

School Finance

Update on Foundation Budget Review
Commission

April 2016

MASSACHUSETTS DEPARTMENT OF
ELEMENTARY AND SECONDARY
EDUCATION



Foundation Budget

- Established under the 1993 Education Reform Act
- Represents the minimum spending level for each district to provide adequate education, given the specific grades, programs, and demographic characteristics of its students
- Used in the calculation of Chapter 70 state aid and charter school tuition rates



Foundation Budget Review Commission Charge

- "...review the way foundation budgets are calculated and to make recommendations for potential changes in those calculations as the commission deems appropriate."
- review "those components of the foundation budget created pursuant to section 3 of chapter 70 and subsequent changes made to the foundation budget by law"
- "determine and recommend measures to promote the adoption of ways in which resources can be most effectively utilized and consider various models of efficient and effective resource allocation."



Foundation Budget Review Commission

- Convened in FY2015
- 21 voting members and 7 advisory members
- Held 6 public hearings to hear testimony and 9 meetings to discuss findings and recommendations
- Preliminary report released on June 30, 2015
- Final report released on October 30, 2015



Foundation Budget Review Commission Final Report – Foundation Budget Changes

Finding

Actual spending on employee health insurance is generally higher than the current foundation budget allotment for such costs

Recommendation

Increase the benefits rate

- Benchmark active employee insurance to GIC municipal average
- Add in retiree health insurance
- Apply a separate inflation factor



Foundation Budget Review Commission Final Report – Foundation Budget Changes

Finding

There is a higher rate of in-district special education placements than what is assumed in foundation enrollment

Recommendation

- Increase the assumption to more closely reflect special education incidence



Foundation Budget Review Commission Final Report – Foundation Budget Changes

Finding

Districts spend much more on special education tuition for out-of-district special education placements than the current foundation budget allotment for that cost

Recommendation

- Increase this cost rate to capture the total costs that districts bear before circuit breaker reimbursement is triggered.



Foundation Budget Review Commission Final Report – Foundation Budget Changes

Finding

Additional foundation budget resources for English language learners (ELLs) are inconsistently applied across grades and programs. This presents a challenge to the effective provision of services to the ELL population.

Recommendation

- Convert the ELL increase from a base rate to an increment on the base rate. Apply the same incremental dollar amount to all ELL students, regardless of program or grade.



Foundation Budget Review Commission

Final Report – Foundation Budget Changes

Finding

Districts with the highest concentrations of poverty had a correspondingly high need for funding. Successful districts, and successful school turnarounds, require multiple concurrent, overlapping and reinforcing strategies, the exact details of which will vary from district to district.

Recommendation

- Increase the low income increment based on concentration of poverty, and provide enough per student such that the poorest districts can carry out two to three reforms simultaneously.



Foundation Budget Review Commission Final Report – Efficient and Effective Resource Allocation

- In approving foundation budget increases, [Commission members] wanted to ensure the funding was used effectively and accountably to meet the educational needs of our most vulnerable children and high needs students.
- Series of recommendations to improve data collection and provide better information for school-level decision making.
- Calls for DESE to expand research focused on identifying promising practices for efficient and effective district and school resource allocation.

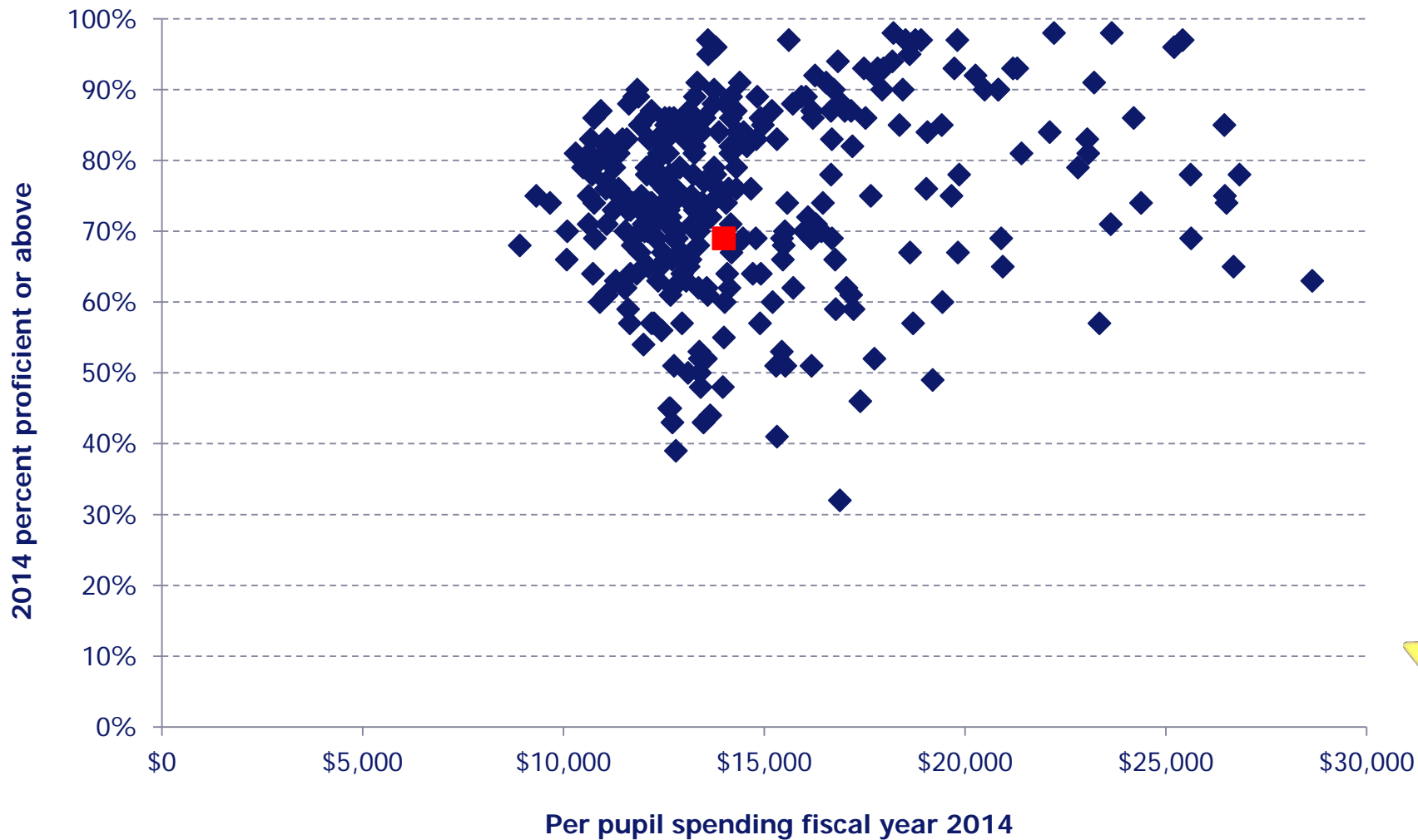


Analyzing spending and student performance data

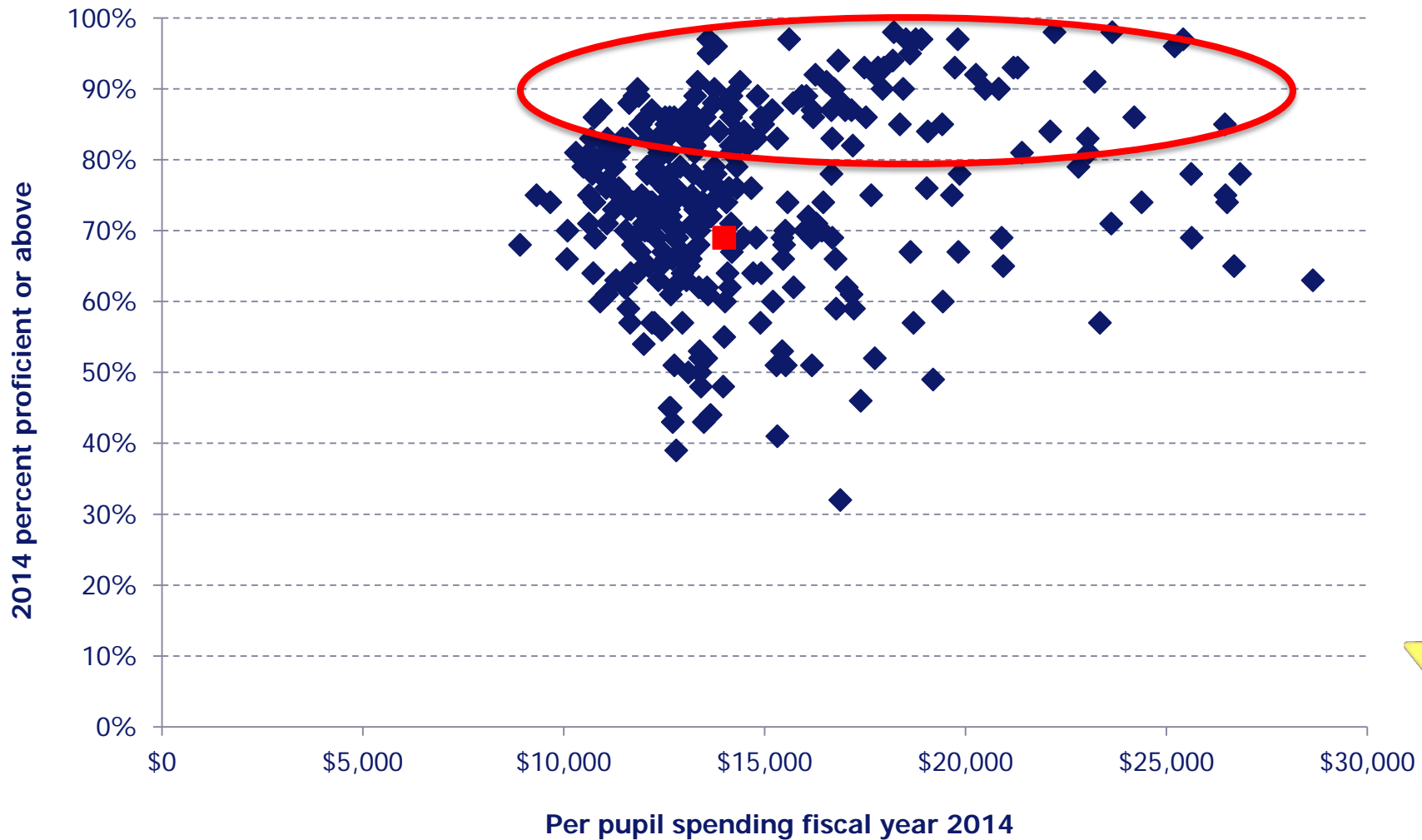
- Data shows wide range of outcomes (both achievement and student growth) at any particular spending level.
- Suggests that some investment and budgetary decisions have more of an impact on outcomes than others.
- Department exploring ways to provide better information to support school committee budget analysis and decision-making.



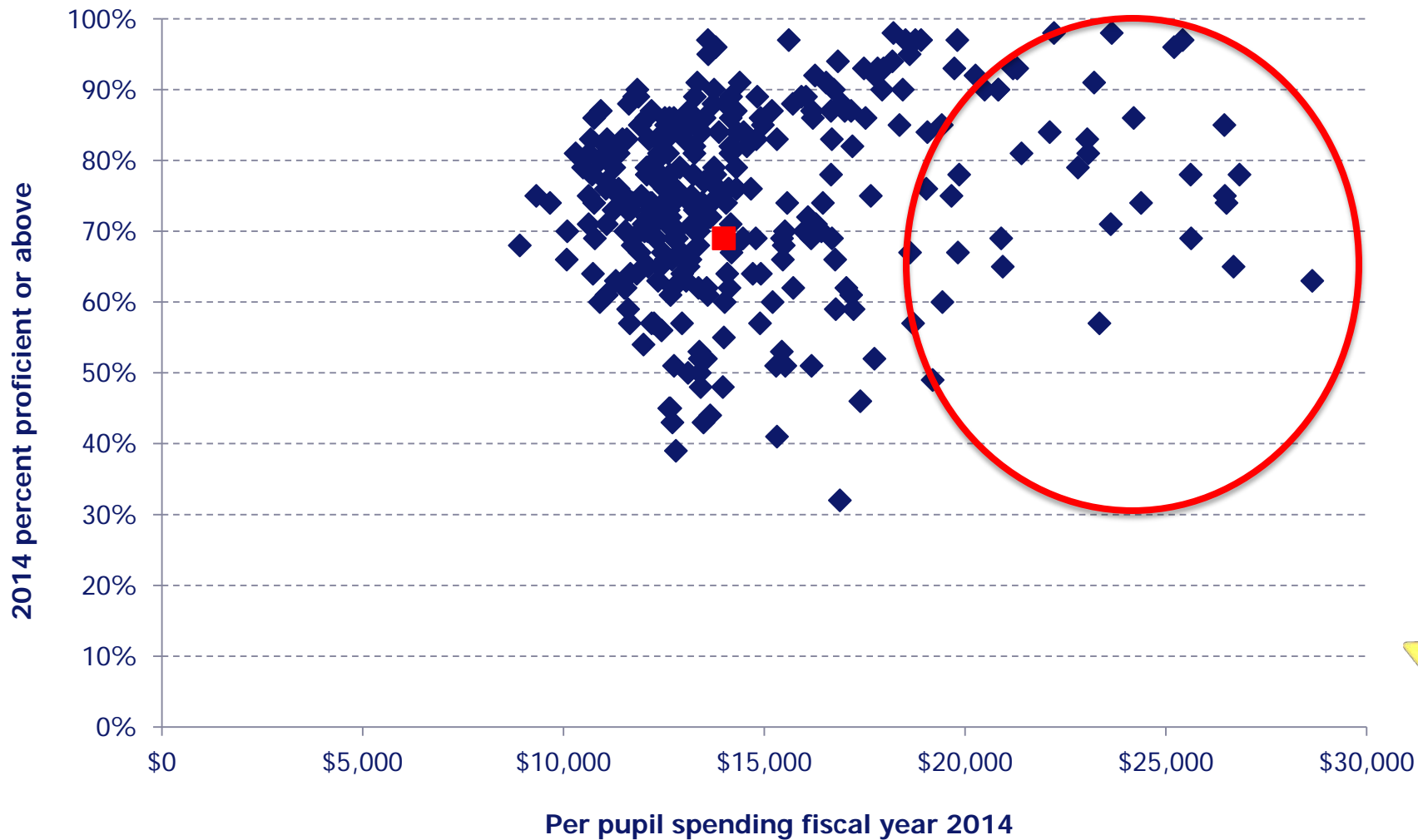
2014 ELA Achievement and FY14 Per Pupil Spending



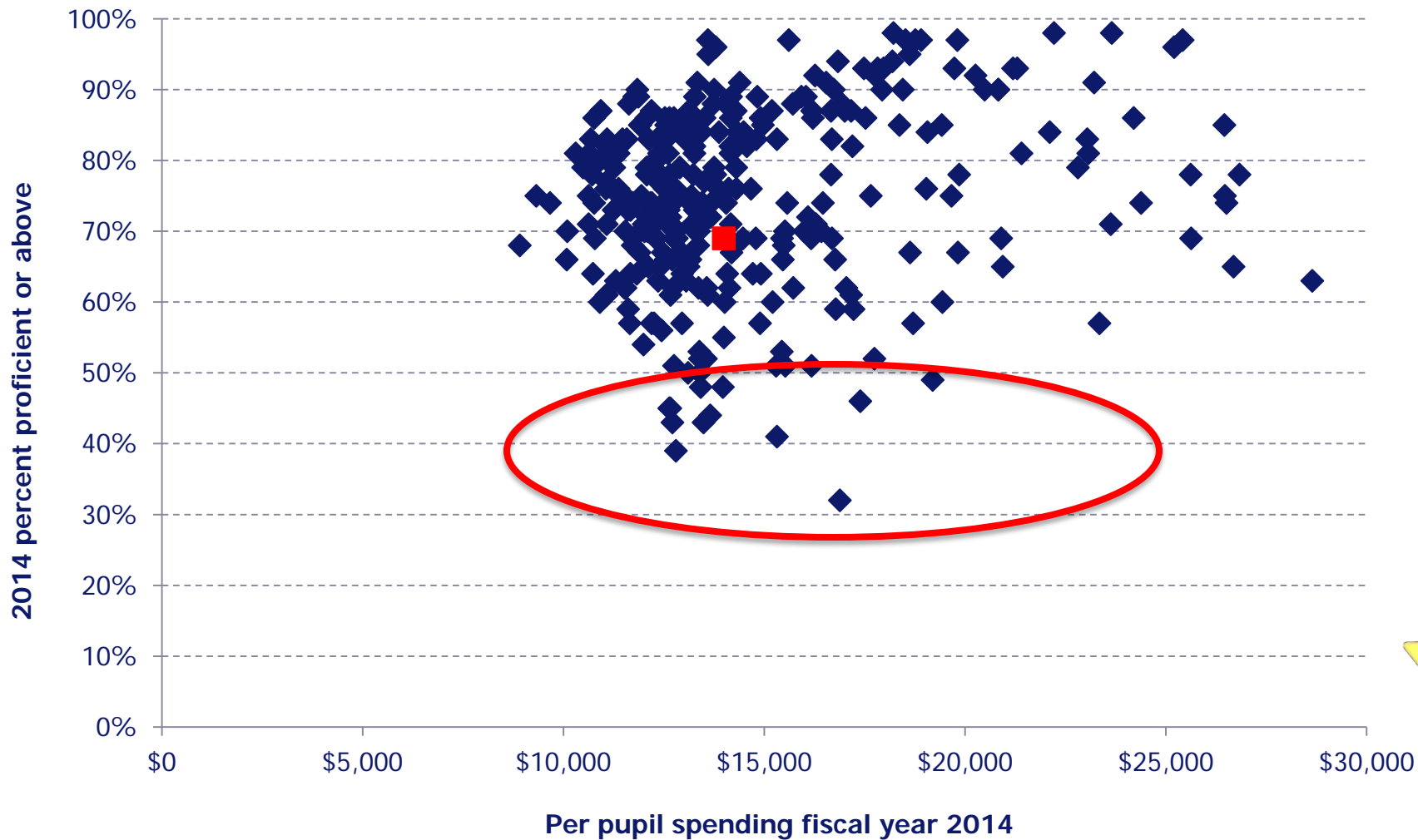
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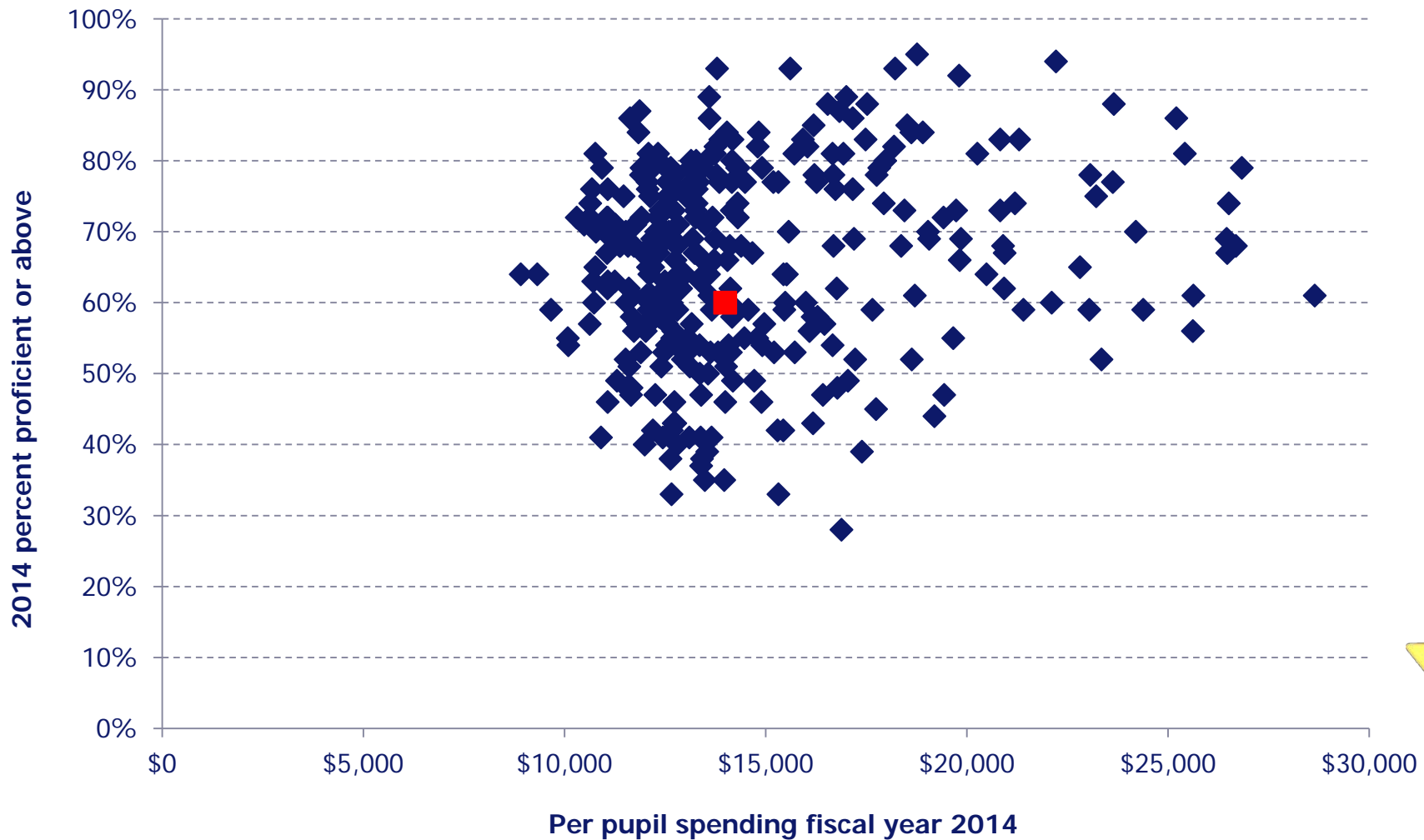
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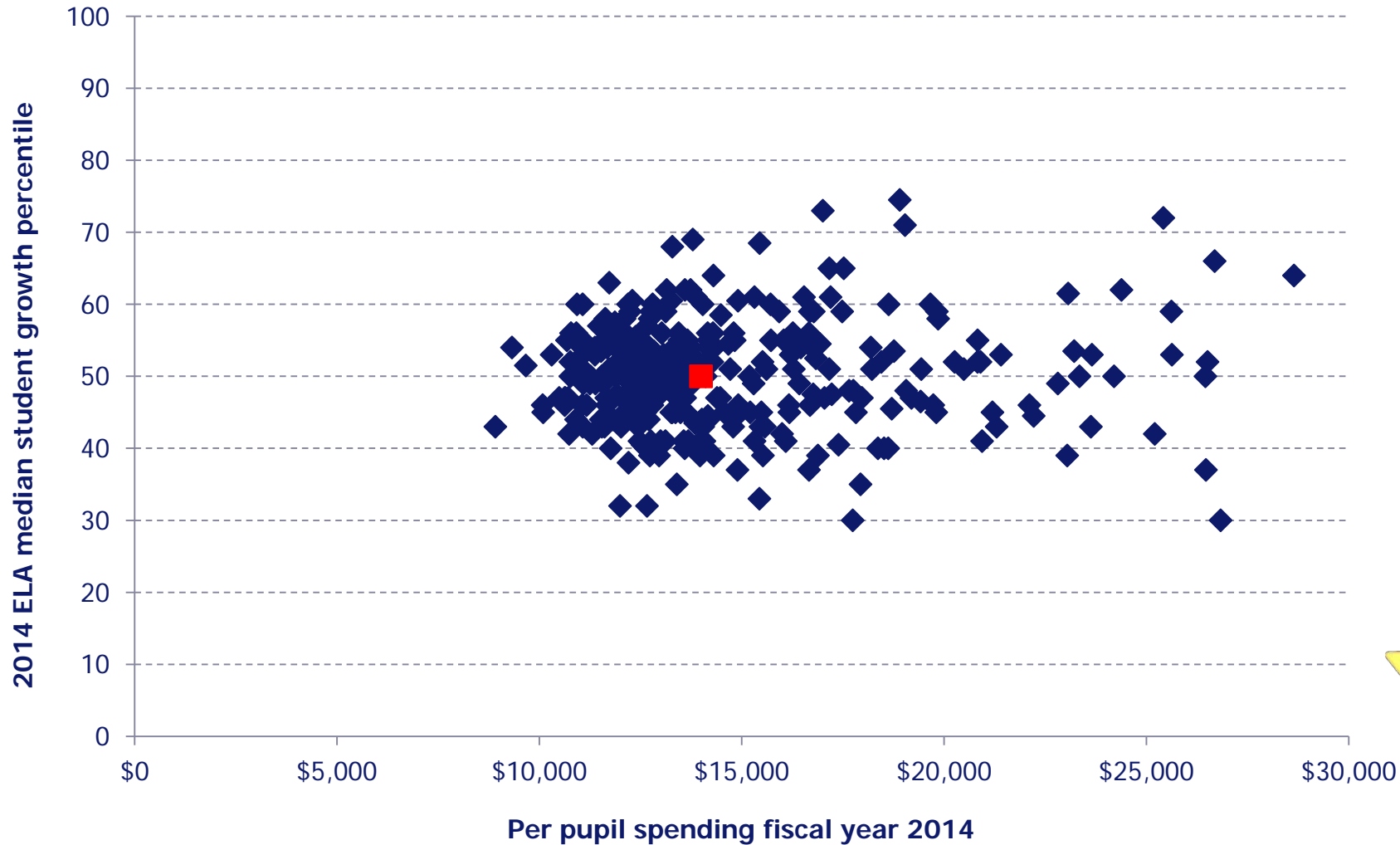
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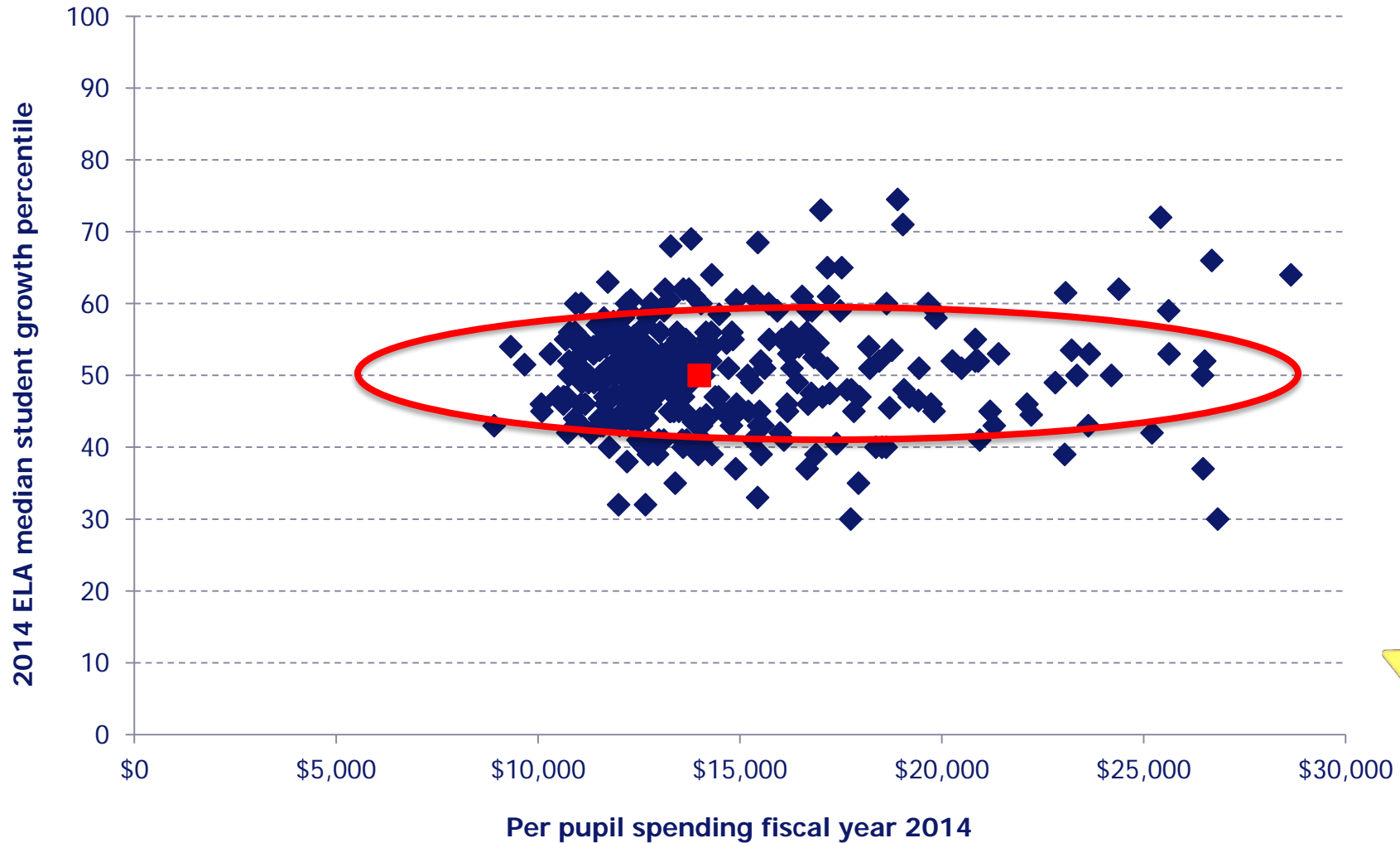
2014 Mathematics Achievement and FY14 Per Pupil Spending



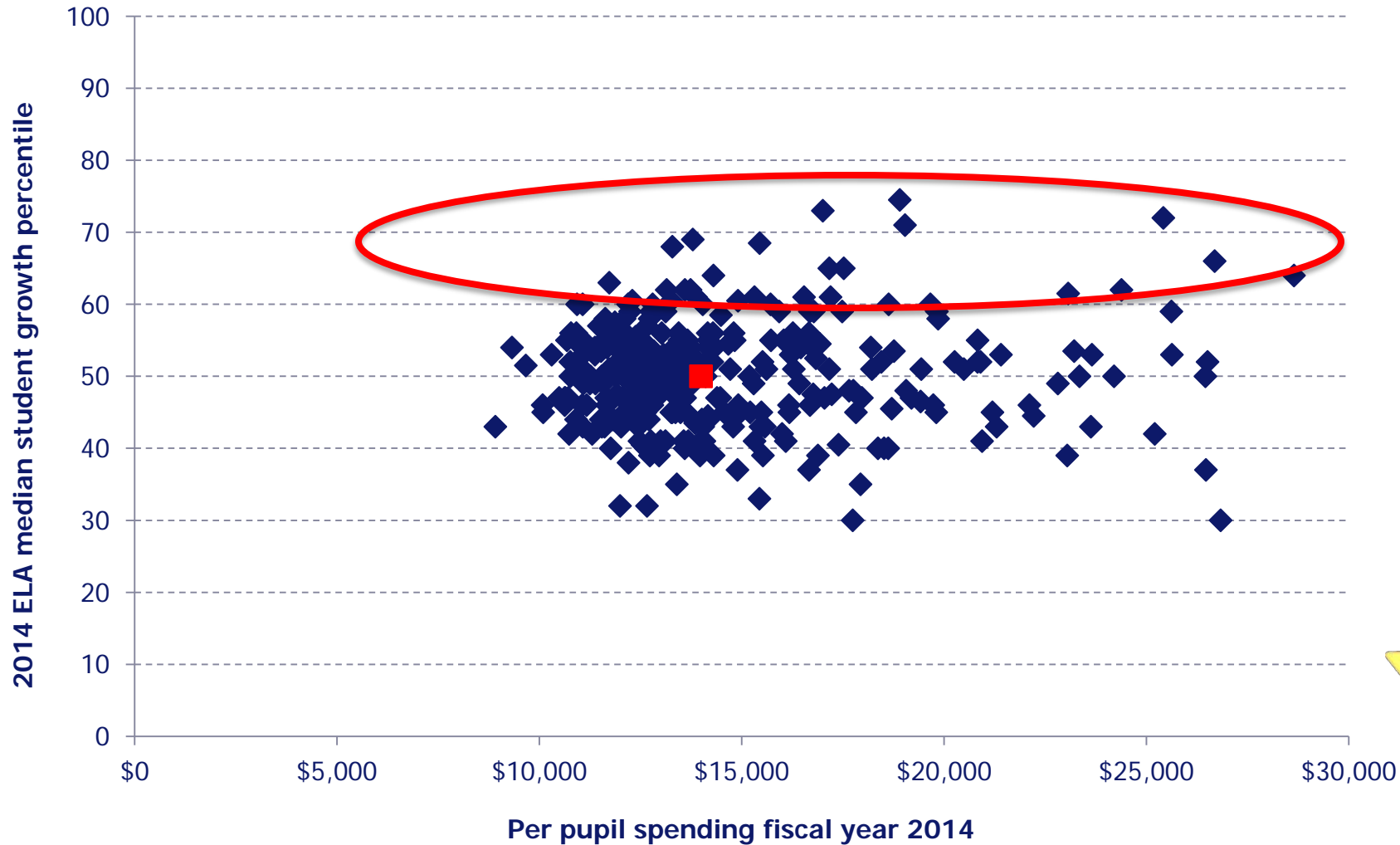
2014 ELA Median SGP and FY14 Per Pupil Spending



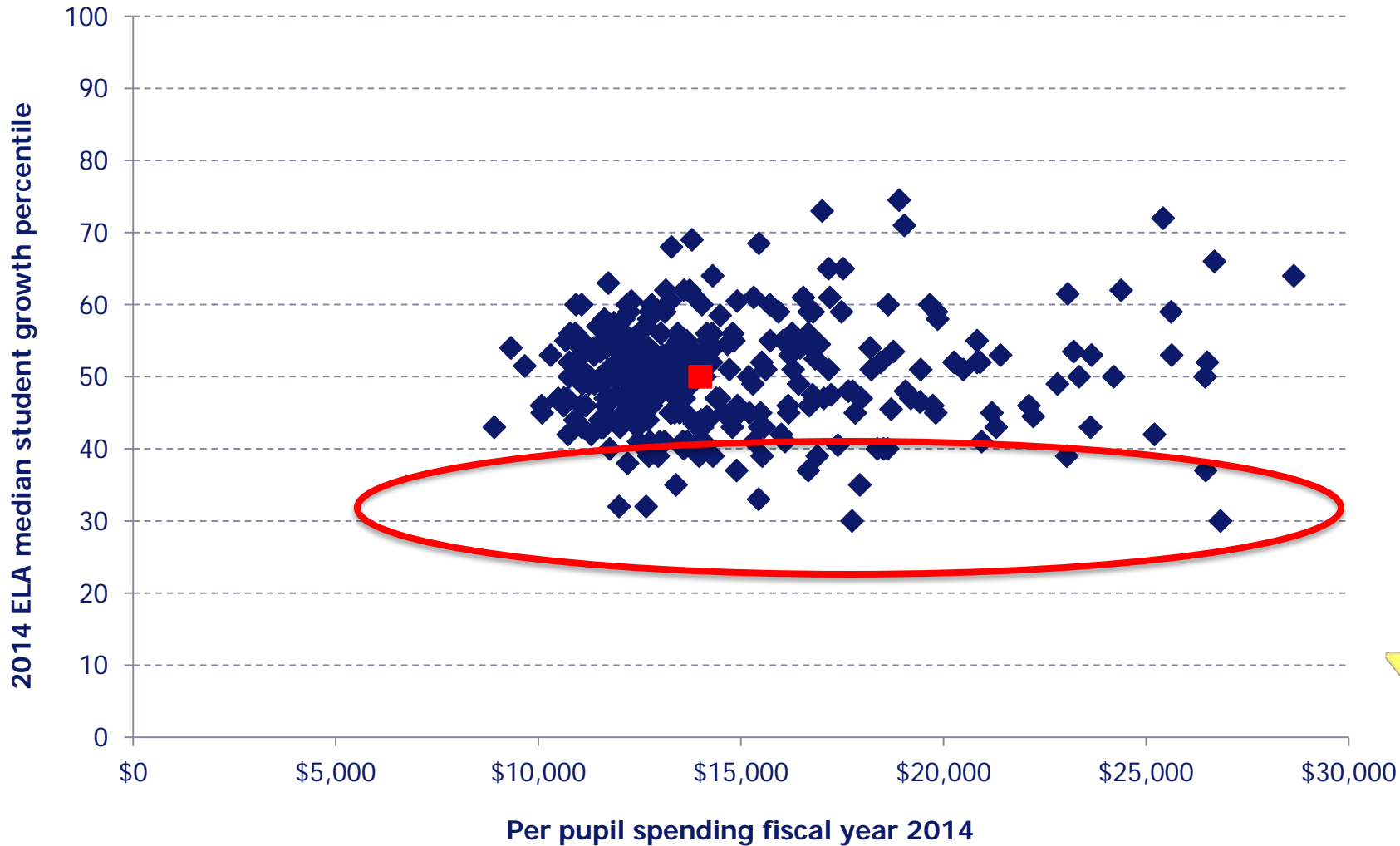
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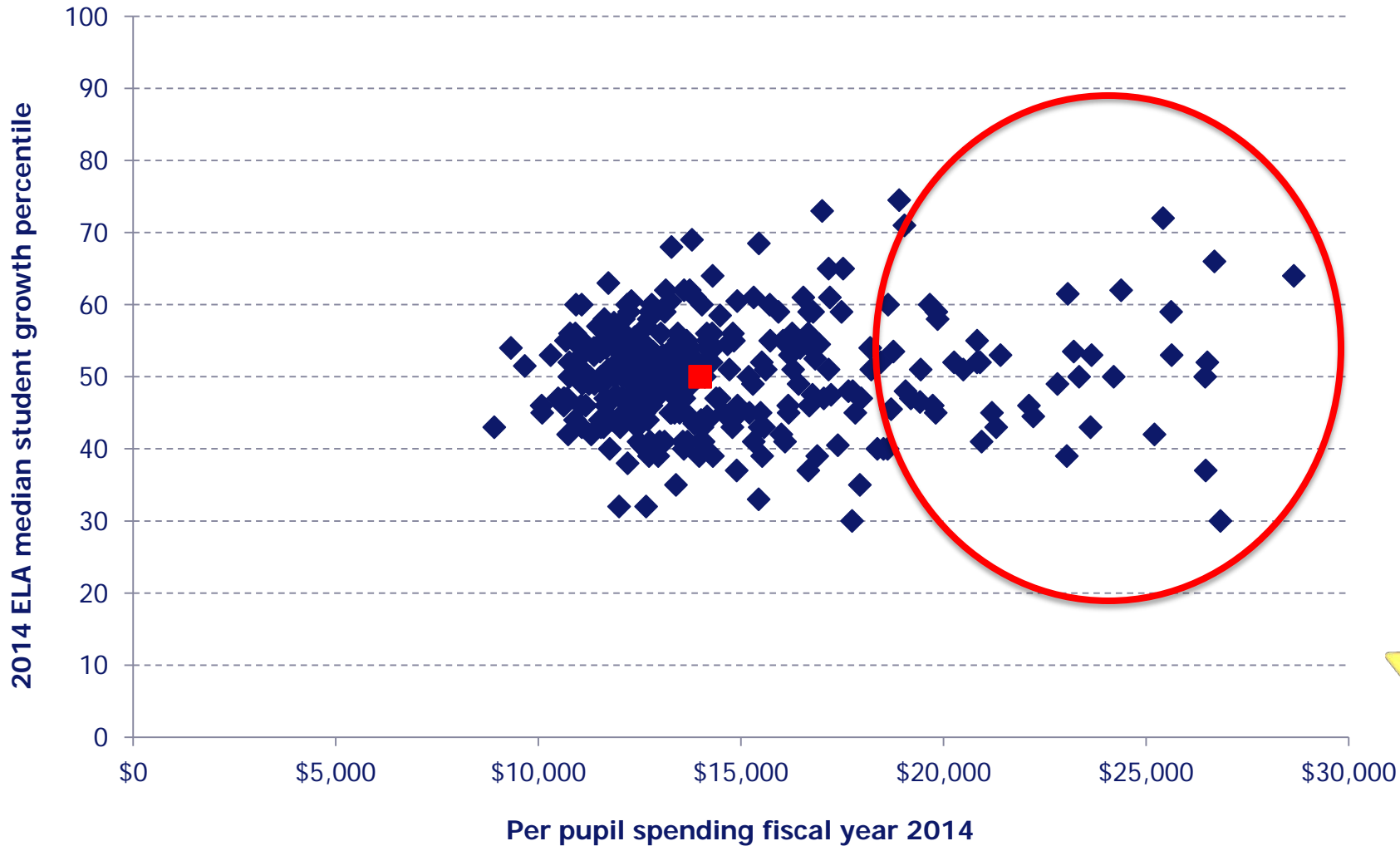
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2014 ELA Median SGP and FY14 Per Pupil Spending



2014 Mathematics Median SGP and FY14 Per Pupil Spending

