

# **HOUSE . . . . . No. 4730**

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, July 10, 2018.

The committee on Ways and Means, to whom was referred the Bill relative to effective resource allocation in schools (House, No. 2871), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4730).

For the committee,

JEFFREY SÁNCHEZ.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
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An Act relative to findings of the foundation budget review commission.

*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. Section 2 of chapter 70 of the General Laws, as appearing in the 2016  
2 Official Edition, is hereby amended by striking out the definition of “Assumed in-school special  
3 education enrollment” and inserting in place there the following definition:-

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

7           SECTION 2. Said section 2 of said chapter 70, as so appearing, is hereby further  
8 amended by inserting after the definition of “District or School district” the following  
9 definition:-

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

14 SECTION 3. Said section 2 of said chapter 70, as so appearing, is hereby further  
15 amended by striking out the definition of “Foundation benefits” and inserting in place thereof the  
16 following definition:-

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

25 SECTION 4. Said section 2 of said chapter 70, as so appearing, is hereby further  
26 amended by inserting after the definition of “Professional development allotment” the following  
27 definition:-

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

32 SECTION 5. Said section 2 of said chapter 70, as so appearing, is hereby further  
33 amended by striking the definition of “foundation special education tuition” and inserting in  
34 place thereof the following definition:-

35 “Foundation special education tuition”, the amount allotted within a district’s foundation  
36 budget for special education tuition in any fiscal year. The value shall be the product of 3 times  
37 the statewide foundation budget per pupil amount and the assumed tuitioned-out special  
38 education enrollment.

39 SECTION 6. Chapter 70 of the General laws is hereby further amended by inserting after  
40 section 4 the following section:-Section 4A. Notwithstanding any general or special law to the  
41 contrary, paragraphs 4, 11, 22, 50 and 58 of section 2 of chapter 70 shall be fully implemented  
42 by fiscal year 2024; provided, that the rates for implementation shall be determined annually by  
43 the legislature based on cost estimates to be provided annually by the department; provided  
44 further, that if revenue projections for the following fiscal year significantly exceed the available  
45 revenues for the current fiscal year, the rates for assumed in-school special education enrollment  
46 and foundation benefits may increase at higher rates to be determined by the legislature.

47 (a) The commissioner, shall convene a data advisory commission to promote the  
48 improved use of state, district and school-level data to inform effective resource allocations at  
49 the local level.

50 The data advisory commission shall assist the department in identifying, analyzing, and  
51 making recommendations on high-impact, cost effective strategies for addressing student needs  
52 including, but not limited to:

53 (i) establishing a data collection and reporting system to: (a) track funding allocated for  
54 low-income students and students identified as English learners pursuant to chapter 71A and  
55 ensure spending is targeted to the intended populations; and (b) allow for access to school-level

56 expenditures and data across all districts to inform the public and policy-makers of high impact,  
57 cost effective school-level interventions and investments;

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

61 (iii) strengthening district capacity to use state, district and school data to use  
62 benchmarking tools to inform strategic resource allocation and implementation decisions; and

63 (iv) streamlining financial reporting, eliminating duplicative reporting requirements and  
64 improving data quality.

65 The data advisory commission shall include the commissioner of elementary and  
66 secondary education, who shall serve as chair, the secretary of education, or a designee, and 1  
67 member to be appointed by each of the following organizations, all of whom shall have a  
68 demonstrated knowledge, experience and interest in data collection for purposes of improving  
69 student performance: the Massachusetts Association of School Committees, Inc.; the  
70 Massachusetts Association of School Superintendents, Inc.; the Massachusetts School  
71 Administrators Association, Incorporated; the Massachusetts Association of School Business  
72 Officials, Inc.; the Massachusetts Association of Vocational Administrators, Inc.; the  
73 Massachusetts Association of Regional Schools, Inc.; and 3 members to be appointed by the  
74 commissioner, 1 of whom shall be a teacher who has had experience in a level 4 or 5 school that  
75 has utilized data to successfully improve student performance, and 2 members with professional  
76 experience and knowledge in the area of data collection, quality and usage in establishing public  
77 policy.

78 (b) The data advisory commission shall report annually on its progress to the board of  
79 elementary and secondary education, the clerks of the house of representatives and the senate,  
80 the house and senate chairs of the joint committee on education and the chairs of the house and  
81 senate committees on ways and means by December 1. The report shall include  
82 recommendations to achieve the requirements of this section. The department may, in  
83 consultation with the data advisory committee, develop or procure the data collection and  
84 reporting system described in subsection (a).

85 SECTION 7. The commissioner of the department of education shall conduct a study on  
86 the low-income increment and English learner component of the foundation budget calculation  
87 for the purpose of making recommendations to the legislature on ways to best serve low-income  
88 students and English learner populations.

89 The commissioner shall hire an independent research consultant with proven experience  
90 in education data and public policy research to assist in the study, which shall include:

91 (i) defining the foundation budget category for “low-income” and amount of increment  
92 attributable to low-income students for the purpose of calculating chapter 70 aid;

93 (ii) options for how districts may be grouped based on low-income enrollment for the  
94 purpose of calculating chapter 70 aid;

95 (iii) improvements to better align data with the executive office of health and human  
96 services for the purpose of counting low-income students, including options for improved  
97 identification methods, and efforts to encourage families to enroll in state assistance programs  
98 and ensure districts have appropriate information and outreach tools;

99 (iv) options for holding harmless those districts the department recognizes were  
100 negatively impacted by changes made to the calculation of low-income students, including  
101 districts where the increased rate did not fully compensate for a lower number of students  
102 identified under the economically disadvantaged metric implemented in 2016;

103 (v) options for changing the English learner base rate to an increment in the chapter 70  
104 formula, including recommendations on: (a) applying the middle school increment to all grade  
105 levels in the calculation of the English learner increment; (b) the degree to which the English  
106 learner increment should be differentiated based on the various levels of support required of  
107 English learners and (c) applying the increment to vocational school students;

108 (vi) types of interventions, supports and practices that have proven to be effective in  
109 improving performance for low-income students and English learners and have proven  
110 successful in closing the student achievement gap in districts with large populations of low-  
111 income students, including, but not limited to: instructional improvement; a study of staffing  
112 patterns and program offerings, and the costs incurred in providing such supports; and, models  
113 for offering sufficient guidance for supporting district and school decision-making relative to  
114 effective and efficient resource allocation.

115 Prior to issuing a final study, the commissioner shall hold not fewer than 2 public  
116 meetings and provide ample opportunity for public and stakeholder input relative to any initial  
117 findings.

118 The study, together with any recommendations, shall be filed with the house and senate  
119 committees on ways and means and the joint committee on education not later than December

120 31, 2018. A copy of the study shall be made publicly available on the website of the department  
121 of elementary and secondary education.

122 SECTION 8. Subject to appropriation, the commissioner of the department of education  
123 shall hire an independent research consultant with proven experience in results-driven, education  
124 data analysis and public policy research in order to assist with the implementation of section 6 of  
125 this act.

126 SECTION 9. Sections 1 to 5, inclusive, shall take effect on July 1, 2019.