

# SENATE . . . . . No. 2325

---

## The Commonwealth of Massachusetts

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

SENATE, Friday, March 9, 2018

The committee on Education, to whom was referred the petitions (accompanied by resolve, Senate, No. 217) of Harriette L. Chandler, Anne M. Gobi, Carmine L. Gentile, Richard J. Ross and others for legislation to establish a commission on regional school district foundation budgets; (accompanied by bill, Senate, No. 223) of Sonia Chang-Diaz, Jack Lewis, Jason M. Lewis, Marjorie C. Decker and other members of the General Court for legislation to modernize the foundation budget for the 21st century; (accompanied by bill, Senate, No. 224) of Cynthia S. Creem for legislation relative to special education transportation costs; (accompanied by bill, Senate, No. 225) of Cynthia S. Creem for legislation relative to circuit breaker reimbursement; (accompanied by bill, Senate, No. 235) of Sal N. DiDomenico, Mayor Martin J. Walsh, Edward F. Copping, Daniel Cullinane and other members of the General Court for legislation relating to special education funding; (accompanied by bill, Senate, No. 241) of Sal N. DiDomenico and James B. Eldridge for legislation relative to charter school funding; (accompanied by bill, Senate, No. 268) of Patricia D. Jehlen, James B. Eldridge, Kenneth I. Gordon and Mary S. Keefe for legislation to include transitory student enrollment in the calculation of aide under Chapter 70; (accompanied by bill, Senate, No. 284) of Jason M. Lewis, Chris Walsh, Jennifer E. Benson, Barbara A. L'Italien and other members of the General Court for legislation to implement the recommendations of the Chapter 70 foundation budget review commission; (accompanied by bill, House, No. 252) of Kimberly N. Ferguson, James M. Kelcourse and others relative to school foundation budgets; (accompanied by bill, House, No. 264) of Patricia A. Haddad and others relative to special education funding; (accompanied by bill, House, No. 269) of Bradford R. Hill, David K. Muradian, Jr., and Kathleen O'Connor Ives relative to the foundation funding of special education; (accompanied by bill, House, No. 282) of James M. Kelcourse, Bradford R. Hill and Kathleen O'Connor Ives relative to the calculation of the special education reimbursement funding program; (accompanied by bill, House, No. 283) of James M. Kelcourse, Bradford R. Hill and Kathleen O'Connor Ives relative to special education transportation funding reform; (accompanied by bill, House, No. 299) of David K. Muradian, Jr., and others relative to special

education funding; (accompanied by bill, House, No. 312) of John H. Rogers, Thomas M. Stanley and Michael S. Day for legislation to promote educational resource allocation decisions at the local level; (accompanied by bill, House, No. 313) of John H. Rogers and others relative to expanding the special education reimbursement program to include transportation costs; (accompanied by bill, House, No. 2040) of Bradford R. Hill relative to implementing the recommendations of the foundation budget review commission; (accompanied by bill, House, No. 2063) of Frank I. Smizik and others relative to the calculation of special education reimbursement amounts; and (accompanied by bill, House, No. 2841) of Claire D. Cronin and others relative to the Foundation Budget Review Commission,- reports the accompanying bill (Senate, No. 2325).

For the committee,  
Sonia Chang-Diaz

# SENATE . . . . . No. 2325

---

## The Commonwealth of Massachusetts

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

An Act modernizing the foundation budget for the 21st century.

*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 1. Chapter 29 of the General Laws, as appearing in the 2014 Official Edition,  
2 is amended by inserting after section 5B the following section:-

3 Section 5B½. (a) Notwithstanding the provisions of any general or special law to the  
4 contrary, as used in this section the following terms shall have the following meanings:

5 “Assumed in-school special education enrollment”, 4 per cent of the total foundation  
6 enrollment in a district not including vocational or preschool enrollment, plus 5 per cent of  
7 vocational enrollment.

8 “Foundation Benefits”, the amount allotted within a district's foundation budget for  
9 employee benefits and fixed charges; provided, however, that the allotment shall be equal to the  
10 sum of: (i) the employee health insurance rate multiplied by the number of active employees for  
11 whom the district provides health insurance; and (ii) the retired employee health insurance rate  
12 multiplied by the number of the district's retired employees.

13 “Employee health insurance rate”, the employer share of the average group insurance  
14 commission premium for the plans for the 3 previous fiscal years; provided, however, that the  
15 group insurance commission shall annually, not later than June 30, provide the department with  
16 data necessary for the determination of the rate or an increase of it.

17 “English learner enrollment”, the number of students identified as English learners  
18 pursuant to chapter 71A, including students enrolled in vocational and technical schools.

19 “English learner increment”, the additional amount allotted within a district’s foundation  
20 budget for additional services for English learners, including those enrolled in vocational and  
21 technical schools; provided, however, that the value of the increment for fiscal year 2019 shall be  
22 \$2,355.58 multiplied by the number of English learners in the district and shall be adjusted  
23 annually thereafter by the foundation inflation index.

24 “Low-income enrollment”, the number of children attending school in a district  
25 regardless of residence or tuition-paying status, with a family income not more than 185 per cent  
26 of the federal poverty level; provided, however, that a “low-income child” or “low-income  
27 student” shall mean a child who meets these eligibility standards; and provided further, that in  
28 determining the total number of low-income students, the department shall use the preceding  
29 year’s actual number of low-income elementary, junior high or middle school, high school and  
30 vocational students and ½ of the preceding year’s actual number of low-income kindergarten and  
31 preschool students.

32 “Low-income increment”, the additional amount allotted within a district’s foundation  
33 budget for each student with a family income not more than 185 per cent of the federal poverty  
34 level; provided, however, that the department shall rank each district and divide the districts into

35 deciles; provided further, that each district shall be assigned a low-income decile based on its  
36 low income percentage which shall be calculated as its number of low-income students divided  
37 by the total foundation enrollment; provided further, that each decile shall be assigned a low-  
38 income increment where the increment for the lowest percentage decile shall be fifty per cent of  
39 the statewide per pupil amount for students with a family income more than 185 per cent of the  
40 federal poverty level and the increment for the highest percentage decile shall be one hundred  
41 percent of the statewide per pupil amount for students with a family income more than 185 per  
42 cent of the federal poverty level.

43 “Retired employee health insurance rate”, the average group insurance commission  
44 premium for all retiree plans for the 3 previous fiscal years; provided, however, that the group  
45 insurance commission shall annually, not later than June 30, provide the department with data  
46 necessary for the determination of such rate or any increase of it.

47 “Tuitioned-out special education rate”, four times the statewide foundation budget per  
48 pupil amount minus the statewide foundation budget per pupil amount for the prior fiscal year.

49 (b) Annually, not later than January 15, the secretary of administration and finance shall  
50 meet with the senate and house committees on ways and means to jointly determine an  
51 implementation schedule to fulfill the recommendations filed on November 2, 2015 by the  
52 foundation budget review commission established in section 4 of chapter 70. The  
53 implementation schedule shall establish a foundation budget as defined in section 2 of said  
54 chapter 70 incorporating the categories, as defined in paragraph (a), of tuitioned-out special  
55 education rate, assumed in-school special education enrollment, low-income increment, low-  
56 income enrollment, foundation benefits, employee health insurance rate, retired employee health

57 insurance rate and English language learner increment; provided, however, that in the first year  
58 of the term of office of a governor who has not served in the preceding year, the parties shall  
59 determine an implementation schedule not later than January 31 of that year. In determining the  
60 implementation schedule, the secretary of administration and finance and the senate and house  
61 committees on ways and means shall hold a public hearing and receive testimony from the  
62 commissioner of elementary and secondary education and other interested parties. The schedule  
63 may be amended by agreement of the senate and house committees on ways and means in any  
64 fiscal year to reflect changes in enrollment, inflation, student populations or other factors that  
65 may affect the remaining costs in the schedule. The implementation schedule shall be included in  
66 a joint resolution and placed before the members of the general court for their consideration  
67 annually, along with any proposed legislation necessary to execute and implement the schedule,  
68 not later than February 15. The implementation schedule shall be subject to appropriation. Upon  
69 completion of the implementation schedule, a joint resolution shall be placed before the members  
70 of the general court affirming that the recommendations of the commission have been fulfilled;  
71 provided, however, that the determination of an annual implementation schedule shall no longer  
72 be required upon the adoption of the resolution.

73 SECTION 2. Said chapter 70 is hereby further amended by inserting after section 4 the  
74 following section:-

75 Section 4A. (a) The department, in consultation with the executive office of education,  
76 shall convene a data advisory committee to promote the improved use of school-level data to  
77 inform effective resource allocation decisions at the local level. The data advisory committee  
78 shall include, but not be limited to, a representative from the following organizations: the  
79 Massachusetts Association of School Committees, Inc.; the Massachusetts Association of School

80 Superintendents, Inc.; the Massachusetts Association of School Business Officials, Inc.; the  
81 Massachusetts Association of Vocational Administrators, Inc.; and the Massachusetts  
82 Association of Regional Schools, Inc. The data advisory committee shall assist the department to  
83 identify, advise and analyze cost-effective ways to achieve the following goals including, but not  
84 limited to:

85 (i) streamlining financial reporting, eliminating duplicate reporting requirements and  
86 improving data quality;

87 (ii) strengthening the department's capacity to analyze and report staffing, scheduling and  
88 financial data in ways that support strategic resource allocation decisions at the district and  
89 school level;

90 (iii) strengthening district capacity to use data to make strategic resource allocation  
91 decisions; and

92 (iv) establishing a data collection and reporting system that: (A) tracks funding allocated  
93 for English language learner and low-income students to ensure that spending is targeted to the  
94 intended populations and to provide a data source for the foundation budget review commission  
95 about the accuracy and adequacy of the low-income and English language learner increments;  
96 and (B) allows for access to school-level expenditures and data across all districts to inform the  
97 public and policy-makers about effective school-level interventions and investments.

98 (b) The data advisory committee shall report its progress to the board of elementary and  
99 secondary education, the senate and house chairs of the joint committee on education and the  
100 chairs of the senate and house committees on ways and means not less than semiannually, by  
101 December 1 and June 1, and shall make recommendations as necessary for the department to

102 achieve the goals of this section. The department may, in consultation with the data advisory  
103 group, develop or procure the data collection and reporting system under clause (iv) of  
104 subsection (a).