HOUSE No.

The Com	monwealth of Massachusetts
	PRESENTED BY:
	Lida E. Harkins
To the Hanarable Senate and House of Ren	resentatives of the Commonwealth of Massachusetts in General
Court assembled:	resentatives of the Commonwealth of Mussachusens in General
The undersigned legislators and/or	citizens respectfully petition for the passage of the accompanying bill:
An Act providing fo	r a fair and equitable school funding formula.
	PETITION OF:
NAME:	DISTRICT/ADDRESS:
Lida E. Harkins	13th Norfolk

[SIMILAR MATTER FILED IN PREVIOUS SESSION SEE HOUSE, NO. 447 OF 2007-2008.]

The Commonwealth of Massachusetts

AN ACT PROVIDING FOR A FAIR AND EQUITABLE SCHOOL FUNDING FORMULA.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 70 of the General Laws is hereby amended by striking out section 2 and inserting in place thereof the following:-

- Section 2A. As used in this chapter and in chapters 15, 69 and 71, the following words shall, unless the context clearly requires otherwise, have the following meanings:-
- "Administration allotment", the amounts allotted within a district's foundation budget for administration in any fiscal year. The administration allotment shall be the sum of:
- (a) 149.92 dollars multiplied by the foundation pre-school enrollment and the foundation half-day kindergarten enrollment; plus
- (b) 299.85 dollars multiplied by the foundation full-day kindergarten enrollment, the foundation elementary enrollment, the foundation junior high/middle school enrollment, the foundation high school enrollment, the foundation English learner full-day enrollment and the foundation vocational enrollment; plus
- (c) 2,069.49 dollars multiplied by the assumed in-school special education enrollment and the assumed tuitioned-out special education enrollment; plus
- (d) 149.93 dollars multiplied by the foundation English learner pre-school enrollment and by the foundation English learner half-day kindergarten enrollment.
- "Assumed in-school special education enrollment", 3.75 percent of total foundation enrollment in a district not counting vocational or preschool enrollment, plus 4.75 per cent of vocational enrollment.
- "Assumed tuitioned-out special education enrollment", 1 per cent of the total foundation enrollment in a district, not counting vocational or pre-school enrollment.

"Board", the board of education.

"Classroom and specialist teachers allotment", the amount allotted within a district's foundation budget for classroom and specialist teachers in any fiscal year. The classroom and specialist teachers allotment shall be the sum of:

(a) 1,241.62 dollars multiplied by the foundation pre-school enrollment and the foundation half-day kindergarten enrollment; plus

(b) 2,483.24 dollars multiplied by the foundation full-day kindergarten enrollment and the foundation elementary enrollment; plus

(c) 2,185.23 dollars multiplied by the foundation junior high/middle school enrollment; plus

(d) 3,213.57 dollars multiplied by the foundation high school enrollment; plus

(e) 6,828.85 dollars multiplied by the assumed in-school special education enrollment; plus

(f) 1,846.03 dollars multiplied by the foundation English learner pre-school enrollment and the foundation English learner half-day kindergarten enrollment; plus

(g) 3,692.05 dollars multiplied by the foundation English learner, full-day enrollment; plus

(h) 5,463.09 dollars multiplied by the foundation vocational enrollment; plus

(i) 2,210.24 dollars multiplied by the foundation low-income elementary enrollment; plus

(j) 1,663.93 dollars multiplied by the foundation low-income secondary enrollment.

"Commissioner", the commissioner of the department of education.

"Department", the department of education as established in section 1A of chapter 69.

"District" or "School district", the school department of a city or town, and a regional school district.

 "Employee benefits and fixed charges allotment", the amount allotted within a district's foundation budget for employee benefits and fixed charges. The employee benefits and fixed charges allotment shall be the sum of:

 (a) 310.78 dollars multiplied by the foundation pre-school enrollment and the foundation half-day kindergarten enrollment; plus

 (b) 621.57 dollars multiplied by the foundation full-day kindergarten enrollment and the foundation elementary enrollment; plus

(c) 590.99 dollars multiplied by foundation junior high/middle school enrollment; plus

(e) 2,618.91 dollars multiplied by the assumed in-school special education enrollment; plus

(d) 567.80 dollars multiplied by the foundation high school enrollment; plus

(f) 390.96 dollars multiplied by the foundation English learner, pre-school enrollment and the foundation English learner, half-day kindergarten enrollment; plus

(g) 781.92 dollars multiplied by the foundation English learner, full-day enrollment; plus

(h) 922.15 dollars multiplied by the foundation vocational enrollment; plus

(i) 226.78 dollars multiplied by the foundation low-income elementary enrollment and the foundation low-income secondary enrollment.

"Enrollment categories", each student, including students enrolled in special education programs and students who reside in the district and who attend either a public school in that district or a school for which the district of residence pays tuition, shall be placed in one and only one of the following enrollment categories depending on the grade and program to which the student is assigned:

(a) "English learner enrollment," the number of students enrolled in English language learner programs established under chapter 71A but, in the case of an innovative program, only the English learner students, as defined in section 2 of chapter 71A, enrolled in such a program shall be considered in calculating English learner enrollment in a district.

(b) "Elementary enrollment", the number of students enrolled in grades 1 through 5 and not enrolled in English learner, or vocational programs in a district.

(c) "High school enrollment", the number of students enrolled in grades 9 through 12 and not enrolled in English learner, or vocational programs in a district.

(d) "Junior high/middle school enrollment", the number of students enrolled in grades 6 through 8 and not enrolled in English learner, or vocational programs in a district.

(e) "Full-day kindergarten enrollment", the number of students enrolled in full-day kindergarten and not enrolled in English learner or vocational programs in a district who are not charged tuition for the second half of the day.

(f) "Half-day kindergarten enrollment", the number of students enrolled in half-day kindergarten and not enrolled in English learner or vocational programs in a district, or enrolled in full-day kindergarten but who are charged tuition for the second half of the day.

(g) "Pre-school enrollment", the number of students enrolled in pre-school programs run in connection with the special education program in a district. The foundation pre-school enrollment of pupils without approved individual education plans may not exceed twice the number of pre-school students enrolled under approved individual education plans.

(h) "Vocational enrollment", the number of students enrolled in vocational education programs or an agricultural school in a district.

"Foundation budget", the sum of a district's administration allotment; instructional leadership allotment; classroom and specialist teachers allotment; other teaching services allotment; professional development allotment; instructional materials, equipment and technology allotment; guidance and psychological allotment; pupil services allotment; operations and maintenance allotment; employee benefits and fixed charges allotment; and special education tuition allotment. The base year for calculating the foundation budget shall be fiscal year 2007. The base year foundation budget shall be calculated according to the formulas in this section using foundation enrollment as described in this section. For fiscal years thereafter, the foundation budget shall be the base year foundation budget, as adjusted for enrollment and for inflation as set forth in section 3 of this chapter.

"Foundation enrollment", the student enrollment of a district in any fiscal year. The foundation enrollment is defined as the sum of foundation full-day kindergarten, elementary, junior high/middle school, high school, English learner, and vocational enrollment plus one-half the sum of foundation pre-school and half-day kindergarten enrollment, including students enrolled in the program for the elimination of racial imbalance under section 12A of chapter 76. By March first of each calendar year, the department shall certify the foundation enrollment for the next fiscal year as the actual enrollment as reported the previous October.

"Foundation inflation index", in fiscal year 2007, the foundation inflation index shall equal 1.000. In fiscal year 2008 and in each fiscal year thereafter, the foundation inflation index shall equal the prior year's foundation inflation index multiplied by the ratio of the value of the implicit price deflator for state and local government purchases in the first quarter of the prior fiscal year to its value in the first quarter of the fiscal year two fiscal years prior.

"Guidance and psychological allotment", the amount allotted within a district's foundation budget for guidance and psychological services. The guidance and psychological allotment shall be the sum of:

(a) 90.34 dollars multiplied by the foundation pre-school enrollment and the foundation half-day kindergarten enrollment; plus

(b) 180.68 dollars multiplied by the foundation full-day kindergarten enrollment and the foundation elementary enrollment; plus

(c) 240.53 dollars multiplied by foundation junior high/middle school enrollment and the foundation English learner, full-day enrollment; plus

(d) 301.51 dollars multiplied by the foundation high school enrollment and the foundation vocational enrollment; plus

(e) 120.26 dollars multiplied by the foundation English learner, pre-school enrollment and the foundation English learner, half-day kindergarten enrollment.

"Instructional leadership allotment", the amounts allotted within a district's foundation budget for instructional leadership in any fiscal year. The instructional leadership allotment shall be the sum of:

(a) 270.78 dollars multiplied by the foundation pre-school enrollment, the foundation half-day kindergarten enrollment, the foundation English learner, pre-school enrollment and the foundation English learner, half-day kindergarten enrollment; plus

(b) 541.56 dollars multiplied by the foundation full-day kindergarten enrollment, the foundation elementary enrollment, the foundation junior high/middle school enrollment, the foundation high school enrollment, the foundation English learner, full-day enrollment and the foundation vocational enrollment.

"Instructional materials, equipment and technology allotment", the amount allotted within a district's foundation budget for instructional materials, equipment and technology. The instructional materials, equipment and technology allotment shall be the sum of:

(a) 179.71 dollars multiplied by the foundation pre-school enrollment, the foundation half-day kindergarten enrollment, the foundation English learner, pre-school enrollment and the foundation English learner, half-day kindergarten enrollment; plus

(b) 359.41 dollars multiplied by the foundation full-day kindergarten enrollment, the foundation elementary enrollment, the foundation junior high/middle school enrollment and the foundation English learner, full-day enrollment; plus

(c) 575.06 dollars multiplied by the foundation high school enrollment; plus

(d) 287.53 dollars multiplied by the assumed in-school special education enrollment; plus

(e) 1,006.35 dollars multiplied by the foundation vocational enrollment.

 "Low-income enrollment", the number of children attending school in a district regardless of residence or tuitionpaying status, who are eligible for free or reduced-cost lunches under eligibility guidelines promulgated by the federal government under 42 U.S.C. 1758. A low-income child or student is a child who meets these eligibility standards. In determining the total number of low-income students, the department shall use the preceding year's actual number of low-income elementary, junior high/middle school, high school, English learners, and vocational students, and one-half the preceding year's actual number of low-income kindergarten and pre-school students.

"Municipal foundation budget", a city or town's local district's foundation budget plus the sum of its share of the foundation budgets at regional districts or at agricultural schools of which it is a member. A city or town's share of the foundation budget at regional districts or agricultural schools shall be based upon its share of the total foundation enrollment from all member municipalities at those districts and schools.

"Operations and maintenance allotment", the amount allotted within a district's foundation budget for operations and maintenance. The operations and maintenance allotment shall be the sum of:

(a) 344.78 dollars multiplied by the foundation pre-school enrollment and the foundation half-day kindergarten enrollment; plus

(b) 689.56 dollars multiplied by the foundation full-day kindergarten enrollment and the foundation elementary enrollment; plus

(c) 747.58 dollars multiplied by foundation junior high/middle school enrollment; plus

(d) 724.85 dollars multiplied by the foundation high school enrollment; plus

(e) 2,311.74 dollars multiplied by the assumed in-school special education enrollment; plus

(f) 466.77 dollars multiplied by the foundation English learner, pre-school enrollment and the foundation English learner, half-day kindergarten enrollment; plus

(g) 933.53 dollars multiplied by the foundation English learner, full-day enrollment; plus

(h) 1,356.57 dollars multiplied by the foundation vocational enrollment; plus

(i) 345.04 dollars multiplied by the foundation low-income elementary enrollment and the foundation low-income secondary enrollment.

"Other teaching services allotment", the amount allotted within a district's foundation budget for other teaching services. The other teaching services allotment shall be the sum of:

(a) 318.44 dollars multiplied by the foundation pre-school enrollment and the foundation half-day kindergarten enrollment; plus

(b) 636.89 dollars multiplied by the foundation full-day kindergarten enrollment and the foundation elementary enrollment; plus

(c) 458.47 dollars multiplied by the foundation junior high/middle school enrollment; plus

(d) 381.68 dollars multiplied by the foundation high school enrollment and the foundation vocational enrollment; plus

(e) 6,375.99 dollars multiplied by the assumed in-school special education enrollment; plus

(f) 31.63 dollars multiplied by the assumed tuitioned-out special education enrollment; plus

(g) 254.63 dollars multiplied by the foundation English learner, pre-school enrollment and the foundation English learner, half-day kindergarten enrollment; plus

(h) 509.26 dollars multiplied by the foundation English learner, full-day enrollment.

"Professional development allotment", the amount allotted within a district's foundation budget for professional development. The professional development allotment shall be the sum of:

(a) 49.12 dollars multiplied by the foundation pre-school enrollment and the foundation half-day kindergarten enrollment; plus

(b) 98.25 dollars multiplied by the foundation full-day kindergarten enrollment and the foundation elementary enrollment; plus

(c) 106.53 dollars multiplied by the foundation junior high/middle school enrollment; plus

(d) 103.29 dollars multiplied by the foundation high school enrollment; plus

(e) 329.42 dollars multiplied by the assumed in-school special education enrollment; plus

(f) 66.51 dollars multiplied by the foundation English learner, pre-school enrollment and the foundation English learner, half-day kindergarten enrollment; plus

(g) 133.02 dollars multiplied by the foundation English learner, full-day enrollment; plus

(h) 170.77 dollars multiplied by the foundation vocational enrollment; plus

(i) 49.17 dollars multiplied by the foundation low-income elementary enrollment and the foundation low-income secondary enrollment.

"Pupil services allotment", the amount allotted within a district's foundation budget for pupil services. The pupil services allotment shall be the sum of:

(a) 35.94 dollars multiplied by the foundation pre-school enrollment and the foundation half-day kindergarten enrollment; plus

(b) 71.89 dollars multiplied by the foundation full-day kindergarten enrollment; plus

(c) 107.83 dollars multiplied by the foundation elementary enrollment and the foundation English learner, full-day enrollment; plus

(d) 176.12 dollars multiplied by foundation junior high/middle school enrollment; plus

(e) 406.13 dollars multiplied by the foundation high school enrollment and the foundation vocational enrollment; plus

(f) 53.92 dollars multiplied by the foundation English learner, pre-school enrollment and the foundation English learner, half-day kindergarten enrollment.

"Special education tuition allotment", the amount allotted within a district's foundation budget for special education tuition. The special education tuition allotment shall be the sum of 19,648.85 dollars multiplied by the assumed tuitioned-out special education enrollment.

"Wage adjustment factor", an adjusted difference between the average annual wage for all jobs in the labor market area in which a municipality is located and the average annual wage in the commonwealth. Average annual wage figures shall be published annually by the division of employment and training. The wage adjustment factor shall be the sum of 1 plus a fraction, the numerator of which shall be the product of one-third and the difference resulting from subtracting the average annual wage in the commonwealth from the average annual wage of the community; and the denominator of which shall be the average annual wage in the commonwealth.

For the purposes of this section, the average annual wage of the community shall be the sum of:

(a) eight-tenths multiplied by the average annual wage for all jobs in the labor market area in which the municipality is located; plus

(b) two-tenths multiplied by the average annual wage of the municipality.

The wage adjustment factor shall not be less than 1 for any community.

Section 2B. As used in this chapter and in chapters 15, 69 and 71, the following words shall, unless the context clearly requires otherwise, have the following meanings:-

"Chapter 70 aid", for each district, the sum of its foundation aid, full foundation down payment increment, growth aid increment, and minimum aid increment, minus any reduction to foundation.

"Combined effort yield", the sum of a municipality's equalized property valuation multiplied by its uniform property percentage plus its income multiplied by its uniform income percentage.

"Effort reduction percentage", the percentage of excess effort to be reduced in any given year, applied uniformly to each municipality with excess effort in the calculation of required local contribution in any given year. The effort reduction percentage will be 40 percent in fiscal year 2008, 60 percent in fiscal year 2009, 80 percent in fiscal year 2010, and 100 percent in fiscal year 2011 and thereafter.

"Equalized property valuation", the most recent equalized property valuation for a municipality as determined by the department of revenue under the provisions of sections 9, 10 and 10C of chapter 58.

"Excess effort", the positive difference, if any, between a municipality's target local contribution and its preliminary contribution.

"Foundation aid", the positive difference between a district's foundation budget and its required district contribution.

"Full foundation down payment increment", a percentage of the positive difference between 100 per cent of a district's target aid share and its foundation aid, provided that the result is greater than zero. In FY08 the percentage shall be 40 percent; in FY09 it shall be 60 percent; and in FY10 it shall be 80 percent.

"Full foundation down payment increment", a percentage of the positive difference between a district's target aid share multiplied by its foundation budget, and its foundation aid. In fiscal year 2008 the percentage shall be 40 percent; in fiscal year 2009 it shall be 60 percent; and in fiscal year 2010 it shall be 80 percent.

"General revenue-sharing aid", the amount of assistance from the commonwealth to be received by a city or town in a fiscal year from the following local aid programs: (1) payments in lieu of taxes for state-owned lands distributed under section 17 of chapter 58, (2) the distribution to cities and towns of the balance of the State Lottery Fund in accordance with the provisions of clause (c) of section 35 of chapter 10, and (3) additional assistance, as distributed under section 18E of chapter 58.

"Growth aid target", the positive difference if any between a district's current year foundation budget and its prior year foundation budget, multiplied by its target aid share, plus its prior year chapter 70 aid. The growth aid target shall be zero for any district whose current year foundation budget is less than or equal to its prior year foundation budget.

"Growth aid increment," the positive difference if any, between a district's growth aid target and the sum of its foundation aid and full foundation down payment increment.

"Income", total income from all sources as reported by residents of a municipality on income tax returns submitted

to the Massachusetts department of revenue for the most recent available calendar year.

"Income percentage", the uniform percentage of each municipality's total income that yields one-half of the statewide total of combined effort yields in any fiscal year.

"Maximum local contribution", 82.5 per cent of a municipality's foundation budget.

"Minimum per pupil increase", sum of a district's prior year chapter 70 aid and 50 dollars times a district's foundation enrollment.

"Minimum aid increment", the positive difference if any when the sum of a district's foundation aid, full foundation down payment increment, and growth aid increment is subtracted from its minimum per pupil increase.

"Municipal revenue growth factor", the change in local general revenues calculated by subtracting 1 from the quotient calculated by dividing the sum of: (1) the maximum levy for the fiscal year estimated by multiplying the levy limit of the prior fiscal year by a factor equal to 102.5 per cent plus the average of the percentage increases in the levy limit due to new growth adjustments over the last 3 available years as certified by the department of revenue or as otherwise estimated by the division of local services of the department of revenue where it appears that a municipality may not be entitled to increase its minimum levy limit by 2.5 per cent; provided, however, that if the highest percentage during such 3 years exceeds the average of the other 2 years' percentages by more than 2 percentage points, then the lowest 3 of the last 4 years shall be used for such calculation; (2) the amount of general revenue-sharing aid for the fiscal year; and (3) other budgeted recurring receipts not including user fees or other charges determined by the division of local services to be associated with the provision of specific municipal services for the prior fiscal year, by the sum of: (1) the actual levy limit for the prior fiscal year; (2) the amount of general revenue-sharing aid received for the prior fiscal year; and (3) other recurring receipts not including user fees or other charges determined by such division of municipal services to be associated with the provision of specific municipal services budgeted by the municipality for the fiscal year preceding the prior fiscal year, if any; provided, however, that for the purposes of this calculation, the levy limit shall exclude any amounts generated by overrides applicable to any year after the fiscal year ending June 30, 1993; provided, further, that, in the absence of an actual levy limit for the prior fiscal year, the actual levy limit for the prior fiscal year shall be estimated by multiplying the actual levy limit of the fiscal year preceding the prior fiscal year by a factor equal to 102.5 per cent plus the average of the percentage increases in the levy limit due to new growth as specified above; and, provided, further, that, in making any of the calculations required by this definition, the division of local services may substitute more current information or such other information as would produce a more accurate estimate of the change in a municipality's general local revenues and the department shall use such growth factor to calculate preliminary contribution, required local contribution and any other factor that directly or indirectly uses the municipal revenue growth factor.

"Net school spending", the total amount spent for the support of public education, including teacher salary deferrals and tuition payments for children residing in the district who attend a school in another district or other approved facility, determined without regard to whether such amounts are regularly charged to school or non-school accounts by the municipality for accounting purposes. Net school spending shall not include any spending for long-term debt service, and shall not include spending for school lunches, or student transportation. Net school spending shall also not include tuition revenue or revenue from activity, admission, other charges or any other revenue attributable to public education. Such revenue will be made available to the school district that generated such revenue in addition to any financial resources made available by municipalities or state assistance. The department, in consultation with the department of revenue, shall promulgate regulations to ensure a uniform method of determining which municipal expenditures are appropriated for the support of public education and which revenues are attributable to public education in accordance with this section. The regulations shall include provisions for resolving disputes which may arise between municipal and school officials.

"Reduction to foundation", the positive difference if any, between the sum of a district's foundation aid, full foundation down payment increment, growth aid increment, and minimum aid increment, and its foundation budget.

"Preliminary contribution", the product of (a) a municipality's required local contribution for the prior fiscal year, and (b) 1 plus the municipal revenue growth factor for the current year.

"Property percentage", the uniform percentage of each municipality's total equalized property valuation that yields one-half of the statewide total of combined effort yields in any fiscal year.

"Required local contribution", the municipality's preliminary contribution minus the product of its excess effort, if any, multiplied by the effort reduction percentage. The required municipal contribution shall be apportioned to each district to which the municipality belongs, in proportion to the municipality's foundation budget at those districts.

"Required district contribution", a local district's share of the municipality's required local contribution or, in a regional district or agricultural school, the sum of member municipalities' required local contributions apportioned to that regional district or agricultural school.

"Statewide target local share", the sum of all municipalities' target local contributions, as a percentage of the sum of all municipal foundation budgets, which shall be set at 59 per cent.

"Target aid share", for a local district, 100 per cent minus the municipality's target local share. For a regional district or agricultural school, the target aid share shall be 100 per cent minus each member municipality's target local share, multiplied by each municipality's share of the regional district's enrollment, combined for all members of the district.

"Target local contribution", the lesser of a municipality's combined effort yield and its maximum local contribution.

"Target local share", a municipality's target local contribution as a percentage of its municipal foundation budget.

SECTION 2. Section 3 of said chapter 70, as so appearing, is hereby amended by striking out lines 1 through 17 and inserting in place thereof the following:- The factors to be inflated shall be the monetary values for the administration allotment, the instructional leadership allotment, the classroom and specialist teachers allotment, the other teaching services allotment, the professional development allotment, the instructional materials, equipment and technology allotment, the guidance and psychological allotment, the pupil services allotment, the operations and maintenance allotment, the employee benefits and fixed charges allotment, and the special education tuition allotment. The administration allotment, the instructional leadership allotment, the classroom and specialist teachers allotment, the other teaching services allotment, the professional development allotment, the guidance and psychological allotment, the pupil services allotment, and the operations and maintenance allotment shall be further adjusted by multiplying each allotment's resulting amount by a district's wage adjustment factor.

SECTION 3. Sections 5, 7, 9, 12, 13 and 14 of said chapter 70 are hereby repealed.

SECTION 4. Section 6 of said chapter 70, as so appearing, is hereby amended by striking out, in line 6, the word "minimum" and is hereby further amended by striking out, in line 8, the words "but not including equity aid".

 SECTION 5. Section 10 of said chapter 70, as so appearing, is hereby amended by striking out lines 1 through 7 and inserting in place thereof the following: "Subject to appropriation, the amount of state aid to be paid to each municipality, regional school district, and agricultural school district shall be chapter 70 aid as defined in section 2B of this chapter. If in any given year state appropriations are insufficient to meet all aid calculated under this chapter, appropriations shall be applied first to foundation aid, then to full foundation down payment increments, then to growth aid increments, and lastly to minimum aid increments."