

HOUSE No. 4741

House bill No. 4730, as changed by the committee on Bills in the Third Reading, and as amended and passed to be engrossed by the House. July 11, 2018.

The Commonwealth of Massachusetts

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

An Act relative to findings of 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 1. Section 2 of chapter 70 of the General Laws, as appearing in the 2016
2 Official Edition, is hereby amended by striking out the definition of “Assumed in-school special
3 education enrollment” and inserting in place there the following definition:-

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

7 SECTION 2. Said section 2 of said chapter 70, as so appearing, is hereby further
8 amended by inserting after the definition of “District or School district” the following
9 definition:-

10 “Employee health insurance rate”, the employer share of the average active employee
11 premium for all group insurance commission plans for the 3 previous fiscal years; provided,

12 however, that the group insurance commission shall annually, not later than June 30, provide the
13 department with data necessary for the determination of the rate or an increase of it.

14 SECTION 3. Said section 2 of said chapter 70, as so appearing, is hereby further
15 amended by striking out the definition of “Foundation benefits” and inserting in place thereof the
16 following definition:-

17 “Foundation benefits”, the amount allotted within a district's foundation budget for
18 employee benefits and fixed charges; provided, however, that the allotment shall be equal to 1.29
19 times the sum of: (i) the employee health insurance rate multiplied by the number of active
20 employees for whom the district provides health insurance; and (ii) the retired employee health
21 insurance rate multiplied by the number of the district’s retired employees receiving health
22 insurance through the district or any of its member municipalities; and provided further, that
23 each district shall annually, not later than June 30, provide the department with data necessary to
24 determine the number of retired employees.

25 SECTION 4. Said section 2 of said chapter 70, as so appearing, is hereby further
26 amended by striking the definition of “foundation special education tuition” and inserting in
27 place thereof the following definition:-

28 “Foundation special education tuition”, the amount allotted within a district’s foundation
29 budget for special education tuition in any fiscal year. The value shall be the product of 3 times
30 the statewide foundation budget per pupil amount and the assumed tuitioned-out special
31 education enrollment.

32 SECTION 5. Said section 2 of said chapter 70, as so appearing, is hereby further
33 amended by inserting after the definition of “Professional development allotment” the following
34 definition:-

35 “Retired employee health insurance rate”, the weighted average of the group insurance
36 commission premium for all retiree plans for the 3 previous fiscal years; provided, however, that
37 the group insurance commission shall annually, not later than June 30, provide the department
38 with data necessary for the determination of such rate.

39 SECTION 6. Chapter 70 of the General laws is hereby further amended by inserting after
40 section 4 the following section:-

41 Section 4A. Notwithstanding any general or special law to the contrary, paragraphs 4, 17,
42 43, 85, and 117 of section 2 of chapter 70 shall be fully implemented by fiscal year 2024;
43 provided, that the rates for implementation shall be determined annually by the legislature based
44 on cost estimates to be provided annually by the department; provided further, that if revenue
45 projections for the following fiscal year significantly exceed the available revenues for the
46 current fiscal year, the rates for assumed in-school special education enrollment and foundation
47 benefits may increase at higher rates to be determined by the legislature.

48 (a) The commissioner, shall convene a data advisory commission to promote the
49 improved use of state, district and school-level data to inform effective resource allocations at
50 the local level.

51 The data advisory commission shall assist the department in identifying, analyzing, and
52 making recommendations on high-impact, cost effective strategies for addressing student needs
53 including, but not limited to:

54 (i) establishing a data collection and reporting system to: (a) track funding allocated for
55 low-income students and students identified as English learners pursuant to chapter 71A and
56 ensure spending is targeted to the intended populations; and (b) allow for access to school-level
57 expenditures and data across all districts to inform the public and policy-makers of high impact,
58 cost effective school-level interventions and investments;

59 (ii) strengthening the department's capacity to analyze and report staffing, scheduling and
60 financial data in ways that support strategic resource allocation decisions at the district and
61 school levels, including a review of national practice models that ensure greater financial
62 transparency;

63 (iii) strengthening district capacity to use state, district and school data to use
64 benchmarking tools to inform strategic resource allocation and implementation decisions; and

65 (iv) streamlining financial reporting, eliminating duplicative reporting requirements and
66 improving data quality.

67 The data advisory commission shall include the commissioner of elementary and
68 secondary education, who shall serve as chair, the secretary of education, or a designee, and 1
69 member to be appointed by each of the following organizations, all of whom shall have a
70 demonstrated knowledge, experience and interest in data collection for purposes of improving
71 student performance: the Massachusetts Association of School Committees, Inc.; the
72 Massachusetts Association of School Superintendents, Inc.; the Massachusetts School
73 Administrators Association, Incorporated; the Massachusetts Association of School Business
74 Officials, Inc.; the Massachusetts Association of Vocational Administrators, Inc.; the
75 Massachusetts Association of Regional Schools, Inc.; and 3 members to be appointed by the

76 commissioner, 1 of whom shall be a teacher in a district of 15,000 or more students who has had
77 experience in a level 4 or 5 school that has utilized data to successfully improve student
78 performance, and 2 members with professional experience and knowledge in the area of data
79 collection, quality and usage in establishing public policy.

80 (b) The data advisory commission shall report annually on its progress to the board of
81 elementary and secondary education, the clerks of the house of representatives and the senate,
82 the house and senate chairs of the joint committee on education and the chairs of the house and
83 senate committees on ways and means by December 1. The report shall include
84 recommendations to achieve the requirements of this section. The department may, in
85 consultation with the data advisory committee, develop or procure the data collection and
86 reporting system described in subsection (a).

87 SECTION 7. Not later than December 31, 2018, the commissioner of the department of
88 education shall develop an implementation plan for purposes of informing the FY 2020 budget
89 on recommendations made by the 2015 foundation budget review commission report relative to
90 converting the English learner increase from a base rate to an increment on the base rate, and
91 increasing the low-income increment component of the foundation budget calculation in order to
92 best serve low-income students and English learner populations.

93 The commissioner shall work with an independent research consultant with proven
94 experience in education data and public policy research to assist in the development of
95 implementation models, which shall include:

96 (i) defining the foundation budget category for “low-income” and amount of increment
97 attributable to low-income students for the purpose of calculating chapter 70 aid;

98 (ii) options for how districts may be grouped based on low-income enrollment for the
99 purpose of calculating chapter 70 aid;

100 (iii) improvements to better align data with the executive office of health and human
101 services for the purpose of counting low-income students, including options for improved
102 identification methods, and efforts to encourage families to enroll in state assistance programs
103 and ensure districts have appropriate information and outreach tools;

104 (iv) options for a distribution formula for holding harmless those districts the department
105 recognizes were negatively impacted by changes made to the calculation of low-income students,
106 including districts where the increased rate did not fully compensate for a lower number of
107 students identified under the economically disadvantaged metric implemented in 2016;

108 (v) options for changing the English learner base rate to an increment in the chapter 70
109 formula beginning with the FY2020 budget, including recommendations on: (a) applying the
110 middle school increment to all grade levels in the calculation of the English learner increment;
111 (b) the degree to which the English learner increment should be differentiated based on the
112 various levels of support required of English learners and (c) applying the increment to
113 vocational school students;

114 (vi) types of interventions, supports and practices that have proven to be effective in
115 improving performance for low-income students and English learners and have proven
116 successful in closing the student achievement gap in districts with large populations of low-
117 income students, including, but not limited to: instructional improvement; a study of staffing
118 patterns and program offerings, and the costs incurred in providing such supports; and, models

119 for offering sufficient guidance for supporting district and school decision-making relative to
120 effective and efficient resource allocation.

121 Prior to issuing a final study, the commissioner shall hold not fewer than 2 public
122 meetings and provide ample opportunity for public and stakeholder input relative to any initial
123 findings.

124 The implementation plan, together with any recommendations and findings, shall be filed
125 with the house and senate committees on ways and means and the joint committee on education
126 not later than December 31, 2018; provided a copy shall be made publicly available on the
127 website of the department of elementary and secondary education.

128 SECTION 8. Subject to appropriation, the commissioner of the department of education
129 shall hire an independent research consultant with proven experience in results-driven, education
130 data analysis and public policy research in order to assist with the implementation of section 6 of
131 this act.

132 SECTION 9. Sections 1 to 5, inclusive, shall take effect on July 1, 2019.