AN ACT MODERNIZING THE FOUNDATION BUDGET FOR THE 21ST CENTURY
S. 2325
Lead Sponsor: Senator Sonia Chang-Díaz

THE PROBLEM: Every day, students across Massachusetts walk into schools that are facing dire challenges. Over the last decade, school districts have been forced to 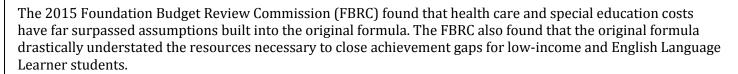make difficult cuts year after year. **Classrooms across the state have lost critical services and programs**, including social-emotional supports like counselors, wrap-around services, resources like technology and books, professional development, arts classes, and preschool programs.

On top of these cuts, **Massachusetts has one of the worst achievement gaps in the United States** – ranking 48th nationally for the achievement gap between affluent and poor students.

It wasn't supposed to be this way.

In 1993, Massachusetts passed the Education Reform Act— which established the "Foundation Budget" to make sure all school districts could provide their students with a quality education. Unfortunately, in the 25 years since, we have done little to update the formula, and it's now outdated, hampering districts' efforts to provide each student with the quality education they deserve.

The 2015 Foundation Budget Review Commission (FBRC) found that health care and special education costs have far surpassed assumptions built into the original formula. The FBRC also found that the original formula drastically understated the resources necessary to close achievement gaps for low-income and English Language Learner students.

In all, the bipartisan commission of experts found that Massachusetts is underestimating the cost of education by $1-2 billion every year

THE SOLUTION: To make good on our bedrock promise of providing every student in Massachusetts with equal access to quality education, we need to significantly revise the foundation budget formula. This bill will fix the formula to more accurately and equitably distribute resources – giving schools the funding they need to provide students with much-needed resources like wrap around services and social-emotional support.

S. 2325 will accomplish these goals by setting a **multi-year phase in of the FBRC 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.

- **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.

- **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.

- **Establish a Data Advisory Task Force** to improve our use of school-level data to better inform future policy decisions.

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