



The Commonwealth of Massachusetts

House of Representatives

State House, Boston 02133-1054

March 19, 2009

Dear Colleagues:

As you may know, earlier today the Governor announced his intention to use federal economic recovery funds to "ensure every district in the Commonwealth reaches so-called foundation spending levels next school year." As part of his announcement, the Governor distributed a list of 166 districts that would require an additional \$168 million above the Chapter 70 distribution proposed in House 1 in order to fund a shortfall in districts that the Governor proposed to fund below their foundation budget amounts. These figures assume that the House and Senate will adopt the Governor's budget exactly as he proposed it.

I am writing to let you know that House leadership has been working with the administration to coordinate the various and complicated funding streams that will be required to achieve foundation levels during these difficult fiscal times. No decisions have been made at this time, although we do share the Governor's confidence that, working with our partners at the local level, the use of federal recovery funds will allow us to achieve foundation levels in all districts for the coming fiscal year.

With regard to the particular distribution and amounts identified by the Governor, I note that the House 1 budget proposal is the beginning of the budget process. If various elements of the Governor's budget proposal (including his changes to the Chapter 70 formula and local revenue assumptions) are not adopted exactly as proposed by the Governor, the amount and distribution of federal recovery funds necessary to maintain foundation levels could vary considerably from the amount and distribution identified by the Governor today. Therefore, the distribution amounts provided by the Governor should be understood as an elaboration on House 1 and not as a reflection of what the budget figures will be once the House and Senate adopt the FY10 budget.

We will continue to work with the administration and our partners at the local level to achieve a timely, sustainable distribution of school aid, and we share with the Governor an appreciation of this important federal assistance during these difficult fiscal times.

I look forward to working with you as we prepare the fiscal year 2010 budget, and please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Martha M. Walz".

Martha M. Walz