

HOUSE No. 4137

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, October 21, 2019.

The committee on Ways and Means, to whom was referred the Senate Bill relative to educational opportunity for students (Senate, No. 2365), reports recommending that the same ought to pass with an amendment striking all after the enacting clause and inserting in place thereof the text contained in House document numbered 4137.

For the committee,

AARON MICHLEWITZ.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

By striking out all after the enacting clause and inserting in place thereof the following:—

1 SECTION 1. Chapter 10 of the General Laws is hereby amended by inserting after
2 section 35LLL the following section:—

3 Section 35MMM. (a) There shall be a Twenty-First Century Education Trust Fund that
4 shall be administered by the commissioner of elementary and secondary education in
5 consultation with the Twenty-First Century Education Advisory Council, established in section
6 16 of chapter 70 of the General Laws. The fund shall be credited with: (i) appropriations, bond
7 proceeds or other money authorized or transferred by the general court and specifically
8 designated to be credited to the fund; (ii) funds from public and private sources, including, but
9 not limited to gifts, grants and donations; and (iii) any interest earned on such money. Revenues
10 deposited in the fund that are unexpended at the end of a fiscal year shall not revert to the
11 General Fund and shall be available for expenditure in the following fiscal year. No expenditure
12 made from the fund shall cause the fund to become deficient at any point.

13 (b) Annually, not later than December 1, the commissioner shall submit a report detailing
14 expenditures from the trust fund to the clerks of the house of representatives and the senate, the
15 house and senate committees on ways and means and the joint committee on education.

16 SECTION 2. Chapter 15 of the General Laws is hereby amended by inserting after
17 section 1 the following section:-

18 Section 1¼. The definitions in section 2 of chapter 70 shall apply to this chapter.

19 SECTION 3. Chapter 69 of the General Laws is hereby amended by inserting after
20 section 1 the following section:-

21 Section 1¼. The definitions in section 2 of chapter 70 shall apply to this chapter.

22 SECTION 4. Said chapter 69 is hereby further amended by striking out section 1Q,
23 inserted by section 2 of chapter 438 of the acts of 2018, and inserting in place thereof the
24 following 3 sections:-

25 Section 1R. (a) Financial literacy standards established pursuant to section 1D shall
26 promote an understanding of personal finances including, but not limited to: (i) loans; (ii) interest
27 and interest accrual; (iii) credit card debt; (iv) online commerce; (v) rights and responsibilities of
28 renting or buying a home; (vi) saving, investing and planning for retirement; (vii) the role of
29 banking and financial services; (viii) balancing a checkbook; (ix) state and federal taxes; (x)
30 charitable giving; (xi) evaluating media content, including online content, that relates to personal
31 finance matters; and (xii) saving, investing and planning for higher education or professional
32 training.

33 (b) A school district, charter school, approved private day or residential school or
34 collaborative school may incorporate the financial literacy standards established pursuant to
35 section 1D and subsection (a) into existing curriculum including, but not limited to, mathematics,
36 history and social sciences, technology or business.

37 (c) The department shall make resources available to school districts, charter schools,
38 approved private day or residential schools and collaborative schools to assist in the selection of
39 materials and curriculum on personal financial literacy. The department shall identify and offer
40 information on resources for professional development activities and instruction on personal
41 financial literacy. The department may consult with private or non-profit experts in the field of
42 behavioral science or related disciplines and government stakeholders to identify such resources.

43 (d) The department may apply for federal, state or other funding, including funding
44 available through the Economic Empowerment Trust Fund established pursuant to section 35QQ
45 of chapter 10, to implement this section.

46 (e) Upon the action of the general court, there shall periodically be a review by the
47 department relative to the implementation of the financial literacy standards, including a study of
48 financial literacy programs being offered in the commonwealth to students in kindergarten to
49 grade 12. The general court may direct the commissioner to consult with the office of the state
50 treasurer to, subject to appropriation, convene a working group consisting of educators
51 experienced in teaching curriculum related to financial literacy or personal finance, and any
52 individuals or organizations the department deems relevant with expertise in financial services,
53 including, but not limited to, banking, borrowing and consumer protection. The review shall
54 include a report on best practices and recommended improvements to the financial literacy
55 standards. The report shall be submitted to the clerks of the house of representatives and the
56 senate and the joint committee on education.

57 Section 1S. (a) The commissioner shall establish statewide targets for addressing
58 persistent disparities in achievement among student subgroups in the aggregate and within

59 subcategories, including, but not limited to, subject matter and grade level. The targets shall
60 include annual benchmarks on the progress expected to be achieved in the aggregate and by
61 subcategory.

62 (b) Each district shall establish targets for addressing persistent disparities in achievement
63 among student subgroups consistent with the state targets. Each district shall develop a 3-year
64 plan to meet the targets. In developing the plan, the district shall consider input from parents and
65 other relevant community stakeholders.

66 (c) The 3-year plan shall be submitted in a form and manner prescribed by the department
67 and shall include, but not be limited to:

68 (i) a description of how funds received pursuant to chapter 70 will be allocated among
69 schools in the district, by foundation category, to be used in support of the plan; provided,
70 however, that the description shall include an explanation of the relationship between the
71 allocation of the funds and the educational needs of English learners and low-income students;

72 (ii) a description of the evidence-based programs, supports and interventions that the
73 school district will implement to address persistent disparities in achievement among student
74 subgroups, including, but not limited to: (A) expanded learning time in the form of a longer
75 school day or school year; (B) increased opportunity for common planning time for teachers; (C)
76 wraparound services to support students' social-emotional and physical health; (D) hiring school
77 personnel to best support improved student performance; (E) increased or improved professional
78 development; (F) purchase of curriculum materials and equipment that are aligned with the
79 statewide curriculum frameworks; and (G) expanding early education and pre-kindergarten

80 programming within the district, including those provided in partnership with community-based
81 organizations;

82 (iii) identification of outcome metrics used by the district to measure success in
83 addressing persistent disparities in achievement among student subgroups; provided, however,
84 that the department shall develop standard metrics that may be incorporated in district plans and
85 may include: (A) results from the statewide student assessment; (B) results from the English
86 proficiency assessment administered to English learners; (C) grade-level completion and
87 attendance data; (D) participation in advanced coursework; and (E) other indicators of district
88 and school climate, diversity and performance; and

89 (iv) a description of how the district will effectuate and measure increased parent
90 engagement.

91 (d) Each district shall submit its plan to the department every 3 years. Upon receipt of a
92 district plan, the commissioner shall review the plan to ensure that it sets forth clear and
93 achievable goals and measurable standards for student improvement that comply with the
94 requirements of this section; provided, however, that the district shall amend any plan deemed
95 not in compliance. Following the submission of a 3-year plan, each district shall annually, not
96 later than April 1, submit to the department: (i) relevant data, pursuant to its plan, to assess
97 success in addressing persistent disparities in achievement among student subgroups; and (ii)
98 amendments to the plan that reflect changes deemed necessary to improve district performance
99 in meeting plan goals. Each plan shall be made publicly available on both the submitting
100 district's website and the department's website.

101 (e) Annually, not later than December 31, the commissioner shall submit a report to the
102 clerks of the senate and the house of representatives and the joint committee on education on the
103 progress made in addressing persistent disparities in achievement among student subgroups in
104 the aggregate and within subcategories on a statewide basis; provided, however, that district and
105 school-level data shall be made available on the department's website along with the report.

106 (f) The department may authorize school districts to combine the reporting required in
107 this section with the reporting required from school districts pursuant to section 1I.

108 Section 1T. (a) The secretary of education, in consultation with the data advisory
109 commission established in section 17 of chapter 70, and in conjunction with each public school
110 district, the department of elementary and secondary education, the department of higher
111 education and other relevant state agencies, shall collect and make publicly available data on
112 student preparedness for workforce and post-graduate success by school district and high school.
113 The data shall provide information on the success of students in completing coursework,
114 matriculating to post-secondary education or training coursework, completing post-secondary
115 coursework or training and entering the workforce. The data collected and made publicly
116 available shall include, but not be limited to:

117 (i) student access to high quality instruction and coursework, including, but not limited
118 to, the number of students enrolled in: (A) a MassCore curriculum; and (B) advanced placement
119 coursework;

120 (ii) student participation rates in college and career readiness programming; and

121 (iii) postsecondary application and acceptance rates at Massachusetts public higher
122 education institutions.

123 (b) Annually, not later than December 31, the secretary shall report on student
124 preparedness for workforce and post-graduate success by school district and high school,
125 including any factors that limit access to any programs indicated in this section, to the clerks of
126 the house of representatives and the senate, the joint committee on education and the joint
127 committee on labor and workforce development.

128 (c) The department may authorize school districts to combine the reporting required in
129 this section with the reporting required from school districts pursuant to section 11.

130 SECTION 5. Chapter 70 of the General Laws is hereby amended by striking out sections
131 2 and 3, as appearing in the 2018 Official Edition, and inserting in place thereof the following 2
132 sections:-

133 Section 2. (a) As used in this chapter and in chapters 15, 69 and 71, the following words
134 shall have the following meanings unless the context clearly requires otherwise:

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

138 “Assumed tuitioned-out special education enrollment”, 1 per cent of the total foundation
139 enrollment in a district, not including vocational or preschool enrollment.

140 “Base aid”, in a fiscal year, the amount of chapter 70 school aid provided to the district in
141 the prior fiscal year.

142 “Board”, the board of elementary and secondary education.

143 “Chapter 70 school aid”, for each district, the greater of: (i) foundation aid; or (ii) the sum
144 of base aid and minimum aid; provided, however, that no nonoperating district shall receive
145 chapter 70 school aid in an amount greater than its foundation budget.

146 “Combined effort yield”, the sum of: (i) a municipality’s equalized property valuation
147 multiplied by the uniform property percentage; and (ii) its municipal income multiplied by the
148 uniform income percentage.

149 “Commissioner”, the commissioner of elementary and secondary education.

150 “Department”, the department of elementary and secondary education.

151 “District” or ”School district”, the school department of a city or town, a regional school
152 district, an independent vocational school or a vocational school or agricultural school operated
153 by a county.

154 “Effort reduction percentage”, the percentage of excess effort to be reduced in a given
155 fiscal year, as specified annually in the general appropriations act, and applied to each
156 municipality with excess effort in the calculation of the required local contribution.

157 “English learner”, as defined in section 2 of chapter 71A.

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

161 “Excess effort”, a municipality’s preliminary local contribution minus its target local
162 contribution; provided, however, that “excess effort” shall not be less than 0.

163 “Foundation aid”, for each district, the difference between the district’s foundation
164 budget and the required local contribution.

165 “Foundation allotments”, the sum of the foundation category costs for each district;
166 provided, however, that the sum in each foundation category shall be the product of enrollment
167 in each foundation enrollment category that is eligible for the respective foundation category and
168 the per-pupil rate assigned to each foundation category; provided further, that in each year, the
169 per-pupil rate for each foundation category, except employee benefits and fixed charges, shall
170 not be less than the prior year’s foundation per-pupil rate adjusted by the foundation inflation
171 index; and provided further, that in each year, the rate for employee benefits and fixed charges
172 shall not be less than the prior year’s rate adjusted by the foundation employee benefits inflation
173 rate.

174 “Foundation budget”, the sum of the foundation allotments for the following foundation
175 categories: (i) administration; (ii) instructional leadership; (iii) classroom and specialist teachers;
176 (iv) other teaching services; (v) professional development; (vi) instructional materials, equipment
177 and technology; (vii) guidance and psychological services; (viii) pupil services; (ix) operations
178 and maintenance; (x) employee benefits and fixed charges; and (xi) special education tuition.

179 “Foundation employee benefits inflation rate”, the average annual rate of growth for the
180 employer share of the average premium of all group insurance commission plans over the 3 prior
181 fiscal years as calculated by the group insurance commission.

182 “Foundation enrollment”, in a fiscal year, the number of students on October 1 for whom
183 the district is financially responsible, including students attending programs outside of the
184 district for whom the district is required to pay tuition; provided, however, that each student shall

185 be assigned to 1 of the following categories: (i) preschool; (ii) kindergarten, half-time; (iii)
186 kindergarten, full-time; (iv) elementary school; (v) junior high school or middle school; (vi) high
187 school; or (vii) vocational school.

188 “Foundation increments”, the additional resources provided for the education of students
189 designated as English learners or low-income; provided, however, that the increments shall be
190 constituted by the product of a district’s foundation enrollment deemed eligible for such
191 increments and the amounts assigned for each foundation category; provided further, that for
192 low-income students, the amount of the foundation increment shall be determined by the low-
193 income group into which each district is assigned; provided further, that districts shall be
194 assigned low-income groups based on the share of low-income students in the district; and
195 provided further, that the share of low-income students in the district shall be the quotient of: (i)
196 the district’s low-income enrollment as calculated under this section; and (ii) the sum of the
197 number of students attending school in a district regardless of residence and tuition paying status
198 and the number of students that the district is sending to charter schools.

199 “Foundation inflation index”, the lesser of: (i) the ratio of the value of the implicit price
200 deflator for state and local government purchases in the third quarter of the prior fiscal year to its
201 value in the third quarter of the fiscal year 2 years prior; and (ii) 1.045.

202 “General revenue sharing aid”, the amount of assistance from the commonwealth to a city
203 or town in a fiscal year from: (i) payments in lieu of taxes for state-owned land; and (ii) amounts
204 appropriated through items 1233-2400 and 1233-2350 in the annual general appropriations act.

205 “Low-income”, a designation for those students whose family’s income is not more than
206 185 per cent of the federal poverty guidelines used to determine financial eligibility for certain

207 federal programs; provided, however, that if a consistent and accurate method for determining
208 the income eligibility of all students is not available for all districts, the department shall develop
209 a method to estimate the share of low-income students in each district; and provided further, that
210 the department shall submit a report to the clerks of the house of representatives and the senate,
211 the house and senate chairs of the joint committee on education and the chairs of the house and
212 senate committees on ways and means on any estimation method not later than November 1 prior
213 to the implementation of any new estimation method in the following fiscal year. For the purpose
214 of determining a district's foundation budget, a district's low-income enrollment will include the
215 number of low-income students attending school in a district regardless of residence or tuition-
216 paying status plus the number of low-income students that the district is sending to charter
217 schools.

218 "Minimum aid", a district's foundation enrollment multiplied by a per-pupil dollar
219 amount specified annually in the general appropriations act, but which shall not be less than \$30,
220 which shall be the minimum aid increment above base aid.

221 "Municipal income", the most recent aggregate personal income for a municipality as
222 determined by the department of revenue.

223 "Municipal revenue growth factor", the change in local general revenues calculated by
224 subtracting 1 from the quotient calculated by dividing the sum of: (i) the maximum levy for the
225 fiscal year estimated by multiplying the levy limit of the prior fiscal year by a factor equal to
226 102.5 per cent plus the average of the percentage increases in the levy limit due to new growth
227 adjustments over the last 3 available years as certified by the department of revenue or as
228 otherwise estimated by the division of local services in the department of revenue where it

229 appears that a municipality may not be entitled to increase its minimum levy limit by 2.5 per
230 cent; provided, however, that if the highest percentage during such 3-year period exceeds the
231 average of the other 2 years' percentages by more than 2 percentage points, then the lowest 3 of
232 the last 4 years shall be used for such calculation; (ii) the amount of general revenue-sharing aid
233 for the fiscal year; and (iii) other budgeted recurring receipts, not including user fees or other
234 charges determined by the division of local services to be associated with the provision of
235 specific municipal services for the prior fiscal year, by the sum of: (A) the actual levy limit for
236 the prior fiscal year; (B) the amount of general revenue-sharing aid received for the prior fiscal
237 year; and (C) other recurring receipts, not including user fees or other charges determined by the
238 division of local services to be associated with the provision of specific municipal services
239 budgeted by the municipality for the fiscal year preceding the prior fiscal year, if any; provided
240 further, that for the purposes of this calculation, the levy limit shall exclude any amounts
241 generated by overrides applicable to any year after the fiscal year ending June 30, 1993; provided
242 further, that in the absence of an actual levy limit for the prior fiscal year, the actual levy limit
243 for the prior fiscal year shall be estimated by multiplying the actual levy limit of the fiscal year
244 preceding the prior fiscal year by a factor equal to 102.5 per cent plus the average of the
245 percentage increases in the levy limit due to new growth as specified above; provided further,
246 that such factor shall not be greater than the factor determined by subtracting 1 from the quotient
247 calculated by dividing total state school aid for the current fiscal year by total state school aid for
248 the prior fiscal year; and provided further, that in making any calculations required by this
249 definition, the division of local services may substitute more current information or such other
250 information as would produce a more accurate estimate of the change in a municipality's general
251 local revenues and the department shall use such growth factor to calculate preliminary

252 contribution, minimum contribution and any other factor that directly or indirectly uses the
253 municipal growth factor.

254 “Net school spending”, the total amount spent for the support of public education,
255 including tuition payments for children residing in the district who attend a school in another
256 district or other approved facility, including a charter school, determined without regard to
257 whether such amounts are regularly charged to school or nonschool accounts by the municipality
258 for accounting purposes; provided, however, that “net school spending” shall not include any
259 spending for school construction, long-term debt service, school meals, transportation of students
260 to and from their homes or adult and community learning programs; provided further, that “net
261 school spending” shall also not include expenditures from grants, other state aid programs,
262 tuition revenue or revenue from activities, admissions and other charges or any other revenue
263 attributable to public education; provided further, that such revenue shall be made available to
264 the school district that generated the revenue in addition to any financial resources made
265 available by municipalities or from state assistance; provided further, that the department, in
266 consultation with the department of revenue, shall promulgate regulations to ensure a uniform
267 method of determining which municipal expenditures are appropriated for the support of public
268 education and which revenues are attributable to public education in accordance with this
269 chapter; and provided further, that the regulations shall include provisions for resolving disputes
270 that may arise between municipal and school officials.

271 “Preliminary local contribution”, the product of: (i) a municipality’s required local
272 contribution for the prior fiscal year; and (ii) the sum of the municipality’s municipal revenue
273 growth factor and 1.

274 “Required local contribution”, a municipality’s preliminary local contribution; provided,
275 however, that if the preliminary local contribution is greater than the target local contribution,
276 then the preliminary local contribution shall be reduced by the product of its excess effort and the
277 effort reduction percentage; provided further, that if the preliminary local contribution as a
278 percentage of the foundation budget is between 2.5 and 7.5 percentage points below the target
279 local share, then the preliminary local contribution shall be increased by 1 per cent; provided
280 further, that if the preliminary local contribution as a percentage of the foundation budget is more
281 than 7.5 percentage points below the target local share, then the preliminary local contribution
282 shall be increased by 2 per cent; provided further, that in a municipality with a combined effort
283 yield equal to or greater than 175 per cent of its foundation budget, the required local
284 contribution shall not be less than 82.5 per cent of the municipality’s foundation budget; and
285 provided further, that the commissioner shall allocate each municipality’s required local
286 contribution among the districts to which the municipality belongs and such allocation shall be in
287 proportion to each district’s share of the municipality’s foundation budget.

288 “Required net school spending”, the sum of a district’s chapter 70 school aid and its
289 required local contribution.

290 “Target local contribution”, the lesser of: (i) a municipality’s combined effort yield; or
291 (ii) 82.5 per cent of its total foundation budget.

292 “Target local share”, the percentage of each municipality’s foundation budget represented
293 by its target local contribution.

294 “Uniform income percentage” and “uniform property percentage”, factors calculated
295 annually by the commissioner so that: (i) the total state equalized property valuation multiplied

296 by the uniform property percentage is equal to the total statewide municipal income multiplied
297 by the uniform income percentage; and (ii) the total state target local contribution is equal to a
298 per cent of the total state foundation budget specified annually in the general appropriations act
299 which shall not exceed 59 per cent.

300 “Wage adjustment factor”, an adjusted difference between the average annual wage for
301 all jobs in the labor market area in which a municipality is located and the average annual wage
302 in the commonwealth; provided, however, that average annual wage figures shall be published
303 annually by the division of employment and training; provided further, that the wage adjustment
304 factor shall be the sum of: (i) 1; and (ii) a fraction, the numerator of which shall be the product
305 of: (A) $\frac{1}{3}$ and the difference resulting from subtracting the average annual wage in the
306 commonwealth from the average annual wage of the community; and (B) the denominator of
307 which shall be the average annual wage in the commonwealth; provided further, that the average
308 annual wage of the community shall be the sum of: (a) 0.8 multiplied by the average annual
309 wage for all jobs in the labor market area in which the municipality is located; and (b) 0.2
310 multiplied by the average annual wage of the municipality; and provided further, that the “wage
311 adjustment factor” shall not be less than 1.

312 (b) The board shall promulgate regulations as needed to implement this section. The
313 board shall submit any regulations to the house and senate committees on ways and means and
314 the joint committee on education not less than 60 days before adoption. The joint committee on
315 education shall review and may comment on these regulations during that time period.

316 Section 3. (a) There shall be a foundation budget for the school district in each
317 municipality, each regional school district, independent vocational school and vocational school
318 and agricultural school operated by a county.

319 The foundation budget shall be calculated based on each district’s foundation enrollment
 320 for the prior fiscal year. Foundation budgets shall be based on the per-pupil amounts in table 1
 321 and the foundation increment amounts in table 2; provided, however, that the special education
 322 in-school and special education tuitioned-out enrollments shall be assumed enrollments.
 323 Beginning in fiscal year 2021 and in each year thereafter, the employee benefits and fixed
 324 charges allotments shall be adjusted by the foundation employee benefits inflation index and all
 325 other foundation allotments and foundation increments shall be adjusted by the foundation
 326 inflation index.

327 Each district’s wage adjustment factor shall be applied to all of the foundation budget
 328 allotments except the allotments for instructional materials, equipment and technology, employee
 329 benefits and fixed charges and special education tuition.

Table 1: Base Foundation Budget Amounts

	Administration	Instructional Leadership	Classroom & Specialist Teachers	Other Teaching Services	Professional Development	Instructional Materials, Equipment & Technology	Guidance & Psychological	Pupil Services	Operations & Maintenance	Employee Benefits/Fixed Charges	Special Ed Tuition	Total, all categories
Pre-School	195.97	353.93	1,622.88	416.22	64.18	234.89	188.97	46.96	450.66	745.55	0.00	4,320.21
Kindergarten (half)	195.97	353.93	1,622.88	416.22	64.18	234.89	188.97	46.96	450.66	745.55	0.00	4,320.21
Kindergarten (full)	391.93	707.86	3,245.76	832.47	128.42	469.78	377.95	93.97	901.30	1,491.09	0.00	8,640.53
Elementary	391.93	707.86	3,245.72	832.47	128.44	469.78	377.95	140.93	901.30	1,491.09	0.00	8,687.47
Junior/Middle	391.93	707.86	2,856.25	599.25	139.24	469.78	377.95	230.21	977.13	1,610.72	0.00	8,360.32
High School	391.93	707.86	4,200.34	498.88	135.01	751.65	394.09	530.85	947.43	1,422.01	0.00	9,980.05
Vocational	391.93	707.86	7,140.62	498.88	223.21	1,315.37	394.09	530.85	1,773.15	1,789.60	0.00	14,765.56
Special Ed in-school	2,704.98	0.00	8,925.75	8,333.85	430.57	375.82	0.00	0.00	3,021.59	3,392.84	0.00	27,185.40
Special Ed tuitioned-out	3,450.56	0.00	0.00	52.71	0.00	0.00	0.00	0.00	0.00	0.00	32,761.24	36,264.51

330 For each student identified as being low income or an English learner, the increments in the
 331 following table shall be added to each foundation budget allotment; provided, however, that the

332 increments for a student attending a district other than the district financially responsible for said
 333 student shall be added to the foundation budget of the district that said student attends.

Table 2: Incremental Foundation Budget Amounts

	Administration	Instructional Leadership	Classroom & Specialist Teachers	Other Teaching Services	Professional Development	Instructional Materials, Equipment & Technology	Guidance & Psychological	Pupil Services	Operations & Maintenance	Employee Benefits/Fixed Charges	Special Ed Tuition	Total, all categories
EL PK-5	100.50	175.87	1,231.05	175.87	50.24	125.61	75.37	25.13	301.48	276.36	0.00	2,537.49
EL 6-8	107.79	188.62	1,320.30	188.62	53.89	134.72	80.84	26.95	323.34	296.39	0.00	2,721.46
EL High School	129.34	226.35	1,584.36	226.35	64.66	161.66	97.00	32.34	388.01	355.67	0.00	3,265.74
0-5.99% Low-income	47.77	226.34	2,209.55	0.00	107.20	16.43	89.47	464.92	0.00	357.41	0.00	3,519.10
6-11.99% Low-income	50.76	240.49	2,347.65	0.00	113.90	17.46	95.06	493.98	0.00	379.75	0.00	3,739.05
12-17.99% Low-income	53.74	254.64	2,485.75	0.00	120.60	18.49	100.66	523.04	0.00	402.09	0.00	3,958.99
18-23.99% Low-income	56.73	268.78	2,623.85	0.00	127.30	19.51	106.25	552.09	0.00	424.43	0.00	4,178.94
24-29.99% Low-income	59.71	282.93	2,761.94	0.00	134.00	20.54	111.84	581.15	0.00	446.77	0.00	4,398.88
30-35.99% Low-income	66.88	316.88	3,093.38	0.00	150.07	23.01	125.26	650.89	0.00	500.38	0.00	4,926.75
36-41.99% Low-income	74.05	350.83	3,424.81	0.00	166.15	25.47	138.68	720.63	0.00	553.99	0.00	5,454.61
42-47.99% Low-income	81.21	384.78	3,756.24	0.00	182.23	27.94	152.10	790.36	0.00	607.60	0.00	5,982.48
48-53.99% Low-income	88.38	418.74	4,087.68	0.00	198.31	30.40	165.52	860.10	0.00	661.21	0.00	6,510.34
54-69.99% Low-income	95.54	452.69	4,419.11	0.00	214.39	32.87	178.94	929.84	0.00	714.83	0.00	7,038.21
70-79.99% Low-income	107.49	509.27	4,971.50	0.00	241.19	36.97	201.31	1,046.07	0.00	804.18	0.00	7,917.98
80%+ Low-income	119.43	565.86	5,523.89	0.00	267.99	41.08	223.68	1,162.30	0.00	893.53	0.00	8,797.76

334 (b) The board shall promulgate regulations as needed to implement this section. The
 335 board shall submit any regulations to the senate and house committees on ways and means and
 336 the joint committee on education not less than 60 days before adoption. The joint committee on
 337 education shall review and may comment on these regulations during that time period.

338 SECTION 6. Section 3A of said chapter 70, as so appearing, is hereby amended by
339 striking out the last sentence.

340 SECTION 7. Section 4 of said chapter 70, as so appearing, is hereby amended by striking
341 out the first sentence and inserting in place thereof the following sentence:-

342 Upon action of the general court, there shall be a foundation budget review commission
343 to review the way foundation budgets are calculated and to make recommendations for potential
344 changes in those calculations as the commission deems appropriate; provided, however, that the
345 commission shall be established not less than every 10 years.

346 SECTION 8. Section 5 of said chapter 70 is hereby repealed.

347 SECTION 9. Said chapter 70 is hereby further amended by striking out section 6, as so
348 appearing, and inserting in place thereof the following section:-

349 Section 6. In addition to the amounts appropriated for long-term debt service, school
350 meals, adult education, student transportation and tuition revenue, each municipality shall
351 annually appropriate for the support of public schools in the municipality in an amount not less
352 than the net school spending requirement. Each municipality shall also appropriate not less than
353 its minimum required local contribution for each regional school district to which the
354 municipality belongs.

355 The commissioner shall estimate and report such amounts to each municipality and
356 regional school district as early as possible, but not later than March 1, for the following fiscal
357 year and shall revise such estimates within 30 days following the enactment of the general
358 appropriations act.

359 Notwithstanding the terms of any regional school district agreements to the contrary, no
360 regional school district shall be required to submit a budget to its members before receiving the
361 commissioner's initial estimate. Each regional school district budget shall provide for not less
362 than the net school spending requirement. The district may choose to spend additional amounts;
363 provided, however, that such decisions shall be made and such amounts charged to members
364 according to the district's regional agreement.

365 SECTION 10. Section 7 of said chapter 70 is hereby repealed.

366 SECTION 11. Said chapter 70 is hereby further amended by striking out sections 9 and
367 10, as so appearing, and inserting in place thereof the following 2 sections:-

368 Section 9. Each school district shall report district and school-level data to the
369 commissioner, in a form and manner prescribed by the commissioner, on expenditures and
370 staffing for each foundation budget category. The reports shall provide actual spending for each
371 foundation budget category. The reports shall be made publicly available on the department's
372 website.

373 Section 10. Subject to appropriation, each municipality, regional school district,
374 independent vocational school and county operating an agricultural school or vocational school
375 shall receive chapter 70 school aid as provided in this chapter. Tuition payments required
376 pursuant to section 89 of chapter 71 and section 12B of chapter 76 shall be deducted from such
377 aid.

378 SECTION 12. Section 12 of said chapter 70 is hereby repealed.

379 SECTION 13. Said chapter 70 is hereby further amended by striking out section 13, as so
380 appearing, and inserting in place thereof the following section:-

381 Section 13. If the amount appropriated for chapter 70 school aid in a fiscal year is less
382 than the amount prescribed in sections 2 and 3, priority shall be given to funding foundation aid.

383 SECTION 14. Said chapter 70 is hereby further amended by adding the following 2
384 sections:-

385 Section 16. (a) There shall be a Twenty-First Century Education Program to address
386 persistent disparities in achievement among student subgroups, improve educational
387 opportunities for all students, share best practices for improving classroom learning and support
388 efficiencies within and across school districts. The commissioner may expend funds from the
389 Twenty-First Century Education Trust Fund established in section 35MMM of chapter 10 for
390 this program.

391 (b) There shall be a Twenty-First Century Education Advisory Council. The advisory
392 council shall consist of: 4 members to be appointed by the governor; 1 member to be appointed
393 by the president of the senate; and 1 member to be appointed by the speaker of the house of
394 representatives. The members of the advisory council shall have diverse expertise with
395 demonstrated success in at least 1 of the following areas: (i) addressing disparities in
396 achievement among student subgroups; (ii) serving as educator or administrator in a school with
397 a high percentage of low-income students; (iii) improving educational outcomes through
398 implementation of nontraditional programming in classrooms; (iv) replicating effective,
399 evidence-based practices for ensuring student academic success; or (v) evaluating the success of

400 educational approaches designed to address disparities in achievement among student
401 populations.

402 (c) The commissioner shall consult with the Twenty-First Century Education Advisory
403 Council on implementation of the Twenty-First Century Education Program consistent with this
404 section.

405 The advisory council shall, from time to time, make recommendations to the
406 commissioner on the improvement of the design, oversight or implementation of the program.

407 The advisory council may receive and consider reports and input from expert individuals,
408 educators, school administrators, parents, community-based organizations, voluntary education
409 organizations and other relevant public and private organizations recognized as having expertise
410 consistent with this section.

411 (d) There shall be a competitive grant program developed and administered by the
412 commissioner and supported by the Twenty-First Century Education Trust Fund for all public
413 schools and school districts. All grant applications shall include: (i) an evaluation plan, including
414 identification of the researcher or organization responsible for ongoing evaluation; (ii) a
415 statement of the expected impact; (iii) a preliminary estimate of the cost of the intervention; (iv)
416 identification of a comparison group for the purpose of assessing effectiveness; and (v) a
417 mechanism for determining how the proposal may be effectively replicated.

418 In approving grant applications, the commissioner may give preference to applications
419 that include: (A) evidence-based educational approaches to address persistent disparities in
420 student achievement that improve student outcomes; provided, however, that preference shall be
421 given to applications that are submitted by schools or districts with a high percentage of low-

422 income students and English learners, which may include schools or districts implementing
423 turnaround plans; and (B) approaches to increase efficiencies and educational program quality
424 within and across school districts; provided, however, that preference shall be given to
425 applications submitted by schools or districts in rural areas with low or declining enrollment.

426 The commissioner may provide funds and other resources to districts as needed to ensure
427 that every public school and school district has the opportunity to apply for grants; provided,
428 however, that the commissioner may provide funds and other resources to assist in the
429 development of grant applications for public schools implementing turnaround plans.

430 (e) Public schools and school districts awarded funds pursuant to this section shall work
431 with the commissioner to: (i) analyze the effectiveness of their initiatives; and (ii) participate in
432 the replication of effective evidence-based practices for public schools.

433 (f) A public school or school district that is awarded funds pursuant to this section may
434 submit a written request for a waiver of 1 or more provisions of the education regulations of the
435 commonwealth to permit the school or school district to initiate programs, schedules or services
436 that shall improve student learning. The commissioner may grant a regulatory waiver if the
437 commissioner: (i) determines the waiver is necessary to support the proposed initiative; and (ii)
438 notifies the board of elementary and secondary education not less than 30 days prior to acting on
439 any such waiver request.

440 (g) Money in the fund may be used to support the replication of effective practices and
441 the dissemination of best practices generated through the competitive grant program and
442 turnaround efforts that have been proven to address persistent disparities in achievement among
443 student subgroups.

444 (h) Annually, not later than December 1, the commissioner shall submit a report detailing
445 expenditures from the trust fund to the clerks of the senate and house of representatives, the
446 chairs of the senate and house committees on ways and means and the joint committee on
447 education.

448 Section 17. (a) There shall be a data advisory commission to promote the improved use of
449 state, district and school-level data to inform effective resource allocations at the district and
450 school levels.

451 The data advisory commission shall assist the department in identifying, analyzing and
452 making recommendations on high-impact, cost-effective data strategies for assessing student
453 needs and addressing persistent disparities in achievement, including, but not limited to:

454 (i) establishing a data collection and reporting system to: (A) track funding
455 allocated for low-income students and students identified as English learners pursuant to chapter
456 71A and ensure spending is targeted to the intended populations; and (B) allow for access to
457 school-level expenditures and data across all districts to inform the public and policy-makers of
458 high impact, cost-effective school-level interventions and investments;

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

463 (iii) strengthening district capacity to use state, district and school-level data to
464 inform strategic resource allocation and implementation decisions; and

465 (iv) streamlining data reporting, eliminating duplicative reporting requirements
466 and improving data quality.

467 (b) The data advisory commission shall consist of: the commissioner of elementary and
468 secondary education, who shall serve as chair; the secretary of education, or a designee; 1
469 member to be appointed by each of the following organizations, all of whom shall have
470 demonstrated knowledge, experience and interest in data collection and analysis for the purpose
471 of improving student performance: the Massachusetts Association of School Committees, Inc.;
472 the Massachusetts Association of School Superintendents, Inc.; the Massachusetts School
473 Administrators Association, Inc.; the Massachusetts Association of School Business Officials,
474 Inc.; the Massachusetts Association of Vocational Administrators, Inc.; the Massachusetts
475 Association of Regional Schools, Inc.; and the Massachusetts Business Alliance for Education,
476 Inc.; and 4 members to be appointed by the commissioner, 1 of whom shall be a teacher in a
477 district of not less than 15,000 students who has had experience in an underperforming or
478 chronically underperforming school that has utilized data to successfully improve student
479 performance, 1 of whom shall be a parent of a student currently enrolled at a kindergarten,
480 elementary school, middle school or junior high school or high school in the commonwealth and
481 2 of whom shall have professional experience and knowledge in the area of data collection,
482 quality and usage in establishing education policy and improving student outcomes.

483 (c) The data advisory commission shall report annually, not later than December 1, on its
484 progress to the board of elementary and secondary education; provided, however, that the report
485 shall be made publicly available on the department's website.

486 SECTION 15. Chapter 70B of the General Laws is hereby amended by striking out
487 section 7, as so appearing, and inserting in place thereof the following section:-

488 Section 7. There shall be a limit on the estimated amount of grants approved by the
489 authority during a fiscal year. For fiscal year 2020, the limit shall be \$750,000,000. For each
490 fiscal year thereafter, the limit shall be the limit for the previous fiscal year plus the lower of: (i)
491 the rate of growth in the dedicated sales tax revenue amount as defined in subsection (a) of
492 section 35BB of chapter 10; or (ii) 4.5 per cent.

493 SECTION 16. Chapter 71 of the General Laws is hereby amended by inserting after
494 section 1 the following section:-

495 Section 1¼. The definitions in section 2 of chapter 70 shall apply to this chapter.

496 SECTION 17. Section 5A of Chapter 71B of the General Laws, as so appearing, is
497 hereby amended by striking out subsections (a) to (c), inclusive, and inserting in place thereof
498 the following 3 subsections:-

499 (a) For the purposes of this section, the following words shall have the following
500 meanings:

501 “Approved costs threshold”, \$45,793 in fiscal year 2020 and adjusted by the foundation
502 inflation index in each subsequent year.

503 “Instructional costs”, only those costs directly attributable to providing the special
504 education services in the student’s individual education plan, such as salary of educational
505 personnel, salary of related services personnel, costs for specialized books, materials or
506 equipment, tuition costs if the student is receiving services from other than the local public

507 school, consultant costs if directly attributable to the student’s instructional program and
508 instructional costs of extended day or year services if such services are a part of the individual
509 education plan; provided, however, that such costs shall be prorated as appropriate to reflect
510 group activities or costs for part-time services; provided further, that “instructional costs” shall
511 not include transportation costs, administrative or overhead costs, the costs of adapting
512 classrooms or materials that are used by more than 1 student, the costs of fringe benefits of
513 personnel employed by the school district or the costs associated with evaluation, development
514 of the individual education plan or service coordination for the student; and provided further, that
515 “instructional costs” for the purposes of this reimbursement program shall not include the salary
516 of personnel providing educational services when such services are not specially designed
517 instruction for the student with disabilities.

518 (b) There shall be, subject to appropriation, a special education reimbursement program.
519 The program shall reimburse municipalities for the eligible instructional costs and for the cost of
520 required out-of-district transportation associated with implementing individual education plans
521 of students receiving special education services pursuant to this chapter. The reimbursements
522 shall be in addition to amounts distributed pursuant to chapter 70 and shall not be included in the
523 calculation of base aid, as defined in said chapter 70, for any subsequent fiscal year. Charter
524 schools shall receive reimbursements under this section in the same manner as districts.

525 The department shall promulgate regulations to define, consistent with this section, the
526 costs associated with implementing individual education plans for pupils that shall be eligible for
527 reimbursement under the program.

528 (c) Instructional and transportation costs eligible for reimbursement under the program
529 shall be reported by a school district to the department in a form and manner as prescribed by the
530 commissioner. For each such school district, the department shall review the report and approve
531 those per-pupil instructional and transportation costs that are eligible for reimbursement pursuant
532 to the program not less than 30 days after the date of submission. Based upon the approved costs,
533 the department shall calculate the reimbursement due to a municipality. The costs of programs
534 shall be reimbursed at 75 per cent of all the instructional and transportation costs that exceed the
535 approved costs threshold.

536 Notwithstanding the preceding paragraph, the reimbursement rate for students who have
537 no parent or guardian living in the commonwealth and for any school-age child placed in a
538 school district other than a home town by, or under the auspices of, the department of transitional
539 assistance or the department of children and families shall be 100 per cent of all instructional and
540 transportation costs that exceed the approved costs threshold.

541 SECTION 18. Said section 5A of said chapter 71B, as so appearing, is hereby further
542 amended by adding the following subsection:-

543 (h) If in a fiscal year the amount appropriated pursuant to this section is less than the
544 amount prescribed in subsection (c), then priority shall be given to instructional costs.

545 SECTION 19. Section 14 of said chapter 71B is hereby repealed.

546 SECTION 20. (a) The division of local services and the department of elementary and
547 secondary education shall jointly conduct a study and report on the equity, predictability and
548 accuracy of the method of determining each municipality's ability to contribute toward education
549 funding and the calculation of each municipality's required local contribution as defined in

550 section 2 of chapter 70 of the General Laws; provided, however, that the division and the
551 department shall solicit public comment.

552 (b) Not later than December 1, 2020, the division of local services and the department of
553 elementary and secondary education shall file a report with the clerks of the senate and the house
554 of representatives, the joint committee on education and the senate and house committees on
555 ways and means.

556 The report shall include, but not be limited to: (i) a summary of target aid share and local
557 contribution changes first instituted in chapter 139 of the acts of 2006 and their impact on the
558 equity, predictability and accuracy of the method of determining required local contribution and
559 target local share; (ii) a survey of changes in municipal required local contribution as a share of
560 the foundation budget from fiscal year 2006 to fiscal year 2020, inclusive, for districts of
561 different target share levels, including a review of the number of communities with a maximum
562 local contribution of 82.5 per cent of the foundation budget; (iii) an assessment of the impact of
563 enrollment demographics, including districts with flat or declining enrollment, on the distribution
564 of chapter 70 school aid and the relationship between target local share and the chapter 70 school
565 aid share of the foundation budget; (iv) an analysis of the accuracy in the calculation of
566 municipal combined effort yield and the municipal revenue growth factor in determining a
567 municipality's ability to contribute; (v) an analysis of the impact of statewide increases to the
568 foundation budget on target local share and required local contribution; and (vi) an assessment of
569 the impact of the 82.5 per cent maximum local contribution of foundation on the equity of
570 required local contributions and the distribution of chapter 70 school aid.

571 The report shall also make recommendations to refine or revise the method of
572 determining required local contribution, the maximum required local contribution as a
573 percentage of the foundation budget and the target state share of statewide foundation budget and
574 other elements of the chapter 70 school aid formula to improve equity, predictability and
575 accuracy.

576 SECTION 21. (a) There shall be a special commission to study and make
577 recommendations concerning the long-term fiscal health of rural school districts that are facing
578 or may face declining student enrollment.

579 The commission shall consist of: 1 member who shall be appointed by the president of
580 the senate, who shall serve as co-chair; 1 member who shall be appointed by the minority leader
581 of the senate; 1 member who shall be appointed by the speaker of the house of representatives,
582 who shall serve as co-chair; 1 member who shall be appointed by the minority leader of the
583 house of representatives; the deputy commissioner of the division of local services within the
584 department of revenue, or a designee; and 4 members appointed by the governor, 1 of whom
585 shall be a representative of the Massachusetts Association of Regional Schools, Inc., 1 of whom
586 shall be a representative of the Massachusetts Association of School Committees, Inc., 1 of
587 whom shall be a representative of the Massachusetts Association of School Business Officials,
588 Inc. and 1 of whom shall be a representative of the Massachusetts Association of School
589 Superintendents, Inc. A majority of the commission's members shall be residents of areas served
590 by rural school districts. Members shall not receive compensation for their services, but may
591 receive reimbursement for reasonable expenses incurred in carrying out their responsibilities as
592 members of the commission. The commissioner of elementary and secondary education shall
593 furnish reasonable staff and other support for the work of the commission.

594 (b) The commission shall study and report on: (i) long-term economic, demographic and
595 student enrollment trends and projections in rural communities; (ii) long-term fiscal trends in
596 rural school districts experiencing declining enrollment; (iii) an analysis of the fiscal health of
597 regional school districts and the impact of regionalization on each contributing municipality,
598 especially in low-income and middle-income areas, including funding impacts on each
599 contributing municipality; and (iv) recommendations for: (A) reorganizing schools and school
600 districts; (B) consolidating administrative, transportation and governance functions; (C)
601 expanding the use of technology to deliver instruction and enable operating efficiencies; and (D)
602 encouraging ways to reduce costs and improve educational outcomes. The commission, in
603 formulating its recommendations, shall take into account the best policies and practices in other
604 states. The commission shall hold not less than 5 public meetings and may hold hearings and
605 other forums as it considers necessary.

606 (c) The commission shall file its report and recommendations with the clerks of the
607 senate and the house of representatives and the joint committee on education not later than
608 December 1, 2020.

609 SECTION 22. (a) Notwithstanding subsection (d) of section 1S of chapter 69 of the
610 General Laws, each school district shall submit its first 3-year plan pursuant to said subsection
611 (d) of said section 1S of said chapter 69 to the department of elementary and secondary
612 education not later than April 1, 2020.

613 (b) The first annual report submitted pursuant to said subsection (d) of said section 1S of
614 said chapter 69 shall assess the availability of the information identified in said section 1S of said

615 chapter 69 and set forth a plan to enable the collection and dissemination of the information by
616 district and school.

617 SECTION 23. Notwithstanding section 2 of chapter 70 of the General Laws, the
618 department shall submit a report to the joint committee on education and the senate and house
619 committees on ways and means recommending a method for estimating the number of low-
620 income students, consistent with the definition in said section 2 of said chapter 70, not later than
621 November 1, 2020 for use in fiscal year 2022; provided, however, that the report may also assess
622 the impact of the method for estimating the number of low-income students on the organization
623 of districts into low-income groups; and provided further, that in fiscal year 2021, the number of
624 low-income students in each district shall be the greater of: (i) the current direct certification
625 count implemented by the department; or (ii) the share of the low-income students based on such
626 measure used in chapter 46 of the acts of 2015 applied to the foundation enrollment for the
627 district.

628 SECTION 24. Notwithstanding any general or special law to the contrary, appropriations
629 for reimbursements to certain cities, towns and regional school districts of charter school tuition
630 and the per-pupil capital needs component included in the charter school tuition amount for
631 commonwealth charter schools as calculated under subsections (ff) and (gg) of section 89 of
632 chapter 71 of the General Laws shall be made in accordance with the following funding
633 schedule: (i) not less than 75 per cent of the total eligible state obligation in fiscal year 2021; (ii)
634 not less than 90 per cent of the total eligible state obligation in fiscal year 2022; and (iii) not less
635 than 100 per cent of the total eligible state obligation in fiscal year 2023.

636 SECTION 25. Notwithstanding any general or special law to the contrary, required out-
637 of-district transportation costs associated with implementing individual education plans of
638 students receiving special education services shall be eligible for reimbursement under section
639 5A of chapter 71B of the General Laws in accordance with the following schedule: (i) 25 per
640 cent of all required out-of-district transportation costs eligible for reimbursement in fiscal year
641 2021; (ii) 50 per cent of all required out-of-district transportation costs eligible for
642 reimbursement in fiscal year 2022; (iii) 75 per cent of all required out-of-district transportation
643 costs eligible for reimbursement in fiscal year 2023; and (iv) 100 per cent of all required out-of-
644 district transportation costs eligible for reimbursement in fiscal year 2024.

645 SECTION 26. Notwithstanding any general or special law to the contrary, the foundation
646 and increment amounts set forth in section 5 shall be fully incorporated in the general
647 appropriations act not later than fiscal year 2027, subject to appropriation; provided, however,
648 that in each year prior to full incorporation, the general appropriations act shall increase
649 foundation and increment amounts over the prior year in an equitable and consistent manner.

650 SECTION 27. Notwithstanding any general or special law to the contrary, in each fiscal
651 year from fiscal year 2021 through fiscal year 2027, the department shall calculate a transitional
652 hold harmless aid amount using the base and incremental rates and minimum aid increment as
653 set forth in section 3 of chapter 41 of the acts of 2019. If the aid provided under the provisions of
654 chapter 70, as implemented by section 26, is less than the transitional hold harmless aid amount,
655 the department shall add a transitional hold harmless increment to the district's chapter 70 aid to
656 ensure that no district receives less than the transitional hold harmless aid amount during the
657 implementation period of this act. In no instance shall the transitional hold harmless increment
658 be less than the sum of: (a) the district's prior fiscal year aid; and (b) the district's foundation

659 enrollment multiplied by \$30. Chapter 70 aid in each fiscal year shall be the greater of: (i)
660 foundation aid; (ii) the sum of base aid and minimum aid; or (iii) the sum of base aid plus the
661 transitional hold harmless aid increment. No calculations made under the provisions of this
662 section shall be used for any purpose or aid calculation other than the determination of floor aid
663 during the period described. If the implementation schedule of section 26 is extended beyond
664 fiscal year 2027, the provisions of this section shall be extended so the 2 implementation
665 schedules are of identical length. In fiscal year 2028, the department shall add the fiscal year
666 2027 transitional floor aid amount to the district's base aid, and shall not calculate further
667 transitional aid amounts under this section for fiscal year 2028 or any subsequent fiscal year.