



Jeffrey C. Riley  
Commissioner

# Massachusetts Department of Elementary and Secondary Education

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## MEMORANDUM

**To: Board of Elementary and Secondary Education**  
**From: Commissioner Jeffrey Riley**  
**Date: March 11, 2024**  
**Subject: 2023 Education Related Laws**

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The following laws relating to the Department of Elementary and Secondary Education (Department/DESE) have been enacted and approved by Governor Healey during the first year of the 193rd Legislative Session (2023). The laws are listed in chronological order of enactment.

**An Act making appropriations for the fiscal year 2023 to provide for supplementing certain existing appropriations and for certain other activities and projects**

[Chapter 2 of the Acts of 2023](#)

Approved: March 29, 2023

The first FY23 supplemental budget of the Healey–Driscoll Administration included:

- \$65 million for universal school meals funding through June 30, 2023
- \$40,061,776 in a reserve to supplement school district costs associated with additional student enrollments in communities with increased shelter capacity.
- The establishment of the Youth Development and Achievement Fund to be credited any monies transferred from the Sports Wagering Fund pursuant to MGL Chapter 23N, section 17. Eligible expenditures include after-school and out-of-school activities and matching grants to elementary and secondary youth sports, organizations, clubs and other school groups to attend events, including, but not limited to, academic events and programs, cultural events and award ceremonies both nationally and internationally.
- Provision to make permanent certain remote meeting participation after the Covid-19 State of Emergency ended.

**FY24 General Appropriations Act**

[Chapter 28 of the Acts of 2023](#)

Approved: August 9, 2023

On August 9, 2023, the Governor signed the FY24 General Appropriations Act (GAA) into law. The law provides total spending authority of \$7.95 billion for the Department of Elementary and Secondary Education, most of which goes to cities, towns, and school districts through Chapter

70 and other forms of education aid and reimbursements. This total represents 9.7% growth over FY23 spending, an increase of \$224.7 million (2.9%) above the Governor's FY24 request (House 1), \$45.7 million less than the House's recommendation, and \$225.8 million above the Senate's recommendation.

The following summarizes the GAA's education recommendations by program area. Our budget tracking spreadsheet shows details for all Department appropriations.

## I. Education Local Aid & Reimbursements

Chapter 70 aid (inclusive of line items 7061-0008 and 7061-0009) is increased by \$594.0 million (9.9%) to \$6.592 billion. The FY24 Chapter 70 program reflects the passage in November 2019 of An Act Relative to Educational Opportunity for Students, commonly known as the Student Opportunity Act (SOA). The SOA makes significant changes to the Chapter 70 formula, based in large part on the recommendations of the Foundation Budget Review Commission (FBRC). The updated formula is also codified in Chapter 70 of the general laws.

### **Statutory parameters**

The updated formula includes three parameters to be specified in each year's general appropriations act. In the FY24 GAA budget, these are specified as follows:

- Total state target local contribution: 59%
- Effort reduction: 100%
- Minimum aid: \$60 per pupil

### **Foundation budget changes**

The SOA establishes new, higher foundation budget rates in five areas: benefits and fixed charges, guidance and psychological services, special education out-of-district tuition, English learners, and low-income students, all to be phased in by FY27. For FY24, the rates have been increased by three-sixths of the gap between the rates in FY21—the base year used in the calculations—and the final goal rates. The SOA also increased the number of tiers used for the low-income increment rates from ten to twelve; districts with higher concentrations of low-income students benefit from higher rates.

In addition to these targeted rate increases, foundation budget categories are also increased to account for inflation. A new employee benefits inflation rate is applied to the employee benefits and fixed charges category. This is based on the enrollment-weighted, three-year average premium increase for all Group Insurance Commission plans; for FY24 the increase is 5.16%. An inflation rate of 4.50% is applied to all other foundation budget rates, based on the U.S. Department of Commerce's state and local government price deflator and capped at the 4.50% maximum set in the SOA. The SOA does not set a maximum for the employee benefits inflation rate.

Statewide, foundation enrollment increased from 903,751 in FY23 to 905,106 in FY24, an increase of 1,355 or 0.15%. Foundation enrollment decreased for 174 districts, while 13 districts experienced enrollment increases of greater than five percent.

Finally, the formula's minimum aid provision guarantees all districts receive at least the same amount of aid in FY24 as they did in FY23 plus at least \$60 per pupil, funded through line items 7061-0008 and 7061-0009.

### **Low-income and special education enrollment**

The SOA reinstates the definition of low-income enrollment used prior to FY17, based on 185% of the federal poverty level. It replaces the economically disadvantaged designation (based on 133% of the federal poverty level) used from FY17 through FY23. For FY24, a district's low-income enrollment is based on three eligibility categories:

- Students identified as participating in state public assistance programs, including the Supplemental Nutrition Assistance Program (SNAP), Transitional Aid to Families with Dependent Children (TAFDC), MassHealth, and foster care; or
- Students certified as low-income through the new supplemental data collection process; or
- Students reported by a district as homeless through the McKinney-Vento Homeless Education Assistance program application.

Statewide, low-income enrollment for FY24 is 421,305, compared to 407,501 in FY23.

The SOA also increases the assumed in-district special education enrollment to 5% for vocational students and 4% for non-vocational students. In FY24, these assumed rates have been increased by two-sixths of the gap to 4.90% and 3.90% respectively.

### **Required local contributions**

The aggregate wealth model that has been used to determine local contribution requirements since FY07 and that is now codified in the SOA remains in place. For municipalities with required contributions above their targets, the equity component of the formula sets their contributions at target.

Finally, pursuant to its codification in the SOA, a provision introduced in the FY20 budget specifying a minimum required local contribution of 82.5% of foundation for any city or town with a combined effort yield greater than 175% of foundation is continued in FY24.

### **Charter school tuition**

Foundation tuition rates for Commonwealth charter schools are based on the same foundation budget rates used in Chapter 70. The foundation budget rate increases being implemented in

FY24 have been incorporated into our projected FY24 tuition rates. In addition, charter school low-income enrollment for FY24 has been identified using the same eligibility criteria used for districts. The facilities component of the tuition rate is \$1,188 per pupil, with this cost fully reimbursed by the state as in prior years.

The reimbursement formula for transitional aid to districts (7061-9010) reflects the change enacted by Section 38 of the FY20 budget, which provides for a reimbursement of 100% of any tuition increase in the first year, 60% in the second year, and 40% in the third year. Funding for first year reimbursements is prioritized first, followed by funding for second year reimbursements. The SOA requires 75% of the total state obligation to be funded in the first year, 90% in the second, and 100% in subsequent years. The FY24 GAA has \$232.7 million appropriated for these reimbursements. This appropriation level is expected to fund 100% of the state's obligation when tuition assessments are updated to reflect actual enrollments and district spending levels. The projected assessments and reimbursements for charter tuition payments at this point in time can be useful for budget planning but should not be viewed as final numbers.

### **Rural Aid**

The account is funded at \$15 million, an increase of \$9.5 million for Rural Aid (7061-9813).

### **Circuit Breaker**

Special Education Circuit Breaker reimbursement (7061-0012) is increased by \$57.9 million over the FY23 level to \$499 million and accelerates the phase-in of a provision of the SOA to reimburse up to 75% of out-of-district special education transportation costs. There is \$5.6M of unspent funds from FY23 that will roll forward to FY24. The Governor reduced the account by the amount of funds rolling forward because the amount appropriated for FY24 along with the amount rolling forward would be sufficient to meet projected demand. The administration has separately filed for \$75M in a FY23 supplemental budget to further support school districts with escalating out-of-district costs.

### **Transportation Reimbursements**

The FY24 GAA provides increased reimbursement of \$14.9 million for Regional School Transportation (7035-0006), increased reimbursement of \$5.7 million for Homeless Transportation (7035-0008), and increased reimbursement of \$750K for Non-Resident Vocational Student Transportation (7061-0007).

## **II. Program Changes**

The FY24 GAA includes additional funding for the following accounts:

- \$500K increase for the 1595-0116 Genocide Education Trust Fund
- \$500K increase for 7010-1193 Civics Education Program to \$2.1M

- \$1M increase for 7010-0020 Career Technical Partnership Grants (Innovation Pathways) to \$5.8M
- \$323K increase for 7061-0029 School and District Accountability Reviews to \$1.38M
- \$1M increase for the 7061-9408 Targeted Assistance account to \$16.17M
- \$50K increase for 7061-9612 Safe and Supportive Schools to \$650K
- \$300K increase for 7061-9634 Mentoring Matching Grants to \$1.8M
- \$2M increase for 7061-9814 Summer Learning to \$3M
- \$400K increase for 7061-9815 Grants for Hate Crime and Bias Prevention to \$800K

The GAA has added 3 new line items for FY24:

- \$69M for 1596-2422 Universal School Meals (another \$102.5M is in the 7053-1925 account)
- \$50M for 1596-2424 Green School Works account to install or maintain clean energy infrastructure
- \$375K for 7010-1196 to promote the healthy development of young children and their families living in underserved communities of the city of Boston through trauma-informed, multi-generational family support and community engagement.

The following accounts received a reduction in the FY24 GAA:

- 1595-0015 Civics Project Trust Fund is reduced by \$500K to \$1.5M
- 7027-0019 School-To-Work Connecting Activities is reduced by \$842K to \$7.8M
- 7027-1004 English Language Acquisition is reduced by \$968K to \$3.6M
- 7035-0035 AP Math and Science Program is reduced by \$100K to \$3.3M
- 7061-9412 Expanded Learning Time Grants is reduced by \$3.6M to \$2.4M
- 7061-9650 Supporting Healthy Alliances Reinforcing Education (SHARE) Grant Program is reduced by \$1.05M to \$1M

The FY24 GAA eliminates spending for the 7061-9805 Educator Scholarship and Loan Repayment Program (\$15M reduction).

In addition, 7061-9812 Child Sexual Abuse Prevention (\$2.3M) has been transferred to the Children's Trust Fund under account 3000-2060.

DESE's other accounts are level funded in the FY24 GAA with either the addition/removal of legislative earmarks and/or changes in FY24 payroll costs.

**An Act making appropriations for the fiscal year 2023 to provide for supplementing certain existing appropriations and for certain other activities and projects**

[Chapter 77 of the Acts of 2023](#)

December 4, 2023

The December FY23 “close-out” supplemental budget included several provisions related to elementary and secondary education:

- \$8,833,222 for student and school assessment
- \$75,000,000 for extraordinary relief to school districts relative to increased out-of-district special education costs
- \$75,000,000 for supplemental school district costs associated with additional student enrollments related to the emergency housing assistance program
- \$14,856,250 for teacher diversity initiatives
- Clarifying technical language relative to the universal school meals program

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