

**SENATE . . . . . No. 223**

**The Commonwealth of Massachusetts**

PRESENTED BY:

***Sonia Chang-Diaz***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

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

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>1/26/2017</i>
<i>Jack Lewis</i>	<i>7th Middlesex</i>	<i>1/26/2017</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>1/27/2017</i>
<i>Solomon Goldstein-Rose</i>	<i>3rd Hampshire</i>	<i>1/27/2017</i>
<i>Kenneth J. Donnelly</i>	<i>Fourth Middlesex</i>	<i>1/30/2017</i>
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>	<i>1/30/2017</i>
<i>José F. Tosado</i>	<i>9th Hampden</i>	<i>1/30/2017</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>1/30/2017</i>
<i>Leonard Mirra</i>	<i>2nd Essex</i>	
<i>Peter J. Durant</i>	<i>6th Worcester</i>	<i>1/31/2017</i>
<i>Diana DiZoglio</i>	<i>14th Essex</i>	<i>1/31/2017</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>1/31/2017</i>
<i>Robert M. Koczera</i>	<i>11th Bristol</i>	<i>1/31/2017</i>
<i>James J. Dwyer</i>	<i>30th Middlesex</i>	<i>1/31/2017</i>
<i>Paul R. Heroux</i>	<i>2nd Bristol</i>	<i>1/31/2017</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>	<i>1/31/2017</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>1/31/2017</i>

<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>	<i>1/31/2017</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>	<i>1/31/2017</i>
<i>Russell E. Holmes</i>	<i>6th Suffolk</i>	
<i>Adam G. Hinds</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>	<i>1/31/2017</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>1/31/2017</i>
<i>Barbara A. L'Italien</i>	<i>Second Essex and Middlesex</i>	<i>2/1/2017</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>2/1/2017</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>	<i>2/1/2017</i>
<i>Michael D. Brady</i>	<i>Second Plymouth and Bristol</i>	<i>2/1/2017</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>	<i>2/1/2017</i>
<i>Jennifer L. Flanagan</i>	<i>Worcester and Middlesex</i>	<i>2/2/2017</i>
<i>John F. Keenan</i>	<i>Norfolk and Plymouth</i>	<i>2/2/2017</i>
<i>William L. Crocker, Jr.</i>	<i>2nd Barnstable</i>	<i>2/2/2017</i>
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>	<i>2/2/2017</i>
<i>Bud Williams</i>	<i>11th Hampden</i>	<i>2/2/2017</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>	<i>2/2/2017</i>
<i>Thomas M. McGee</i>	<i>Third Essex</i>	<i>2/2/2017</i>
<i>Anne M. Gobi</i>	<i>Worcester, Hampden, Hampshire and Middlesex</i>	<i>2/2/2017</i>
<i>Aaron Vega</i>	<i>5th Hampden</i>	<i>2/2/2017</i>
<i>RoseLee Vincent</i>	<i>16th Suffolk</i>	<i>2/2/2017</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>	<i>2/2/2017</i>
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>	<i>2/2/2017</i>
<i>Byron Rushing</i>	<i>9th Suffolk</i>	<i>2/2/2017</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>2/2/2017</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>	<i>2/2/2017</i>
<i>Eileen M. Donoghue</i>	<i>First Middlesex</i>	<i>2/2/2017</i>
<i>Michael S. Day</i>	<i>31st Middlesex</i>	<i>2/2/2017</i>
<i>Daniel Cullinane</i>	<i>12th Suffolk</i>	<i>2/2/2017</i>
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>	<i>2/2/2017</i>
<i>Juana B. Matias</i>	<i>16th Essex</i>	<i>2/2/2017</i>
<i>Joseph A. Boncore</i>	<i>First Suffolk and Middlesex</i>	<i>2/2/2017</i>
<i>Kate D. Campanale</i>	<i>17th Worcester</i>	<i>2/3/2017</i>
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>	<i>2/3/2017</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>	<i>2/3/2017</i>
<i>James E. Timilty</i>	<i>Bristol and Norfolk</i>	<i>2/3/2017</i>
<i>Linda Dorcena Forry</i>	<i>First Suffolk</i>	<i>2/3/2017</i>
<i>Joan B. Lovely</i>	<i>Second Essex</i>	<i>2/3/2017</i>

<i>Cynthia Stone Creem</i>	<i>First Middlesex and Norfolk</i>	<i>2/3/2017</i>
<i>Natalie Higgins</i>	<i>4th Worcester</i>	<i>2/3/2017</i>
<i>Geoff Diehl</i>	<i>7th Plymouth</i>	<i>2/3/2017</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>2/3/2017</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>	<i>2/3/2017</i>
<i>Todd M. Smola</i>	<i>1st Hampden</i>	<i>2/3/2017</i>
<i>Kevin J. Kuros</i>	<i>8th Worcester</i>	<i>2/3/2017</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>	<i>2/3/2017</i>
<i>Carmine L. Gentile</i>	<i>13th Middlesex</i>	<i>2/3/2017</i>
<i>Eric P. Lesser</i>	<i>First Hampden and Hampshire</i>	<i>2/3/2017</i>
<i>Julian Cyr</i>	<i>Cape and Islands</i>	<i>2/3/2017</i>
<i>Susan Williams Gifford</i>	<i>2nd Plymouth</i>	<i>2/3/2017</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>2/3/2017</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>	<i>2/3/2017</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>	<i>2/3/2017</i>
<i>Donald R. Berthiaume, Jr.</i>	<i>5th Worcester</i>	<i>2/3/2017</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>2/3/2017</i>
<i>Thomas A. Golden, Jr.</i>	<i>16th Middlesex</i>	<i>2/3/2017</i>
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>	<i>2/3/2017</i>
<i>Paul Brodeur</i>	<i>32nd Middlesex</i>	<i>2/3/2017</i>
<i>Smitty Pignatelli</i>	<i>4th Berkshire</i>	<i>2/3/2017</i>
<i>Nick Collins</i>	<i>4th Suffolk</i>	<i>2/3/2017</i>
<i>Carlos González</i>	<i>10th Hampden</i>	<i>2/8/2017</i>
<i>Jonathan D. Zlotnik</i>	<i>2nd Worcester</i>	<i>3/3/2017</i>
<i>Marc R. Pacheco</i>	<i>First Plymouth and Bristol</i>	<i>3/29/2017</i>
<i>John H. Rogers</i>	<i>12th Norfolk</i>	<i>4/3/2017</i>
<i>David F. DeCoste</i>	<i>5th Plymouth</i>	<i>4/7/2017</i>
<i>Frank A. Moran</i>	<i>17th Essex</i>	<i>4/7/2017</i>
<i>Kathleen O'Connor Ives</i>	<i>First Essex</i>	<i>4/11/2017</i>
<i>Harriette L. Chandler</i>	<i>First Worcester</i>	<i>4/13/2017</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>5/30/2017</i>
<i>Patrick M. O'Connor</i>	<i>Plymouth and Norfolk</i>	<i>6/1/2017</i>
<i>John J. Mahoney</i>	<i>13th Worcester</i>	<i>6/12/2017</i>
<i>Daniel M. Donahue</i>	<i>16th Worcester</i>	<i>6/15/2017</i>
<i>Ryan C. Fattman</i>	<i>Worcester and Norfolk</i>	<i>7/25/2017</i>
<i>Mark C. Montigny</i>	<i>Second Bristol and Plymouth</i>	<i>8/3/2017</i>
<i>Cindy F. Friedman</i>	<i>Fourth Middlesex</i>	<i>9/27/2017</i>
<i>Adrian Madaro</i>	<i>1st Suffolk</i>	<i>2/7/2017</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>1/30/2018</i>

<i>Evandro C. Carvalho</i>	<i>5th Suffolk</i>	<i>2/7/2017</i>
<i>Chynah Tyler</i>	<i>7th Suffolk</i>	<i>2/7/2017</i>
<i>Daniel J. Hunt</i>	<i>13th Suffolk</i>	<i>2/7/2017</i>
<i>Kimberly N. Ferguson</i>	<i>1st Worcester</i>	<i>2/10/2017</i>
<i>Michael J. Rodrigues</i>	<i>First Bristol and Plymouth</i>	<i>2/10/2017</i>
<i>James T. Welch</i>	<i>Hampden</i>	<i>2/10/2017</i>
<i>Edward F. Coppinger</i>	<i>10th Suffolk</i>	<i>3/1/2017</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>	<i>3/1/2017</i>
<i>Michael J. Moran</i>	<i>18th Suffolk</i>	<i>3/1/2017</i>
<i>Michael F. Rush</i>	<i>Norfolk and Suffolk</i>	<i>3/1/2017</i>
<i>Jeffrey Sánchez</i>	<i>15th Suffolk</i>	<i>3/1/2017</i>
<i>Angelo M. Scaccia</i>	<i>14th Suffolk</i>	<i>3/1/2017</i>
<i>Donald F. Humason, Jr.</i>	<i>Second Hampden and Hampshire</i>	<i>6/2/2017</i>
<i>Viriato M. deMacedo</i>	<i>Plymouth and Barnstable</i>	<i>6/2/2017</i>
<i>Richard J. Ross</i>	<i>Norfolk, Bristol and Middlesex</i>	<i>6/2/2017</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>	<i>6/2/2017</i>
<i>Josh S. Cutler</i>	<i>6th Plymouth</i>	<i>6/26/2017</i>
<i>Aaron Michlewitz</i>	<i>3rd Suffolk</i>	<i>6/2/2017</i>
<i>Andres X. Vargas</i>	<i>3rd Essex</i>	<i>1/22/2018</i>
<i>Paul R. Feeney</i>	<i>Bristol and Norfolk</i>	<i>1/30/2018</i>
<i>Dean A. Tran</i>	<i>Worcester and Middlesex</i>	<i>1/30/2018</i>
<i>Stanley C. Rosenberg</i>	<i>Hampshire, Franklin and Worcester</i>	<i>1/30/2018</i>
<i>Walter F. Timilty</i>	<i>Norfolk, Bristol and Plymouth</i>	<i>1/30/2018</i>
<i>Karen E. Spilka</i>	<i>Second Middlesex and Norfolk</i>	<i>1/30/2018</i>
<i>Linda Dean Campbell</i>	<i>15th Essex</i>	<i>1/30/2018</i>
<i>Lori A. Ehrlich</i>	<i>8th Essex</i>	<i>1/30/2018</i>
<i>Louis L. Kafka</i>	<i>8th Norfolk</i>	<i>1/30/2018</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>	<i>1/30/2018</i>
<i>Paul Tucker</i>	<i>7th Essex</i>	<i>1/30/2018</i>

**SENATE . . . . . No. 223**

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By Ms. Chang-Diaz, a petition (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. Education.

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**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 hereby amended by inserting after section 5B the following section:-

3           Section 5B½. (a) Annually, not later than January 15, the secretary of administration and  
4 finance shall meet with the house and senate committees on ways and means and jointly  
5 determine an implementation schedule to fulfill the recommendations filed on November 2,  
6 2015, by the foundation budget review commission established in section 4 of chapter 70. The  
7 implementation schedule shall establish a foundation budget as defined in section 2 of said  
8 chapter 70 and incorporating the recommendations made by the commission relative to the  
9 categories of tuitioned-out special education rate, assumed in-school special education  
10 enrollment, low-income increment, low-income enrollment, foundation benefits, retired  
11 employee health insurance and English language learner increment; provided, however, that in  
12 the first year of the term of office of a governor who has not served in the preceding year, the

13 parties shall determine an implementation schedule not later than January 31 of that year. In  
14 determining the implementation schedule, the secretary of administration and finance and the  
15 house and senate committees on ways and means shall hold a public hearing and receive  
16 testimony from the commissioner of elementary and secondary education and other interested  
17 parties. The schedule may be amended by agreement of the house and senate committees on  
18 ways and means in any fiscal year to reflect changes in enrollment, inflation, student populations  
19 or other factors that would affect the remaining costs in the schedule. The implementation  
20 schedule shall be included annually in a joint resolution and placed before the members of the  
21 general court, not later than February 15, for their consideration along with any proposed  
22 legislation necessary to execute and implement the schedule. The implementation schedule shall  
23 be subject to appropriation. Upon completion of the implementation schedule, a joint resolution  
24 shall be placed before the members of the general court affirming that the recommendations of  
25 the commission have been fulfilled; provided that upon the adoption of such resolution the  
26 determination of an annual implementation schedule shall no longer be required.

27 SECTION 2. Chapter 70 of the General Laws is hereby amended by striking out section  
28 2, as appearing in the 2014 Official Edition, and inserting in place thereof the following section:-

29 Section 2. As used in this chapter and in chapters 15, 69 and 71, the following words  
30 shall have the following meanings unless the context clearly requires otherwise:

31 "Administration allotment", the amounts allotted within a district's foundation budget for  
32 administration in any fiscal year; provided, however, that the fiscal year 2017 administration  
33 allotment, based on a sum of the following rate calculations, shall be the base year, adjusted  
34 annually by the foundation inflation index:

35 (i) \$182.01 multiplied by the foundation preschool enrollment and the foundation half-  
36 day kindergarten enrollment;

37 (ii) \$364 multiplied by the foundation full-day kindergarten enrollment, the foundation  
38 elementary enrollment, the foundation junior high or middle school enrollment, the foundation  
39 high school enrollment, and the foundation vocational enrollment; and

40 (iii) \$2,512.26 multiplied by the assumed in-school special education enrollment and the  
41 assumed tuitioned-out special education enrollment.

42 "Assumed in-school special education enrollment", 4 per cent of the total foundation  
43 enrollment in a district not including vocational or preschool enrollment, plus 5 per cent of  
44 vocational enrollment.

45 "Assumed tuitioned-out special education enrollment", 1 per cent of the total foundation  
46 enrollment in a district, not including vocational or preschool enrollment.

47 "Base Aid", in a fiscal year, the total amount of chapter 70 aid provided in the general  
48 appropriation act of the previous fiscal year.

49 "Board", the board of elementary and secondary education.

50 "Chapter 70 aid", the sum of a district's base aid, foundation aid increment, if any, and  
51 minimum aid increment, if any, in a fiscal year; provided, however that non-operating district  
52 shall receive chapter 70 aid in an amount greater than the district's foundation budget.

53 "Classroom and specialist teachers allotment", the amount allotted within a district's  
54 foundation budget for classroom and specialist teachers in a fiscal year; provided, however, that  
55 the fiscal year 2017 "classroom and specialist teachers allotment", based on a sum of the

56 following rate calculations, shall be the base year, adjusted annually by the foundation inflation  
57 index:

58 (i) \$1,507.26 multiplied by the foundation preschool enrollment and the foundation half-  
59 day kindergarten enrollment;

60 (ii) \$3,014.51 multiplied by the foundation full-day kindergarten enrollment;

61 (iii) \$3,014.47 multiplied by the foundation elementary enrollment;

62 (iv) \$2,652.75 multiplied by the foundation junior high or middle school enrollment;

63 (v) \$3,901.09 multiplied by the foundation high school enrollment;

64 (vi) \$8,289.83 multiplied by the assumed in-school special education enrollment; and

65 (vii) \$6,631.89 multiplied by the foundation vocational enrollment.

66 "Combined effort yield", the sum of a municipality's equalized property valuation  
67 multiplied by the uniform property percentage and its income multiplied by the uniform income  
68 percentage.

69 "Commissioner", the commissioner of elementary and secondary education.

70 "Department", the department of elementary and secondary education.

71 "District" or "School district", the school department of a city or town or a regional  
72 school district.

73 "Effort reduction percentage", the percentage of excess effort to be reduced in any given  
74 year.



75 "Employee benefits and fixed charges allotment", the amount allotted within a district's  
76 foundation budget for employee benefits and fixed charges; provided, however, that for fiscal  
77 year 2019 and thereafter, the employee benefits and fixed charges allotment shall be the  
78 employee health insurance rate multiplied by the number of active employees for whom the  
79 district provides health insurance, plus the retired employee health insurance rate multiplied by  
80 the number of the district's retired employees, plus the product of .29 and the sum of the  
81 employee health insurance rate and the retired employee health insurance rate.

82 "Employee health insurance rate", the employer share of the average group insurance  
83 commission premium for all plans for the 3 previous fiscal years; provided, however, that the  
84 group insurance commission shall annually, not later than June 30, provide the department with  
85 data necessary for the determination of such rate or any increase thereof.

86 "English language learner enrollment", the number of students identified as English  
87 language learners pursuant to chapter 71A, including students enrolled in vocational and  
88 technical schools.

89 "English language learner expanded program increment", the amount allotted within a  
90 district's foundation budget for additional services for English language learners, including those  
91 enrolled in vocational and technical schools; provided, however, that the increment for fiscal  
92 year 2017 shall be \$2,361 multiplied by the number of English language learners in the district,  
93 adjusted annually thereafter by the foundation inflation index.

94 "Enrollment categories", any of the following categories in which a student, including  
95 students enrolled in special education programs and students attending a school in another  
96 district, pursuant to section 12B of chapter 76, who resides in the district and who attends either

97 a public school in that district or a school for which the district of residence pays tuition, is  
98 placed; provided, however, that any such student shall be placed in only 1 enrollment category  
99 depending on the grade and program to which the student is assigned; provided further, that  
100 English language learners and low-income students shall be placed in 1 of the following  
101 enrollment categories and shall be counted for the purposes of calculating the English language  
102 learners increment and the low-income expanded program increment:

103 (i) “elementary enrollment”, number of students enrolled in grades 1 to 5, inclusive, and  
104 not enrolled in English language learner or vocational programs in a district;

105 (ii) “high school enrollment”, the number of students enrolled in grades 9 to 12,  
106 inclusive, and not enrolled in English language learner or vocational programs in a district;

107 (iii) “junior high or middle school enrollment”, the number of students enrolled in grades  
108 6 to 8, inclusive, and not enrolled in English language learner or vocational programs in a  
109 district;

110 (iv) “kindergarten enrollment”, the number of students enrolled in kindergarten and not  
111 enrolled in English language learner or vocational programs in a district; provided, however, that  
112 in any district in which kindergarten students attend school for a full day in a program that does  
113 not charge tuition or fees, the foundation kindergarten enrollment used to calculate the  
114 foundation budget amount described in this section shall be 2 times the kindergarten enrollment  
115 number that would otherwise be used for such calculations if the district and all towns  
116 responsible for appropriating for the district so request;

117 (v) “preschool enrollment”, the number of students enrolled in preschool programs in a  
118 district; and

119 (vi) “vocational enrollment”, the number of students enrolled in vocational, education  
120 programs or an agricultural school in a district.

121 “Equalized property valuation”, the most recent equalized property valuation for a  
122 municipality as determined by the department of revenue pursuant to sections 9, 10 and 10C of  
123 chapter 58.

124 "Excess effort", the positive difference, if any, between a municipality's target local  
125 contribution and its preliminary contribution.

126 "Foundation aid increment", the positive difference between a district's foundation budget  
127 and its required district contribution; provided, however, that from fiscal years 2019 to 2025,  
128 inclusive, both the district foundation budget and the required district contribution shall be  
129 calculated based on the implementation schedule agreed to pursuant to section 5B ½ of chapter  
130 29.

131 "Foundation budget", the sum of the administration allotment, instructional leadership  
132 allotment, classroom and specialist teachers allotment, other teaching services allotment,  
133 professional development allotment, instructional materials, equipment and technology  
134 allotment, guidance and psychological allotment, pupil services allotment, operations and  
135 maintenance allotment, employee benefits and fixed charges allotment and tuitioned-out special  
136 education tuition allotment and the English language learners expanded program increment and  
137 the low-income expanded program increment; provided, however, that the base year for  
138 calculating the foundation budget shall be fiscal year 2017; provided further, that the base year  
139 foundation budget shall be calculated according to the formulas in this section using foundation  
140 enrollment as described in this section; and provided further that, for fiscal years thereafter, the

141 foundation budget shall be the base year foundation budget, as adjusted for enrollment and for  
142 inflation as set forth in section 3.

143 "Foundation enrollment", the student enrollment of a district in any fiscal year; provided,  
144 however, that the "foundation enrollment" shall be the sum of the foundation kindergarten,  
145 elementary, junior high or middle school, high school and vocational enrollment plus 1/2 of the  
146 foundation preschool enrollment, including students enrolled in the program for the elimination  
147 of racial imbalance under section 12A of chapter 76; and provided further, that annually, not  
148 later than March 1 of each calendar year, the department shall certify the foundation enrollment  
149 for the next fiscal year as the actual enrollment as reported the previous October.

150 "Foundation inflation index", in fiscal year 2017, the foundation inflation index shall  
151 equal 1.000; provided, however, that in fiscal year 2018 and in each fiscal year thereafter, the  
152 foundation inflation index shall equal the prior year's foundation inflation index multiplied by the  
153 minimum of: (i) the ratio of the value of the implicit price deflator for state and local government  
154 purchases in the first quarter of the prior fiscal year to its value in the first quarter of the year 2  
155 years prior; or (ii) 1.045.

156 "General revenue sharing aid", the amount of assistance from the commonwealth to be  
157 received by a city or town in a fiscal year from the following local aid programs: (i) payments in  
158 lieu of taxes for state-owned lands distributed pursuant to section 17 of chapter 58; (ii) the  
159 distribution to cities and towns of the balance of the State Lottery and Gaming Fund in  
160 accordance with the clause (c) of the second paragraph of section 35 of chapter 10; and (iii)  
161 additional assistance distributed pursuant to section 18E of chapter 58.

162 "Guidance and psychological allotment", the amount allotted within a district's  
163 foundation budget for guidance and psychological services; provided, however, that the fiscal  
164 year 2017 guidance and psychological allotment, based on a sum of the following rate  
165 calculations, shall be the base year, adjusted annually by the foundation inflation index:

166 (i) \$109.66 multiplied by the foundation preschool enrollment and the foundation half-  
167 day kindergarten enrollment;

168 (ii) \$219.36 multiplied by the foundation full-day kindergarten enrollment and the  
169 foundation elementary enrollment;

170 (iii) \$291.99 multiplied by foundation junior high or middle school enrollment; and

171 (iv) \$366.02 multiplied by the foundation high school enrollment and the foundation  
172 vocational enrollment.

173 "Income", total income from all sources as reported by the residents of a municipality on  
174 income tax returns submitted to the department of revenue for the most recent available calendar  
175 year.

176 "Income percentage", the uniform percentage of each municipality's total income which  
177 yields 1/2 of the statewide total of combined effort yields in any fiscal year.

178 "Instructional leadership allotment", the amounts allotted within a district's foundation  
179 budget for instructional leadership in a fiscal year; provided, however, that for fiscal year 2017,  
180 the "instructional leadership allotment" shall be the sum of the following rate calculations; and  
181 provided further, that for subsequent fiscal years, "instructional leadership allotment" shall be the  
182 sum of the following rates annually adjusted by the foundation inflation index:

183 (i) \$328.72 multiplied by the foundation preschool enrollment and the foundation half-  
184 day kindergarten enrollment; and

185 (ii) \$657.42 multiplied by the foundation full-day kindergarten enrollment, the foundation  
186 elementary enrollment, the foundation junior high or middle school enrollment, the foundation  
187 high school enrollment and the foundation vocational enrollment.

188 "Instructional materials, equipment and technology allotment", the amount allotted within  
189 a district's foundation budget for instructional materials, equipment and technology; provided,  
190 however, that the fiscal year 2017 instructional materials, equipment and technology allotment,  
191 based on a sum of the following rate calculations, shall be the base year, adjusted annually by the  
192 foundation inflation index:

193 (i) \$ 218.16 multiplied by the foundation preschool enrollment and the foundation half-  
194 day kindergarten enrollment;

195 (ii) \$436.31 multiplied by the foundation full-day kindergarten enrollment, the foundation  
196 elementary enrollment and the foundation junior high or middle school enrollment;

197 (iii) \$698.10 multiplied by the foundation high school enrollment;

198 (iv) \$349.05 multiplied by the assumed in-school special education enrollment; and

199 (v) \$1,221.66 multiplied by the foundation vocational enrollment.

200 "Low-income enrollment", the number of children attending school in a district regardless  
201 of residence or tuition-paying status, with a family income at or below 185 per cent of the federal  
202 poverty level; provided, however, that a low-income child or low-income student shall mean a  
203 child who meets these eligibility standards; and provided further, that in determining the total

204 number of low-income students, the department shall use the preceding year's actual number of  
205 low-income elementary, junior high or middle school, high school and vocational students and  $\frac{1}{2}$   
206 of the preceding year's actual number of low-income kindergarten and preschool students.

207 "Low-income expanded program increment", the amount allotted within a district's  
208 foundation budget for each student with a family income at or below 185 per cent of the federal  
209 poverty level; provided, however, that the department shall rank each district and divide the  
210 districts into septiles; provided further, that each district shall be assigned a low-income septile  
211 based on its low income percentage which shall be calculated as its number of low-income  
212 students divided by the total foundation enrollment; provided further, that each septile shall be  
213 assigned a low-income rate where the rate for the lowest percentage septile shall be \$3,474 and  
214 each subsequent septile shall increase by equal amounts up to the highest percentage septile rate  
215 of \$8,179; and provided further, that the rates for each septile shall be annually adjusted  
216 according to the foundation inflation index.

217 "Minimum aid", the positive difference between a district's foundation aid, and the  
218 product of \$25 multiplied by the district foundation enrollment.

219 "Maximum local contribution", 82.5 per cent of a municipality's foundation budget.

220 "Municipal foundation budget", a city or town's local district's foundation budget plus the  
221 sum of its share of the foundation budgets at regional districts or at agricultural schools of which  
222 it is a member; provided, however, that a city or town's share of the foundation budget at  
223 regional districts or at agricultural schools shall be based upon its share of the total foundation  
224 enrollment from all member municipalities at those districts and schools.

225 "Municipal revenue growth factor", the change in local general revenues calculated by  
226 subtracting 1 from the quotient calculated by dividing the sum of: (i) the maximum levy for the  
227 fiscal year estimated by multiplying the levy limit of the prior fiscal year by a factor equal to 102  
228 ½ per cent plus the average of the percentage increases in the levy limit due to new growth  
229 adjustments over the last 3 available years as certified by the department of revenue or as  
230 otherwise estimated by the division of local services in the department of revenue where it  
231 appears that a municipality may not be entitled to increase its minimum levy limit by 2 ½ per  
232 cent; provided, however, that if the highest percentage during such 3 years exceeds the average  
233 of the other 2 years' percentages by more than 2 percentage points, then the lowest 3 of the last 4  
234 years shall be used for such calculation; (ii) the amount of general revenue sharing aid for the  
235 fiscal year; and (iii) other budgeted recurring receipts not including user fees or other charges  
236 determined by the division of local services to be associated with the provision of specific  
237 municipal services for the prior fiscal year, by the sum of: (1) the actual levy limit for the prior  
238 fiscal year; (2) the amount of general revenue sharing aid received for the prior fiscal year; and  
239 (3) other recurring receipts not including user fees or other charges determined by the division of  
240 local services to be associated with the provision of specific municipal services budgeted by the  
241 municipality for the fiscal year preceding the prior fiscal year, if any; provided further, that for  
242 the purposes of this calculation, the levy limit shall exclude any amounts generated by overrides  
243 applicable to any year after the fiscal year ending June 30, 1993; provided further, that in the  
244 absence of an actual levy limit for the prior fiscal year, the actual levy limit for the prior fiscal  
245 year shall be estimated by multiplying the actual levy limit of the fiscal year preceding the prior  
246 fiscal year by a factor equal to 102 ½ per cent plus the average of the percentage increases in the  
247 levy limit due to new growth as specified above; and provided further, that in making any of



248 these required calculations, the division of local services may substitute more current  
249 information or such other information as would produce a more accurate estimate of the change  
250 in a municipality's general local revenues and the department shall use such growth factor to  
251 calculate preliminary contribution, required local contribution and any other factors that directly  
252 or indirectly use the municipal growth factor.

253 "Net school spending", the total amount spent for the support of public education,  
254 including teacher salary deferrals and tuition payments for children residing in the district who  
255 attend a school in another district or other approved facility, determined without regard to  
256 whether such amounts are regularly charged to school or non-school accounts by the  
257 municipality for accounting purposes; provided, however, that net school spending shall not  
258 include any spending for long-term debt service, and shall not include spending for school  
259 lunches and student transportation; provided further that "net school spending" shall also not  
260 include tuition revenue or revenue from activity, admission, other charges or any other revenue  
261 attributable to public education; provided further, that such revenue shall be made available to  
262 the school district which generated the revenue in addition to any financial resources made  
263 available by municipalities or state assistance; provided further, that the department, in  
264 consultation with the department of revenue, shall promulgate regulations to ensure a uniform  
265 method of determining which municipal expenditures shall be appropriated for the support of  
266 public education and which revenues are attributable to public education in accordance with this  
267 section; and provided further, that the regulations shall include provisions for resolving disputes  
268 which may arise between municipal and school officials.

269 "Operations and maintenance allotment", the amount allotted within a district's  
270 foundation budget for operations and maintenance; provided, however, that the fiscal year 2017

271 operations and maintenance allotment, based on a sum of the following rate calculations, shall be  
272 the base year, adjusted annually by the foundation inflation index:

273 (i) \$418.55 multiplied by the foundation preschool enrollment and the foundation half-  
274 day kindergarten enrollment;

275 (ii) \$837.09 multiplied by the foundation full-day kindergarten enrollment and the  
276 foundation elementary enrollment;

277 (iii) \$907.52 multiplied by foundation junior high or middle school enrollment;

278 (iv) \$879.93 multiplied by the foundation high school enrollment;

279 (v) \$2,806.32 multiplied by the assumed in-school special education enrollment; and

280 (vi) \$1,646.82 multiplied by the foundation vocational enrollment.

281 “Other teaching services allotment”, the amount allotted within a district's foundation  
282 budget for other teaching services; provided, however, that the fiscal year 2017 other teaching  
283 services allotment, based on a sum of the following rate calculations, shall be the base year,  
284 adjusted annually by the foundation inflation index:

285 (i) \$386.57 multiplied by the foundation preschool enrollment and the foundation half-  
286 day kindergarten enrollment;

287 (ii) \$773.16 multiplied by the foundation full-day kindergarten enrollment and the  
288 foundation elementary enrollment;

289 (iii) \$556.55 multiplied by the foundation junior high or middle school enrollment;

290 (iv) \$463.34 multiplied by the foundation high school enrollment and the foundation  
291 vocational enrollment;

292 (v) \$7,740.10 multiplied by the assumed in-school special education enrollment; and

293 (vi) \$38.38 multiplied by the assumed tuitioned-out special education enrollment.

294 “Preliminary contribution”, the product of: (i) a municipality's required local contribution  
295 for the prior fiscal year; and (ii) 1 plus the municipal revenue growth factor for the current year;  
296 provided, however, that if a municipality's preliminary local contribution as a percentage of its  
297 foundation budget is more than 2.5 percentage points lower than the target local share, the  
298 preliminary contribution shall be recalculated using the municipality's revenue growth factor plus  
299 1 percentage point; and provided further, that if a municipality's preliminary contribution as a  
300 percentage of its foundation budget is more than 7.5 percentage points lower than the target local  
301 share, the preliminary contribution shall be recalculated using the municipality's revenue growth  
302 factor plus 2 percentage points.

303 “Professional development allotment”, the amount allotted within a district's foundation  
304 budget for professional development; provided, however, that the fiscal year 2017 professional  
305 development allotment, based on a sum of the following rate calculations, shall be the base year,  
306 adjusted annually by the foundation inflation index:

307 (i) \$59.61 multiplied by the foundation preschool enrollment and the foundation half-day  
308 kindergarten enrollment;

309 (ii) \$119.28 multiplied by the foundation full-day kindergarten enrollment;

310 (iii) \$119.30 multiplied by the foundation elementary enrollment;

- 311 (iv) \$129.32 multiplied by the foundation junior high or middle school enrollment;
- 312 (v) \$125.39 multiplied by the foundation high school enrollment;
- 313 (vi) \$399.90 multiplied by the assumed in-school special education enrollment; and
- 314 (vii) \$207.31 multiplied by the foundation vocational enrollment.

315 "Property percentage", the uniform percentage of each municipality's total equalized  
316 property valuation which yields  $\frac{1}{2}$  of the statewide total of combined effort yields in any fiscal  
317 year.

318 "Pupil services allotment", the amount allotted within a district's foundation budget for  
319 pupil services; provided, however, that the fiscal year 2017 pupil services allotment, based on a  
320 sum of the following rate calculations, shall be the base year, adjusted annually by the  
321 foundation inflation index:

322 (i) \$43.62 multiplied by the foundation preschool enrollment and the foundation half-day  
323 kindergarten enrollment;

324 (ii) \$87.27 multiplied by the foundation full-day kindergarten enrollment;

325 (iii) \$130.90 multiplied by the foundation elementary enrollment and the foundation  
326 English learner, full-day enrollment;

327 (iv) \$213.81 multiplied by foundation junior high or middle school enrollment; and

328 (v) \$493.03 multiplied by the foundation high school enrollment and the foundation  
329 vocational enrollment.

330 "Required district contribution", a local district's share of the municipality's required local  
331 contribution or, in a regional district or agricultural school, the sum of the member  
332 municipalities' required local contributions apportioned to that regional district or agricultural  
333 school.

334 "Required local contribution", the municipality's preliminary contribution minus the  
335 product of its excess effort, if any, multiplied by the effort reduction percentage; provided,  
336 however, that the "required local contribution" shall be apportioned to each district to which the  
337 municipality belongs, in proportion to the municipality's foundation budget at those districts.

338 "Retired employee", an employee of a school district who retired while employed by that  
339 district and who receives health insurance benefits through that district.

340 "Retired employee health insurance rate", the average group insurance commission  
341 premium for all retiree plans for the 3 previous fiscal years; provided, however, that the group  
342 insurance commission shall annually, not later than June 30, provide the department with data  
343 necessary for the determination of such rate or any increase thereof.

344 "Statewide target local share", the sum of all municipalities' target local contribution, as a  
345 percentage of the sum of all municipal foundation budgets, which shall be set at 59 per cent.

346 "Target aid share", for a local district, 100 per cent minus the municipality's target local  
347 share; provided, however, that for a regional district or agricultural school, the "target aid share"  
348 shall be 100 per cent minus each member municipality's target local share, multiplied by each  
349 municipality's share of the regional district's enrollment, summed for all members of the district.

350 "Target local contribution", the lesser of a municipality's combined effort yield and its  
351 maximum local contribution.

352 "Target local share", a municipality's target local contribution as a percentage of its  
353 municipal foundation budget.

354 "Tuitioned-out special education allotment", the product of the tuitioned-out special  
355 education rate and the assumed tuitioned-out special education enrollment.

356 "Tuitioned-out special education rate", 3 times the statewide foundation budget per-pupil  
357 amount.

358 "Wage adjustment factor", an adjusted difference between the average annual wage for  
359 all jobs in the labor market area in which a municipality is located and the average annual wage  
360 in the commonwealth; provided, however, that average annual wage figures shall be published  
361 annually by the division of employment and training; provided further, that the wage adjustment  
362 factor shall be the sum of 1 plus a fraction, the numerator of which shall be the product of  $\frac{1}{3}$   
363 and the difference resulting from subtracting the average annual wage in the commonwealth  
364 from the average annual wage of the municipality, and the denominator of which shall be the  
365 average annual wage in the commonwealth; and provided further, that the average annual wage  
366 of the municipality shall be the sum of:

367 (i) .8 multiplied by the average annual wage for all jobs in the labor market area in which  
368 the municipality is located; and

369 (ii) .2 multiplied by the average annual wage of the municipality; provided, however, the  
370 wage adjustment factor in any community shall not be less than 1.

371 SECTION 3. The third paragraph of section 3 of said chapter 70, as so appearing, is  
372 hereby amended by striking out the last sentence and inserting in place thereof the following 2  
373 sentences:- The factors to be inflated by the foundation inflation index shall be the monetary  
374 values for the administration allotment, the instructional leadership allotment, the classroom and  
375 specialist teachers allotment, the other teaching services allotment, the professional development  
376 allotment, the instructional materials, equipment and technology allotment, the guidance and  
377 psychological allotment, the pupil services allotment, the operations and maintenance allotment,  
378 the English language learner expanded program increment and the low-income student expanded  
379 program increment. The rates established in section 2 shall serve as the basis, subject to the  
380 foundation inflation index beginning in fiscal year 2018, for the implementation schedule  
381 established annually under section 5B1/2 of chapter 29.

382 SECTION 4. Said chapter 70 is hereby further amended by inserting after section 4 the  
383 following section:-

384 Section 4A. (a) The department, in consultation with the executive office of education,  
385 shall a convene data advisory committee to promote the improved use of school-level data to  
386 inform effective resource allocation decisions at the local level. The data advisory committee  
387 shall include, but not be limited to, a representative from the following organizations: the  
388 Massachusetts Association of School Committees, Inc.; the Massachusetts Association of School  
389 Superintendents, Inc.; the Massachusetts Association of School Business Officials, Inc.; the  
390 Massachusetts Association of Vocational Administrators, Inc.; and the Massachusetts  
391 Association of Regional Schools, Inc. The data advisory committee shall assist the department to  
392 identify, advise and analyze cost-effective ways to achieve the following goals including, but not  
393 limited to:

394 (i) streamlining financial reporting, eliminating duplicate reporting requirements and  
395 improving data quality;

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

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

401 (iv) establishing a data collection and reporting system that:

402 (1) tracks funding allocated for English language learner and low-income students to  
403 ensure that spending is targeted to the intended populations and to provide a data source for the  
404 foundation budget review commission about the accuracy and adequacy of the low-income and  
405 English language learner increments; and

406 (2) allows for access to school-level expenditures and data across all districts to inform  
407 the public and policy-makers about effective school-level interventions and investments.

408 (b) The data advisory committee shall report its progress to the board, the senate and  
409 house chairs of the joint committee on education and the chairs of the senate and house  
410 committees on ways and means not less than semiannually, by December 1 and June 1, and shall  
411 make recommendations as necessary for the department to achieve the goals of this section. The  
412 department may, in consultation with the data advisory group, develop or procure the data  
413 collection and reporting system under clause (iv) of subsection (a).

414 SECTION 5. Section 5 of said chapter 70 is hereby repealed.



415 SECTION 6. Section 6 of said chapter 70, as appearing in the 2014 Official Edition, is  
416 hereby amended by striking out, in line 6, the word "minimum".

417 SECTION 7. Said section 6 of said chapter 70, as so appearing, is hereby further  
418 amended by striking out, in line 8, the words "but not including equity aid,".

419 SECTION 8. Section 7 of said chapter 70 is hereby repealed.

420 SECTION 9. Section 9 of said chapter 70 is hereby repealed.

421 SECTION 10. Said chapter 70 is hereby further amended by striking out section 10, as  
422 appearing in the 2014 Official Edition, and inserting in place thereof the following section:-

423 Section 10. Subject to appropriation, the amount of state aid to be paid to each  
424 municipality in each fiscal year under this chapter shall be the sum of the base aid, the  
425 foundation aid increment and the minimum aid to which the municipality may be entitled under  
426 this chapter.