



FUND OUR FUTURE



Fact Sheet on the *Student Opportunity Act*

The ***Student Opportunity Act***, signed into law on Nov. 26, provides a major infusion of new funding to Massachusetts public schools. Backed by the Fund Our Future Coalition, the act is by far the most significant update of the state education funding system since the Massachusetts *Education Reform Act* was enacted in 1993. The primary beneficiaries will be low-income students, students of color and English learners who have been left behind by the outdated system.

FUNDING INCREASES

Under the ***Student Opportunity Act***

The new law, Chapter 132 of the Acts of 2019, updates the foundation budget. A unique foundation budget is created for each district specifying the minimum level of education spending required to adequately educate the district's students. The costs are shared between municipalities and the state. First, the state calculates how much a municipality must contribute, largely based on local income and property tax wealth. Next, the state determines the difference between the "required local contribution" and the foundation budget. State Chapter 70 aid is then allocated to make up that difference.

Under the *Student Opportunity Act*, a relatively small number of districts will have to spend more on their local schools than they otherwise would have, but the majority will not because they already contribute more than mandated. Most of the new money under the act will come from the state. Projections show that new Chapter 70 allocations will exceed **\$2 billion a year by 2027** in actual dollars — or about **\$1.4 billion** over what the aid would have been without the SOA.

The act addresses the real costs of:

- **Educating low-income students.** The SOA defines low-income families as those whose incomes are at or below 185 percent of the federal poverty level, up from the current 133 percent. In addition, the law provides increased per-pupil funding above the baseline level depending on a community's concentration of poverty, ultimately providing twice as much funding — a 100 percent increment — for low-income students in districts with the highest concentrations.
- Educating special education students and English learners.
- Providing guidance and psychological services.
- Providing health insurance to employees and retirees.



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The SOA adds another estimated \$100 million annually by:

- Expanding special education circuit breaker reimbursements to include transportation costs and fixing an unintended side effect that reduces these reimbursements as the foundation budget increases (\$90 million annually after four-year phase-in).
- Establishing a new grant program called the Twenty-First Century Education Trust Fund intended to support innovative programs (\$10 million annually).

The SOA also sets a three-year schedule to fully fund the charter school reimbursement line item, though it does not address the long-term impact of charter schools. Additionally, it lifts the annual cap on Massachusetts School Building Authority spending by \$200 million — from \$600 million to \$800 million.

ACCOUNTABILITY

Under the *Student Opportunity Act*

The SOA requires superintendents, in consultation with their school committees, to create three-year improvement plans that specify how the new funding will be spent. It states that the superintendent “shall consider input and recommendations from parents and other relevant community stakeholders, including but not limited to special education and English learner parent advisory councils, school improvement councils and educators in the school district.” The first plans must be submitted to the state by April 1, 2020.

- The plans must address “persistent disparities in achievement among student subgroups” based on metrics developed by the Department of Elementary and Secondary Education.
- The law lists nine programs described as “evidence-based”; districts must either include such programs in their plans or explain why they do not believe they will “effectively address persistent disparities in achievement.” In addition, the law adds a 10th catchall: “any other program determined by the commissioner [of education] to be evidence-based.”
- The commissioner has the authority to review community-developed plans to ensure that they address all of the provisions in the law.

It is very important that educators and parents participate in the development of the district improvement plans to make sure the money is allocated to the services that they know students need. Plans that have an impact on unionized employees’ wages, hours and working conditions are subject to bargaining.