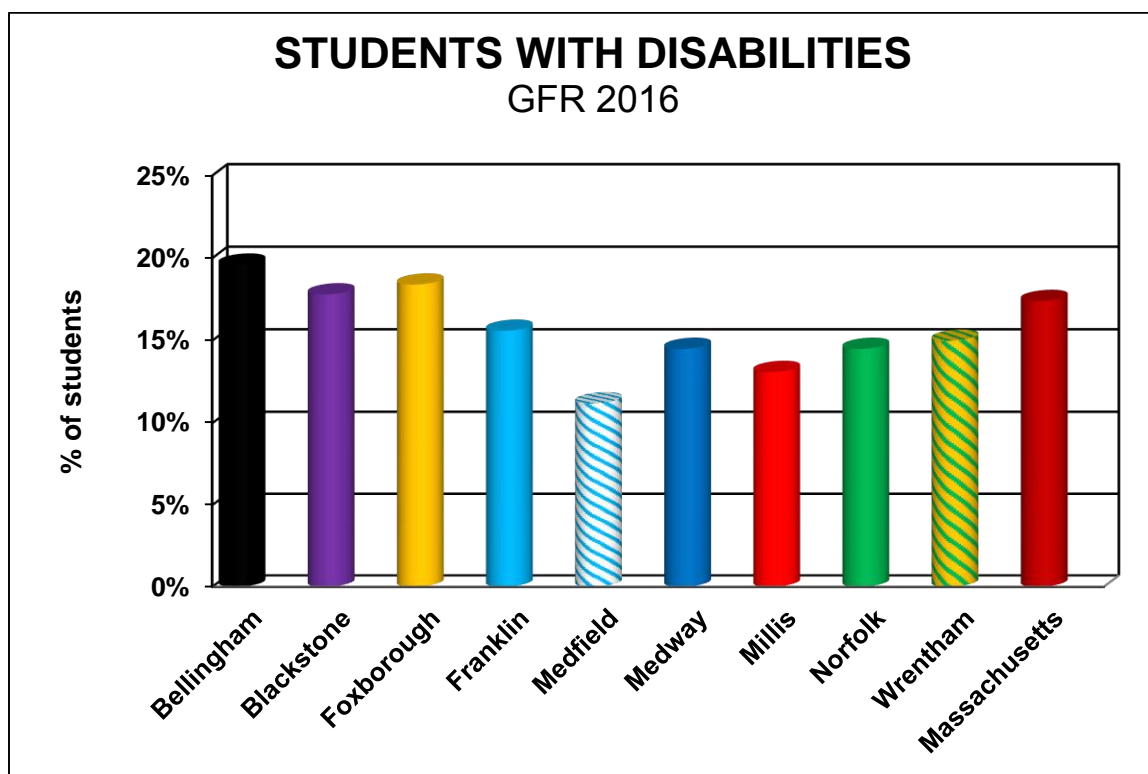


Source: Massachusetts Department of Elementary and Secondary Education and MERC

	Total Enrollment Including Vocational Schools	Grades	Enrollment by Grade
K-5	8,997	6	1,500
6-8	5,192	3	1,731
9-12	7,110	4	1,778
<b>GFR</b>	<b>21,299</b>	<b>13</b>	<b>1,638</b>

## GREATER FRANKLIN REGION – K-12 ENROLLMENT

The graph below shows the percent of students enrolled in each town who have disabilities. According to the Massachusetts Department of Elementary and Secondary Education (DESE), disabilities include the following categories: autism, communication impairment, development delay, emotional impairment, health impairment, intellectual impairment, neurological impairment, physical impairment and sensory impairment. The percentage of students with disabilities ranges from 19.6% in Bellingham to 11.2% in Medfield as reported by the DESE. The Commonwealth of Massachusetts reported that the percentage of students with disabilities statewide was 17.4% as a percentage of students enrolled. The percentages have been calculated by DESE.



Source: Massachusetts Department of Elementary and Secondary Education and MERC

Community	% of Students with Disabilities	Community	% of Students with Disabilities
Bellingham	19.6%	Millis	13.1%
Blackstone	17.8%	Norfolk	14.5%
Franklin	18.4%	Wrentham	15.0%
Medfield	11.2%	Massachusetts	17.4%
Medway	14.5%		

# **GREATER FRANKLIN APPENDIX I**

## **FOUR OPTIONS TO SHIFT THE TAX BURDEN WITHIN AND AMONG PROPERTY CLASSES**

The property tax levy is the levy a city or town raises through real and personal property taxes. In 1981 Massachusetts voters approved Proposition 2½ which caps a community's annual tax levy. This cap is referred to as the levy limit which increases annually by 2½ percent of the full and fair value of tangible property in the community. A municipality can also permanently increase its levy limit through a successful override referendum. Municipalities can choose to temporarily levy above their levy limit through a successful debt or capital outlay expenditure exclusion referendum.

Communities may elect to shift the tax levy burden both within and among the major property classes in accordance with four state legislated, limited local options. The split tax rate, the open space discount, the residential exemption and the small commercial exemption are the four options. For the most part, the split tax rate results in a shift of the tax burden from residential to the other classes of property while the open space discount shifts the related open space tax burden to residential property. More than 100 of the 351 Massachusetts communities have adopted split rates. The open space discount reduces the tax burden of open space and natural land contributing to the public benefit and enjoyment. It does not cover property held for income production, property with a permanent conservation restriction or chapter land such as farms and forestry (M.G.L. CH. 61, 61A, 61B) that receive reductions via another avenue. The tax burden is shifted to the residential class and results in a slightly higher overall residential tax rate. The discount may be up to 25% of this residential rate. Most recently only one community in the state, the town of Bedford, choose this option which was approved at 25%.

The residential exemption excludes part of the value of an eligible taxpayer's principal residence. This discount through FY2016 may be up to 20% of the average assessed value in the total residential class. It is this fixed amount that is deducted from each eligible parcel. Since it is still necessary to raise the same pre-determined dollar amount from the residential class, the result is a higher residential tax rate. By special legislation the cities of Boston, Cambridge and Somerville increased the residential exemption to 30%. The following 10 communities have 20% residential exemptions: Barnstable, Brookline; Chelsea, Everett, Malden, Nantucket, Tisbury, Waltham, Watertown and West Barnstable. Somerset has 10%. Most of the communities have many apartment buildings and two (Tisbury, Nantucket) have a large number of seasonal homes. On or after November 7, 2016 a city or town may adopt a residential exemption for FY2017 of up to 35% unless it has a special act setting a different limit.

The small commercial exemption is a similar shift within the class in that it excludes a percentage of the assessed value of each eligible parcel. It covers commercial real property valued at less than \$1 million that is occupied by certified small business (10 or fewer employees). It results in a slightly higher commercial and industrial (C&I) tax rate although the personal property tax rate is not affected. At the present time ten communities have adopted this exemption at 10%. The communities are: Auburn, Avon, Bellingham, Braintree, Dartmouth, New Ashford, Seekonk, Somerset, Westford and Wrentham. A brief discussion of the rules relating to a split tax rate follows.

Split tax rates - The Classification Act of 1979 established two limits on the ability of municipalities to shift the property tax burden. The first is that the commercial, industrial and personal property (CIP) tax rate may only be 50% higher than what it would otherwise be with a single rate. The second limitation requires that the residential rate be at least 65% of what a single tax rate would be. This is referred to as the Minimum Residential Factor (MRF). Modifications to the first limitation were enacted in 1988. Under these later provisions, if a community's maximum shift results in a residential share larger than the prior year's, the CIP share may increase by as much as 75%. However, the residential tax levy share cannot be reduced below 50% of its single tax rate share nor can it be less than the levy share in any year since the community was first certified.

Tax levy shifts allowed under the property tax classification law for allocating the annual property tax levy among residential and business taxpayers were temporarily changed effective January 2004 for fiscal years 2004 (if rates had not already been set), 2005, 2006 and 2007. A community will continue to have its maximum shift computed under current law in each of those years. If adopting the shift would result in residential taxpayers paying a greater share of the tax levy than the prior year, the shift will then be further adjusted upward using that year's expanded parameters. The shift in tax burden for commercial properties was increased up to 200% and the maximum burden for residential properties was reduced to 45%. As a result of the decision, beginning in fiscal 2009, the maximum shift to commercial property will be 170% of the fair cash value share of the tax levy if the community qualifies for and makes this temporary change, choosing to exceed the preexisting 175% maximum. The maximum business shares for 2004, 2005, 2006 and 2007 are 200%, 197%, 190%, and 183% respectively while the minimum residential shares are 45%, 47%, 49% and 50% respectively. There is the additional limitation that residential taxpayers cannot pay a lower share of the tax levy than in the prior year. Braintree and Milton were among the several "split rate" communities that adopted this provision.

Current law allows increasing the commercial, industrial, and personal property burden by 50% as long as the residential and open space classes contribute at least 65% of the burden. The rate of this maximum shift is known as the Minimum Residential Factor.

## **GREATER FRANKLIN APPENDIX II**

### **EDUCATION COST: FOUNDATION BUDGET, LOCAL CONTRIBUTION, CHAPTER 70 FUNDING AND ADDITIONAL SPENDING**

The state determines the amount of Chapter 70 Funding that will be provided in total to fund K-12 public education as part of its annual budget. The amount is then distributed to the various municipalities in the form of state aid to help with the education costs. The amount of aid each municipality receives depends on the municipal (DLS) property wealth and income of the municipality as determined by the MA Department of Revenue (DOR) from income tax information reported by the residents of each community. The local contribution required by each respective municipality is then calculated by applying MA Department of Elementary and Secondary Education (DESE) determined percentages to these amounts. (See Bellingham and Franklin examples below.)

#### **The Foundation Budget**

The foundation budget as it now exists evolved over the years. In its final form, the 1993 Education Reform Act, established a required foundation level of spending for each district in the Commonwealth that was to be achieved with a state-mandated required local contribution and an additional amount of state aid given to the respective communities (school districts) using a formula since FY2007 that considers both the property values and income of the respective communities. (See discussion and example below showing Bellingham and Franklin.)

A district's foundation budget is based on foundation enrollment, inflation, and a wage adjustment factor which are updated each year. Foundation enrollment and each related distribution mix, such as English language proficiency categories, are used to determine a school district's foundation budget as identifying differences in costs associated with various educational programs, grade levels and student needs are critical to accurate costing. The foundation budget is a measure of the amount needed to provide the respective students in any given community an adequate, but not excessive education. Amounts for the foundation budget are determined by student enrollment classification categories and related costs. It is used when calculating the local contribution required by each municipality and the resulting state aid.

## Foundation Budget Calculations

### Cost Rates by Student Enrollment Distribution Categories

There are now 22 student enrollment categories for which specialized rates are developed and 11 expenditure categories to which these respective costs are apportioned. The 22 student categories are:

1. Pre-School, 2. Kindergarten-Half, 3. Kindergarten-Full, 4. Elementary, 5. Junior/Middle, 6. Junior/Middle, 7. Special Ed-In School, 8. Special Ed-Tuitioned Out, 9. English Language Learners (ELL) PK, 10. ELL K Half-Time, 11. ELL Full-Time, 12. Vocational, 13. Economically Disadvantaged – Decile 1, 14. Economically Disadvantaged – Decile 2, 15. Economically Disadvantaged – Decile 3, 16. Economically Disadvantaged – Decile 4, 17. Economically Disadvantaged – Decile 5, 18. Economically Disadvantaged – Decile 6, 19. Economically Disadvantaged – Decile 7, 20. Economically Disadvantaged – Decile 8, 21. Economically Disadvantaged – Decile 8, 22. Economically Disadvantaged – Decile 9.

The 11 expenditure categories are 1. administration, 2. instructional leadership, 3. teachers, 4. other teaching services, 5. professional development, 6. instructional materials, equipment and technology, 7. guidance & psychological services, 8. pupil services, 9. operations & maintenance, 10. employee benefits and fixed charges and 11. Special Education. The same percentages are used to allocate related costs to these expenditure categories for each enrollment class.

### Special Education Students

The costs of special education are significant. For school funding purposes there are two categories of special education students, those receiving service in-district and those receiving service out-of-district. For FY2017 foundation budget cost rates to educate these students are \$26,403 for Out-of District and \$25,277 for In-District. (See Page 31 for Special Education population). Out-of-district special education students have greater needs and are typically educated in specialized private schools since sending districts are required by law to meet the needs of these students in those specialized schools. Therefore, charter schools do not support any out-of-district special education students. By contrast, charter schools do educate in-district special education students, so costs associated with them are factored into the charter tuition formula. However, because the formula assumes that charter schools educate an equal share of special education students as those educated in district schools, when in fact they tend to educate a lower share, this provision has led many charter schools to receive more of a district's special education funding.

## FY2017 Foundation Budget Cost Rates – Highlights from DESE Report

Relevant costs to educate vary considerably. A selected sample for FY2017 of foundation budget cost rates per pupil established by DESE to educate the 22 enrollment categories fell between \$26,403 and \$3,775: Special Education In-District, \$25,277, Special Education Out-of District, \$26,403. Vocational, \$13,170, ELL Full Time, \$9,283, Kindergarten Full Day, \$7,263, Elementary, \$7,307, Junior/Middle, \$6,927, High School, \$8,638, Economically Disadvantaged – Decile 1, \$3,775, Economically Disadvantaged – Decile 10, \$4,135. These costs as well as costs for the remaining enrollment categories are then allocated to the 11 expenditure categories to arrive at costs per pupil per function. The costs are determined annually and vary considerably. For example, it is more costly to educate a middle-school student whose primary language is not English than an English speaking student. These differences are considered when the respective cost rates are developed.

### Bellingham Example

The first calculation is the foundation budget. It is the spending required to provide the students in Bellingham an adequate, but not excessive, education. For FY2017 this was determined to be about \$24 million based upon the number and mix of students. For FY2017 the Commonwealth of MA and DESE determined that each community be required to provide a local contribution of 0.3792% of total property value in the community and 1.4701% of DOR income reported by the residents of the community. For FY2017 property values for 2014 and income values for 2013 were used: property value, \$2,163,943,500 and income value, \$533,677,000 for Bellingham. The respective percent calculation resulted in local effort from property wealth of \$8,205,125 and local effort from income of \$7,845,449 for a combined required local contribution of \$16,050,574. Chapter 70 Funding is about equal to the difference between the foundation budget and the local required contribution, or about \$8 million for Bellingham. Actual spending by Bellingham for FY2017 was about \$30 million.

Per Pupil Expenditure is calculated by dividing all of a district's operating expenditures by its average pupil membership. All of a district's expenditures from all funding sources are included, with one exception – capital costs such as the purchase of buildings are not counted. General fund appropriations are amounts voted by town meetings or city councils to support the school budget, coming primarily from a combination of property taxes and Chapter 70 state aid. As reported on page 25 of the report, the FY2017 per pupil education expenditure for Bellingham was \$12,985 of which \$3,620 was state aid, \$6,515 was the required local contribution which totaled \$15 million for all students and \$2,850 was the additional amount Bellingham chose to spend on K-12 public school education over the foundation budget requirement.



## Franklin Example

Estimates for FY2018 for Franklin: Foundation Budget \$60 million, Required Net School Spending \$65 million, Required Local Contribution \$40 million, Foundation Aid \$22 million.

### Greater Franklin Region - Highlights

The Foundation Budget for FY2017 for the municipal schools in Greater Franklin as reported by DESE totaled \$173,071,446 while the actual school spending was \$235,683,181. Education costs on page 23 and page 24 of this report were reported by DESE while education expenditure reported in the general fund are from DLS. Differences do exist both with respect to specific costs included such as health insurance. In addition, education expenditures, per the general fund, include payments in connection with various charges such as payments to regional and vocational schools for local students attending those schools. Total education expenditures as reported in the general fund for FY2015 were \$231,742,041. Careful interpretation is required when comparing any and all education costs. Also noteworthy, the Blackstone-Millville regional school district is included in Education Cost data as figures were not available for only Blackstone, whereas the General Fund and related DLS amounts include only Blackstone figures.

## **SOURCES**

- Massachusetts Department of Elementary and Secondary Education (MA DESE)
- Massachusetts Department of Revenue (MA DOR), Division of Local Services (DLS)
- MetroWest Economic Research Center (MERC)

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- Massachusetts Legislature: House of Representatives and Senate
- Framingham State University



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