



Legislation Summary:

An Act modernizing the foundation budget for the 21st century

Initial bill number: [S223](#) (Bill numbers will change as legislation proceeds.)

Sponsors: Sen. Sonia Chang-Diaz

The bill introduces a solution to current, out of date funding formulas used by the state in the foundation budget for Ch. 70 funding aid to school districts. The 2015 Foundation Budget Review Commission (FBRC) found that health care and special education costs have far surpassed assumptions built into the original formula. As a result, those increasing costs have forced districts to cut other critical investments, including professional development, counseling, arts, resources like technology and books, early education, social-emotional supports, and extended days and school years.

The FBRC also found that closing the achievement and opportunity gaps for low-income and English Language Learner students is possible, but that the original formula drastically understates the resources necessary to do so, especially in districts with high concentrations of poverty. As a result, Massachusetts ranks 48th nationally in the achievement gap between affluent and poor students.

The bill renews the promise that every student in Massachusetts will have equal access to quality education by significantly revising the foundation budget formula. This bill will adjust the formula to more accurately project districts' costs, more equitably distribute resources, and empower schools to improve outcomes for all students. The bill sets a multi-year phasing in of the Foundation Budget Review Commission's recommendations, including:

- Realistically accounting for districts' health care costs by using actual averages from the Group Insurance Commission to set insurance costs and inflation rates in the Foundation Budget.
- Accurately projecting special education costs by increasing the assumed in-district SPED enrollment rate to 16% and increasing the out-of-district cost rate to reflect the total costs that districts bear before the SPED "circuit breaker" is triggered.
- Modernizing the ELL and low-income components to provide critical services as identified by national research on best practices, examples provided by other states, and practices highlighted by leading districts here in Massachusetts. Provisions include: bringing the ELL rate in all grades up to the current middle school rate of \$2,361; applying the ELL increment equally across general and vocational education students; and recognizing the increased costs borne by districts with higher concentrations of poverty.
- Establishing a Data Advisory Task Force to improve our use of school-level data to better inform future policy decisions.

League position: LWWUS goal of equal access to education, (LWWUS, 1967); at the state level regarding equal opportunity, that the state provide increased school aid to localities on an equalizing basis (LWVMA, 1948).