**

**Massachusetts House of Representatives**

***Student Opportunity Act Conference Report***

**Fact Sheet**

November 20, 2019

The Student Opportunity Act makes an unprecedented $1.5 billion new investment in Massachusetts public education, ensuring public schools have adequate resources to provide a high-quality education to students across the state, regardless of zip code or income level. Assuming inflation, over time the bill could provide an estimated $2.2 billion.

The Student Opportunity Act significantly helps school districts that serve high percentages of low-income students. At the same time, all school districts across the Commonwealth will benefit from updates to the existing funding formula, along with increased state investment in other vital education aid programs such as school buildings and special education.

These new investments, coupled with policy updates, are designed to monitor and measure progress, support effective approaches to closing opportunity gaps, and deliver results for all students.

This bill modernizes the K-12 education funding and policy landscape in four areas:

1. **Fully implements the recommendations of the Foundation Budget Review Commission (FBRC)** **to ensure that the school funding formula provides adequate and equitable funding to all districts across the state**. Provides an estimated $1.4 billion in new Chapter 70 aid over and above inflation when fully implemented over the next seven years. The foundation budget is updated as follows:

* **Estimates school districts’ employee health care costs** using up to date health insurance trend data collected by the state’s Group Insurance Commission (GIC), and includes for the first time an amount for retiree health insurance costs.
* **Increases special education** enrollment and cost assumptions to more accurately reflect district enrollment and costs
* **Increases funding for English learners (EL)** that is differentiated by grade level to reflect the greater resources required to educate our older EL students.
* Addresses the needs of districts educating high concentrations of **low-income students** by:
  + Providing additional funding based on the share of low-income students in each district; districts educating the largest percentage of low-income students will receive an additional increment equal to 100% of the base foundation;
  + Returning the definition of low-income to 185% of the Federal Poverty Level, as opposed to the 133% level that has been used in recent years.
* **Improves data collection and reporting**, specifically around use of funding, by:
  + Establishing a **Data Advisory Commission** to help improve the use of data at the state, district, and school levels to inform strategies that strengthen teaching, learning and resource allocation to ensure greater financial transparency, including tracking funding for low-income students and English learners.

1. **Provides additional state financial support to help public schools and communities deliver a high-quality education to every student:** 
   * Increases foundation rates for **guidance and psychological services** that will support expanded social–emotional supports and mental health services.
   * Fully funds **charter tuition reimbursements**, which provide transitional aid to help districts when students leave to attend charter schools, within a three-year timetable.
   * Expands the **special education circuit breaker**, which reimburses districts for extraordinary special education costs, to include transportation costs in addition to instructional costs, phased in over four years.
   * Lifts the annual cap on **Massachusetts School Building Authority (MSBA)** spending for school building construction/renovation by $200 million (from $600 million to $800 million), enabling the MSBA to accept more projects across the state into its funding pipeline.

* Requires **Department Elementary and Secondary Education (DESE)** to calculate the **minimum aid adjustment** amount using the base and incremental rates in the Fiscal Year 2020 budget, adjusted for inflation, plus the district’s foundation enrollment multiplied by $30 – **Minimum aid** is therefore the greater of either the district’s foundation enrollment multiplied by a number set in the General Appropriations Act, but not less than $30, or the minimum aid adjustment minus the previous year’s Chapter 70 aid. This ensures no districts are harmed by any changes in this bill.

1. **Implements policy updates designed to maximize the impact of new funding in improving student outcomes and closing opportunity gaps.**

* Establishes the **21st Century Education Trust Fund** to provide flexible funding to districts and schools pursuing creative approaches to student learning and district improvement.
* Requires school districts to develop and make publicly available **plans for closing gaps in student performance**. These plans will include specific goals and metrics to track success. Requires the Commissioner to review those plans, and districts to make changes if plans are determined not to meet the requirements of the statute
* Requires the Secretary of Education to collect and publish data on **student preparedness in each district and high school for post-graduate success** in college and the workforce. Requires the Secretary to make recommendations to establish statewide and regional targets for student preparedness for workforce and post-secondary education

1. **Identifies education policy areas requiring further analysis.**
   * Directs the **Department of Revenue (DOR)** and **DESE** to analyze the method of **determining required local contributions** in the Chapter 70 formula for the purpose of improving equity, predictability and accuracy.
   * Establishes a **Rural Schools Commission** to investigate the unique challenges facing rural and regional school districts with low and declining enrollment. The Commission will make recommendations for further updates to help impacted districts and communities.
   * Directs **DESE** and the **principals** of five recovery high schools to examine the costs associated with **sending students to recovery highs**, and determine the average cost per pupil for said students. Additionally allows for districts to utilize their reserve funds for unanticipated or unbudgeted costs associated with recovery highs.
   * Directs the **Massachusetts School Building Authority** and **DESE** to review eligible expenses and reimbursement rates in the **school building assistance program** to ensure that the program is accessible and affordable to all communities.