

**HOUSE . . . . . No. 3894**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Manny Cruz*

*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 relative to state aid for public schools.

PETITION OF:

| NAME:             | DISTRICT/ADDRESS: | DATE ADDED:      |
|-------------------|-------------------|------------------|
| <i>Manny Cruz</i> | <i>7th Essex</i>  | <i>1/19/2023</i> |

**HOUSE . . . . . No. 3894**

By Representative Cruz of Salem, a petition (accompanied by bill, House, No. 3894) of Manny Cruz for legislation to establish a municipal education fund to be administered by the commissioner of the Department of Elementary and Secondary Education. Education.

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Third General Court  
(2023-2024)**

An Act relative to state aid for public schools.

*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 is hereby amended by inserting after  
2 section 2AAAAAA the following section:-

3 Section 2BBBBBB. (a) There shall be established and set up on the books of the  
4 commonwealth a separate fund to be known as the Municipal Education Fund. The  
5 commissioner of elementary and secondary education shall administer the fund. The fund shall  
6 be used for: (i) funding school districts considered minimum aid communities or currently a  
7 below effort increment community; (ii) supporting municipal K through 12 school districts; and  
8 (iii) prioritizing gateway city school districts, rural school districts, and school districts serving a  
9 large per cent of students with high needs.

10 (b) The fund shall be credited with: (i) revenue collected pursuant to the second  
11 paragraph of article XLIV of the Articles of Amendment to the Constitution of the  
12 Commonwealth; (ii) funds from public and private sources such as gifts, grants and donations;

13 and (iii) interest earned on money in the fund. The fund shall not be subject to section 5C of  
14 chapter 29 and shall be subject to appropriation.

15 (c) Annually, not later than October 1, the commissioner of elementary and secondary  
16 education shall report to the clerks of the senate and house of representatives, the joint committee  
17 on education and the house and senate committees on ways and means on the fund's activities.  
18 The report shall include, but not be limited to: (i) the source and amount of funds received; (ii)  
19 the expenditures made from the fund and the purposes of such expenditures; (iii) any anticipated  
20 remaining revenue from awards; and (vi) the number municipal K through 12 school districts who  
21 received funding.

22 SECTION 2. Section 2 of chapter 70 of the General Laws, as appearing in the 2020  
23 Official Edition, is hereby amended by striking out the definition of "Required local  
24 contribution" and inserting in place thereof the following definition:-

25 "Required local contribution", a municipality's preliminary local contribution; provided,  
26 however, that if the preliminary local contributions greater than the target local contribution, then  
27 the preliminary local contribution shall be reduced by the product of its excess effort and the  
28 effort reduction percentage; provided further, that if the preliminary local contribution as a  
29 percentage of the foundation budget is between 2.5 and 7.5 percentage points below the target  
30 local share, then the preliminary local contribution shall be increased by 1 per cent; provided  
31 further, that if the preliminary local contribution as a percentage of the foundation budget is more  
32 than 7.5 percentage points below the target local share, then the preliminary local contribution  
33 shall be increased by 2 per cent; provided further, that in a municipality with a combined effort  
34 yield equal to or greater than 100 per cent of its foundation budget, the required local

35 contribution shall not be less than the capped percentage of the municipality’s foundation budget  
36 established pursuant to section 18; and provided further, that the commissioner shall allocate  
37 each municipality's required local contribution among the districts to which the municipality  
38 belongs and such allocation shall be in proportion to each district's share of the municipality's  
39 foundation budget.

40 SECTION 3. Said section 2 of said chapter 70, as so appearing, is hereby further  
41 amended by striking out the definition of “Target local contribution” and inserting in place  
42 thereof the following definition:-

43 “Target local contribution”, the lesser of: (i) a municipality's combined effort yield; or (ii)  
44 the capped percentage of its total foundation budget established pursuant to section 18.

45 SECTION 4. Said chapter 70 of the General Laws is hereby amended by adding the  
46 following section:-

47 Section 18. (a) The capped percentage for purposes of determining a municipality’s  
48 required local contribution and target local contribution shall be:

49 (i) 82.5 per cent if the municipality’s combined effort yield is less than the municipality’s  
50 foundation budget;

51 (ii) 84.5 per cent if the municipality’s combined effort yield is equal to or greater than  
52 100 per cent of the municipality’s foundation budget;

53 (iii) 86.5 per cent if the municipality’s combined effort yield is equal to or greater than  
54 150 per cent of the municipality’s foundation budget; and

55 (iv) 88.5 per cent if the municipality's combined effort yield is equal to or greater than  
56 200 per cent of the municipality's foundation budget.

57 (b) Subject to the provisions of subsection (c), the department may adjust the percentages  
58 on the caps in subsection (a). Each time the department adjusts a cap, the adjustment shall not be  
59 less than .25 per cent and not more than 1 per cent.

60 (c) The board shall establish a review process for making adjustments to the caps  
61 pursuant to subsection (b). No adjustment shall be made by the department, pursuant to  
62 subsection (b), unless the recommended adjustment is presented to the board for review and  
63 approved by a vote of the board.

64 (d) The department shall establish rules and regulations that are necessary to implement  
65 this section.

66 SECTION 5. (a) There shall be a special legislative commission established, pursuant to  
67 section 2A of chapter 4 of the General Laws, to examine the distribution of education funding in  
68 the commonwealth. The special commission shall review and evaluate: (i) how combined effort  
69 yield is calculated; (ii) how enrollment changes are calculated; (iii) below effort increment in the  
70 formula; (iv) the municipal revenue growth factor; and (v) the target local contributions.

71 (b) The commission shall consist of: (i) 1 member to be appointed by the speaker of the  
72 house of representatives, who shall serve as co-chair of the commission; (ii) 1 member to be  
73 appointed by the president of the senate, who shall serve as co-chair of the commission; (iii) 1  
74 member to be appointed by the minority leader of the house of representatives; (iv) 1  
75 member to be appointed by the minority leader of the senate; (v) the chair of the house

76 committee on ways and means; (vi) the chair of the senate committee on ways and means; (vii)  
77 the chairs of the joint committee on education; (viii) the secretary of education or a designee; (ix)  
78 the commissioner of elementary and secondary education or a designee; (x) the secretary of  
79 administration and finance or a designee; (xi) 1 member to be appointed by the American  
80 Federation of Teachers Massachusetts Professional Development Institute; (xii) 1 member to be  
81 appointed by the Massachusetts Broadband Institute established in section 6B of chapter 40J of  
82 the General Laws; (xiii) 1 member to be appointed by the Massachusetts Teachers Association;  
83 (xiv) 1 member to be appointed by the Massachusetts Business Alliance for Education, Inc.; (xv)  
84 1 member to be appointed by the Massachusetts Institute for a New Commonwealth, Inc.; (xvi) 1  
85 member to be appointed by the Rennie Center for Education Research & Policy, Inc.; (xvii) 1  
86 member to be appointed by the Massachusetts Association of School Committees, Inc.; (xviii) 1  
87 member to be appointed by the Massachusetts Association of School Superintendents, Inc.; and  
88 (xix) 4 current superintendents in the commonwealth to be appointed by the commissioner of  
89 elementary and secondary education whose districts have in the last 2 fiscal years been assessed  
90 a below effort penalty.

91 (c) The commission shall commence no later than 90 days after the effective date of this  
92 act.

93 (d) The commission shall create a report of its findings and recommendations, including:  
94 (i) how to ensure a more equitable distribution of school funds and state aid for public schools;  
95 (ii) recommendations for new revenue generating options for municipalities to implement and  
96 increase local education allocations; and (iii) additional education revenues attributable to the  
97 fair share amendment to the Constitution adopted by the voters at the 2022 general election.

98           (e) No later than December 31, 2025, the commission shall file the report required by  
99 subsection (d), including any draft legislation, with: (i) the clerks of the house of representatives  
100 and the senate; (ii) the chairs of the house and senate committee on ways and means; and (iii) the  
101 chairs of the joint committee on the education.