

# SENATE . . . . . No. 2506

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## The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court  
(2017-2018)

An Act modernizing the foundation budget for the 21st century.

*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 amended by inserting after section 5B  
2 the following section:-

3           Section 5B½. (a) As used in this section, the following words shall have the following  
4 meanings unless the context clearly requires otherwise:

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

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

9           “Employee health insurance rate”, the employer share of the average active employee  
10 premium for all group insurance commission plans for the 3 previous fiscal years; provided,  
11 however, that the group insurance commission shall annually, not later than June 30, provide the  
12 department with data necessary for the determination of the rate or an increase of it.

13           “English learner enrollment”, the number of students identified as English learners  
14 pursuant to chapter 71A, including students enrolled in vocational and technical schools.

15           “English learner increment”, the additional amount allotted within a district’s foundation  
16 budget for additional services for students identified as English learners pursuant to chapter 71A,  
17 including those enrolled in vocational and technical schools; provided, however, that the value of  
18 the increment for fiscal year 2019 shall be \$2,444.60 multiplied by the number of English  
19 learners in the district and shall be adjusted annually thereafter by the foundation inflation index;  
20 provided further, that the portion of the increment supporting employee benefits and fixed  
21 charges shall be adjusted annually consistent with adjustments made to foundation benefit rates.

22           “Foundation benefits”, the amount allotted within a district's foundation budget for  
23 employee benefits and fixed charges; provided, however, that the allotment shall be equal to 1.29  
24 times the sum of: (i) the employee health insurance rate multiplied by the number of active  
25 employees for whom the district provides health insurance; and (ii) the retired employee health  
26 insurance rate multiplied by the number of the district’s retired employees receiving health  
27 insurance through the district or any of its member municipalities; and provided further, that  
28 each district shall annually, not later than June 30, provide the department with data necessary to  
29 determine the number of retired employees.

30           “Low-income enrollment”, the number of low-income students attending school in a  
31 district regardless of residence or tuition-paying status; provided, however, that in determining  
32 the number of low-income students, the department shall use the preceding year's actual number  
33 of low-income full-day kindergarten, elementary, junior high or middle school, high school and

34 vocational students and  $\frac{1}{2}$  of the preceding year's actual number of low-income half-day  
35 kindergarten and preschool students.

36 "Low-income increment", the additional amount allotted within a district's foundation  
37 budget for each low-income student; provided, however, that the department shall rank each  
38 district and divide the districts into deciles; provided further, that each district shall be assigned a  
39 low-income decile based on its low-income percentage that shall be calculated as its number of  
40 low-income students divided by the total foundation enrollment; provided further, that each  
41 decile shall be assigned a low-income increment where the increment for the lowest percentage  
42 decile shall be 50 per cent of the statewide per pupil amount for students with a family income of  
43 more than 185 per cent of the federal poverty level and the increment for the highest percentage  
44 decile shall be 100 per cent of the statewide per pupil amount for low-income students; and  
45 provided further, that when determining the statewide per pupil amount, the department shall use  
46 the average of the base rates in the enrollment categories of prekindergarten, kindergarten,  
47 elementary, middle school and high school, weighted by the number of students in each  
48 category.

49 "Low-income student", a student who has a family income that is not more than 185 per  
50 cent of the federal poverty level.

51 "Retired employee health insurance rate", the weighted average of the group insurance  
52 commission premium for all retiree plans for the 3 previous fiscal years; provided, however, that  
53 the group insurance commission shall annually, not later than June 30, provide the department  
54 with data necessary for the determination of such rate.

55 "Tuitioned-out special education rate", 3 times the statewide foundation budget per pupil  
56 amount.

57 (b) Annually, not later than January 15, the secretary of administration and finance shall  
58 meet with the senate and house committees on ways and means to jointly determine an  
59 implementation schedule to fulfill the recommendations filed on November 2, 2015 by the  
60 foundation budget review commission established in section 4 of chapter 70. The  
61 implementation schedule shall establish a foundation budget as defined in section 2 of said  
62 chapter 70 that incorporates the categories of tuitioned-out special education rate, assumed in-  
63 school special education enrollment, low-income increment, low-income enrollment, foundation  
64 benefits, employee health insurance rate, retired employee health insurance rate and English  
65 learner increment; provided, however, that in the first year of the term of office of a governor  
66 who has not served in the preceding year, the parties shall determine an implementation schedule  
67 not later than January 31 of that year.

68 In determining the implementation schedule, the secretary of administration and finance  
69 and the senate and house committees on ways and means shall hold a public hearing and receive  
70 testimony from the commissioner of elementary and secondary education and other interested  
71 parties. The schedule may be amended by agreement of the chairs of the senate and house  
72 committees on ways and means in any fiscal year to reflect changes in enrollment, inflation,  
73 student populations or other factors that may affect the remaining costs in the schedule. The  
74 implementation schedule shall be included in a joint resolution and placed before the members of  
75 the general court for their consideration annually, along with any proposed legislation necessary  
76 to execute and implement the schedule, not later than February 15. The implementation schedule  
77 shall be subject to appropriation. Upon completion of the implementation schedule, a joint

78 resolution shall be placed before the members of the general court affirming that the  
79 recommendations of the commission have been fulfilled; provided, however, that the  
80 determination of an annual implementation schedule shall not be required upon the adoption of  
81 the resolution affirming that the recommendations of the commission have been fulfilled.

82 SECTION 2. Chapter 70 of the General Laws is hereby amended by inserting after  
83 section 4 the following section:-

84 Section 4A. (a) The department, in consultation with the executive office of education,  
85 shall convene a data advisory committee to promote the improved use of school-level data to  
86 inform effective resource allocation decisions at the local level.

87 The data advisory committee shall include, but not be limited to, a representative from:  
88 the department; the executive office of education; the Massachusetts Association of School  
89 Committees, Inc.; the Massachusetts Association of School Superintendents, Inc.; the  
90 Massachusetts School Administrators Association, Incorporated; the Massachusetts Association  
91 of School Business Officials, Inc.; the Massachusetts Association of Vocational Administrators,  
92 Inc.; and the Massachusetts Association of Regional Schools, Inc. The data advisory committee  
93 may add additional members upon a majority vote of the committee members. The representative  
94 from the department and 1 member determined by a vote of the full committee every 2 years  
95 shall serve as co-chairs.

96 The data advisory committee shall assist the department in identifying, advising on and  
97 analyzing cost-effective ways to achieve goals including, but not limited to:

98 (i) streamlining financial reporting, eliminating duplicative reporting requirements  
99 and improving data quality;

100 (ii) strengthening the department's capacity to analyze and report staffing,  
101 scheduling and financial data in ways that support strategic resource allocation decisions at the  
102 district and school levels;

103 (iii) strengthening district capacity to use data to make strategic resource  
104 allocation decisions; and

105 (iv) establishing a data collection and reporting system that: (A) tracks funding  
106 allocated for low-income students and students identified as English learners pursuant to chapter  
107 71A to ensure that spending is targeted to the intended populations and to provide a data source  
108 for the foundation budget review commission about the accuracy and adequacy of the low-  
109 income and English learner increments as defined in section 5B½ of chapter 29; and (B) allows  
110 for access to school-level expenditures and data across all districts to inform the public and  
111 policy-makers about effective school-level interventions and investments.

112 (b) The data advisory committee shall report on its progress to the board of elementary  
113 and secondary education, the clerks of the senate and the house of representatives, the senate and  
114 house chairs of the joint committee on education and the chairs of the senate and house  
115 committees on ways and means not less than annually, by December 1. The report shall include  
116 recommendations for the department to achieve the goals of this section. The department may, in  
117 consultation with the data advisory committee, develop or procure the data collection and  
118 reporting system described in subsection (a).