

**Massachusetts Department of Elementary and Secondary Education**

**Commissioner Mitchell D. Chester**

**FY2017 Budget Testimony**

**Joint Committee on Ways & Means Budget Hearing**

**February 29, 2016**

Vice-Chairman DiDomenico, Representative Brodeur and members of the Senate and House Committees on Ways and Means, thank you for the opportunity to testify on behalf of the Department of Elementary and Secondary Education's Fiscal Year 2017 budget recommendations as filed by Governor Baker.

For the record, my name is Mitchell Chester, Commissioner of Elementary and Secondary Education.

The FY17 budget year will witness a number of significant events for the Department, including: the Board's decision to implement a next-generation MCAS test; the continuation of state receivership of schools in Lawrence, Boston, New Bedford, Holyoke and now Southbridge; the fifth year of the initiative to train the Commonwealth's teachers to deliver instruction to English language learners; as well the implementation of the provisions of the federal Every Student Succeeds Act (ESSA).

We have set a high bar for excellence in Massachusetts. Our students and teachers are not only performing at a high level, but are continuously improving. Our students today are reading better and doing math better than a decade ago. As one example, ten years ago, the average score for African American and Hispanic/Latino 10<sup>th</sup> grade students was at the Failing level on our state assessments, or MCAS tests. Today, the typical African American and Hispanic/Latino 10<sup>th</sup> grader is scoring in the Proficient range on MCAS.

There are many other examples of the progress we have made. In 2015, the state's four-year graduation rate improved to 87.3 percent – the highest rate ever. At the same time, the state's annual dropout rate declined to 1.9 percent – the lowest level in more than three decades. We continue to see more high school students participate in and perform well on Advanced Placement exams, which are strong predictors of college readiness. In fact, the College Board announced last week that over the past 5- and 10-year periods, Massachusetts outpaced all other states in increasing the proportion of students achieving a score of three (3) or better on at least one AP exam.

By most indicators, student groups that started the furthest behind have made the greatest gains. Over the last eight years, for example, the percent of students scoring Proficient or higher on the MCAS tests grew in most grades in English language arts, mathematics,

and science and technology/engineering, and improvement has been particularly strong for African American/black students and Hispanic/Latino students, who have narrowed achievement gaps with their white peers. Our efforts to identify and support the schools that are struggling the most continue to bear fruit.

Massachusetts students perform at a level that is second to none among the states, and are competitive internationally. On the widely-regarded Program for International Student Assessment (PISA), 15-year-old students from Massachusetts tied for fourth worldwide in reading literacy among 65 participating countries and education systems.

While we have much good news to celebrate, not all students are enjoying the same strong level of success. The results for English language learners and students with disabilities are not as strong as for other student groups, for example. And despite our progress, the proficiency gaps that exist based on race/ethnicity and family income illustrate the work that still needs to be done to bring all students to high levels of achievement.

The Department continues to exercise the authorities provided by the Legislature to improve performance in underperforming districts and schools. In 2010, the General Court enacted the *Achievement Gap Act*, which at its heart included an intense focus on turning around the lowest performing schools in the state. The news on this front is encouraging. Massachusetts has some of the highest rates of success in the country in improving the performance of students in underperforming (Level 4) schools<sup>1</sup>, as cited in a recent program evaluation.

The state has three districts operating under state receivership: Lawrence, Holyoke, and, most recently, Southbridge. Lawrence Public Schools, designated Level 5 in 2011, has shown notable improvement<sup>2</sup> during its first four years of state receivership. Students in Lawrence continued to make strong gains – evidence that districts that serve students from diverse racial, ethnic, and economic backgrounds can succeed at much higher rates than we historically have achieved. Holyoke Public Schools, which was designated in April 2015, and Southbridge Public Schools, designated in January 2016, are at the beginning of their Level 5 status and are in the initial stages of implementing or developing their Turnaround Plans.

Four schools were designated in 2013 as chronically underperforming, or Level 5 – two in Boston, and one each in Holyoke and New Bedford. A Level 5 designation triggers Department receivership and, as such, I have appointed turnaround operators for two of these schools and for two schools have appointed the superintendent as my designee. The

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<sup>1</sup> AIR Evaluation of SRG Schools; Wraparound Zone Evaluation

<http://www.air.org/resource/evaluation-massachusetts-district-and-school-turnaround-assistance-impact-school-redesign>

<http://www.air.org/resource/focusing-whole-student-final-report-massachusetts-wraparound-zones>

<http://www.doe.mass.edu/research/reports/2015/06WZI-ReportFour-Supp.pdf>

<sup>2</sup> <http://www.gse.harvard.edu/news/16/01/district-turnaround>

operators and superintendent are continuing to make progress implementing the Commissioner's turnaround plans for each of these four schools aimed at rapidly improving outcomes for all students. In addition, 37 schools are designated Level 4 and are implementing accelerated turnaround plans.

Our efforts extend beyond the lowest performing schools and districts. Educators in classrooms across the Commonwealth are continuing to implement curriculum frameworks in English language arts (ELA) and mathematics that we adopted in 2010. Those frameworks are strong, comprehensive, and academically demanding. In conjunction with the development of the next-generation MCAS, we are launching a review of the ELA and mathematics frameworks to revise them based on our educators' experience over the past five years of implementation.

At the January 2016 Board meeting, the Board voted to adopt the *2016 Science and Technology/Engineering (STE) Standards* after two years of collaboration with educators to upgrade those frameworks. The 2016 STE standards further strengthen the well-regarded science standards Massachusetts has relied on since 2001. In addition, the Board has adopted draft standards for Computer Science and Digital Literacy, which currently are out for comment before final adoption.

Just as best practice requires that Massachusetts periodically review and revise our curriculum frameworks, it is time to update our assessments as well. This spring will be the 19<sup>th</sup> consecutive year in which we will be administering the MCAS tests. While we have added tested grades as well as a science/technology/engineering exam to MCAS, the ELA and mathematics assessments are largely unchanged over the 19 years.

To accomplish the assessment update, the State Board voted in November 2015 to implement a next-generation state test. With this decision, school districts across the Commonwealth will continue to be afforded a choice of PARCC or MCAS this spring, as the Department works to procure and implement a new state test in FY17. The Governor's proposal includes funding for the Department to develop and implement the next-generation Massachusetts test. The Board's decision continues to affirm the need to deliver clearer signals to schools, colleges, employers, and parents than MCAS currently provides about what students know and can do – and whether they are on a pathway to high school graduation and success beyond high school.

We continue to pursue opportunities to ensure that all the Commonwealth's students are receiving a world-class education, both in terms of strengthening instruction and by pursuing policies and practices to ensure that students' social, emotional, and mental health needs are addressed as part of a comprehensive educational program.

Central to all of the funding recommendations is the overall goal of supporting the Department's efforts to close proficiency gaps; ensure that students graduate from high school ready for college, careers, and citizenship; and maintain the Commonwealth's position as a leader in public education.

As we plan to move from FY16 into FY17, I have worked with the state Board of Elementary and Secondary Education, Secretary Peyser, and the Governor to prioritize our work next fiscal year. As a result, House 1 reflects a strong commitment to public education through continued investment in K-12 public education and our mission here at the Department. The Department's recommended appropriations total \$5.2 billion, which represents an increase of \$85.1 million (1.7%), over FY16 spending. Almost 99 percent of our proposed budget will be distributed to local school districts in the form of entitlement, reimbursement, or competitive grants. Only about one percent (1%) of the budget supports Department administrative costs as well as state-provided services (e.g., student assessment and special education services in institutional settings).

**In closing**, the Department understands the difficult spending demands facing the Ways and Means Committees in developing the fiscal year 2017 budget. Understanding the state fiscal reality, the Department continues to pursue resources from both the federal government and third party funders committed to advancing public education. These funds supplement our state appropriations to close achievement gaps and improve student outcomes, educator effectiveness, and the turnaround of low performing schools. We are also investing in tools and resources to help school committees use their current funds as effectively as possible.

We continue to position the Department to help all districts to provide a world class education while maintaining a particular focus on those schools and districts in which educational outcomes lag.

We look forward to working with both the House and Senate to produce an education budget for the next fiscal year that will prepare our students well and ensure that Massachusetts remains competitive in the global economy.

The best K-12 education today is happening in Massachusetts. Your investment in public education is yielding substantial dividends – for individual students as well as for the Commonwealth as a whole. But we still have much work ahead to ensure that we are able to sustain and build upon the remarkable gains made over the past decade. We owe it to our students and their families, and to the Commonwealth's future, to prepare all Massachusetts public school students for success after high school.

Thank you for the opportunity to address you today. The balance of my testimony highlights specific line priorities for the Department this coming fiscal year.

I am happy to answer any questions or concerns from members of the Committee.

## **Key Highlights of the Governor's Budget Proposal**

### **I. Education Local Aid & Reimbursements**

Chapter 70 aid (7061-0008), is increased by \$72.1M (1.6%) over FY15. Because of declining enrollment and low inflation, there is almost no demand for an increase in foundation aid. The new growth is generated by the need to transition to new low income measure, continuation of equity reforms, and minimum per pupil aid. Transition to a new method of counting low income students (required due to new federal school lunch policies) is being supported in this budget with a significant increase in foundation budgets to insulate many low income communities from negative impacts.

Approximately \$62 million is added to foundation budgets statewide, resulting in over \$30 million in additional aid for districts with higher concentrations of low-income students. The minimum aid level of \$20 per pupil to insure increased aid for all districts adds \$12.8 million in aid statewide.

The House 2 budget gives District Reimbursements for Charter School Tuitions (7061-9010) a \$20.5 million increase (25.4%). The Governor's proposal offers a new structure for reimbursing communities for lost state aid due to charter school growth.

- Continues to fully fund 100% reimbursement of \$893 per student for capital facility component of charter tuitions paid by local communities.
- Fully funds first-year, 100% reimbursement to districts for FY17 increases in their charter tuition payments. This will be first time in several years that first-year tuition increases will be fully reimbursed to local districts.
- Provides funding for second-year reimbursements of 50% of increases experienced in FY16 for highly impacted communities with over 9% of their net school spending going to charter tuition payments, which currently account for over 53% of statewide charter enrollments.

The funding level for the Kindergarten Grant Program (7030-1002) remains the same as FY16 but the account is being renamed as Quality Kindergarten Grants and has a new distribution formula. Grant requirements will be jointly developed with the Department of Early Education and Care (EEC) and will now be distributed to all communities that have tuition-free, full-day kindergarten which will allow many communities formerly ineligible to apply for funding in FY17. Communities that apply will get \$350 per pupil for non-fee students, if their programs meet quality standards.

### **II. Expansion of Career Technical Education and STEM programs**

The Governor is placing an increased focus on regional collaboration, alignment with local economic and workforce development needs, and employer partnerships to expand

career technical education and STEM programs. As part of that initiative, the following two DESE accounts are receiving additional funding:

- School to Career Connecting Activities (7027-0019) has a \$2.4 million increase over FY16 which will be leveraged to provide more students access to employment opportunities, particularly in the STEM fields.
- Advanced Placement Math and Science Program (7035-0035) has a \$500,000 increase to allow for expansion of professional development for middle school teachers, as well as a continued focus on increasing the participation of underserved populations in STEM Advanced Placement courses.

### **III. Early Literacy Initiatives (7010-0031)**

The House 2 budget consolidates the following four line-items from across the Secretariat into a new Early Literacy Initiatives account at DESE with a funding level of \$4.5 million. This new line item will be managed jointly by DESE and EEC and will focus existing literacy funding on scalable programs that are proven to improve grade 3 and 4 English Language Arts proficiency, especially for high needs children and English Language Learners.

- 3000-7070 (EEC) Reach Out and Read - \$1,000,000
- 7009-6400 (EOE) Gateway City English Language Learner - \$1,200,000
- 7010-0020 (ESE) Bay State Reading Institute - \$400,000
- 7010-0033 (ESE) Literacy Programs - \$1,929,410

### **IV. Investment in Board Priority Areas**

House 2 continues to support the Department's work in a number of priority areas:

#### **Student Assessment (7061-9400)**

The House 2 budget provides an additional \$5.6 million of funding to implement a next-generation assessment program. This funding is essential to build the next-generation Massachusetts tests.

#### **Targeted Assistance to Schools & Districts (7061-9408)**

The Governor's budget continues to fund resources need to serve our lowest performing schools and districts.

#### **ELL Learning (7027-1004)**

The House 2 funding level provides the necessary funding for the Department to complete required training for district educators to serve students with limited English proficiency.