

**Education Alert
NOVEMBER 2019**

**LEGISLATURE PASSES LANDMARK SCHOOL FUNDING
LEGISLATION**

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On November 20, 2019, the Massachusetts Legislature voted to approve the Student Opportunity Act (“the Act”). The Governor has ten days to respond to the Act. The Act requires the Commissioner of the Department of Education (“DESE”) to establish statewide targets for addressing persistent disparities in achievement among student subgroups, including in subject matter and relevant grade level. It further requires each superintendent, in consultation with the school committee, to establish local targets, consistent with the targets from DESE.

The Act requires districts to create a three year plan to meet those targets, with the first plan due no later than April 1, 2020. When creating the plans, districts should consider input from parents and other relevant community stakeholders, such as parent advisory councils and educators. The plans must outline: (1) how Chapter 70 funds will be allocated among schools within a district; (2) the evidence-based programs, supports, and interventions that the district will implement to address achievement gaps; (3) metrics used to measure success in addressing achievement gaps; (4) a description of how the district will effectuate and measure increased parental engagement, especially for parents of low-income students, English Learners, and students with disabilities. Districts will need to submit these plans and annual data to DESE. The Commissioner will review the plans to ensure that they set forth clear and achievable goals and measurable standards for student improvement that comply with the requirements, and Districts will be required to amend any plans that do not conform with the requirements. Districts and DESE will publish the plans on their websites.

The Act further establishes a data advisory commission to assist DESE in identifying, analyzing and recommending strategies to address the achievement gap and teaching, learning and resource allocation. The Act requires the Secretary of Education, in consultation with the data advisory commission, to collect and make publicly available data on student preparedness for workforce and post-graduate success by school district and high school.

In terms of the school funding formula, the Act makes several significant changes. First, and foremost, it increases aid to local schools by around \$1.5 billion. This increase will be fully implemented no later than fiscal year 2027. The formula increases the amount of money provided for low-income students and increases the number of students defined as low-income by returning the definition of low-income to 185% of the Federal Poverty Level, as opposed to the current 133% level. The new formula provides funding based on calculations of the costs of the following categories of items within schools: administration, instructional leadership,

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classroom and specialist teachers, other teaching services, professional development, instructional materials, equipment and technology, guidance and psychological, pupil services, operation and maintenance, and employee benefits/fixed charges. Schools will receive significantly more money for special education and English Language Learner students. Although most of the categories will be increased according to inflation, the new formula increases the employee benefit category based on the average annual rate of growth of the average premium of all group insurance plans over the past three years.

Additionally, each municipality must annually appropriate for the support of public schools an amount not less than the net school spending requirement. Each municipality shall also appropriate not less than its minimum required local contribution for each regional school district to which the municipality belongs. The Commissioner will estimate and report such amounts to each municipality and regional school district as early as possible, but no later than March 1, for the following fiscal year and shall revise such estimates within thirty days following the enactment of the state budget. Notwithstanding the terms of any regional school district agreements to the contrary, no regional school district will be required to submit a budget to its members before receiving the Commissioner's initial estimate.

The Act also makes changes to circuit breaker reimbursement for special education programs. Previously school districts could not seek circuit breaker reimbursement for transportation; however, the Act allows school districts to be reimbursed for the cost of out-of-district transportation in the following increasing increments of transportation costs: by 2021, 25%; 2022, 50%; 2023, 75% and in 2024, 100%.

Furthermore, the Student Opportunity Act increases reimbursement to cities, towns, and regional school districts for charter school tuition on the following basis: not less than 75% of the total eligible state obligation in fiscal year 2021; not less than 90% of the total eligible state obligation in fiscal year 2022; and not less than 100% of the total eligible state obligation in fiscal year 2023.

The Act also increases the annual cap on Massachusetts School Building Authority ("MSBA") spending for school building construction/renovation from \$600 million to \$800 million. It requires the MSBA, with DESE, to review expenses and reimbursement rates and recommend changes to the house and senate no later than June 30, 2020.

The Act additionally establishes a Twenty-First Century Education Program and competitive grant program to address the achievement gap. School districts who win funds under the grant may submit a written request for a waiver of one or more provisions of the regulations to permit the school or school district to initiate programs, schedules or services that shall improve student learning.

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Finally, the Act establishes a Rural Schools Commission to investigate rural and regional school districts facing low and declining enrollment.

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If you have any questions about this issue, please contact Felicia Vasudevan or the attorney responsible for your account, or call (617) 479-5000.

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