



Equitable Funding for **Our Schools** Through the **COVID-19** Crisis

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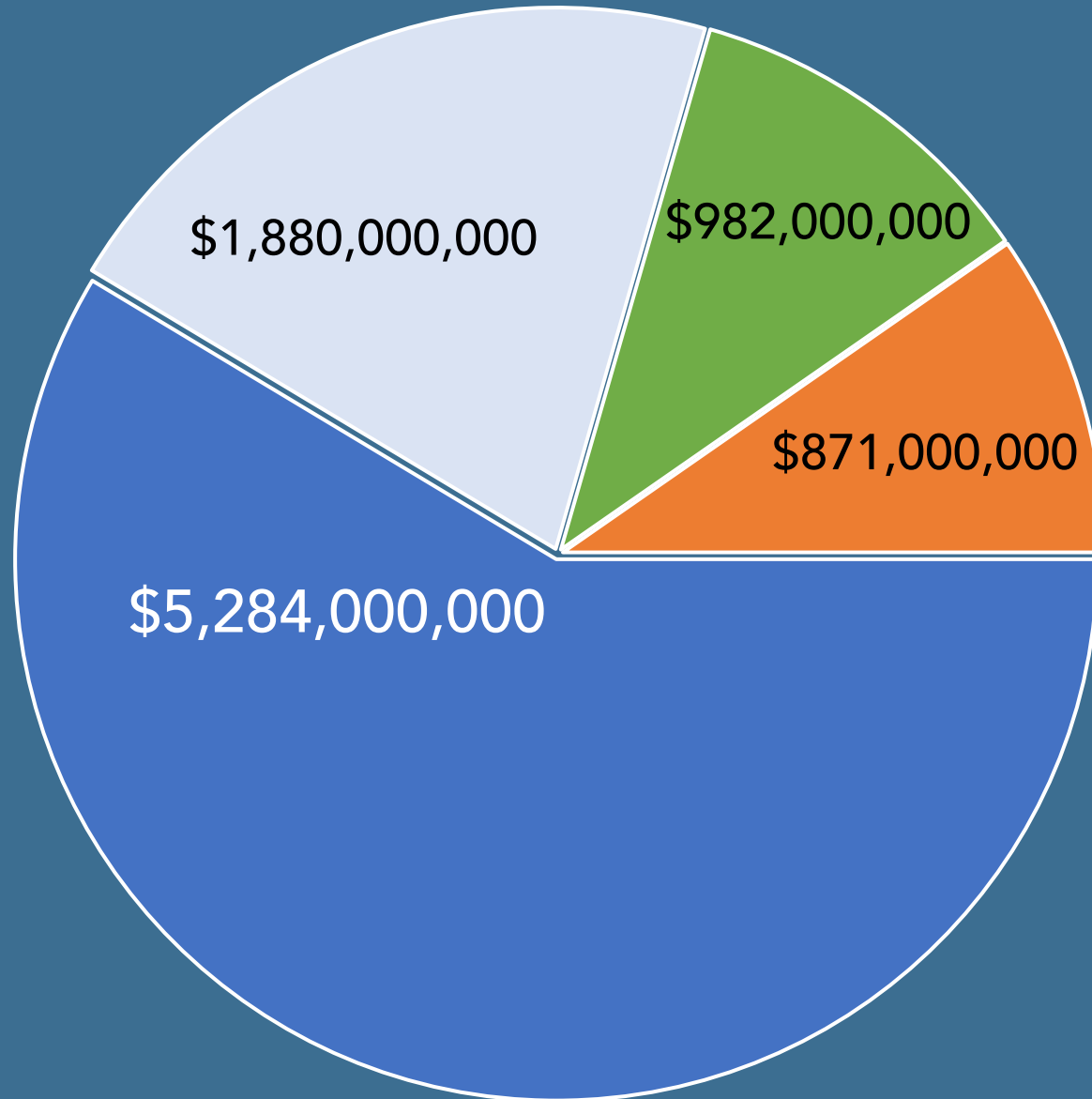
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Breaking Down the K-12 Education Budget in MA



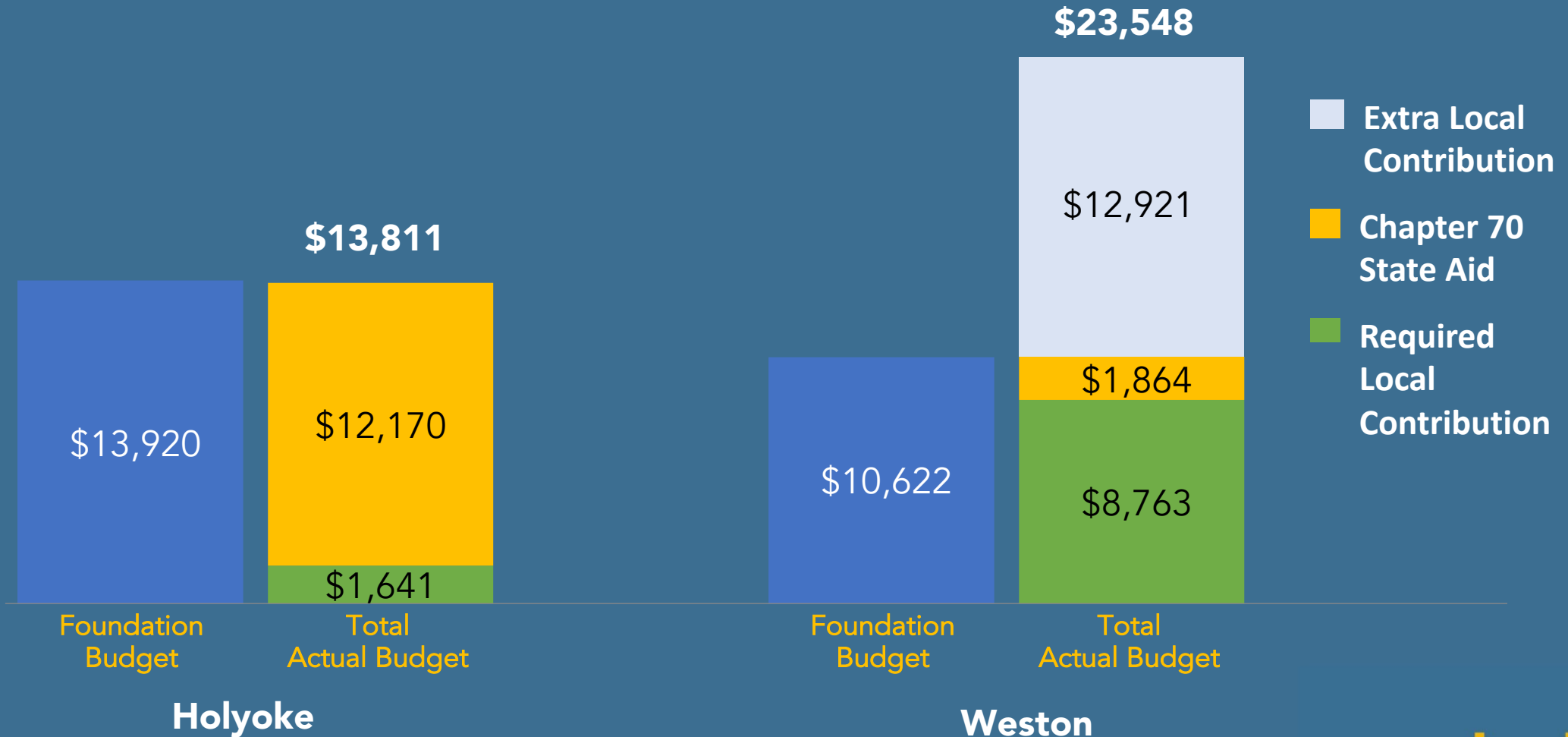
**Current
FY 2021
Funding
\$9.02 billion**



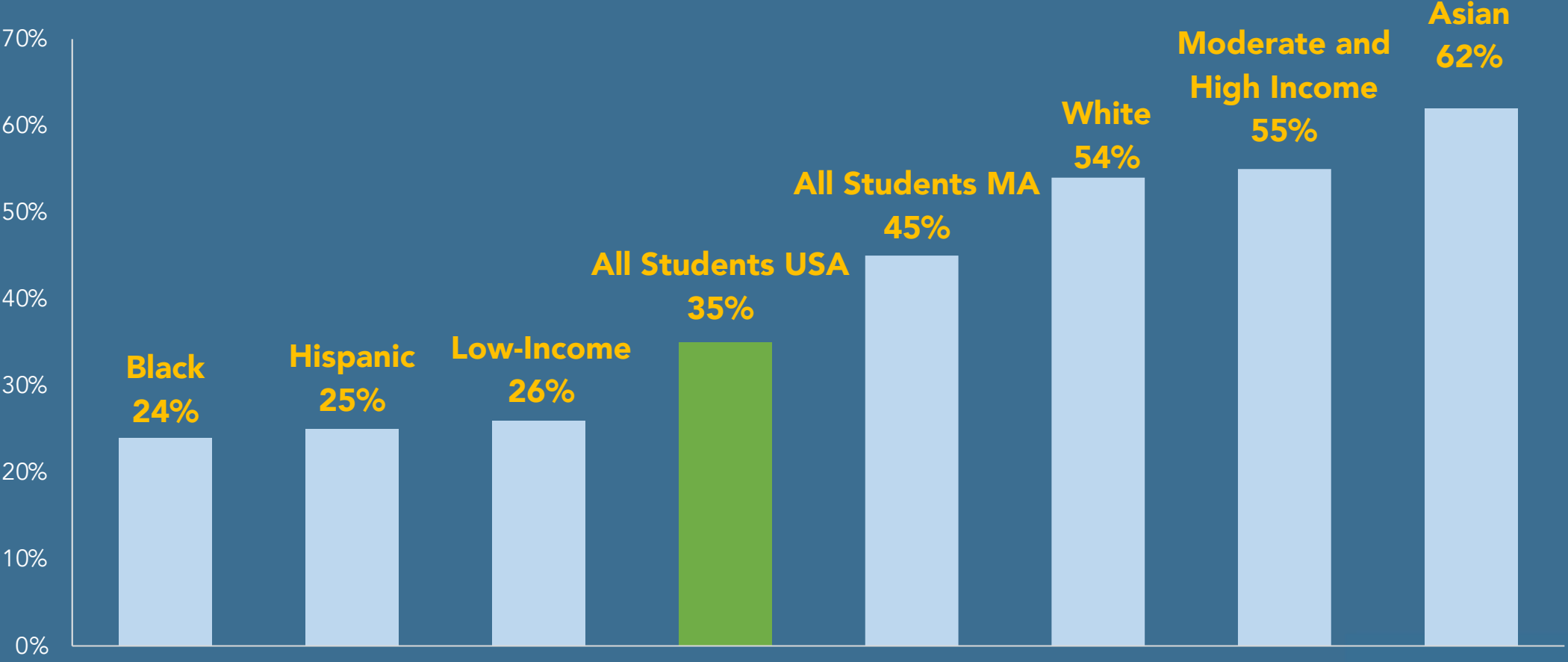
- Chapter 70 Aid & Reserves
- Teacher Pensions
- School Building - MSBA
- Other - K-12 Admin-Grants-Local Aid

Disparity in K-12 Funding Between Communities

Per pupil spending by revenue source, FY 2020



Massachusetts Has Significant Achievement and Opportunity Gaps in NAEP 4th Grade Reading



Source: National Center for Education Statistics, 2020



New Era – The Student Opportunity Act (SOA)

- Nov. 2019 - Student Opportunity Act signed into law. Most significant K-12 funding reform since 1993. FY 2021 is first year SOA was intended to take effect
- Student Opportunity Act initially projected to add \$1.5B to K-12 funding over 7 years. Includes \$1.4B Chapter 70, remainder for special education circuit breaker grants, small innovation grant
- Adds at least \$22M per year for circuit breaker transportation through FY 2024, full charter reimbursement by FY 2023 (current projection - \$36M underfunded in HWM budget for FY 2022)

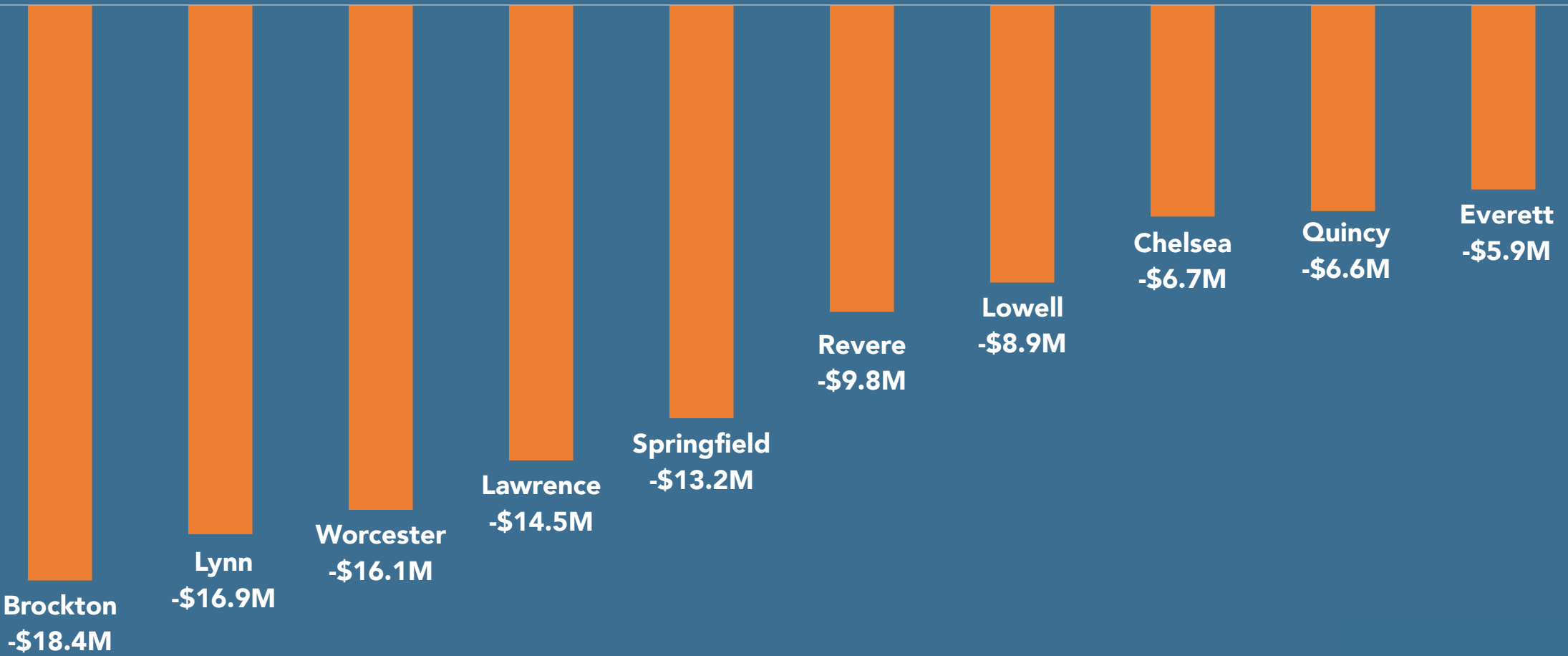
How the SOA Increases K-12 Aid

- Increased aid from reforms in the SOA, targets in 4 main areas over planned 7 years. Includes low-income, health care, special education, ELL increases.
- Low-income rate – SOA provides added funding based on share of low-income kids - up to \$8,800 per student when implemented, nearly double current funding
- Enrollment – 185 FPL low-income threshold, plan to use FY17 data in FY21, new process in FY22. Change delayed a year. Count is critical to higher rates in SOA. COVID era shock to enrollment a key issue

Funding Our Schools During the Public Health Crisis

- FY 2020 budget and FY 2021 process was disrupted by the COVID crisis. Level budget July-Oct. 2020
- FY 2021 budget approved by Legislature proposed \$97M more Chapter 70 aid/reserves, just fundamentals, SOA on hold. However, federal aid for COVID adaptation & low-income support bolstered districts
- SOA delay leaves more work ahead to catch up and meet the schedule in the law

Diverse, Low Income, Gateway Districts Harmed Most by the Delay of the Student Opportunity Act in FY 2021

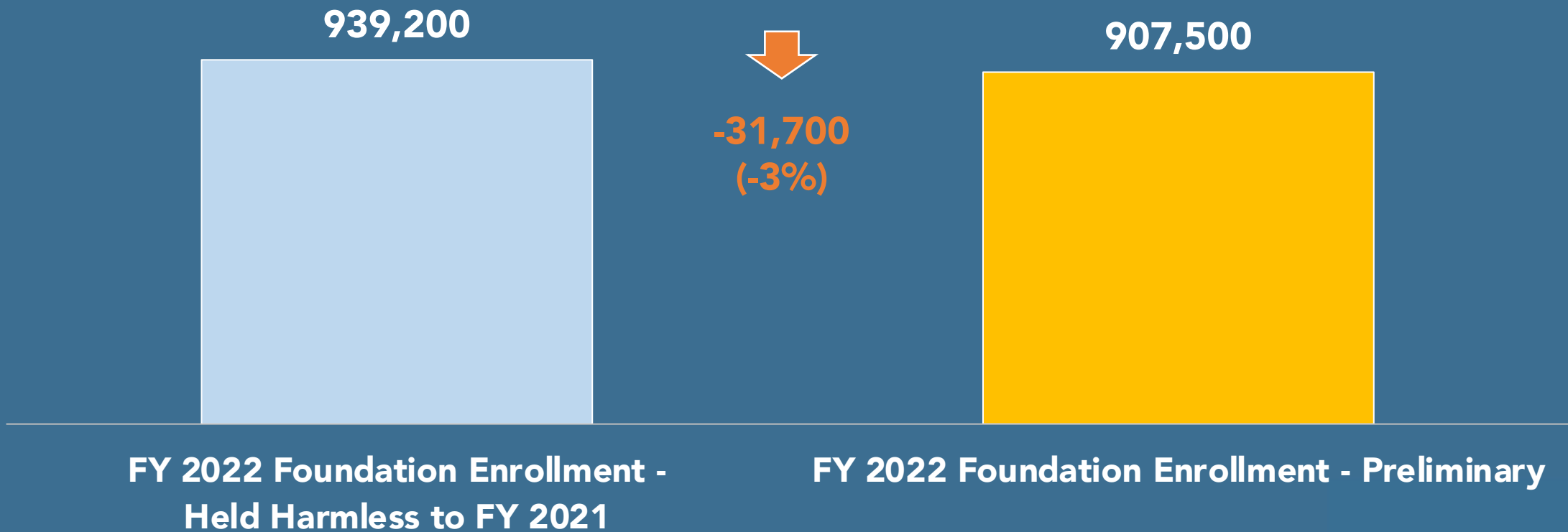


Top 10 Districts in Chapter 70 Aid decreases, FY 2021 Revised Local Aid July 2020, Compared to FY 2021 Gov. Baker Proposal, January 2020, millions

Source: Department of Elementary and Secondary Education

Enrollment Disruption From COVID Crisis, SOA Delay May Impact K-12 Funding This Year

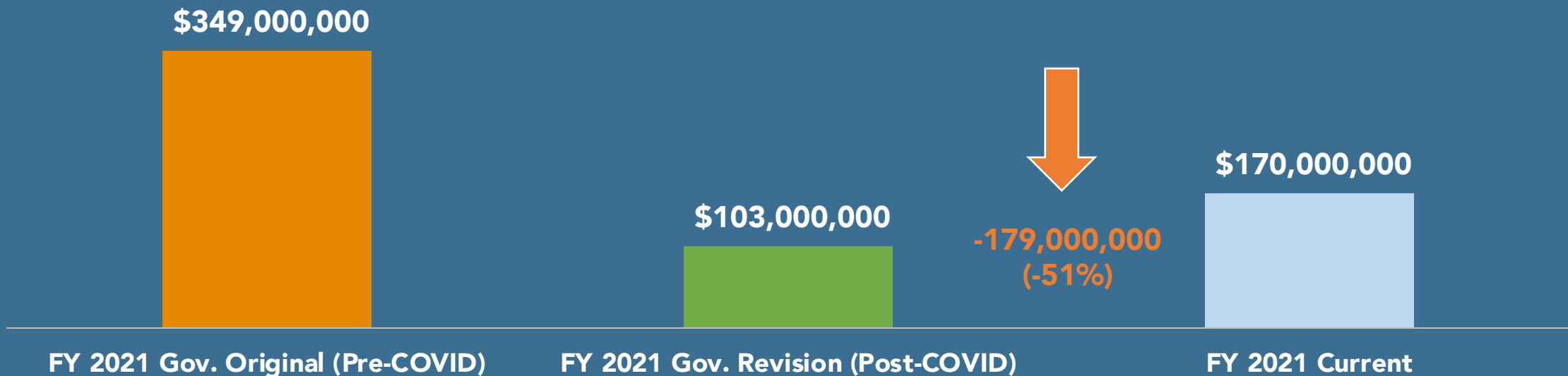
FY 2022 Foundation enrollment figures, Preliminary FY 2022 and FY 2022 Held Harmless to FY 2021



Source: Department of Elementary and Secondary Education, Mass. Association of School Superintendents

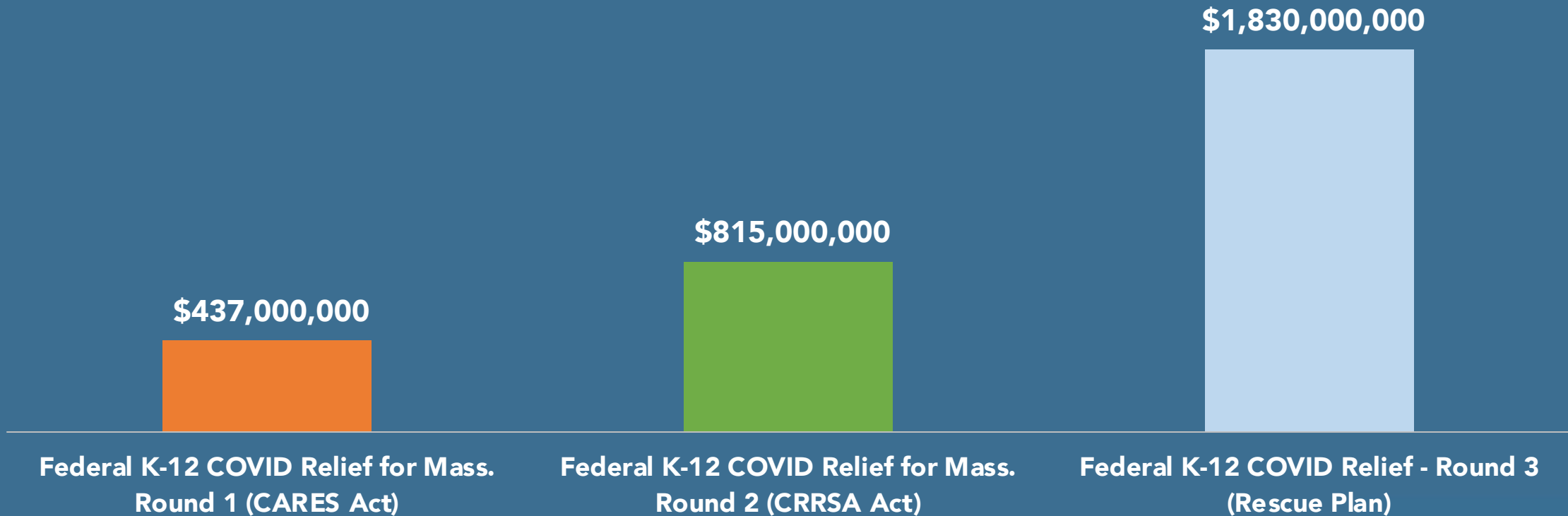
State Funding Response on SOA Was Limited Until the Arrival of State/Federal Relief Grants

Statewide Increase over FY 2020 in FY 2021 – FY 2021 Governor’s Budget – January, Budget Revision October, FY 2021 Current, Combines Chapter 70 Aid, Circuit Breaker Grants, Charter Reimbursements, 21st Century Fund



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Federal COVID Relief Grants, state/district distributions, CARES Act (July 2020), ESSER II (January 2021), American Rescue Plan (March 2021)



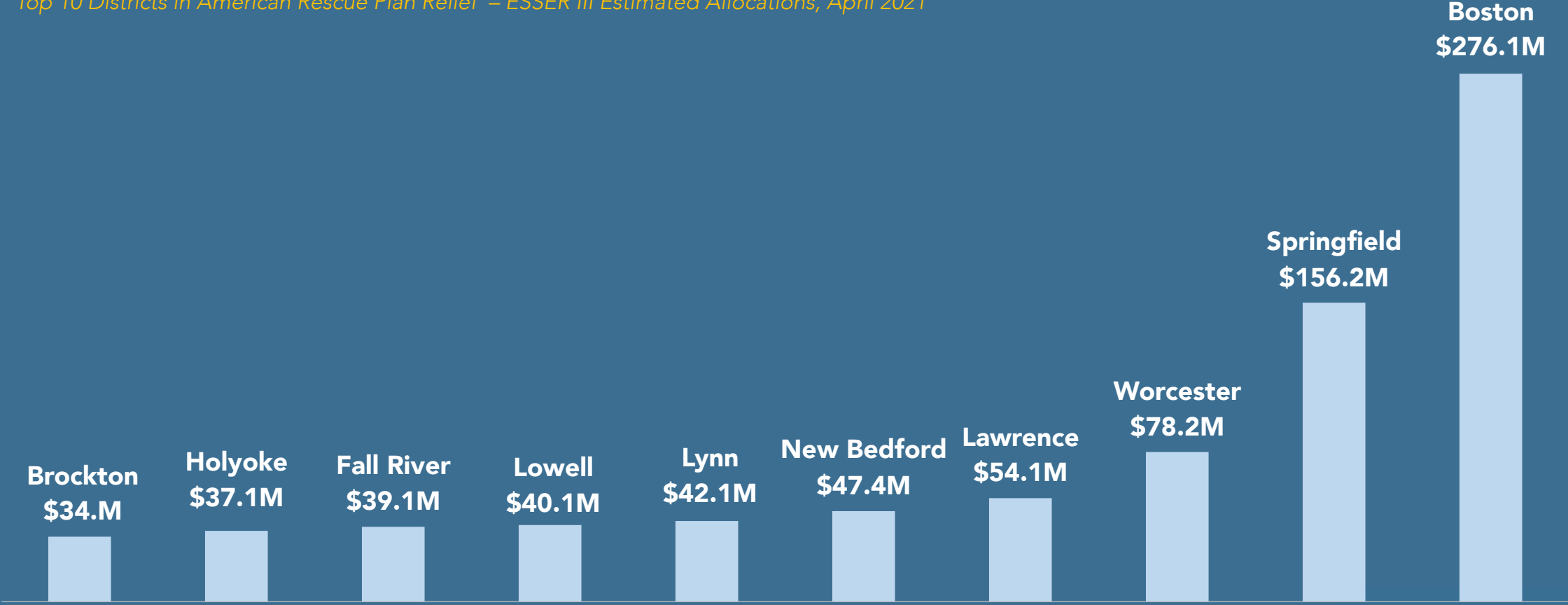
Source: Mass. DESE, U.S. Department of Education

Federal Relief Provides Significant Opportunities

- Federal relief funds significantly improve budget outlook and options
- Overall dollar amounts exceed the basics of operating safely during COVID, to levels necessary for recovery, strategic investment
- Greater flexibility - ESSER II & III distributed based on poverty. Nearly any purpose under federal ed laws, or for COVID recovery allowed
- Nevertheless, relief will expire! Federal grants can be a bridge, not a substitute, for sustained, guaranteed, state support of our K-12 goals

American Rescue Plan Will Deliver **\$1.65B** in Aid to Districts Across Massachusetts

Top 10 Districts in American Rescue Plan Relief – ESSER III Estimated Allocations, April 2021



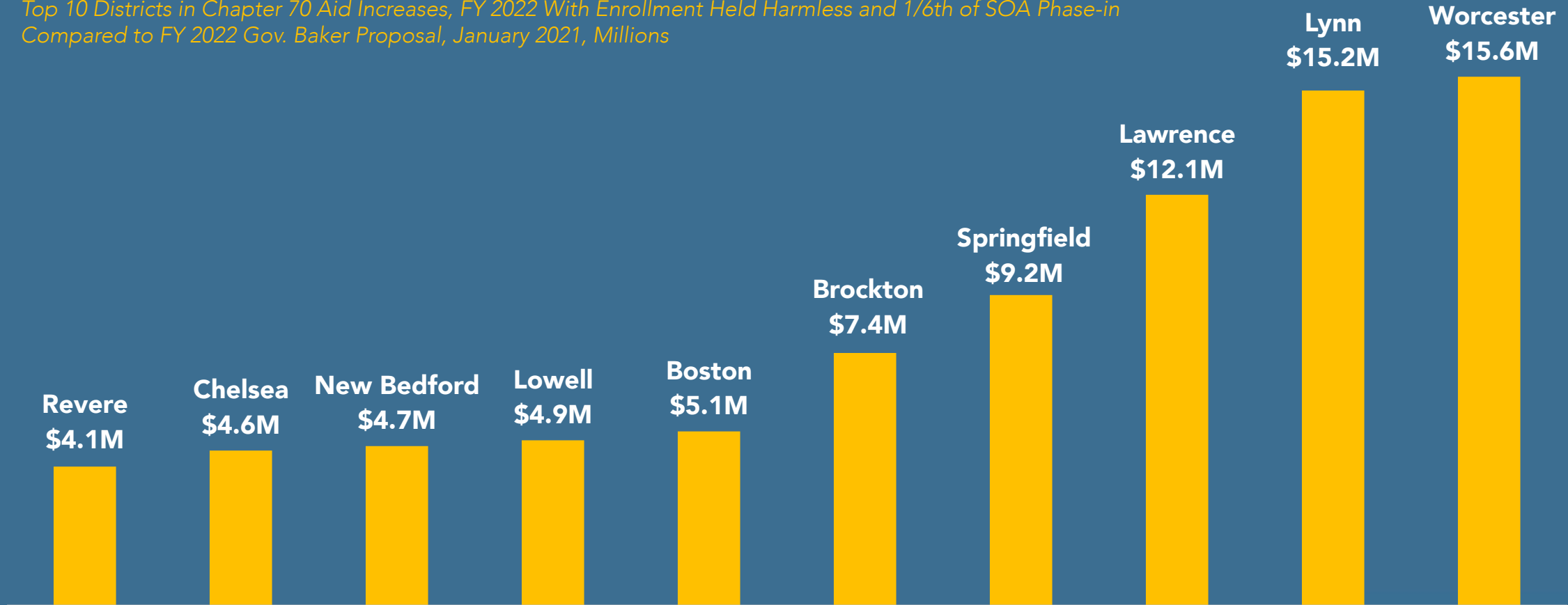
Source: Massachusetts Department of Revenue - Division of Local Services

Status of the SOA – Gov. Budget

- For the FY 2022 budget, we can make up for lost time in SOA
- FY 2022 proposal from Gov. Baker only covered 1 year of the SOA, left more work ahead to catch up. Enrollment declines from COVID baked into allocations, despite likely return of many students
- Goal - getting SOA back on schedule with protection against enrollment declines from COVID
- Recent data shows \$152 million extra funding necessary to catch up with 31,700 more students counted as enrolled.

Diverse, Low Income, & Gateway Districts Would Gain the Most Aid From Fully Catching Up On SOA in FY 2022

Top 10 Districts in Chapter 70 Aid Increases, FY 2022 With Enrollment Held Harmless and 1/6th of SOA Phase-in Compared to FY 2022 Gov. Baker Proposal, January 2021, Millions



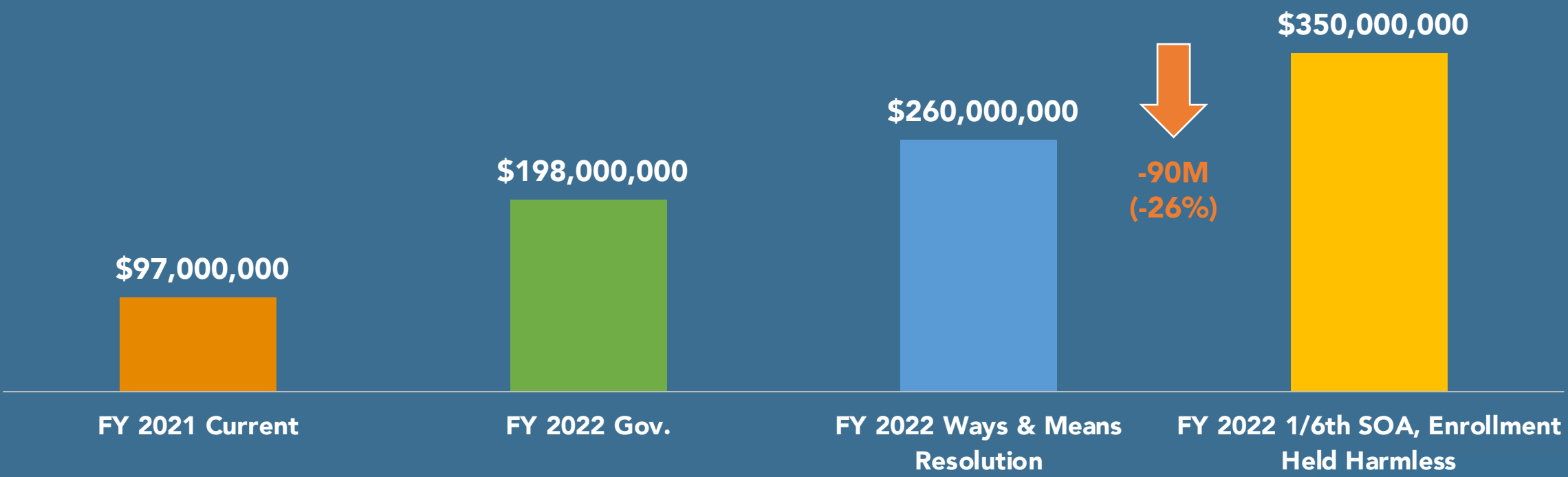
Source: Department of Elementary and Secondary Education, Mass. Association of School Superintendents

Status of the SOA - Ways & Means Resolution

- HWM/SWM FY 2022 resolution - 1/6 of the SOA, on pace for implementation by FY 2027, \$62M increase over Gov.
- \$22M Chapter 70 Aid, \$40M reserve for enrollment help, but overall \$90M short of comprehensive solution. Top 6 district gains from that approach exceed total new funds in resolution. Unclear - how the fund will be administered, contingency plan if reserves falls short
- Solving enrollment problem with Chapter 70 aid – more predictable, easier to implement, and dependable for long-term investments, necessary for COVID-19 adaptation, recovery, and the SOA

Local Aid Resolution Moves in a Positive Direction, Still Short of a Comprehensive Solution

Statewide 1-Year Increases, FY 2021 Current Budget, FY 2022 Gov. Budget, FY 2022 Local Aid Resolution, Combines Chapter 70 Aid and Reserves



Source: Joint Committee on Ways and Means, Mass. Association of School Superintendents), MassBudget Budget Browser

Takeaways and Considerations Moving Forward

- Ways and Means made progress, but risk we could be \$90M behind in FY 2022 remains. Enrollment challenge remains until a reset in FY 2023
- Interplay of federal aiding with new needs specific to COVID safety and recovery (e.g. enrichment, facilities, mental health, PPE, SPED) and long-term goals. How flexibly, strategically, aid is used by Mass. is crucial
- K-12 investment supports students, but also hiring, investment, services, that help us out of a recession.
- We can be optimistic about beating the pandemic and getting back to square one and hopefully beyond through SOA

What Questions Do You Have?

