

HOUSE No. 3567**The Commonwealth of Massachusetts**

PRESENTED BY:

Natalie M. Blais*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 to provide a sustainable future for rural schools.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Natalie M. Blais</i>	<i>1st Franklin</i>	<i>1/13/2023</i>
<i>Mindy Domb</i>	<i>3rd Hampshire</i>	<i>1/21/2023</i>
<i>Todd M. Smola</i>	<i>1st Hampden</i>	<i>1/25/2023</i>
<i>Smitty Pignatelli</i>	<i>3rd Berkshire</i>	<i>1/25/2023</i>
<i>Susannah M. Whipps</i>	<i>2nd Franklin</i>	<i>1/25/2023</i>
<i>Aaron L. Saunders</i>	<i>7th Hampden</i>	<i>1/26/2023</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>1/26/2023</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>2/1/2023</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>2/6/2023</i>
<i>Joanne M. Comerford</i>	<i>Hampshire, Franklin and Worcester</i>	<i>3/20/2023</i>
<i>Kimberly N. Ferguson</i>	<i>1st Worcester</i>	<i>3/28/2023</i>
<i>John Barrett, III</i>	<i>1st Berkshire</i>	<i>3/29/2023</i>
<i>Daniel R. Carey</i>	<i>2nd Hampshire</i>	<i>3/29/2023</i>
<i>Joseph D. McKenna</i>	<i>18th Worcester</i>	<i>4/3/2023</i>
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>	<i>4/6/2023</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>4/10/2023</i>
<i>Kelly W. Pease</i>	<i>4th Hampden</i>	<i>4/18/2023</i>
<i>Nicholas A. Boldyga</i>	<i>3rd Hampden</i>	<i>5/10/2023</i>

<i>Kathleen R. LaNatra</i>	<i>12th Plymouth</i>	<i>5/10/2023</i>
<i>Dylan A. Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>	<i>5/11/2023</i>
<i>Paul A. Schmid III</i>	<i>8th Bristol</i>	<i>5/11/2023</i>
<i>Josh S. Cutler</i>	<i>6th Plymouth</i>	<i>5/15/2023</i>
<i>Margaret R. Scarsdale</i>	<i>1st Middlesex</i>	<i>7/17/2023</i>
<i>Jacob R. Oliveira</i>	<i>Hampden, Hampshire and Worcester</i>	<i>7/17/2023</i>
<i>Dawne Shand</i>	<i>1st Essex</i>	<i>7/20/2023</i>
<i>Adrienne Pusateri Ramos</i>	<i>14th Essex</i>	<i>9/13/2023</i>
<i>Paul W. Mark</i>	<i>Berkshire, Hampden, Franklin and Hampshire</i>	<i>1/23/2024</i>

HOUSE No. 3567

By Representative Blais of Deerfield, a petition (accompanied by bill, House, No. 3567) of Natalie M. Blais and others relative to rural schools. Education.

The Commonwealth of Massachusetts

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

An Act to provide a sustainable future for rural 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 12C of the General Laws is hereby amended by adding the
2 following section:-

3 Section 25. (a) For the purposes of this section “rural school district” shall mean a school
4 district with both of the following: (i) a student density of not more than 35 students per square
5 mile and (ii) a per capita income of less than the average annual estimated, state-wide per capita
6 income.

7 (b) The center shall perform a review of a rural school district’s health insurance plans to
8 determine if any alternative, cost saving plans or plan designs are available to the rural school
9 district. The center shall perform a review of each rural school district located within the
10 commonwealth annually for rural school districts that purchase their own insurance plans and
11 once every 3 years for rural school districts that are part of purchasing groups.

(c) The center shall provide a report to a rural school district following the review required by subsection (b). The report shall contain any recommendations from the center, including recommendations related to membership in purchasing groups, combining plan design changes with health cost reimbursement arrangements and any other cost reducing strategies that will not increase insurance costs for employees.

(d) The center shall provide assistance to rural school districts in implementing any of the recommendations it provides pursuant to subsection (c).

SECTION 2. Chapter 15 of the General Laws is hereby amended by adding the following section:-

Section 67. (a) There shall be within the department an office of shared services, which shall be under the supervision and management of the director of shared services. The director shall be appointed by the commissioner.

(b) The office of shared services shall oversee the formation of regional school districts and superintendent unions in the commonwealth. The director of shared services shall assist school districts that are considering forming or are in the process of forming regional school districts and superintendent unions with the research, development and execution of shared services projects and shared services agreements.

SECTION 3. Section 19 of chapter 15A of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by inserting after the figure “71”, in line 83, the following words:- ; provided, however that paraprofessionals seeking to obtain licensure as special educators shall have priority for such grants.

SECTION 4. Section 2 of chapter 70 of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by inserting after the definition “Required net school spending” the following definition:-

“Rural school district”, a school district with both of the following: (i) a student density of not more than 35 students per square mile and (ii) a per capita income of less than the average annual estimated, state-wide per capita income.

SECTION 5. Section 10 of chapter 70B, as so appearing, is hereby amended by adding the following subsection:-

(d) Notwithstanding the first paragraph of this section, the grant percentage for approved school facilities projects in regional school districts shall be at least 90 per cent.

SECTION 6. Said chapter 70B of the General Laws is hereby further amended by adding the following section:-

Section 22. (a) Upon the closure of a school as a result of a school district regionalization effort, the authority shall relieve any debt that was accrued as a result of the establishment and maintenance of the school’s facilities that is owed to the authority by the municipality wherein the school is located.

(b) Upon the closure of a school as a result of a school district regionalization effort, the authority, in collaboration with the executive office of economic development, shall offer assistance to the municipality wherein the school is located for the development of a plan for demolition or use of the school building for other purposes, including any technical assistance for school building reuse and the retrofitting of school buildings for other purposes.

SECTION 7. Chapter 71 of the General Laws is hereby amended by inserting after section 7C the following 2 sections:-

Section 7D. (a) To provide for the reimbursement of the part of the cost of transportation not reimbursable under section 7A, the state treasurer shall annually, on or before November 20, pay to a rural school district the sums required for full reimbursement of extraordinary transportation costs incurred directly by a rural school district as a result of the transportation between school and home of any pupil.

(b) Rural school districts may establish a Rural School Transportation Reimbursement Account. Reimbursements made by the commonwealth pursuant to this section may be deposited into the account.

(c) Regional school districts that receive reimbursement pursuant to section 16C shall not be eligible for school transportation reimbursement pursuant to this section.

Section 7E. (a) There is hereby established and set upon the books of the commonwealth a separate fund known as the Non-Resident Pupil Transportation Fund. The fund shall be credited with: (i) appropriations or other money authorized or transferred by the general court and specifically designated to be credited to the fund; (ii) funds from public and private sources, including, but not limited to gifts, grants and donations; and (iii) any interest earned on such money. Amounts credited shall not be subject to appropriation and shall be expended by the department to reimburse schools for the costs associated with the transportation of pupils who attend schools in school districts that are not located within the municipality that the pupil resides in to be administered by the department in accordance with this section.

(b) A qualified school district eligible for funding shall include any school district that enrolls pupils in its schools who reside outside of the municipality where the school is located.

(c) Annually, not later than December 1, the department shall submit a report to the house and senate committees on ways and means detailing the calculation and planned distribution of funds to school

districts; provided, that, funds distributed from this section shall not be considered chapter 70 aid for the calculation of the minimum required local contribution for the upcoming fiscal year.

(d) Every 5 years, the department shall determine the adequacy of funding for the purposes of this section and recommend to the general court any necessary adjustment.

SECTION 8. Section 16D of said chapter 71, as appearing in the 2020 Official Edition, is hereby amended by striking out subsection (g) and inserting in place thereof the following subsection:-

(g) A regional school district shall receive state aid for the transitional costs associated with the establishment of the regional school district. A regional school district shall be entitled to aid under this subsection for the first 3 years of its operation. The state treasurer shall, upon certification by the commissioner, annually, on or before November 20, pay to each regional school district in its first 3 years of operation \$200 per pupil enrolled by the regional school district.

SECTION 9. Said section 16D of said chapter 71, as so appearing, is hereby further amended by adding the following subsection:-

(h) A regional school district shall receive state aid to cover the salaries of temporary school district employees, including, but limited to, an assistant superintendent, assistant business manager, assistant information technology director and assistant pupil services director.

A regional school district shall receive aid under this subsection for the first 2 years of its operation. The state treasurer shall, upon certification by the commissioner, annually, on or before November 20, pay to each regional school district in its first 2 years of operation a sum to be determined by the commissioner.

SECTION 10. Said chapter 71 is hereby further amended by inserting after section 16I the following 3 sections:-

Section 16J. (a) There is hereby established and set upon the books of the commonwealth a separate fund known as the School District Regionalization Grant Fund. The fund shall be credited with: (i) appropriations or other money authorized or transferred by the general court and specifically designated to be credited to the fund; (ii) funds from public and private sources, including, but not limited to gifts, grants and donations; and (iii) any interest earned on such money. Amounts credited shall not be subject to appropriation and shall be expended by the department to fund a grant program for the study, planning and implementation of school district regionalization efforts to be administered by the department in accordance with this section; and provided further, that grant funds awarded pursuant to this section shall be distributed evenly over a 3 year period.

(b) A qualified school eligible for funding are towns and regional school districts, excluding vocational schools, independent agricultural, technical schools and charter schools; provided, that a school district shall be eligible for a school district regionalization grant if it is

considering forming, is in the process of forming or has formed within the past 5 years a regional school district or regionalizing services; provided, that, that school district regionalization grants shall be allocated equitably in the following priority order: (i) school districts with significant enrollment decline; (ii) school districts where existing school space is underutilized; and (iii) school districts where the regionalization proposal will produce significant expansion of available academic resources and supports as a result of cost savings.

(c) Annually, not later than February 1, any district receiving funds under this item shall submit a report to the department outlining the progress the district has made in studying, planning or implementing regionalization or regionalization services.

(d) Annually, not later than December 1, the department shall submit a report to the house and senate committees on ways and means detailing the calculation and planned distribution of funds to school districts; provided, that, funds distributed from this section shall not be considered chapter 70 aid for the calculation of the minimum required local contribution for the upcoming fiscal year.

(e) Every 5 years, the department shall determine the adequacy of funding for the purposes of this section and recommend to the general court any necessary adjustment.

(f) A grant awarded to a school district pursuant to this section shall not exceed \$1,500,000 over a 3 year period.

Section 16K. (a) There is hereby established and set upon the books of the commonwealth a separate fund known as the Regional School District Foundational Aid Fund. The fund shall be credited with: (i) appropriations or other money authorized or transferred by the general court and specifically designated to be credited to the fund; (ii) funds from public and

private sources, including, but not limited to gifts, grants and donations; and (iii) any interest earned on such money. Amounts credited shall not be subject to appropriation and shall be expended by the department to fund a grant program for regional school districts that experience a drop in foundational aid as a result of regionalization to be administered by the department in accordance with this section.

(b) A qualified school eligible for funding are regional school districts, excluding vocational schools, independent agricultural, technical schools and charter schools; provided, that any regional school district within its first 5 years of operation that has received less foundational aid than any of its member school districts received in the 5 years preceding regionalization shall be entitled to a grant equal to the difference in foundational funding between the member school district prior to regionalization and the foundational funding received by the regional school district.

(c) Annually, not later than December 1, the department shall submit a report to the house and senate committees on ways and means detailing the calculation and planned distribution of funds to school districts; provided, that, funds distributed from this section shall not be considered chapter 70 aid for the calculation of the minimum required local contribution for the upcoming fiscal year.

(d) Every 5 years, the department shall determine the adequacy of funding for the purposes of this section and recommend to the general court any necessary adjustment.

Section 16L. (a) There is hereby established and set upon the books of the commonwealth a separate fund known as the Superintendent Union Formation Grant Fund. The fund shall be credited with: (i) appropriations or other money authorized or transferred by the

general court and specifically designated to be credited to the fund; (ii) funds from public and private sources, including, but not limited to gifts, grants and donations; and (iii) any interest earned on such money. Amounts credited shall not be subject to appropriation and shall be expended by the department to fund a grant program for the development of superintendent unions to be administered by the department in accordance with this section.

(b) A qualified school eligible for funding are school districts, excluding vocational schools, independent agricultural, technical schools and charter schools; provided, that a school district shall be eligible for a superintendent union formation grant if (i) school district regionalization is not desired by the school district community or is not practicable for any reason and (ii) the school district is considering forming, is in the process of forming or has formed within the past 5 years a superintendent union pursuant to section 61.

(c) Annually, not later than February 1, any district receiving funds under this item shall submit a report to the department outlining progress the district has made in studying, planning or implementing a superintendent union.

(d) Annually, not later than December 1, the department shall submit a report to the house and senate committees on ways and means detailing the calculation and planned distribution of funds to school districts; provided, that, funds distributed from this section shall not be considered chapter 70 aid for the calculation of the minimum required local contribution for the upcoming fiscal year.

(e) Every 5 years, the department shall determine the adequacy of funding for the purposes of this section and recommend to the general court any necessary adjustment.

(f) A grant awarded pursuant to this section shall not exceed \$250,000 annually.

SECTION 11. Said chapter 71 is hereby further amended by adding the following 2 sections:-

Section 100. (a) There is hereby established and set upon the books of the commonwealth a separate fund known as the Rural Schools Aid Fund. The fund shall be credited with: (i) appropriations or other money authorized or transferred by the general court and specifically designated to be credited to the fund; (ii) funds from public and private sources, including, but not limited to gifts, grants and donations; and (iii) any interest earned on such money. Annually, not later than December 1, the comptroller shall transfer \$60,000,000 from the General Fund to the fund. Amounts credited shall not be subject to appropriation and shall be expended by the department to support the long-term fiscal health of rural school districts to be administered by the department in accordance with this section.

(b) A qualified school eligible for funding are towns and regional school districts, excluding vocational schools, independent agricultural, technical schools and charter schools; provided, that a school district shall be eligible for rural school aid if a school district has a student density of not more than 35 students per square mile and an average annual per capita income of not more than the average annual per capita income for the commonwealth for the same period; provided further, that rural school aid shall be allocated equitably in the following priority order: (i) school districts serving less than 11 students per square mile; (ii) school districts serving not more than 21 students per square mile; and (iii) school districts serving not more than 35 students per square mile;

(c) Annually, not later than December 1, the department shall submit a report to the house and senate committees on ways and means detailing: (i) its recommendations for additional

adjustments to the rural school aid calculation for the upcoming fiscal year to improve the accuracy and equity of the student density component and the per capita income component; and (ii) the calculation and planned distribution of funds to school districts; and provided further, that funds distributed from this section shall not be considered chapter 70 aid for the calculation of the minimum required local contribution for the upcoming fiscal year.

(d) Every 5 years, the department shall determine the adequacy of funding for the purposes of this section and recommend to the general court any necessary adjustment.

Section 101. (a) There is hereby established and set upon the books of the commonwealth a separate fund known as the Declining Enrollment Fund. The fund shall be credited with: (i) appropriations or other money authorized or transferred by the general court and specifically designated to be credited to the fund; (ii) funds from public and private sources, including, but not limited to gifts, grants and donations; and (iii) any interest earned on such money. Amounts credited shall not be subject to appropriation and shall be expended by the department to support the long-term fiscal health of school districts with declining student enrollment to be administered by the department in accordance with this section.

(b) A qualified school eligible for funding are towns and regional school districts, excluding vocational schools, independent agricultural, technical schools and charter schools; provided, that a school district shall be eligible for declining enrollment aid if it has a decline in student enrollment of at least 35 per cent over the 20 years prior to the school district's application for funds; provided further, that declining enrollment aid shall be allocated equitably on a per-pupil basis with priority given to school districts that have experienced the greatest percentage decline in student enrollment.

(c) Annually, not later than February 1, any district receiving funds under this item shall submit a plan to the department outlining the district's plans to use such funds.

(d) Annually, not later than December 1, the department shall submit a report to the house and senate committees on ways and means detailing the calculation and planned distribution of funds to school districts; provided, that, funds distributed from this section shall not be considered chapter 70 aid for the calculation of the minimum required local contribution for the upcoming fiscal year.

(e) Every 5 years, the department shall determine the adequacy of funding for the purposes of this section and recommend to the general court any necessary adjustment.

SECTION 12. The definition of "Instructional costs", in subsection (a) of said section 5A of said chapter 71B of the General Laws is hereby amended by adding the following sentence:- Instructional costs shall include partial costs of salaries for highly specialized staff when a full-time equivalent staff person is not needed but a full-time salary is necessary to procure a qualified professional.

SECTION 13. Subsection (c) of section 5A of chapter 71B of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by striking out the fourth sentence and inserting in place thereof the following sentence:- The costs of programs shall be reimbursed at 100 per cent of all the instructional and transportation costs that exceed the approved costs threshold; provided, that such reimbursement shall be paid in the year in which the costs are incurred.

SECTION 14. Said chapter 71B of the General Laws is hereby further amended by adding the following section:-

Section 17. (a) There shall be within the department a program to support the development of specialized teachers with targeted funding for local educator preparation programs for special education.

(b) The department shall facilitate the funding and implementation of the program so that school districts can coordinate with educational collaboratives and other providers to build “grow your own” programs and provide paid time off, or childcare stipends, to paraprofessionals studying to become licensed special education teachers.

(c) The program shall provide similar support to teachers currently licensed in other subjects to become special education teachers.

(d) The department shall develop special education instructor assessments that can be used as an alternative to Massachusetts Tests for Educator Licensure (MTEL) or develop licensure criteria that will supersede passing the MTEL.

SECTION 15. (a) Notwithstanding any general or special law to the contrary, the department of elementary and secondary education shall conduct a review of special education regulations of the department as they pertain to the needs of rural school districts.

(b) The department shall request public comment and discussions with special education advocates, school administrators, parents, and experts to explore reform of regulations under 603 CMR 28.00.

(c) The department shall publish a web page that serves as a one-stop resource to allow the public to obtain information and provide comments on individual rules and guidelines under review as well as the department’s regulatory review program generally.

SECTION 16. (a) There is hereby established, pursuant to section 2A of chapter 4 of the General Laws, a special education financing legislative commission to review the commonwealth's system for financing special education and make recommendations for a more equitable system that provides adequate funding to local school districts to meet the costs of providing high quality education to students with disabilities.

(b) The commission's review shall evaluate the commonwealth's current special education financing structure and make recommendations to achieve the following goals:

(1) special education funds shall be sufficient to allow all schools to provide a high quality education in the least restrictive environment that meets the unique needs of each eligible student;

(2) special education funds provided to school districts shall recognize the variation in the resources that are required to provide students with different disabilities a high quality education;

(3) districts with more students receiving special education services shall equitably receive more state special education assistance funding than districts with fewer students receiving special education services;

(4) districts with less local resources shall equitably receive more state special education assistance funding than districts with more local resources;

(5) special education funds shall be relatively predictable and stable to enable school districts to budget effectively and implement multi-year plans;

(6) the special education funding system shall promote the efficient use of funds without incentivizing the under or misdiagnosis of students with disabilities;

(7) the special education funding system shall promote flexibility and innovation in providing high quality education;

(8) the special education funding system shall limit local financial responsibility for providing education to students with extraordinary needs; and

(9) the special education funding system shall provide sufficient funds to meet the costs of transportation of special education students.

(c) In carrying out the review, the commissioner of elementary and secondary education shall provide to the commission any data and information relevant to the commission's charge. The commissioner of elementary and secondary education shall furnish reasonable staff and other support for the work of the commission.

(d) Prior to issuing its recommendations, the commission shall conduct not fewer than 4 public hearings across regions of the commonwealth.

(e) The members of the commission shall include: the house and senate chairs of the joint committee on education, who shall serve as co-chairs; the governor or a designee; the secretary of education; the commissioner of elementary and secondary education; the commissioner of early education and care; the director of the Massachusetts office on disability; the speaker of the house of representatives or a designee; the president of the senate or a designee; the minority leader of the house of representatives or a designee; the minority leader of the senate or a designee; the chair of the house committee on ways and means or a designee; the chair of the senate committee on ways and means or a designee; the house and senate chairs of the joint committee on children, families and persons with disabilities and 1 member to be appointed by each of the following organizations: the Massachusetts Municipal Association, Inc., the

314 Massachusetts Business Alliance for Education, Inc., the Massachusetts Association of School
315 Committees, Inc., the Massachusetts Association of School Superintendents, Inc., the
316 Massachusetts Teachers Association, the American Federation of Teachers Massachusetts, the
317 Massachusetts Association of Vocational Administrators, Inc., the Massachusetts Association of
318 Regional Schools, Inc., Massachusetts Advocates for Children, Federation for Children with
319 Special Needs, ARC of Mass, and the Parent Professional Advocacy League of Massachusetts.
320 Members shall not receive compensation for their services but may receive reimbursement for
321 the reasonable expenses incurred in carrying out their responsibilities as members of the
322 commission.

323 (f) It shall not constitute a violation of chapter 268A of the General Laws for a person
324 employed by a school district to serve on the commission or to participate in commission
325 deliberations that may have a financial impact on the district employing that person or on the rate
326 at which that person may be compensated. The commission may establish procedures to ensure
327 that no such person participates in commission deliberations that may directly affect the school
328 districts employing those persons or that may directly affect the rate at which those persons are
329 compensated.

330 (g) The commission shall file its report with the clerks of the house of representatives and
331 the senate on or before June 30, 2024. A copy of the report and recommendations shall be made
332 publicly available on the website of the department of elementary and secondary education and
333 submitted to the joint committee on education, the joint committee on children, families and
334 persons with disabilities, and the house and senate committees on ways and means.