

The Student Opportunity Act is WORKING

but...

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The Student Opportunity Act is Working But... Part I: History & Current State

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November 6, 2024



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“Wisdom and knowledge, as well as virtue, diffused generally among the body of the people, being necessary for the preservation of their rights and liberties; and as these depend on spreading the opportunities and advantages of education in the various parts of the country, and among the different orders of the people, it shall be the duty of legislatures and magistrates, in all future periods of this Commonwealth, to cherish the interests of literature and the sciences, and all seminaries of them; especially the university at Cambridge, public schools and grammar schools in the towns . . .”

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“In this light, we have considered the proper meaning of the words "duty" and "cherish" found in c. 5, Section 2. What emerges from this review is that the words are not merely aspirational or hortatory, but obligatory. What emerges also is that the Commonwealth has a duty to provide an education for all its children, rich and poor, in every city and town of the Commonwealth at the public school level, and that this duty is designed not only to serve the interests of the children, but, more fundamentally, to prepare them to participate as free citizens of a free State to meet the needs and interests of a republican government, namely the Commonwealth of Massachusetts.”

“It is the intention of the general court, subject to appropriation, to assure fair and adequate minimum per student funding for public schools in the commonwealth by defining a foundation budget and a standard of local funding effort applicable to every city and town in the commonwealth.”

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Foundation Budget Review Commission

October 30, 2015

The state has a big new school funding law. Here's what it means

By

MASS LIVE

NEWS

Gov. Charlie Baker signs \$1.5 billion education funding bill into law

Updated: Nov. 26, 2019, 2:07 p.m. | Published: Nov. 26, 2019, 1:59 p.m.



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NEWS ▾ OPINION IN DEPTH BY THE NUMBERS THE CODCAST MEMBERSHIP ABOUT ▾

EDUCATION

On target: ed reform money reaching poorer districts

New state aid flowing to needier systems, as intended, while 141 districts see only minimum increase

by SHIRA SCHOENBERG
October 30, 2022

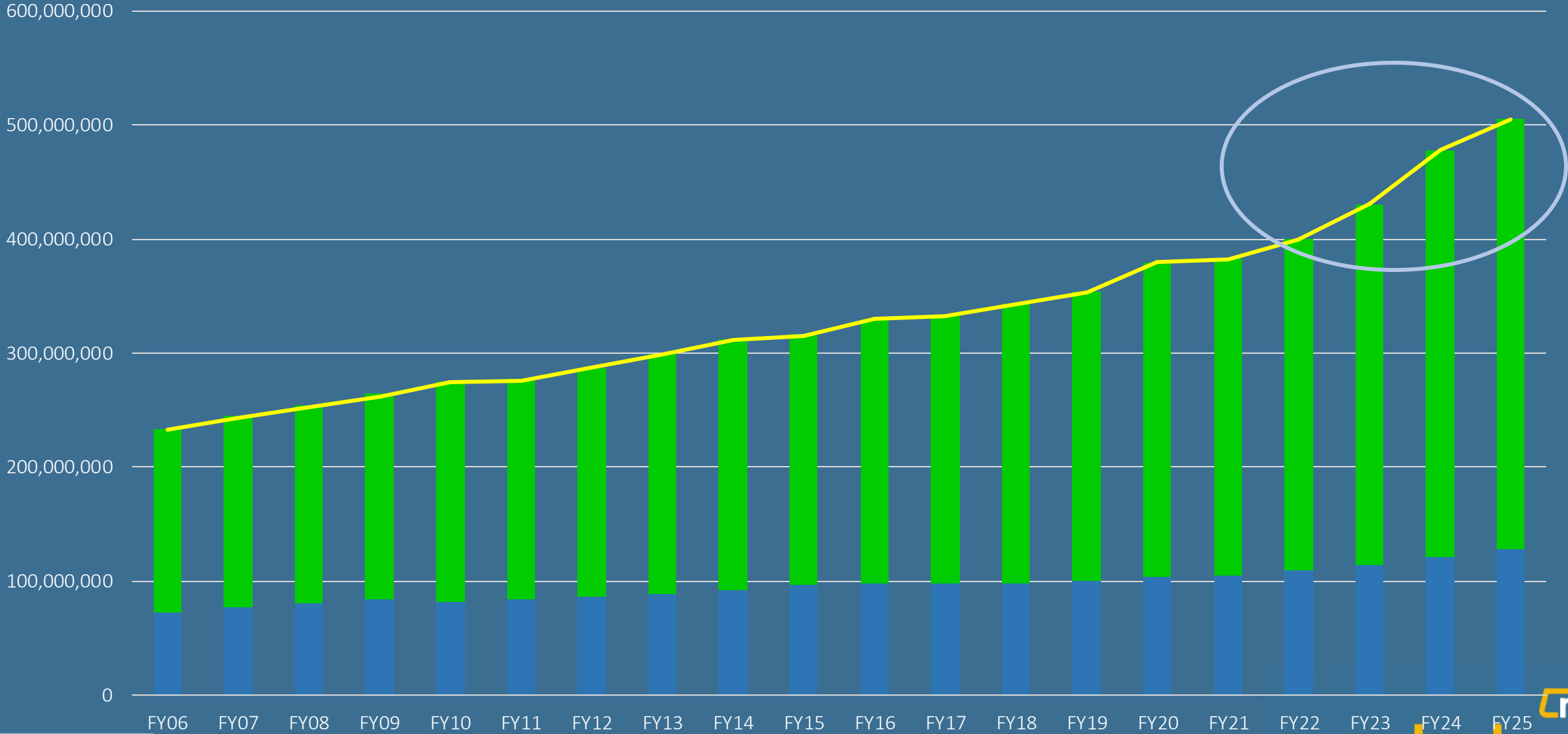


Dalializ, a kindergartener at the Kelly School in Holyoke, asks a question to an Enchanted Circle artist. (Photo by Sarah Betancourt)

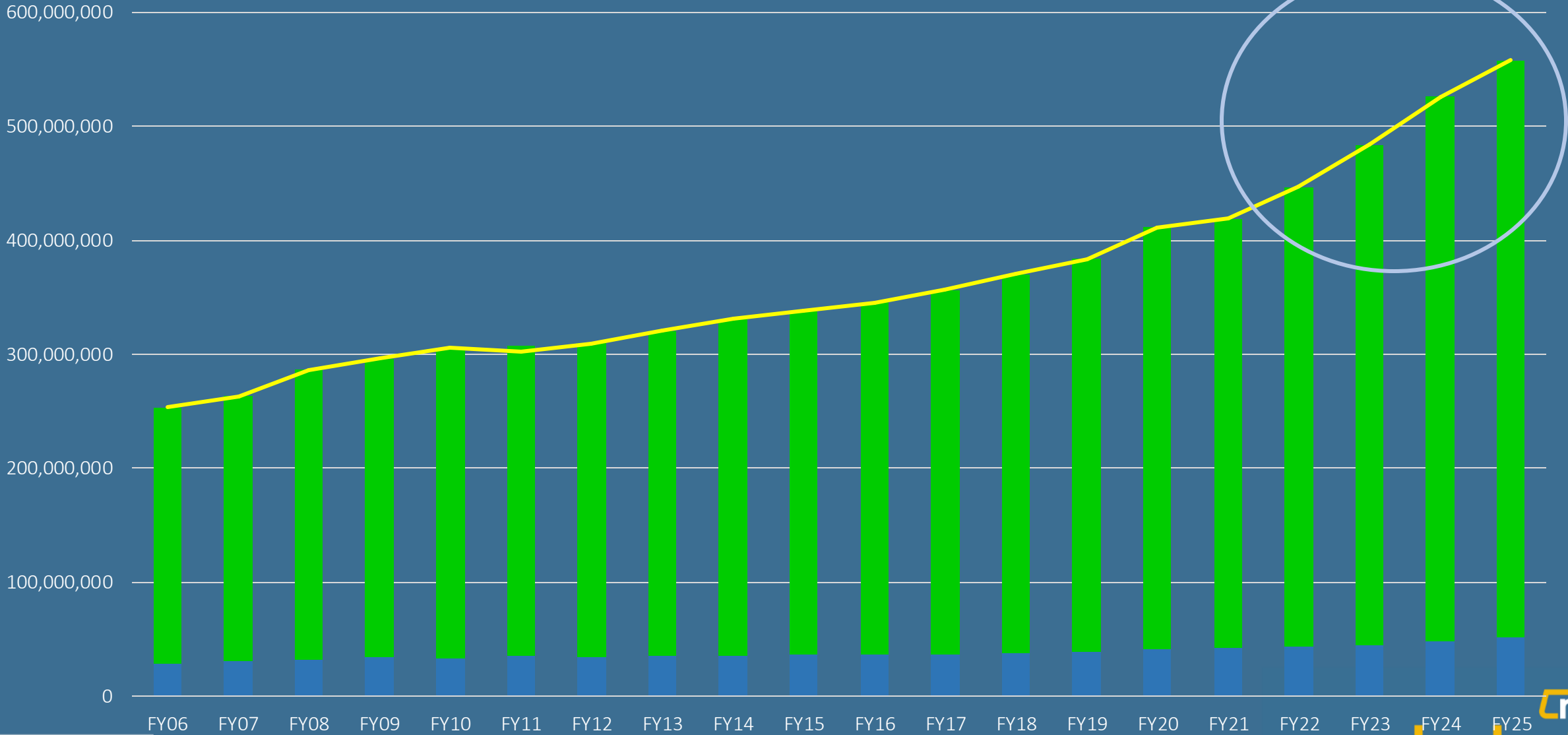
Student Opportunity Act

- FY25 is Year four of a six year implementation
- Within the foundation budget, this includes:
 - A (continued) separate inflation rate for health insurance
 - An increase in the in-district special education percentage
 - An increase in the dollar amount per pupil for English learners
 - An increase in the dollar amount per pupil for low income students

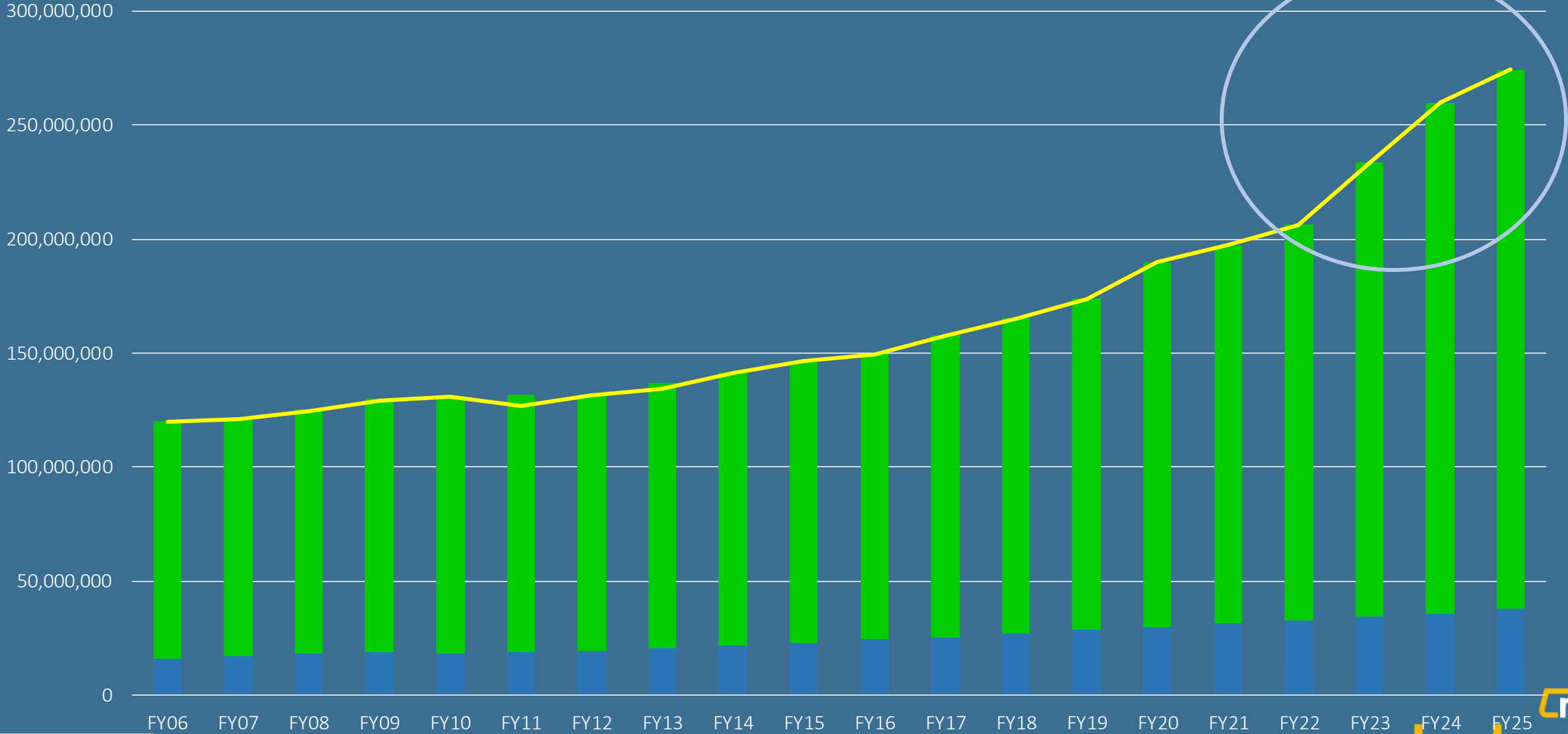
Implementing SOA: Worcester



Implementing SOA: Springfield



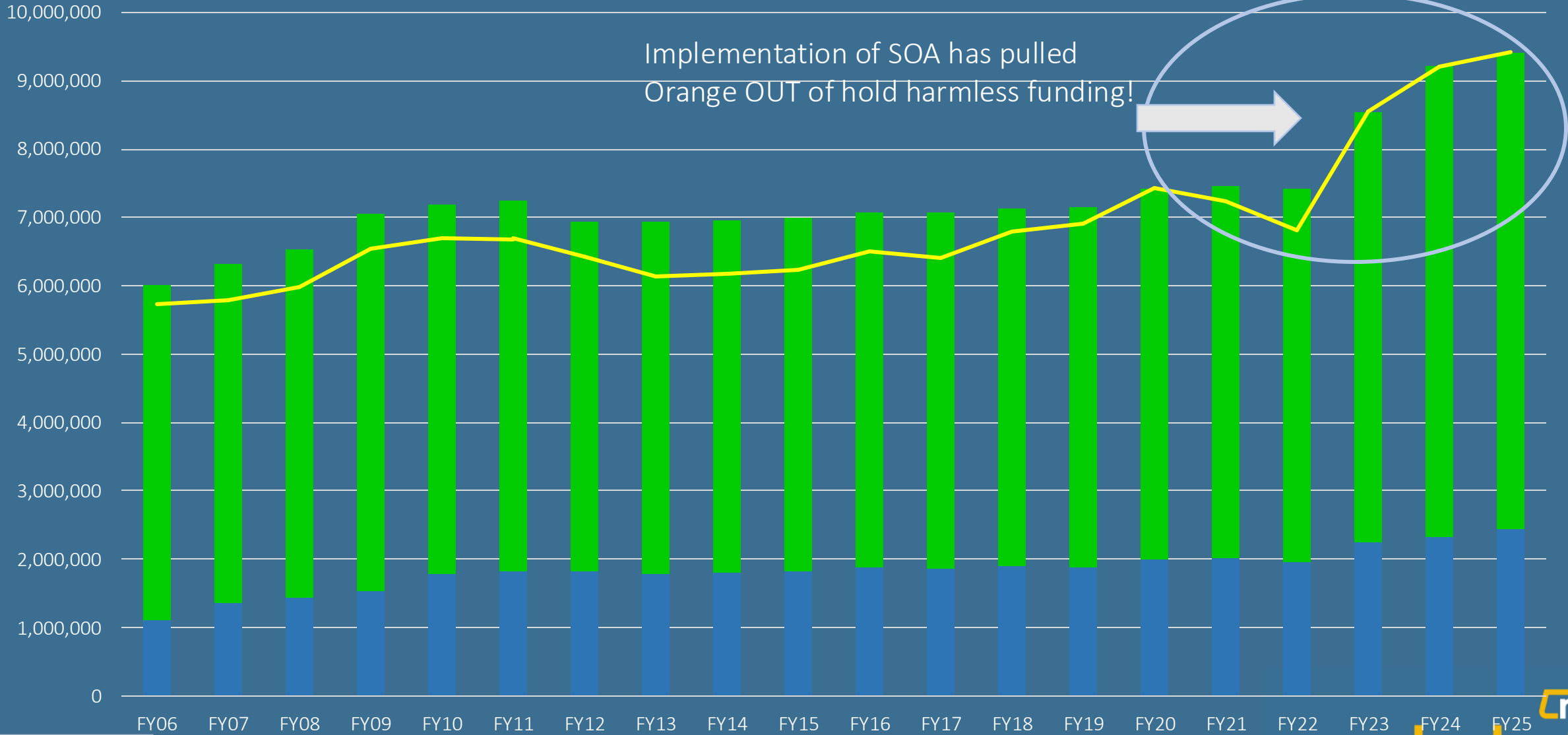
Implementing SOA: New Bedford



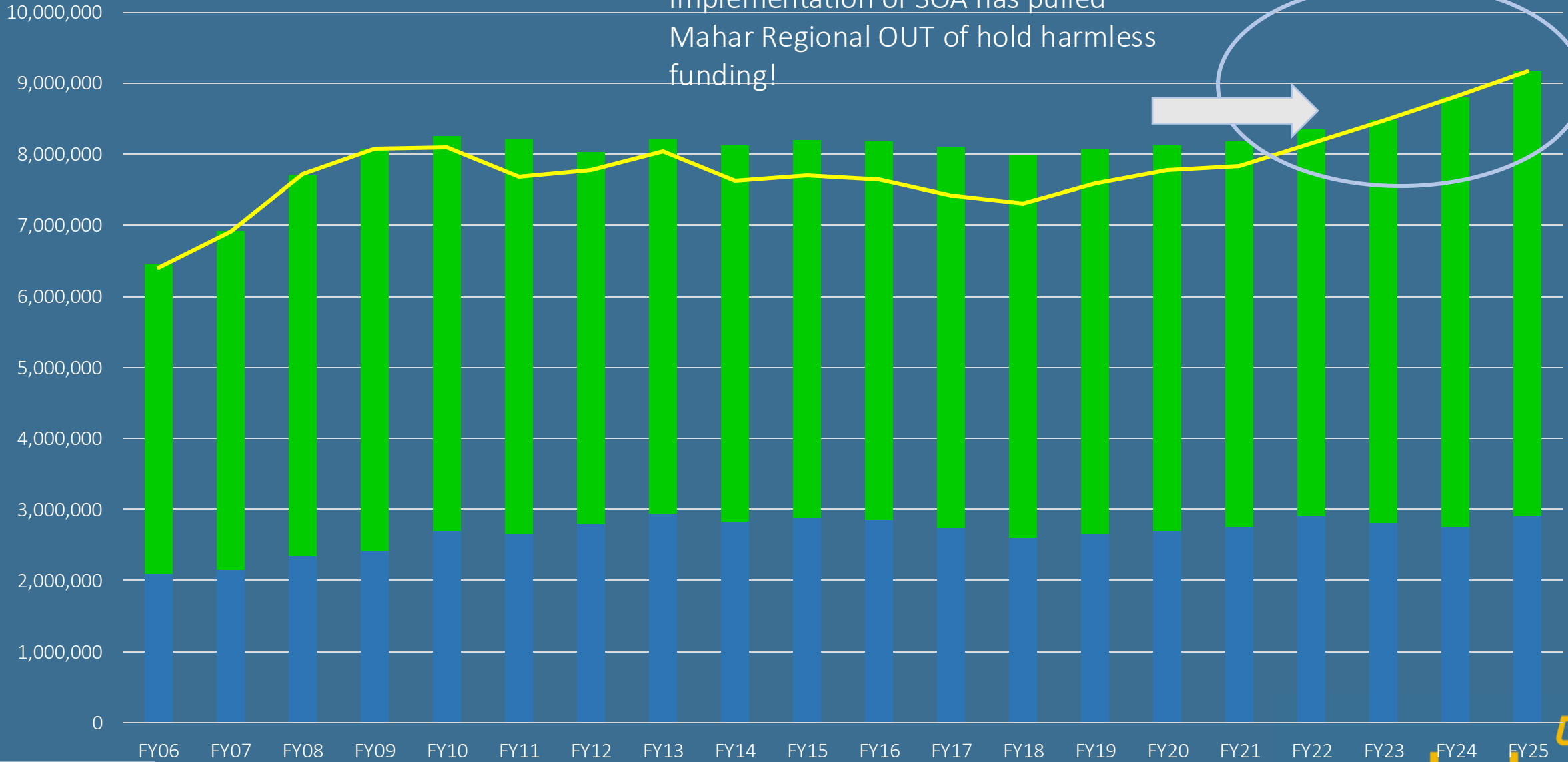
Implementing SOA: Pittsfield



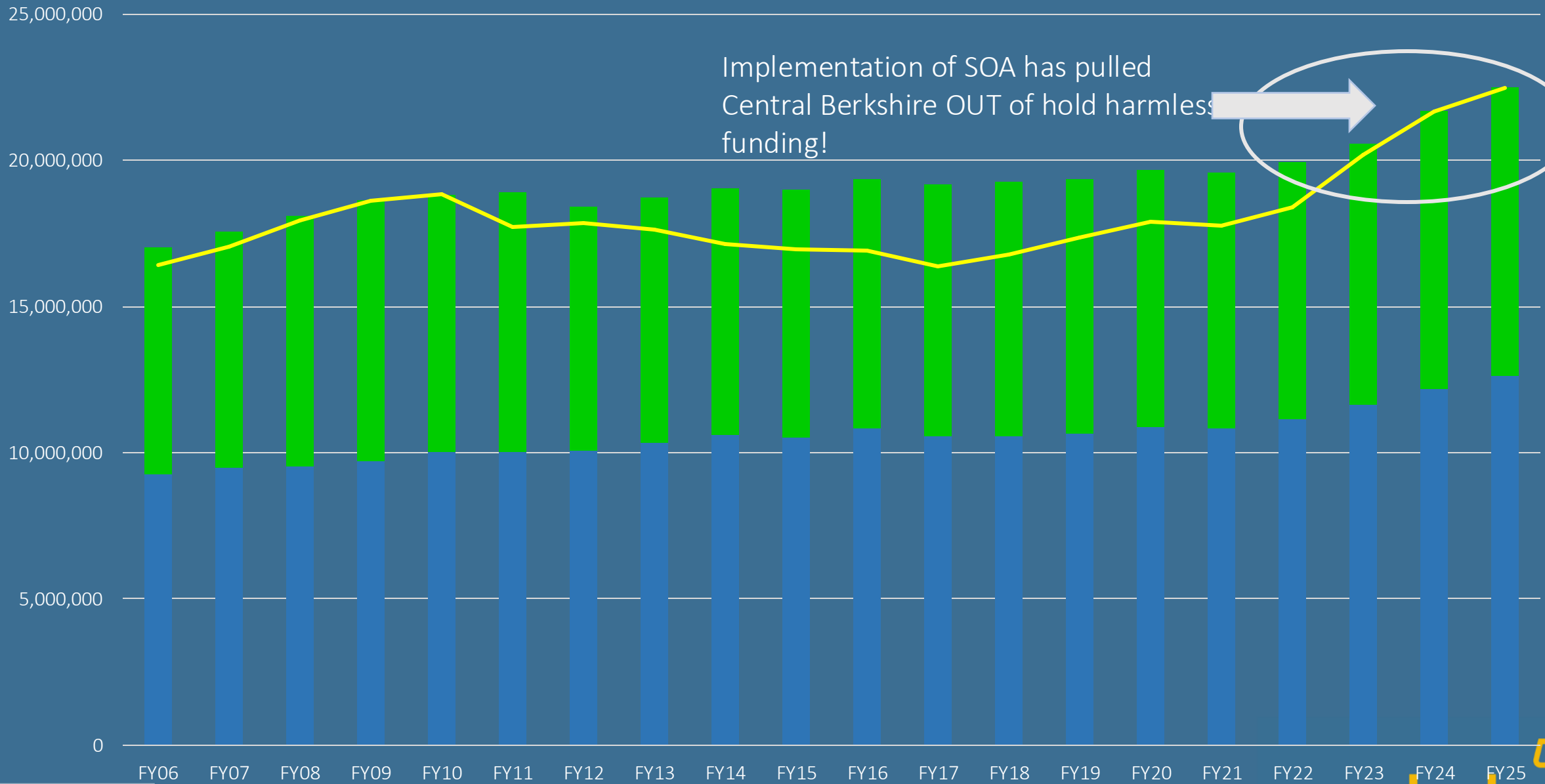
Orange Elementary: Hold harmless and SOA



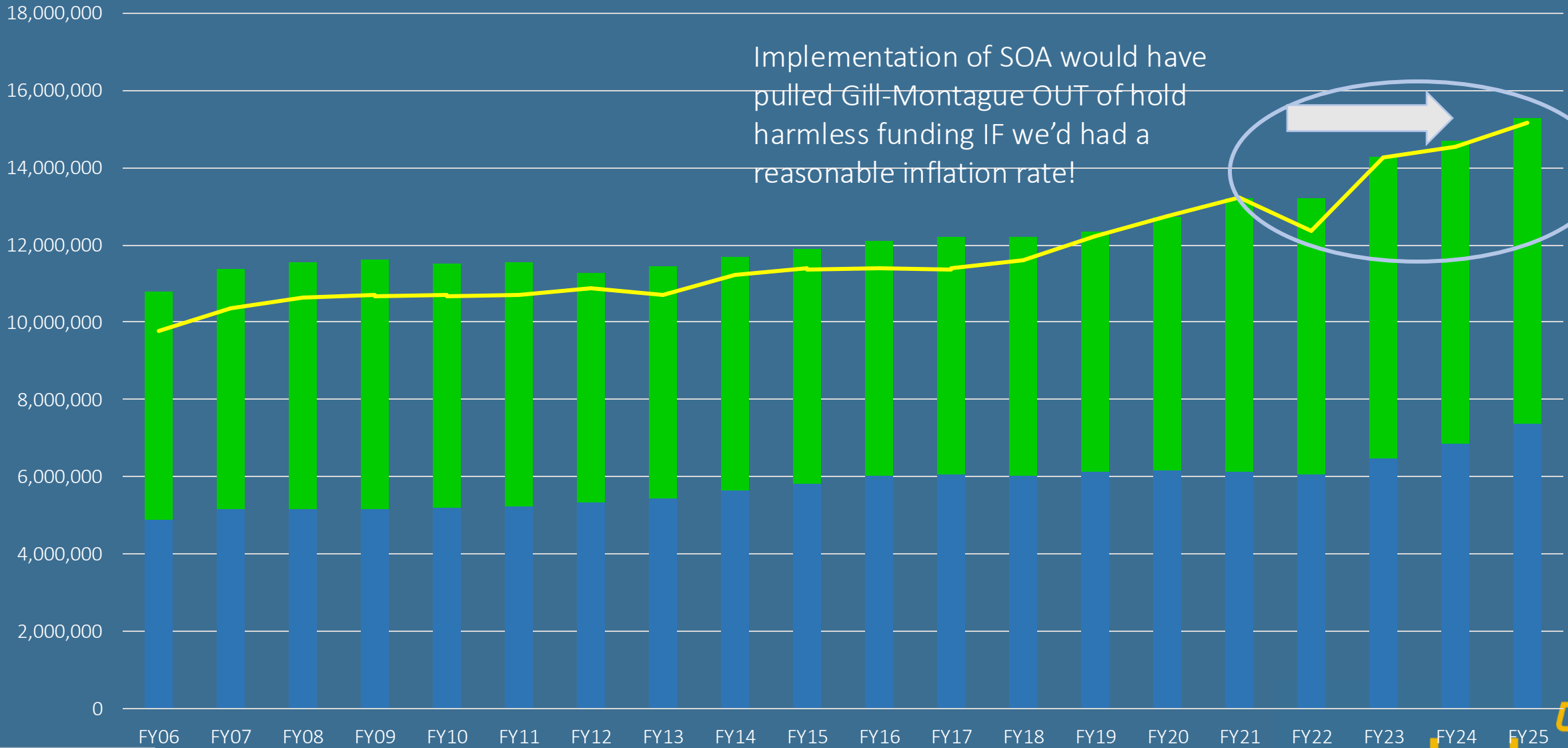
Mahar Regional: Hold harmless and SOA



Central Berkshire Regional: Hold harmless and SOA



Gill Montague Regional: Hold harmless and SOA



**Studies In Public School
Finance**

Volume 2



FLETCHER HARPER SWIFT, RICHARD ARTHUR GRAVES,
ERNEST WALTER TIEGS, FRANCES KELLEY DEL PLAINE,
OLIVER LEONARD TROXEL, JOHN HAROLD
GOLDTHORPE

“No other state pursued so long and so completely the policy of placing almost the entire burden of school support upon the local communities”

Fletcher Swift, writing of Massachusetts in *Studies in Public School Finance* as cited by Matthew Gardner Kelly in *Dividing the Public: School Finance and the Creation of Structural Inequity* (2023)

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The Student Opportunity Act is Working But... Part II: Challenges & Solutions

Colin Jones, Deputy Policy Director

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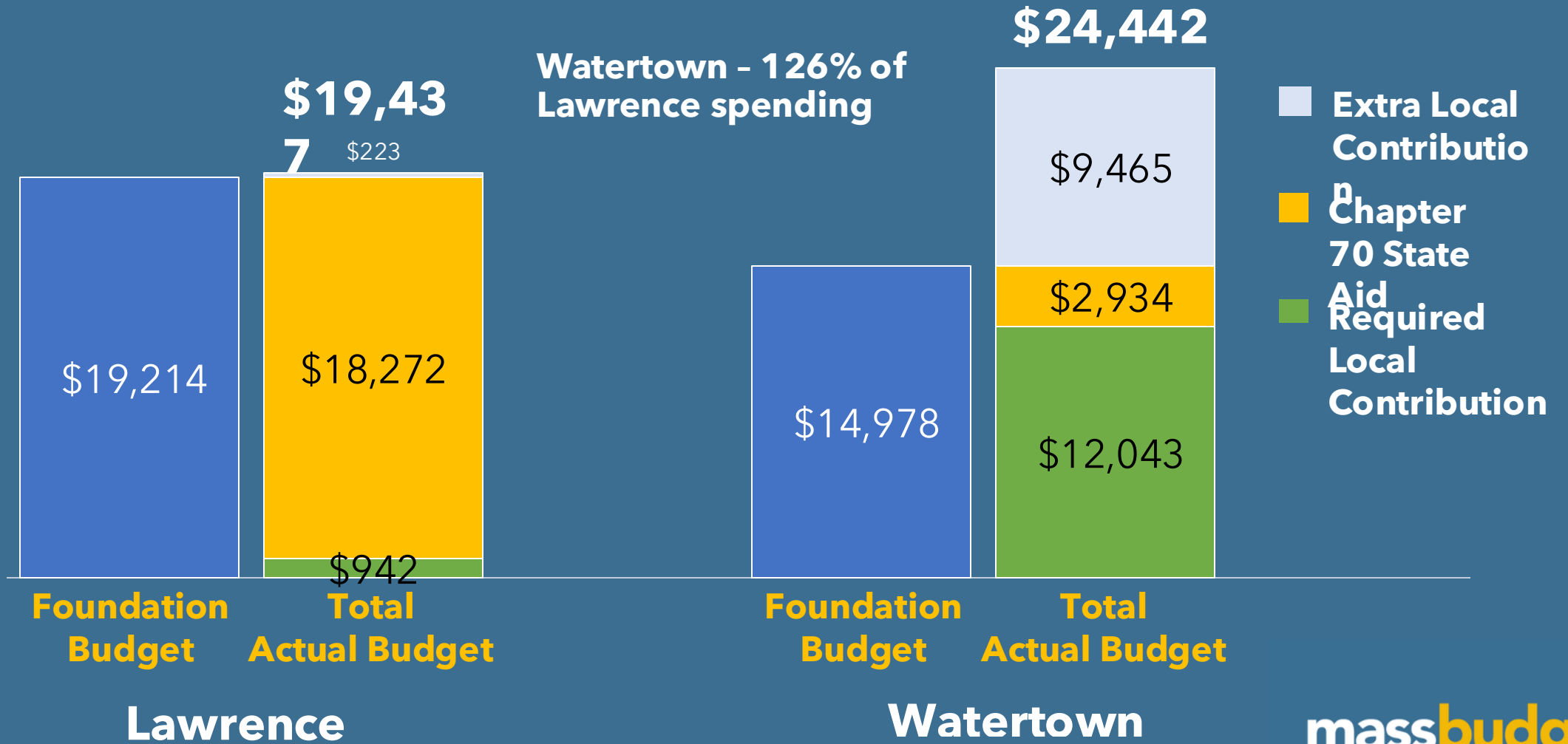
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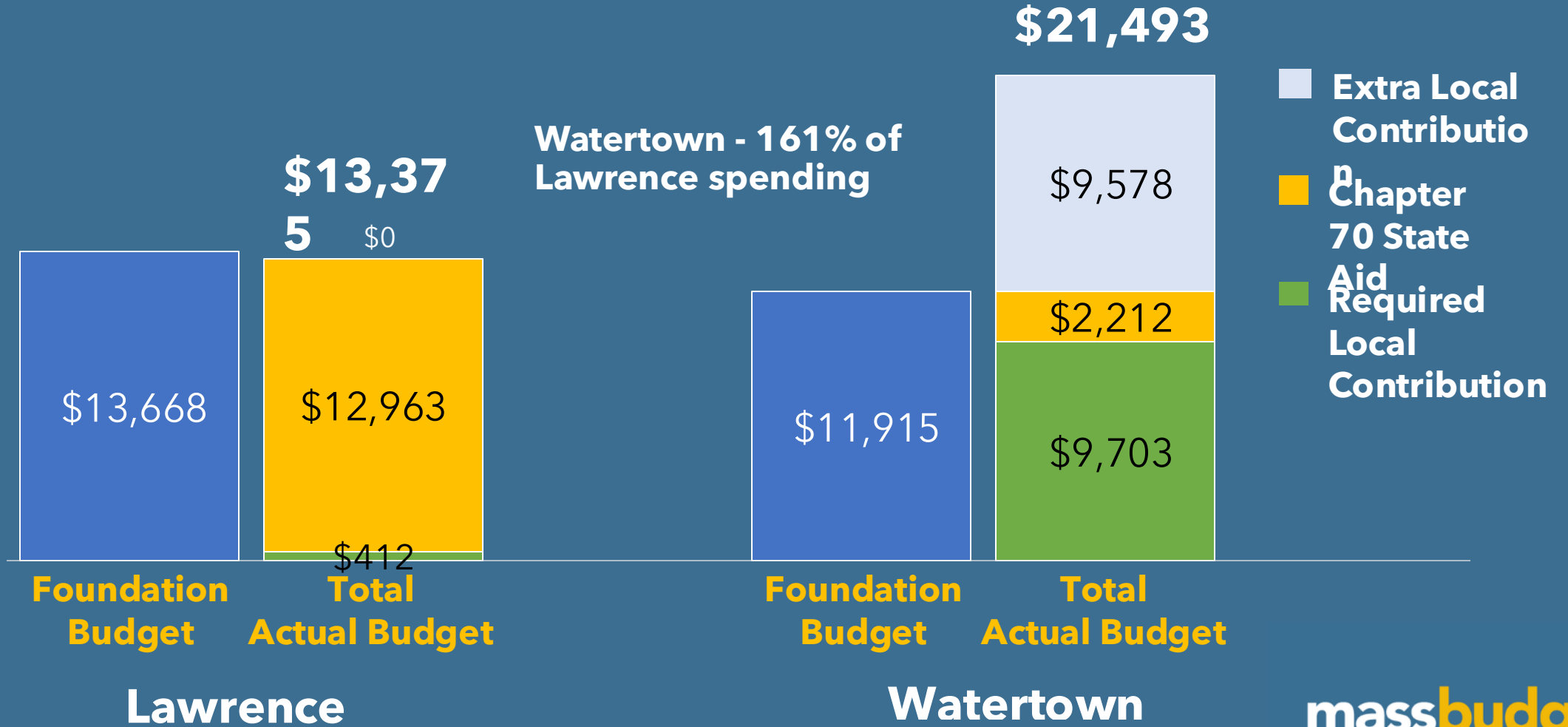
K-12 Funding Comparisons - Halfway Through SOA

Per pupil spending by revenue source, FY 2024



K-12 Funding Disparities Were Starker Before SOA

Per pupil spending by revenue source, FY 2020

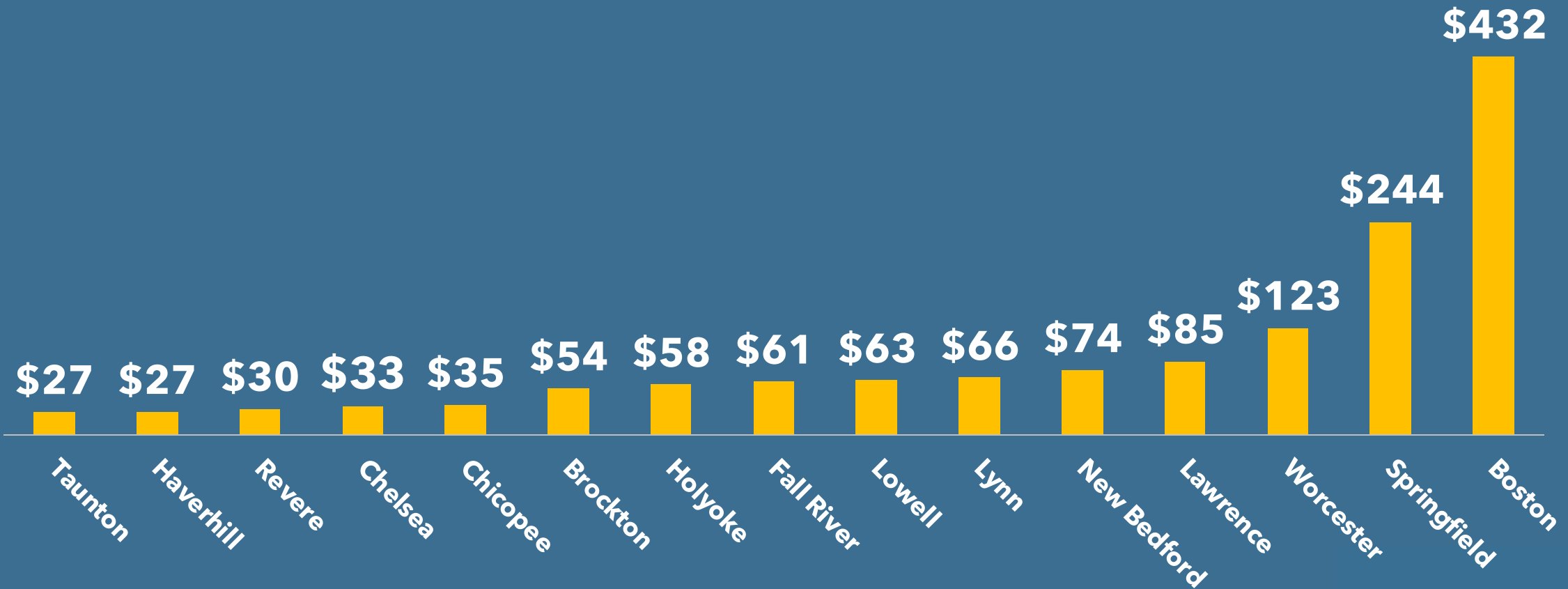


Federal Relief Provided Critical Support for K-12, Expiration Leaves Significant Gaps to Fill

- **Federal K-12 relief significantly improved budget outlook and options**
- Relief exceeded the basics of operating safely during COVID, into recovery, strategic investment. Flexible & progressive - largest ESSER grant distributed based on poverty. Nearly any purpose under federal ed laws allowed. Small grants supported COVID adaptation, nutrition, health, meals
- **Relief was temporary! Federal grants were a bridge, not a substitute, for sustained state/local support of our education goals**

Expiring Federal ESSER Funds Significant for Cities Across Massachusetts, Especially Gateway Cities + Boston

Federal COVID Relief – ESSER Grants – combined totals from CARES Act, CRRSA, American Rescue Plan, top 15 districts, millions



Source: Executive Office of Administration and Finance

K-12 Funding Challenges and Solutions - FY 2025 Budget

- **Implementing year 4 of SOA in FY 2025 - added funding for minimum aid and a small amount to increase the headcount of low-income kids.**
- **No progress on the Chapter 70 inflation fix to catch up districts to extraordinary cost growth of the past 3 years (more on this later).**
- **Key Fair Share programs like universal free school meals continue. With only \$1B in Fair Share budgeted in FY 2024 compared to \$2.2B raised from the tax, great potential to do more**

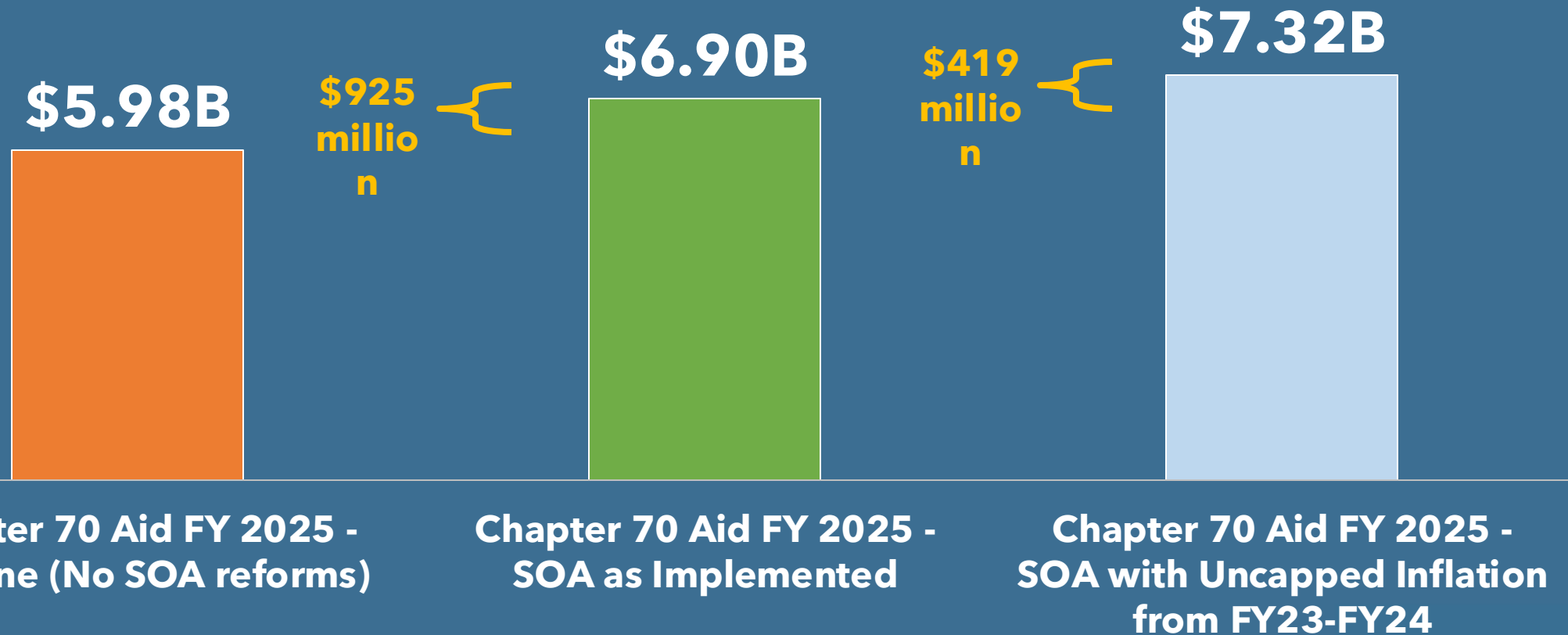
Great Opportunity - \$1.3B Fair Share Tax Investments

Fair Share Addressing a Variety of Needs in FY 2025

Category	Totals	Percent
Transportation	\$539,000,000	41%
Early Education & Care	\$278,000,000	21%
K-12 Education	\$245,000,000	19%
Higher Education	\$239,000,000	19%

June Analysis - SOA Increasing Aid by \$925M Annually through FY25, Inflation Fix Would Increase Aid by \$419M

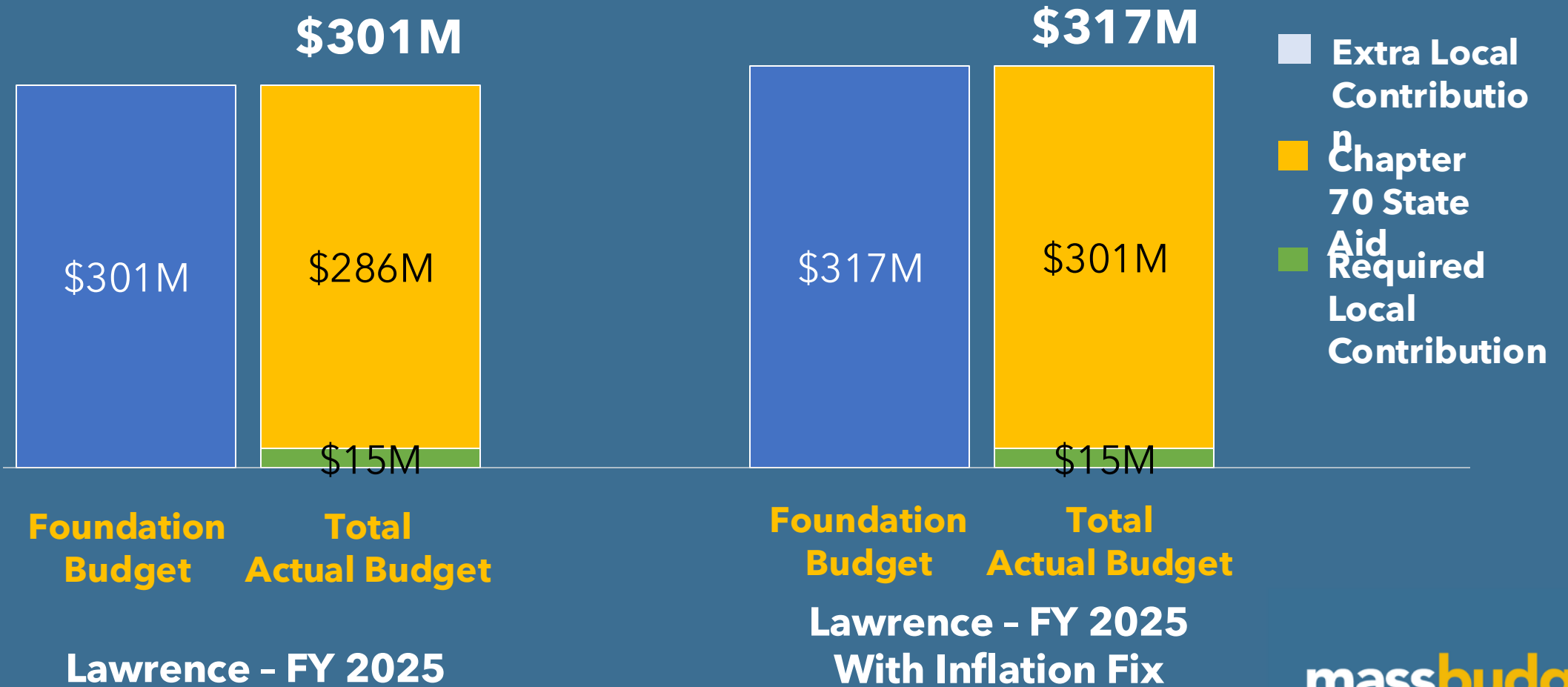
Statewide Chapter 70 Aid FY 2025 – baseline projection without SOA reforms, GAA SOA reforms as implemented, SOA reforms with uncapped inflation through FY 2025



Source: Department of Elementary and Secondary Education, MassBudget projections

Providing the Full Value of SOA Reforms Would Increase Aid to Lawrence by Over \$15M in FY25

Required spending by revenue source, FY 2025 GAA, FY 2025 with Inflation Fix

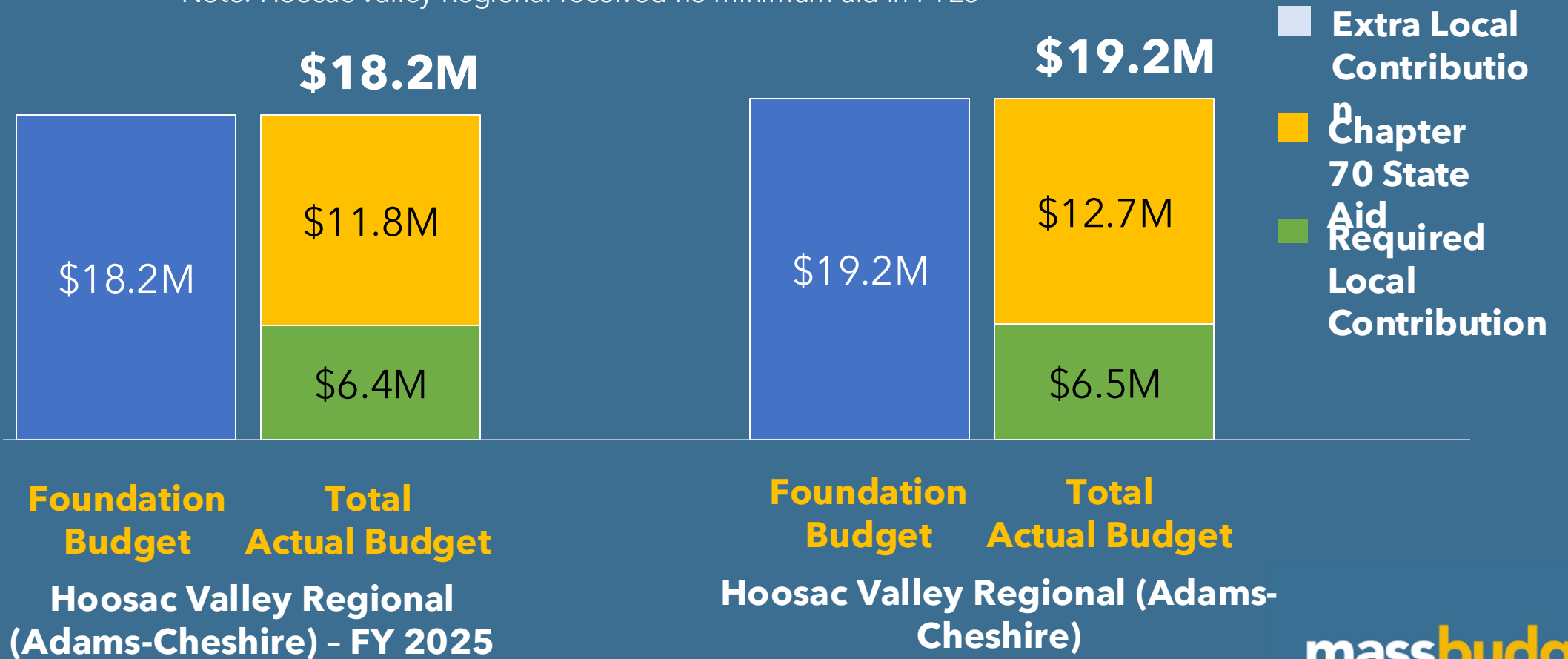


- Extra Local Contribution
- Chapter 70 State Aid
- Aid Required
- Local Contribution

Providing the Full Value of SOA Reforms Would Increase Aid to Hoosac Valley Regional by Over \$850K in FY25

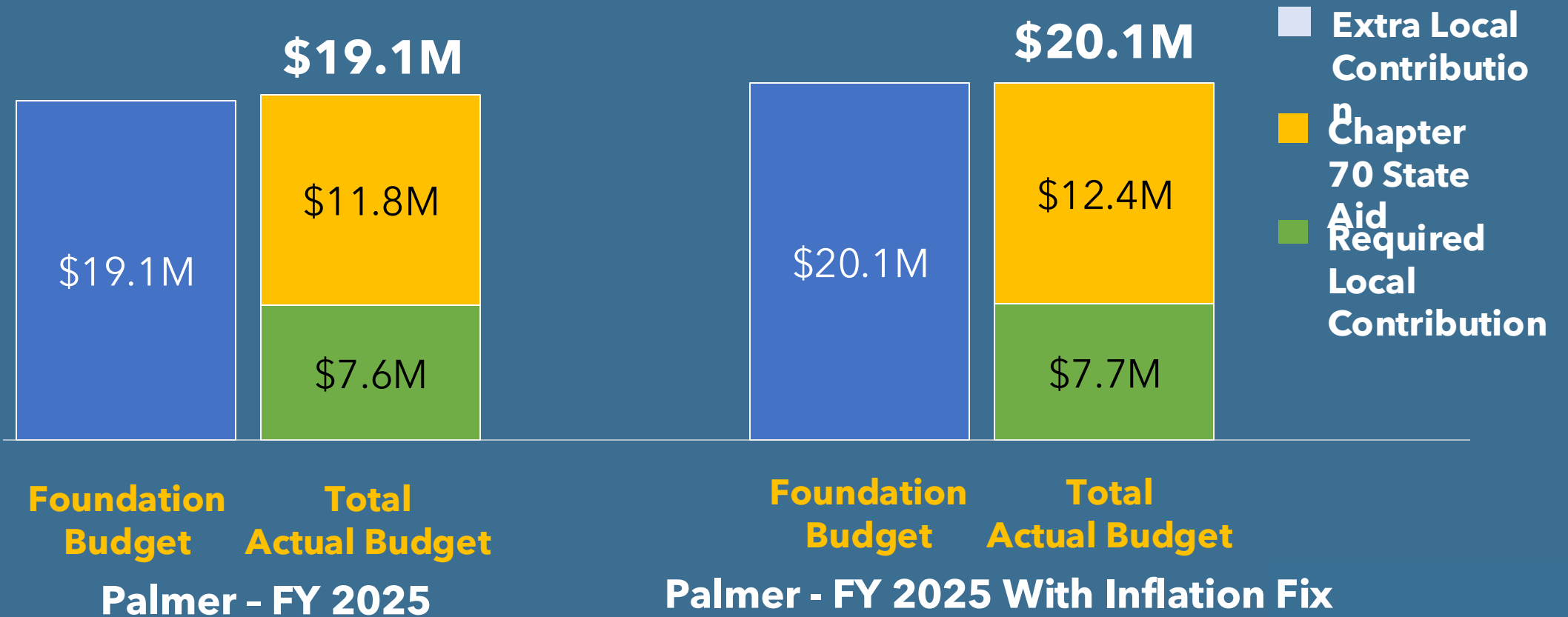
Required spending by revenue source, FY 2025 GAA, FY 2025 with Inflation Fix

Note: Hoosac Valley Regional received no minimum aid in FY25



Providing the Full Value of SOA Reforms Would Increase Aid to Palmer by Over \$600K in FY25 (4X minimum aid this year)

Required spending by revenue source, FY 2025 GAA, FY 2025 with Inflation Fix



K-12 Funding - Solutions to Pursue in FY 2026

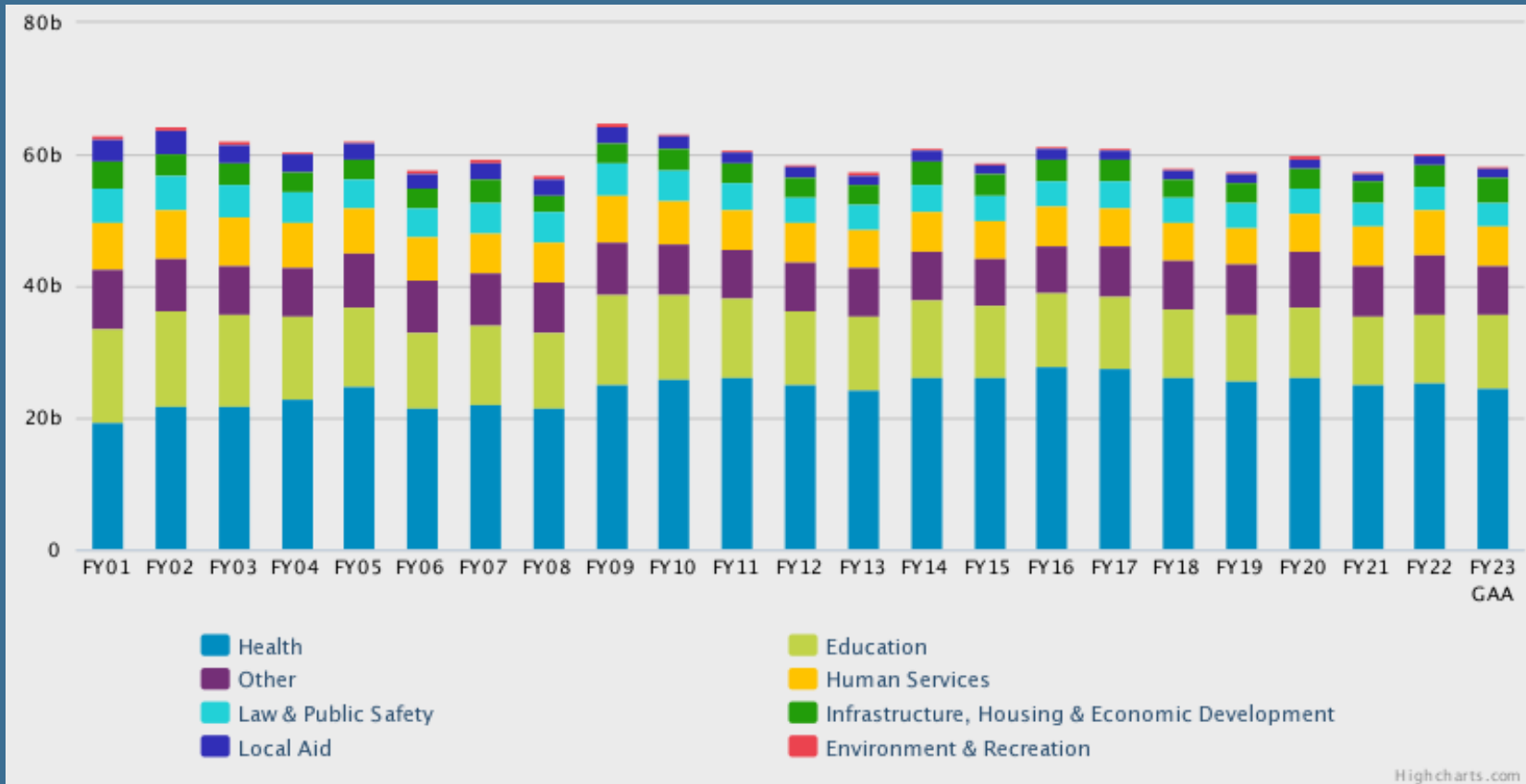
- **All districts are facing a challenging environment, need for more services and support, high costs and inflation, gaps left by expiring federal funds**
- **Options to consider**
 1. **Reconvene FBRC, broaden scope to local contributions, other policies**
 2. **Implement the inflation fix statewide, potentially with multi-year phase-in**
 3. **Invest more in grant programs and K-12 building funds to ease pressure on municipal budgets, provide more space for operating costs**
 4. **Continue minimum aid centric approach**
 5. **Status quo - leaving it to overrides and local efforts, perhaps in combo with minimum aid**

Weighing the Options for K-12 Funding

- 1. FBRC - after 10 years, it's time to reconvene, Sen. Lewis is already on board, but need House counterpart or do it administratively, could open bigger solutions - challenges the time it takes to study and implement changes (last FBRC in 2015 is still being implemented through 2027)**
- 2. Inflation fix - widespread benefit (200+ districts), progressive, one-time fix would solve it going forward, could be more affordable now with low inflation - challenge over \$400M minimum price tag (logical to spread costs across multiple years) eventually it's permanent**
- 3. Grant or K-12 building fund expansion - could supplement funding outside of formulas, key needs transportation, special education, building costs could be addressed. Fair Share (millionaire) Tax is making one-time and ongoing funds available right away.**
- 4. Minimum Aid - simple, relatively easy to explain and cost (\$37M in FY25) was low, challenges, regressive trend to wealthier districts, nothing for Gateways, tends to crowd out aid that folks would naturally get from the SOA**



What is in the Budget?



Our *Budget Browser* tracks every line item since FY 2001.

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