

**HOUSE . . . . . No. 2841**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Claire D. Cronin***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

**An Act relative to the Foundation Budget Review Commission.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Claire D. Cronin</i>	<i>11th Plymouth</i>	<i>1/20/2017</i>
<i>Carole A. Fiola</i>	<i>6th Bristol</i>	
<i>Joseph W. McGonagle, Jr.</i>	<i>28th Middlesex</i>	
<i>Gerard Cassidy</i>	<i>9th Plymouth</i>	<i>2/1/2017</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	
<i>Chris Walsh</i>	<i>6th Middlesex</i>	
<i>Jeffrey N. Roy</i>	<i>10th Norfolk</i>	
<i>James J. O'Day</i>	<i>14th Worcester</i>	

**HOUSE . . . . . No. 2841**

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By Ms. Cronin of Easton, a petition (accompanied by bill, House, No. 2841) of Claire D. Cronin and others relative to the Foundation Budget Review Commission. Education.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

An Act relative to the Foundation Budget Review Commission.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 12. Chapter 70 of the General Laws is hereby amended by striking out section  
2 2, as appearing in the 2014 Official Edition, and inserting in place thereof the following section:-

3           Section 2. As used in this chapter and in chapters 15, 69 and 71, the following words  
4 shall have the following meanings unless the context clearly requires otherwise:

5                       "Administration allotment", the amounts allotted within a district's foundation  
6 budget for administration in any fiscal year; provided, however, that the fiscal year 2017  
7 administration allotment, based on a sum of the following calculations, shall be the base year,  
8 with the dollar rates adjusted annually by the foundation inflation index:

9                               (i) \$188.56 multiplied by the foundation preschool enrollment and the  
10 foundation half-day kindergarten enrollment;

11 (ii) \$377.10 multiplied by the foundation full-day kindergarten enrollment, the  
12 foundation elementary enrollment, the foundation junior high or middle school enrollment, the  
13 foundation high school enrollment, and the foundation vocational enrollment; and

14 (iii) \$2,602.67 multiplied by the assumed in-school special education  
15 enrollment and the assumed tuitioned-out special education enrollment.

16 "Assumed in-school special education enrollment", 4 per cent of the total  
17 foundation enrollment in a district not including vocational or preschool enrollment, plus 5 per  
18 cent of vocational enrollment.

19 "Assumed tuitioned-out special education enrollment", 1 per cent of the total  
20 foundation enrollment in a district, not including vocational or preschool enrollment.

21 "Base aid", in a fiscal year, the total amount of chapter 70 aid provided to a  
22 district in the general appropriation act of the previous fiscal year.

23 "Board", the board of elementary and secondary education.

24 "Chapter 70 aid", the sum of a district's base aid, foundation aid increment, if  
25 any, and minimum aid increment, if any, in a fiscal year; provided, however that no nonoperating  
26 district shall receive chapter 70 aid in an amount greater than the district's foundation budget.

27 "Classroom and specialist teachers allotment", the amount allotted within a  
28 district's foundation budget for classroom and specialist teachers in a fiscal year; provided,  
29 however, that the fiscal year 2017 classroom and specialist teachers allotment, based on a sum of  
30 the following calculations, shall be the base year, with the dollar rates adjusted annually by the  
31 foundation inflation index:

32 (i) \$1,561.50 multiplied by the foundation preschool enrollment and the  
33 foundation half-day kindergarten enrollment;

34 (ii) \$3,122.99 multiplied by the foundation full-day kindergarten enrollment;

35 (iii) \$3,122.95 multiplied by the foundation elementary enrollment;

36 (iv) \$2,748.21 multiplied by the foundation junior high or middle school  
37 enrollment;

38 (v) \$4,041.48 multiplied by the foundation high school enrollment;

39 (vi) \$8,588.16 multiplied by the assumed in-school special education  
40 enrollment; and

41 (vii) \$6,870.55 multiplied by the foundation vocational enrollment.

42 "Combined effort yield", the sum of a municipality's equalized property  
43 valuation multiplied by the uniform property percentage and its income multiplied by the  
44 uniform income percentage.

45 "Commissioner", the commissioner of elementary and secondary education.

46 "Department", the department of elementary and secondary education.

47 "District" or "School district", the school department of a city or town or a  
48 regional school district.

49 "Effort reduction percentage", the percentage of excess effort to be reduced in  
50 any given year.

51 "Employee benefits and fixed charges allotment", the amount allotted within a  
52 district's foundation budget for employee benefits and fixed charges, equal to 1.29 times the sum  
53 of (a) the employee health insurance rate multiplied by the number of active employees for  
54 whom the district provides health insurance and (b) the retired employee health insurance rate  
55 multiplied by the number of the district's retired employees.

56 "Employee health insurance rate", the average group insurance commission  
57 premium for all plans for the three previous fiscal years; provided, however, that the group  
58 insurance commission shall annually, not later than June 30, provide the department with data  
59 necessary for the determination of such rate or any increase thereof.

60 "English language learner enrollment", the number of students enrolled in  
61 English language learner programs established pursuant to chapter 71A, including students  
62 enrolled in vocational and technical schools.

63 "English language learner expanded program increment", the amount allotted  
64 within a district's foundation budget for additional services for English language learners,  
65 including those enrolled in vocational and technical schools; provided, however, that the  
66 increment shall be \$2,446 multiplied by the number of English language learners in the district  
67 for fiscal year 2017, adjusted annually thereafter by the foundation inflation index.

68 "Enrollment categories", any of the following categories in which a student,  
69 including students enrolled in special education programs and students attending a school in  
70 another district, pursuant to section 12B of chapter 76, who resides in the district and who  
71 attends either a public school in that district or a school for which the district of residence pays  
72 tuition, is placed; provided, however, that any such student shall be placed in only one enrollment

73 category depending on the grade and program to which the student is assigned; provided further,  
74 that English language learners and low-income students shall be placed in one of the following  
75 enrollment categories and shall be counted for the purposes of calculating the English language  
76 learner increment and the low-income expanded program increment:

77 (i) “elementary enrollment”, number of students enrolled in grades 1 through 5  
78 and not enrolled in English language learner or vocational programs in a district;

79 (ii) “high school enrollment”, the number of students enrolled in grades 9  
80 through 12 and not enrolled in English language learner or vocational programs in a district;

81 (iii) “junior high or middle school enrollment”, the number of students enrolled  
82 in grades 6 to 8, inclusive, and not enrolled in English language learner or vocational programs  
83 in a district;

84 (iv) “kindergarten enrollment”, the number of students enrolled in kindergarten  
85 and not enrolled in English language learner or vocational programs in a district; provided,  
86 however, that in any district in which kindergarten students attend school for a full day, the  
87 foundation kindergarten enrollment used to calculate the foundation budget amount described in  
88 this section shall be two times the kindergarten enrollment number that would otherwise be used  
89 for said calculations;

90 (v) “preschool enrollment”, the number of students enrolled in preschool  
91 programs in a district; and

92 (vi) “vocational enrollment”, the number of students enrolled in vocational,  
93 education programs or an agricultural school in a district.

94                   “Equalized property valuation”, the annual equalized property valuation for a  
95 municipality as determined by the department of revenue pursuant to sections 9, 10 and 10C of  
96 chapter 58.

97                   "Excess effort", the positive difference, if any, between a municipality's target  
98 local contribution and its preliminary contribution.

99                   "Foundation aid”, the positive difference between a district's foundation budget  
100 and its required district contribution.

101                   “Foundation aid increment”, the positive difference, if any, between the  
102 foundation budget and the sum of the required district contribution and base aid.

103                   "Foundation budget", the sum of the administration allotment, instructional leadership  
104 allotment, classroom and specialist teachers allotment, other teaching services allotment,  
105 professional development allotment, instructional materials, equipment and technology  
106 allotment, guidance and psychological allotment, pupil services allotment, operations and  
107 maintenance allotment, employee benefits and fixed charges allotment and tuitioned-out special  
108 education tuition allotment and the English language learner expanded program increment and  
109 the low-income expanded program increment; provided, however, that the base year for  
110 calculating the foundation budget shall be fiscal year 2017; provided further, that the base year  
111 foundation budget shall be calculated according to the formulas in this section using foundation  
112 enrollment as described in this section; and provided further that, for fiscal years thereafter, the  
113 foundation budget shall be the base year foundation budget adjusted for enrollment and for  
114 inflation as set forth in section 3.

115 "Foundation enrollment", the student enrollment of a district in any fiscal year;  
116 provided, however, that the foundation enrollment shall be the sum of the foundation full-day  
117 kindergarten, elementary, junior high or middle school, high school and vocational enrollment  
118 plus one-half of the sum of the foundation preschool and half-day kindergarten enrollment,  
119 including students enrolled in the program for the elimination of racial imbalance under section  
120 12A of chapter 76; and provided further, that annually, not later than March 1 of each calendar  
121 year, the department shall certify the foundation enrollment for the next fiscal year as the actual  
122 enrollment as reported the previous October.

123 "Foundation inflation index", in fiscal year 2017, the foundation inflation index  
124 shall equal 1.000; provided, however, that in fiscal year 2018 and in each fiscal year thereafter,  
125 the foundation inflation index shall equal the prior year's foundation inflation index multiplied by  
126 the minimum of: (i) the ratio of the value of the implicit price deflator for state and local  
127 government purchases in the first quarter of the prior fiscal year to its value in the first quarter of  
128 the year two years prior; or (ii) 1.045; provided that the index used as the base for the calculation  
129 of the foundation inflation index in the following fiscal year shall be the index generated by  
130 applying (i).

131 "General revenue sharing aid", the amount of assistance from the  
132 commonwealth to be received by a city or town in a fiscal year from the following local aid  
133 programs: (i) payments in lieu of taxes for state-owned lands distributed pursuant to section 17  
134 of chapter 58; and (ii) "Unrestricted General Government Aid" distributed through section 3 of  
135 the Commonwealth's annual budget.



136 "Guidance and psychological allotment", the amount allotted within a district's  
137 foundation budget for guidance and psychological services; provided, however, that the fiscal  
138 year 2017 guidance and psychological allotment, based on a sum of the following calculations,  
139 shall be the base year, with the dollar rates adjusted annually by the foundation inflation index:

140 (i) \$113.61 multiplied by the foundation preschool enrollment and the  
141 foundation half-day kindergarten enrollment;

142 (ii) \$227.25 multiplied by the foundation full-day kindergarten enrollment and  
143 the foundation elementary enrollment;

144 (iii) \$302.50 multiplied by foundation junior high or middle school enrollment;  
145 and

146 (iv) \$379.19 multiplied by the foundation high school enrollment and the  
147 foundation vocational enrollment.

148 "Income", total income from all sources as reported by the residents of a  
149 municipality on income tax returns submitted to the department of revenue for the most recent  
150 available calendar year.

151 "Income percentage", the uniform percentage of each municipality's total  
152 income which yields one-half of the statewide total of combined effort yields in any fiscal year.

153 "Instructional leadership allotment", the amounts allotted within a district's  
154 foundation budget for instructional leadership in a fiscal year; provided, however, that for fiscal  
155 year 2017, the "instructional leadership allotment" shall be the sum of the following rate  
156 calculations; and provided further, that for subsequent fiscal years, the instructional leadership

157 allotment shall be the sum of the following calculations, with the dollar rates annually adjusted  
158 by the foundation inflation index:

159 (i) \$340.55 multiplied by the foundation preschool enrollment and the  
160 foundation half-day kindergarten enrollment; and

161 (ii) \$681.08 multiplied by the foundation full-day kindergarten enrollment, the  
162 foundation elementary enrollment, the foundation junior high or middle school enrollment, the  
163 foundation high school enrollment and the foundation vocational enrollment.

164 "Instructional materials, equipment and technology allotment", the amount  
165 allotted within a district's foundation budget for instructional materials, equipment and  
166 technology; provided, however, that the fiscal year 2017 instructional materials, equipment and  
167 technology allotment, based on a sum of the following calculations, shall be the base year, with  
168 the dollar rates adjusted annually by the foundation inflation index:

169 (i) \$226.01 multiplied by the foundation preschool enrollment and the  
170 foundation half-day kindergarten enrollment;

171 (ii) \$452.01 multiplied by the foundation full-day kindergarten enrollment, the  
172 foundation elementary enrollment and the foundation junior high or middle school enrollment;

173 (iii) \$723.22 multiplied by the foundation high school enrollment;

174 (iv) \$361.61 multiplied by the assumed in-school special education enrollment;

175 and

176 (v) \$1,265.62 multiplied by the foundation vocational enrollment.

177 "Low-income enrollment", the number of children attending school in a district  
178 regardless of residence or tuition-paying status, with a family income at or below 185 per cent of  
179 the federal poverty level; provided, however, that a low-income child or low-income student  
180 shall mean a child who meets these eligibility standards; and provided further, that in  
181 determining the total number of low-income students, the department shall use the preceding  
182 year's actual number of low-income full-day kindergarten, elementary, junior high or middle  
183 school, high school and vocational students and one-half of the preceding year's actual number of  
184 low-income preschool and half-day kindergarten students.

185 "Low-income expanded program increment", the amount allotted within a  
186 district's foundation budget for each student with a family income at or below 185 per cent of the  
187 federal poverty level; provided, however, that the department shall rank each district with respect  
188 to its low income percentage of total foundation enrollment and divide the districts into septiles;  
189 provided further, that each district shall be assigned a low-income septile based on its low  
190 income percentage; provided further, that each septile shall be assigned a low-income rate where  
191 the rate for the lowest percentage septile shall be \$3,591 and each subsequent septile shall  
192 increase by equal amounts up to the highest percentage septile rate of \$8,455; and provided  
193 further, that the fiscal year 2017 rates for each septile shall be the base year rates and shall be  
194 adjusted annually thereafter by the foundation inflation index.

195 "Minimum aid", the positive difference between a district's foundation aid  
196 increment and \$25 multiplied by the district foundation enrollment.

197 "Maximum local contribution", 82.5 per cent of a municipality's foundation  
198 budget.

199 "Municipal foundation budget", a city or town's local district's foundation  
200 budget plus the sum of its share of the foundation budgets at regional districts or at agricultural  
201 schools of which it is a member; provided, however, that a city or town's share of the foundation  
202 budget at regional districts or at agricultural schools shall be based upon its share of the total  
203 foundation enrollment from all member municipalities at those districts and schools.

204 "Municipal revenue growth factor", the change in local general revenues  
205 calculated by subtracting 1 from the quotient calculated by dividing the sum of: (i) the maximum  
206 levy for the fiscal year estimated by multiplying the levy limit of the prior fiscal year by a factor  
207 equal to 102.5 per cent plus the average of the percentage increases in the levy limit due to new  
208 growth adjustments over the last three available years as certified by the department of revenue  
209 or as otherwise estimated by the division of local services in the department of revenue where it  
210 appears that a municipality may not be entitled to increase its minimum levy limit by 2.5 per  
211 cent; provided, however, that if the highest percentage during such three years exceeds the  
212 average of the other two years' percentages by more than two percentage points, then the lowest  
213 three of the last four years shall be used for such calculation; (ii) the amount of general revenue  
214 sharing aid for the fiscal year; and (iii) other budgeted recurring receipts not including user fees  
215 or other charges determined by the division of local services to be associated with the provision  
216 of specific municipal services for the prior fiscal year, by the sum of: (1) the actual levy limit for  
217 the prior fiscal year; (2) the amount of general revenue sharing aid received for the prior fiscal  
218 year; and (3) other recurring receipts not including user fees or other charges determined by the  
219 division of local services to be associated with the provision of specific municipal services  
220 budgeted by the municipality for the fiscal year preceding the prior fiscal year, if any; provided  
221 further, that for the purposes of this calculation, the levy limit shall exclude any amounts

222 generated by overrides applicable to any year after the fiscal year ending June 30, 1993; provided  
223 further, that in the absence of an actual levy limit for the prior fiscal year, the actual levy limit  
224 for the prior fiscal year shall be estimated by multiplying the actual levy limit of the fiscal year  
225 preceding the prior fiscal year by a factor equal to 102.5 per cent plus the average of the  
226 percentage increases in the levy limit due to new growth as specified above; and provided  
227 further, that in making any of these required calculations, the division of local services may  
228 substitute more current information or such other information as would produce a more accurate  
229 estimate of the change in a municipality's general local revenues and the department shall use  
230 such growth factor to calculate preliminary contribution, required local contribution and any  
231 other factors that directly or indirectly use the municipal growth factor.

232 "Net school spending", the total amount spent for the support of public  
233 education, including the amortization of teacher salary deferrals and tuition payments for  
234 children residing in the district who attend a school in another district or other approved facility,  
235 determined without regard to whether such amounts are regularly charged to school or nonschool  
236 accounts by the municipality for accounting purposes; provided, however, that net school  
237 spending shall not include any spending for long-term debt service, and shall not include  
238 spending for school lunches and student transportation; provided further that "net school  
239 spending" shall also not include spending from tuition revenue or revenue from activity,  
240 admission, other charges or any other revenue attributable to public education, or from state or  
241 federal grants; provided further, that such revenue shall be made available to the school district  
242 which generated the revenue in addition to any financial resources made available by  
243 municipalities or state assistance; provided further, that the department, in consultation with the  
244 department of revenue, shall promulgate regulations to ensure a uniform method of determining

245 which municipal expenditures shall be appropriated for the support of public education and  
246 which revenues are attributable to public education in accordance with this section; and provided  
247 further, that the regulations shall include provisions for resolving disputes which may arise  
248 between municipal and school officials.

249 "Operations and maintenance allotment", the amount allotted within a district's  
250 foundation budget for operations and maintenance; provided, however, that the fiscal year 2017  
251 operations and maintenance allotment, based on a sum of the following calculations, shall be the  
252 base year, with the dollar rates adjusted annually by the foundation inflation index:

253 (i) \$433.61 multiplied by the foundation preschool enrollment and the  
254 foundation half-day kindergarten enrollment;

255 (ii) \$867.21 multiplied by the foundation full-day kindergarten enrollment and  
256 the foundation elementary enrollment;

257 (iii) \$940.18 multiplied by foundation junior high or middle school enrollment;

258 (iv) \$911.60 multiplied by the foundation high school enrollment;

259 (v) \$2,907.31 multiplied by the assumed in-school special education  
260 enrollment; and

261 (vi) \$1,706.08 multiplied by the foundation vocational enrollment.

262 "Other teaching services allotment", the amount allotted within a district's  
263 foundation budget for other teaching services; provided, however, that the fiscal year 2017 other  
264 teaching services allotment, based on a sum of the following calculations, shall be the base year,  
265 with the dollar rates adjusted annually by the foundation inflation index:

266 (i) \$400.48 multiplied by the foundation preschool enrollment and the  
267 foundation half-day kindergarten enrollment;

268 (ii) \$800.98 multiplied by the foundation full-day kindergarten enrollment and  
269 the foundation elementary enrollment;

270 (iii) \$576.58 multiplied by the foundation junior high or middle school  
271 enrollment;

272 (iv) \$480.01 multiplied by the foundation high school enrollment and the  
273 foundation vocational enrollment;

274 (v) \$8,018.64 multiplied by the assumed in-school special education  
275 enrollment; and

276 (vi) \$39.76 multiplied by the assumed tuitioned-out special education  
277 enrollment.

278 “Preliminary contribution”, the product of: (i) a municipality's required local  
279 contribution for the prior fiscal year; and (ii) 1 plus the municipal revenue growth factor for the  
280 current year; provided, however, that if a municipality's preliminary local contribution as a  
281 percentage of its foundation budget is more than 2.5 percentage points lower than the target local  
282 share, the preliminary contribution shall be recalculated using the municipality's revenue growth  
283 factor plus 1 percentage point; and provided further, that if a municipality's preliminary  
284 contribution as a percentage of its foundation budget is more than 7.5 percentage points lower  
285 than the target local share, the preliminary contribution shall be recalculated using the  
286 municipality's revenue growth factor plus 2 percentage points.

287 "Professional development allotment", the amount allotted within a district's  
288 foundation budget for professional development; provided, however, that the fiscal year 2017  
289 professional development allotment, based on a sum of the following calculations, shall be the  
290 base year, with the dollar rates adjusted annually by the foundation inflation index:

291 (i) \$61.76 multiplied by the foundation preschool enrollment and the  
292 foundation half-day kindergarten enrollment;

293 (ii) \$123.57 multiplied by the foundation full-day kindergarten enrollment;

294 (iii) \$123.59 multiplied by the foundation elementary enrollment;

295 (iv) \$133.97 multiplied by the foundation junior high or middle school  
296 enrollment;

297 (v) \$129.90 multiplied by the foundation high school enrollment;

298 (vi) \$414.29 multiplied by the assumed in-school special education enrollment;

299 and

300 (vii) \$214.77 multiplied by the foundation vocational enrollment.

301 "Property percentage", the uniform percentage of each municipality's total  
302 equalized property valuation which yields one-half of the statewide total of combined effort  
303 yields in any fiscal year.

304 "Pupil services allotment", the amount allotted within a district's foundation  
305 budget for pupil services; provided, however, that the fiscal year 2017 pupil services allotment,



306 based on a sum of the following rate calculations, shall be the base year, with the dollar rates  
307 adjusted annually by the foundation inflation index:

308 (i) \$45.19 multiplied by the foundation preschool enrollment and the  
309 foundation half-day kindergarten enrollment;

310 (ii) \$90.41 multiplied by the foundation full-day kindergarten enrollment;

311 (iii) \$135.61 multiplied by the foundation elementary enrollment and the  
312 foundation English learner, full-day enrollment;

313 (iv) \$221.50 multiplied by foundation junior high or middle school enrollment;

314 and

315 (v) \$510.77 multiplied by the foundation high school enrollment and the  
316 foundation vocational enrollment.

317 "Required district contribution", a local district's share of the municipality's  
318 required local contribution or, in a regional district or agricultural school, the sum of the member  
319 municipalities' required local contributions apportioned to that regional district or agricultural  
320 school.

321 "Required local contribution", the municipality's preliminary contribution  
322 minus the product of its excess effort, if any, multiplied by the effort reduction percentage;  
323 provided, however, that the required local contribution shall be apportioned to each district to  
324 which the municipality belongs, in proportion to the municipality's foundation budget at those  
325 districts.

326                   “Retired employee”, an employee of a school district who retired while  
327 employed by that district and who receives health insurance benefits through that district.

328                   “Retired employee health insurance rate”, the average group insurance  
329 commission premium for all retiree plans for the three previous fiscal years; provided, however,  
330 that the group insurance commission shall annually, not later than June 30, provide the  
331 department with data necessary for the determination of such rate or any increase thereof.

332                   "Statewide target local share", the sum of all municipalities' target local  
333 contribution, as a percentage of the sum of all municipal foundation budgets, which shall be set  
334 at 59 per cent.

335                   "Target aid share", for a local district, 100 per cent minus the municipality's  
336 target local share; provided, however, that for a regional district or agricultural school, the  
337 “target aid share” shall be 100 per cent minus each member municipality's target local share,  
338 multiplied by each municipality's share of the regional district's enrollment, summed for all  
339 members of the district.

340                   "Target local contribution", the lesser of a municipality's combined effort yield  
341 and its maximum local contribution.

342                   "Target local share", a municipality's target local contribution as a percentage  
343 of its municipal foundation budget.

344                   “Tuitioned-out special education allotment”, the product of the tuitioned-out  
345 special education rate and the assumed tuitioned-out special education enrollment.

346                   “Tuitioned-out special education rate”, three times the statewide foundation  
347 budget per-pupil amount.

348                   "Wage adjustment factor", an adjusted difference between the average annual  
349 wage for all jobs in the labor market area in which a municipality is located and the average  
350 annual wage in the commonwealth; provided, however, that average annual wage figures shall be  
351 published annually by the division of employment and training; provided further, that the wage  
352 adjustment factor shall be the sum of 1 plus a fraction, the numerator of which shall be the  
353 product of 1/3 and the difference resulting from subtracting the average annual wage in the  
354 commonwealth from the average annual wage of the municipality, and the denominator of which  
355 shall be the average annual wage in the commonwealth; and provided further, that for the  
356 purposes of this definition, the average annual wage of the municipality shall be the sum of:

357                   (i) .8 multiplied by the average annual wage for all jobs in the labor market area  
358 in which the municipality is located; and

359                   (ii) .2 multiplied by the average annual wage of the municipality; provided,  
360 however, the wage adjustment factor in any community shall not be less than 1.

361                   SECTION 13. The third paragraph of section 3 of said chapter 70, as so appearing, is  
362 hereby amended by striking out the last sentence and inserting in place thereof the following 2  
363 sentences:-

364                   The factors to be inflated by the foundation inflation index shall be the monetary values  
365 for the administration allotment, the instructional leadership allotment, the classroom and  
366 specialist teachers allotment, the other teaching services allotment, the professional development  
367 allotment, the instructional materials, equipment and technology allotment, the guidance and

368 psychological allotment, the pupil services allotment, the operations and maintenance allotment,  
369 the English language learner expanded program increment and the low-income student expanded  
370 program increment.

371           The rates established in section 2 shall serve as the basis for the implementation  
372 schedule established annually under section 5B1/2 of chapter 29.

373           SECTION 14. Section 5 of said chapter 70 is hereby repealed.

374           SECTION 15. Section 6 of said chapter 70, as appearing in the 2014 Official Edition, is  
375 hereby amended by striking out, in line 6, the word "minimum".

376           SECTION 16. Said section 6 of said chapter 70, as so appearing, is hereby further  
377 amended by striking out, in line 8, the words "but not including equity aid,".

378           SECTION 17. Section 7 of said chapter 70 is hereby repealed.

379           SECTION 18. Section 9 of said chapter 70 is hereby repealed.

380           SECTION 19. Said chapter 70 is hereby further amended by striking out section 10, as  
381 appearing in the 2014 Official Edition, and inserting in place thereof the following section:-

382           Section 10. Subject to appropriation, the amount of state aid to be paid to each  
383 municipality in each fiscal year under this chapter shall be the sum of the base aid, the  
384 foundation aid increment and the minimum aid to which the municipality may be entitled under  
385 this chapter

386           SECTION 38. Sections 12 through 19 of this act shall take effect on July 1, 2019.