**

**JOINT COMMITTEE ON EDUCATION**

**Student Opportunity Act**

**Section-by-Section Summary**

November, 2019

SECTION 1: Amends MGL Ch. 10 by inserting a new section establishing a Twenty-First Century Education Trust Fund, to be administered by the Commissioner of Elementary and Secondary Education in consultation with the Twenty-First Century Education Advisory Council.

SECTION 2: Requires the definitions in MGL 70:2 to apply to Ch. 15.

SECTION 3: Amends MGL 40:13E to allow districts to utilize money in a reserve fund established pursuant to this section for unanticipated or unbudgeted costs associated with recovery high school programs.

SECTION 4: Requires the definitions in MGL 70:2 to apply to Ch. 69.

SECTION 5: Adds 3 new sections to MGL Ch. 69 as follows:

Section 1R: Moves Financial Literacy Standards previously codified under MGL69:1Q to new section

Section 1S: (a) Charges the Commissioner with establishing statewide targets and annual benchmarks for addressing persistent disparities in achievement among student subgroups by subject matter and relevant grade level, both in the aggregate and within subcategories.

(b) Requires districts to establish targets for addressing persistent disparities in student achievement that are consistent with targets established by the department. Further requires districts to develop 3 year plans to meet said targets. Plans shall be developed by the superintendent with input from parents and other relevant community stakeholders.

(c) Requires a district’s 3 year plan to include a description of how Ch.70 funds will be allocated by foundation category among schools to support the 3 year plan and the relationship between the allocation of funds and the needs of the district’s English learners and low-income students; a description of the evidence-based programs and supports the district will implement to address persistent disparities in student achievement; outcome metrics the district will use to measure their success, including standard metrics developed by DESE; and a description of how the district will effectuate increased parent engagement.

(d) Requires districts submit 3-year plan to DESE to ensure it sets forth clear and achievable goals and standards for student improvement, and requires districts to amend any plan deemed not to conform with this section. Further requires districts to annually submit data to track success and any amendments to plan. Plans shall be available on district and DESE websites.

(e) Requires the Commissioner to submit an annual report to the legislature on the statewide progress being made in addressing persistent disparities in student achievement.

(f) Enables DESE to authorize school districts to combine reporting required in this section with that required in MGL 69:1I.

(g) Requires that charter schools’ annual reports and accountability plans contain data consistent with the requirements of this section.

Section 1T: (a) Charges the Secretary of Education with collecting and making publicly available district and high school level data on student preparedness for workforce and post-graduated success. This shall be done in consultation with the data advisory commission established in SECTION 14, school districts, DESE, DHE, and other relevant state agencies

(b) Requires the Secretary to report annually, by December 31, to the legislature on student preparedness for workforce and post-graduate success. Report shall include factors that limit access to any programs indicated in this section.

(c) Enables DESE to authorize school districts to combine the reporting required in this section with that required in MGL 69:1I.

SECTION 6: Amends MGL Ch.70 by striking and replacing sections 2 and 3 with the following:

Section 2. (a) Establishes a definitions section to be applied to this chapter as well as chapters 15, 69, and 71:

* “Assumed in-school special education enrollment” – changes this definition to 4% (as opposed to 3.75%) of the total foundation enrollment in a district plus 5% (as opposed to 4.75%) of vocational school enrollment
* “Assumed tuitioned-out special education enrollment” – same as current statute
* “Base aid” – updates this definition by eliminating outdated language
* “Board” – updates as “the board of elementary and secondary education”
* “Chapter 70 school aid” – a new term defined as, for each district, the greater of foundation aid or the sum of base aid and minimum aid
* “Combined effort yield” – a new term defined as the sum of a municipality’s equalized property valuation multiplied by the uniform property percentage and its municipal income multiplied by the uniform income percentage
* “Commissioner” – updates as the “commissioner of elementary and secondary education”
* “Department” – updates as “the department of elementary and secondary education”
* “District” or ”School district” – expands upon this definition in current statute to include independent vocational schools or vocational/agricultural schools operated by a county
* “Effort reduction percentage” – a new term defined as the percentage of excess effort to be reduced in a given fiscal year and applied to each municipality with excess effort in the calculation of the required local contribution
* “English learner” – a new term that provides reference to MGL 71A:2; further codifies current practice relative to EL enrollment for a district’s foundation budget
* “Equalized property valuation” – slightly changes current definition by specifying that this shall mean the most recent equalized property valuation for a municipality (as opposed to the annual equalized property valuation for a municipality)
* “Excess effort” – a new term defined as a municipality’s preliminary local contribution minus its target local contribution, but not less than 0
* “Foundation aid” – updates current definition to mean the difference between the district’s foundation budget and the required local contribution (as opposed to aid amounts payable to municipalities in any fiscal year equal to the foundation gap multiplied by the statewide

foundation aid percent)

* “Foundation allotments” – a new term defined as the sum of the foundation category costs for each district and specifies that in each year, the rate for employee benefits and fixed charges shall not be less than the prior year’s rate adjusted by the foundation employee benefits inflation rate while the per pupil rate for each foundation category shall not be less than the prior year’s foundation per pupil rate adjusted by the foundation inflation index
* “Foundation budget” – updates this definition to reflect current practice/foundation categories and eliminates outdated language pertaining to calculations based on foundation categories that are no longer in use
* “Foundation employee benefits inflation rate” – a new term that is defined as the average annual rate of the average premium of all Group Insurance Commission (GIC) plans over the past 3 fiscal years as calculated by the GIC
* “Foundation enrollment” – no substantive change from current statute
* “Foundation increments” – a new term defined as the additional resources provided for low income students and English learners; the foundation increment for low-income students shall be based on the low-income group into which each district is assigned, which shall be determined by the share of low-income students in the district (expressed as a percent of total enrollment). Language inserted to require that the share of low-income enrollment as calculated under this section and low-income students be the quotient of the sum of the number of students attending school in a district regardless of residence and tuition paying status and the number of students that the district is sending to charter schools.
* “Foundation inflation index” – updates this definition to reflect current practice
* “General revenue sharing aid” – updates this definition
* “Low income” – a new term that is defined as a designation for those students whose families’ incomes are not more than 185% of the federal poverty guidelines used to determine financial eligibility for certain federal programs; provided, that the Department is charged with developing a method to estimate the share of low-income students in each district if a consistent and accurate method for determining low-income eligibility of all students is not available for all districts. Further codifies current practice relative to low-income enrollment for determining a district’s foundation budget.
* “Minimum aid” – updates this definition to mean the greater of (i) a district’s minimum aid adjustment less base aid, and (ii) a district’s foundation enrollment multiplied by a per pupil dollar amount specified annually in the GAA, which shall not be less than $30
* “Minimum aid adjustment” – a new term that is defined as the sum of a district’s foundation or base aid calculated using rates set forth in the FY20 budget using the foundation inflation index and their foundation enrollment multiplied by $30.
* “Municipal income” – a new term that is defined as the most recent aggregate personal income for a municipality as determined by the Department of Revenue
* “Municipal revenue growth factor” – no substantive change from current statute
* “Net school spending” – updates this definition to include tuition payments for students attending charter schools
* “Preliminary local contribution” – updates this definition by eliminating language pertaining to outdated methods of calculation
* “Required local contribution” – a new term defined as a municipality’s preliminary local contribution; if the preliminary local contribution is greater than the target local contribution, then the preliminary local contribution shall be reduced by the product of its excess effort and the effort reduction percentage; codifies into law the 2006 equity reform
* “Required net school spending” – a new term defined as the sum of a district’s chapter 70 school aid and its required local contribution
* “Target local contribution” – a new term defined as the lesser of a municipality’s combined effort yield or 82.5% of its total foundation budget
* “Target local share” – a new term defined as the percentage of each municipality’s foundation budget
* “Total state target local contribution” – a new term defined as the percentage of the total state foundation budget to be funded through required local contributions, which shall not exceed 59 per cent
* “Uniform income percentage” – a new term defined as a factor calculated annually by the commissioner so that total statewide municipal income multiplied by said uniform income percentage equals half of the total state target local contribution
* “Uniform property percentage” – a new term defined as a factor calculated annually by the commissioner so that total state equalized property valuation multiplied by said uniform property percentage equals half of the total state target local contribution
* “Wage adjustment factor” – no substantive change

(b) Requires the Board to promulgate regulations as needed to implement this section and file said regulations with the legislature not less than 60 days before adoption.

Section 3. (a) Sets forth foundation budget rates by enrollment category and foundation increment. These rates, adjusted for inflation will be used to determine the foundation budget for districts in a given year.

(b) Requires the Board to promulgate regulations as needed to implement this section and file said regulations with the legislature not less than 60 days before adoption.

SECTION 7: Amends MGL 70:3A by striking outdated language.

SECTION 8: Amends MGL 70:4 by striking language that requires there to periodically be a foundation budget review and replacing it with new language that specifies that such commission shall be established not less than every 10 years.

SECTION 9: Repeals an outdated section of current statute – MGL 70:5.

SECTION 10: Amends MGL 70: 6 to reflect technical changes and align district spending requirements with current practices as follows:

Section 6. Requires each municipality to annually appropriate for the support of its public schools in an amount not less than the net school spending requirement and not less than its minimum required local contribution for each regional school district to which the municipality belongs. Charges the Commissioner with estimating and reporting such amounts to each municipality and regional school districts no later than March 1 for the following fiscal year and with revising such estimates within 30 days of the enactment of the annual general appropriations act.

SECTION 11: Repeals an outdated section of current statute – MGL 70:7.

SECTION 12: Further amends MGL Ch. 70 by striking and replacing sections 9 and 10 with the following:

Section 9. Charges the Commissioner with requiring each school district to report district and school level data on expenditures and staffing for each foundation budget category with said reports made publicly available on the department’s website.

Section 10. Aligns district spending requirements with current practices.

SECTION 13: Repeals an outdated section of current statute – MGL 70:12.

SECTION 14: Further amends MGL Ch. 70 by striking and replacing section 13 with the stipulation that if, in a fiscal year, the amount appropriated for chapter 70 school is less than that prescribed in sections 2 and 3, foundation aid shall be prioritized.

SECTION 15: Further amends MGL Ch. 70 by adding 2 new sections as follows:

Section 16. (a) Establishes a Twenty-First Century Education program to address persistent disparities in achievement among student subgroups and to share best practices for classroom learning and increase efficiency within and across school districts and enables the Commissioner to expend funds from the Twenty-First Century Education Trust Fund established in MGL 10:35MMM for this program.

(b) Establishes a 6-person Twenty-First Century Education Advisory Council whose members shall have diverse expertise and demonstrated success in ***at least 1 or more of the following*** areas such as improving educational outcomes through nontraditional programming, replicating effective, evidence-based practices, or evaluating various educational approaches.

(c) Charges the Commissioner with consulting with said advisory council on the implementation of the Twenty-First Century Education Program. Enables the advisory council to receive and consider input from expert individuals, educators, school administrators, and other relevant organizations with expertise consistent with this section.

(d) Establishes a competitive grant program for all public schools and districts to be administered by the Commissioner, who may give preference to applications that include: (a) approaches to addressing persistent disparities in achievement among student subgroups; and (b) ways to increase efficiencies and educational quality within and across districts. Enables the Commissioner to provide funds and other supports to ensure that every public school and district, including those implementing turnaround plans, has the opportunity to apply for said grants.

(e) Requires public schools and districts awarded funds under this section to work with the Commissioner to analyze the effectiveness of their initiatives and participate in the replication of effective best practices.

(f) Enables a public school or district that is awarded funds under this section to submit to the Commissioner a written request for a waiver of 1 or more provisions of state education regulations so that they can implement programs, schedules or other services to improve student learning.

(g) Enables monies in the fund to be used to support the replication and dissemination of best practices generated through the grant program or proven turnaround efforts.

(h) Requires the Commissioner to submit an annual report to the legislature on the expenditures from the Twenty-First Century Education Trust Fund.

Section 17. (a) Establishes a Data Advisory Commission chaired by the Commissioner for the purpose of improving the use of state, district, and school-level data to inform effective resource allocations at the district and school levels.

(b) The Commission will be comprised of 13 members and will make recommendations on using data more effectively to assess student needs and address persistent disparities in achievement.

(c) Charges the data advisory commission with annually reporting on its progress to the Board and requires said report to be made publicly available.

SECTION 16: Amends MGL 70B:7 to increase the limit on the estimated amount of grants approved by the Massachusetts School Building Authority to $800,000,000 (for fiscal year 2020). The cap, which is currently around $600,000,000, will be annually updated for inflation.

SECTION 17: Amends MGL Ch. 71 by inserting a new section that stipulates definitions in MGL 70:2 shall apply to MGL Ch. 71.

SECTION 17: Amends MGL 71B:5A by striking and replacing subsections (a) through (c) with the following:

(a) Establishes definitions that amend the state’s special education circuit breaker program to establish an annual eligibility threshold based on the current amount, updated for inflation annually.

(b) Makes 75% of all instruction and out of district transportation costs that exceed the approved costs threshold eligible for reimbursement.

(c) Establishes a special education reimbursement program to reimburse municipalities for eligible instructional costs and required out-of-district transportation costs associated with educating students receiving special education services.

SECTION 19: Further amends MGL 71B:5A by adding a new subsection that requires priority be given to instructional costs if, in a fiscal year, the amount appropriated under this section is less than that prescribed in subsection (c).

SECTION 20: Repeals an outdated section of current statute – MGL 71B:14.

SECTION 21: (a) Charges the Division of Local Services and DESE with jointly conducting a study and reporting on the equity and accuracy of the method of determining each municipality’s ability to contribute toward education funding and the calculation of each municipality’s required local contribution.

(b) Requires the Division and DESE to file a report with the legislature on this study, which includes an examination of foundation budget changes put in place in 2006 and their effects; changing enrollment demographics; increases to the foundation budget; the impact of Prop 2 ½; placement in labor market area for wage adjustment factor; and the 82.5% maximum. Requires the report to include recommendations on revisions to the method of determining required local contribution, the maximum required local contribution as a percentage of the foundation budget, and the target state share of statewide foundation budget to improve equity, predictability, and accuracy.

SECTION 22: (a) Establishes a 9-member special commission to study and make recommendations on the long-term fiscal health of rural school districts that are facing or may face declining enrollment.

(b) Charges the commission with studying and reporting on economic and enrollment trends and projections in rural communities and an analysis of the fiscal health of regional school districts, including recommendations on ways to reorganize schools and districts and consolidate various functions; establishing a declining enrollment factor in foundation budget; and other matters.

(c) Requires the commission to file its report and recommendations with the legislature by December 1, 2020.

SECTION 23: (a) Requires districts submit 3-year plans to DESE to ensure it sets forth clear and achievable goals and standards for student improvement and annually submit plans to track success by April 1, 2020.

(b) Requires the first annual report submitted pursuant to subsection (b) of MGL 69:1T to assess the availability of the information identified in said section 1T, establish a plan to enable the collection and dissemination of said information by schools and districts, and make recommendations to establish statewide targets for student preparedness***.***

SECTION 24: Charges DESE with submitting a report to the legislature on a method for estimating the number of low-income students by November 1, 2020 for use in fiscal year 2022. In fiscal year 2021, the number of low-income students in each district shall be the greater of the current direct certification count or the share of the low-income students based on such measure used in fiscal year 2016, applied to the current projected enrollment for the district.

SECTION 25: Establishes a funding schedule for the appropriations of charter school tuition reimbursements, as follows:

* not less than 75% of all eligible state obligationin fiscal year 2021;
* not less than 90 per cent of all eligible state obligation in fiscal year 2022; and
* not less than 100 per cent of all eligible state obligation in fiscal year 2023.

SECTION 26: Requires that the Comptroller, while certifying the consolidated net surplus, shall consult with the Commissioner of education to determine if charter school tuition reimbursements were fully funded. If obligation was not met, the Comptroller shall transfer the appropriate amount to fulfill the statutory obligation.

SECTION 27: Stipulates that the reimbursement of the costs of out-of-district transportation costs for students receiving special education services shall be in accordance with the following schedule:

* 25% of all required out-of-district transportation costs eligible for reimbursement in fiscal year 2021;
* 50% of all required out-of-district transportation costs in eligible for reimbursement in fiscal year 2022;
* 75% of all required out-of-district transportation costs eligible for reimbursement in fiscal year 2023; and
* 100% of all required out-of-district transportation costs eligible for reimbursement in fiscal year 2024.

SECTION 28: Requires DESE, in consultation with the principals of five recovery high schools, to examine the costs associated with sending students to a recovery high and shall determine the average cost per pupil for said students. Requires DESE to submit report by March 1, 2020.

SECTION 29: Requires the Massachusetts School Building Authority, in consultation with DESE, to review eligible expenses and reimbursement rates in the school building assistance program including: the impact of the maximum grant percentage; reimbursement rates relative to construction costs; and recommendations for improvement.

SECTION 30: Requires the foundation and increment amounts set forth in this act to be fully incorporated in the general appropriations act no later than fiscal year 2027, provided that increases shall be made in an equitable and consistent manner.