

Governor's FY08 State Aid for Boston

Partnership means only a 2% increase for Boston

Citing it as a "Foundation for Change" the Governor's FY08 budget recommendation provides a \$12M or 2.1% increase for Boston. The reimbursement for teacher pensions, which does not provide discretionary revenue, represents \$8M or 66% of the increase. According to the Governor's budget, local aid and off budget items statewide are up by 5.5% in FY08. The majority of growth comes in Chapter 70 education funds. The Governor hopes that this budget along with his [Municipal Partnership Act](#) filed earlier will help build a new partnership with municipalities, and property tax relief is key to that partnership.

This budget has less local aid relief than the \$22.6M increase in state aid this year. Chapter 70 aid for Boston is proposed to increase by \$3.1M or 1.5% and lottery receipts by less than 1M. On the other side of the ledger, costs for state assessments, primarily for the MBTA and Charter School tuitions, totaled \$129.8M, an increase of \$4.7M, thereby reducing net state aid for the City. This is only the start of the Commonwealth's budget process. What remains now is what changes the Legislature will make.

City of Boston General Fund State Aid Comparison

State Aid	FY07 Budget	House 1 FY08	Variance	%
Chapter 70	\$210,540,147	\$213,606,647	\$3,066,500	1.5%
Additional Assistance	164,211,152	164,211,152	-	0.0%
Teacher Pensions	85,164,054	93,329,794	8,165,740	9.6%
Lottery	70,589,023	71,585,070	996,047	1.4%
School Construction	13,815,487	15,020,329	1,204,842	8.7%
Charter Tuition Assessment Reimb.	15,034,864	13,690,177	(1,344,687)	-8.9%
Police Career Incentive	9,025,000	9,128,210	103,210	1.1%
Veterans	2,082,956	2,224,617	141,661	6.8%
Racing Taxes	609,000	541,334	(67,666)	-11%
Elderly Abatements	570,272	576,798	6,526	1.1%
Veterans, Blind Abatements	463,894	457,736	(6,158)	-1.3%
State Owned Land	226,372	253,872	27,500	12.1%
Total State Aid	\$572,332,221	\$584,625,736	\$12,293,515	2.1%
Total State Aid Less Teacher Pensions	\$487,168,167	\$491,295,942	\$4,127,775	0.8%
Total Assessments	\$125,046,344	\$129,758,502	\$4,712,158	3.8%