

Chapter 70, The Student Opportunity Act, & What Happens Next

Division III Learning Lunch

March 13, 2026

Massachusetts General Law Chapter 70, sec. 1

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.**

**Foundation
Budget: “a
fair and
adequate
minimum per
student
funding”**

- ✓ Per pupil allocation
- ✓ By grade level
- ✓ Recognition of special education
- ✓ Additional support for English learners
- ✓ Additional support for low-income students

Inflation

Every year, the foundation budget is inflated by an inflation rate every year, reflecting the rate of change in spending by states, municipalities, and school districts from last fall to the fall prior to that.

This rate is now capped at 4.5%.

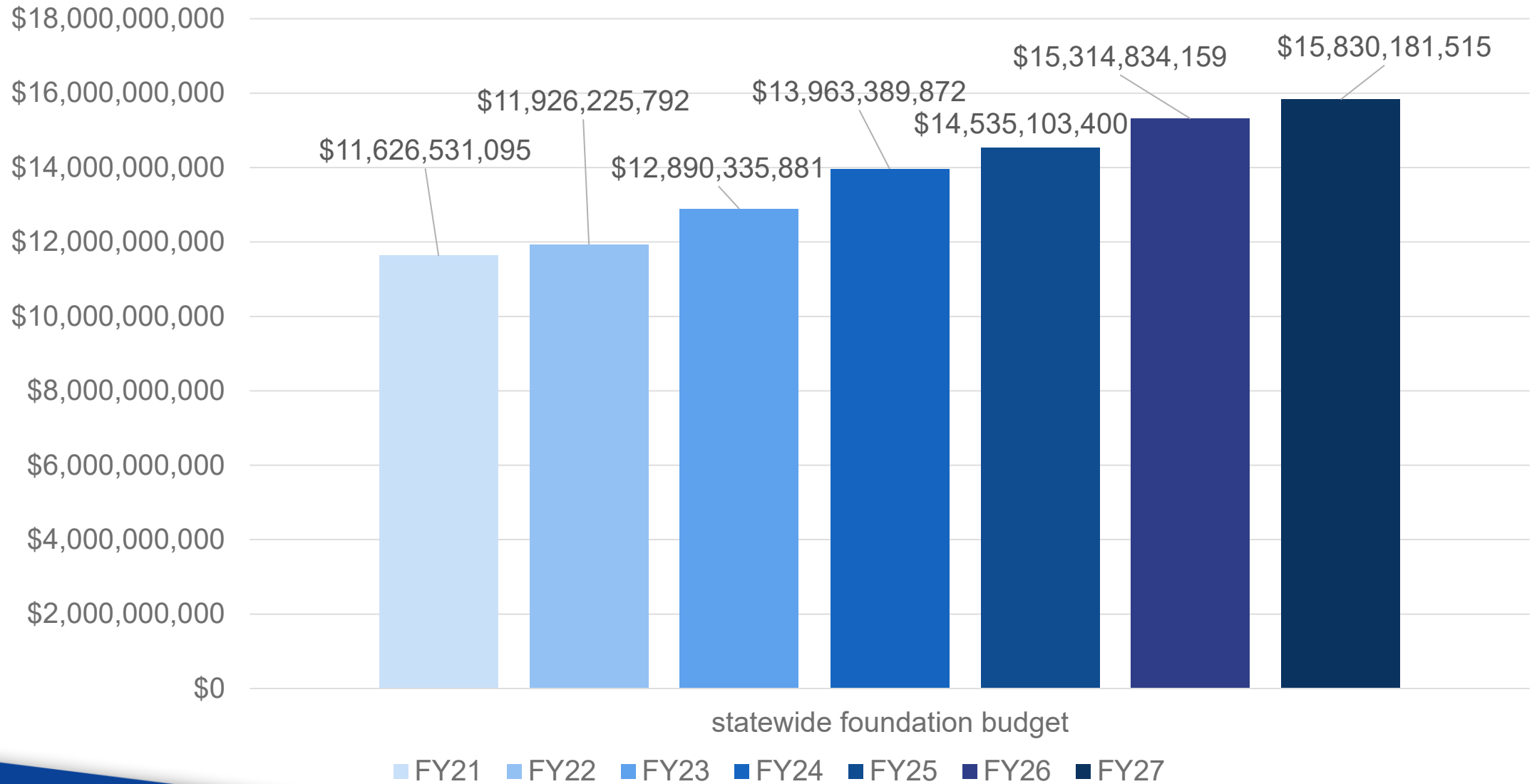
Student Opportunity Act

Passed in 2019 in response to the 2015 Foundation Budget Review Committee

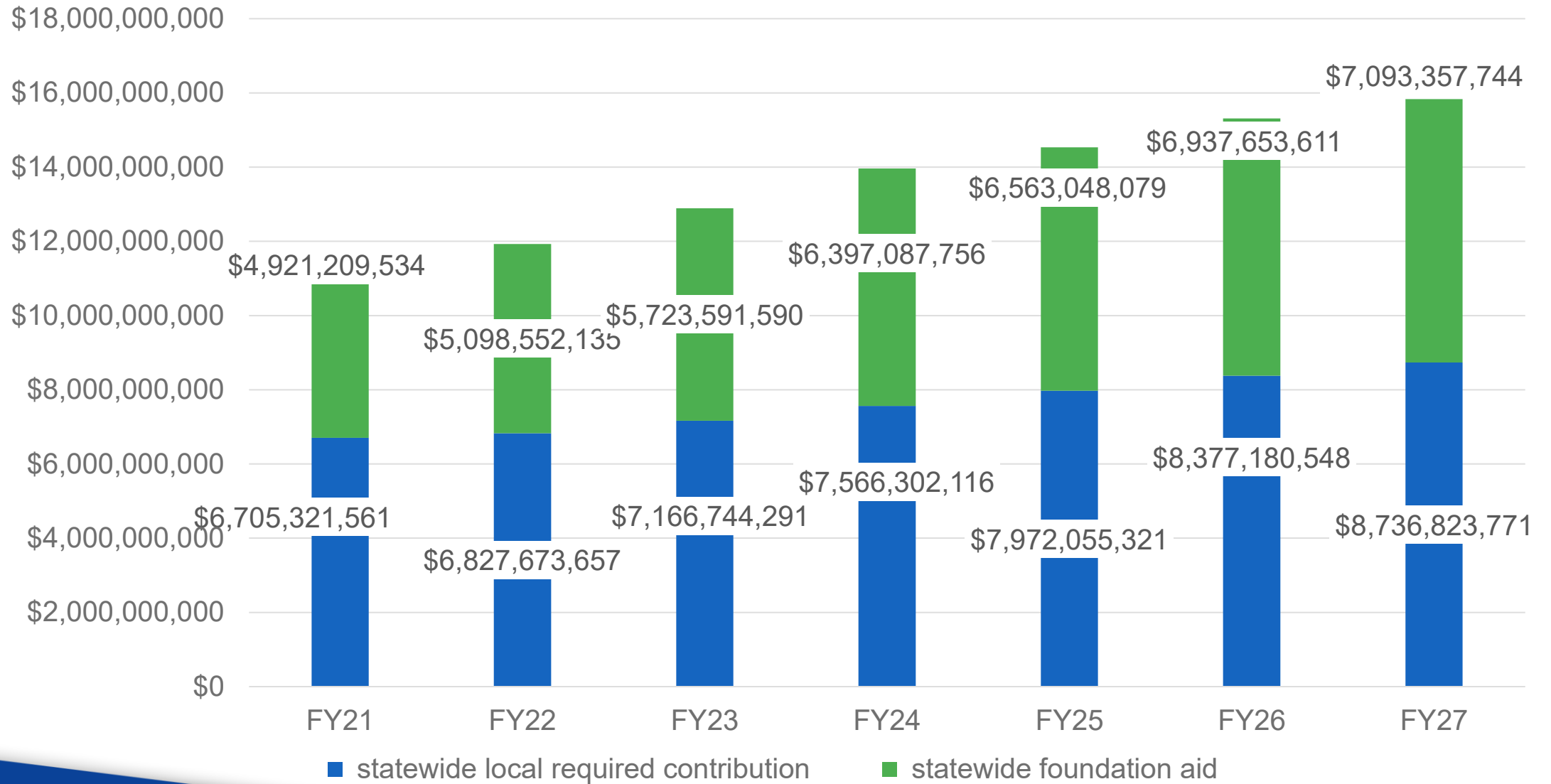
- Looked ONLY at the foundation budget; intentionally did not address contribution;
- Addressed undercalculation of health insurance and special education, the two biggest cost drivers within school budgets as found by the Foundation Budget Review Commission;
- Increased financial support for English learners and for low income students, in direct response to testimony and research done by Commission;
- Phased in increases in the foundation budget over six years*

*originally slated to be seven; there was a year's delay due to the pandemic

Student Opportunity Act

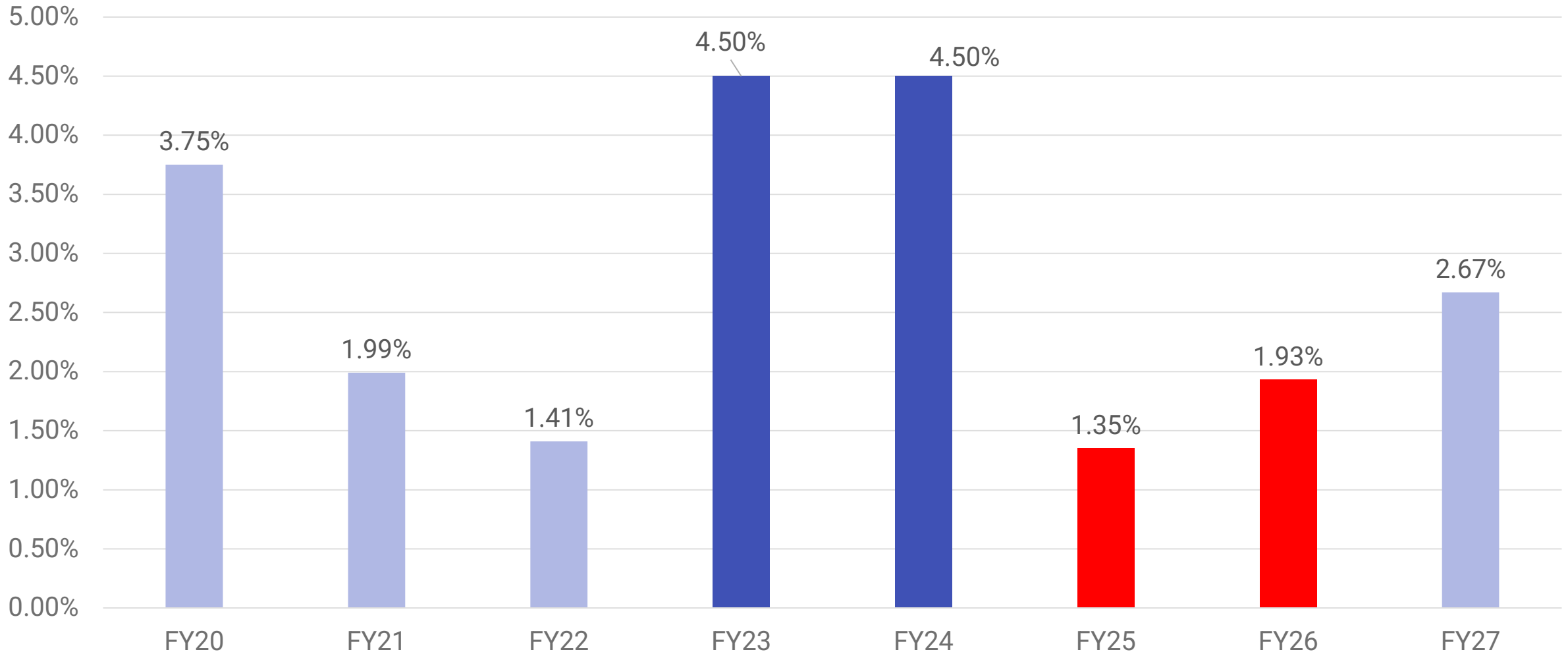


Student Opportunity Act



Inflation*

*rate of change in the Implicit Price Deflator for State and Local Governments as tracked by the U.S. Department of Commerce



Since FY22, benefits have had a separate inflation rate; this was 2.78% in FY22 4.51% in FY23; 5.16% in FY24; 5.03% in FY25; 6.13% in FY26, and 8.29% in FY27

MASC Resolution: Fully Adjusting Chapter 70 Aid for Inflation

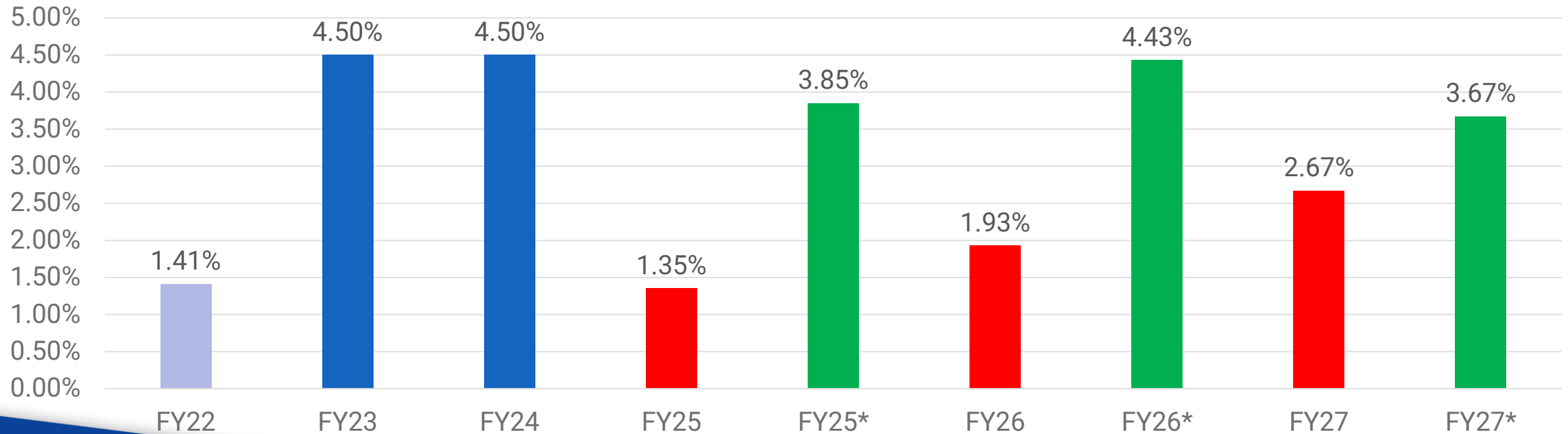
Sponsored by the Everett School Committee

Directed MASC to work with the legislature to ensure in future years where realized inflation is above the 4.5% annual inflation cap, in subsequent years, Inflation Index “Catch Ups” are made to Chapter 70 aid and that realized inflation is used in formulas to calculate Chapter 70 aid in perpetuity.

- MASC identified **H678/S388 - *An Act to fix the Chapter 70 inflation adjustment***; and **S345 - *An Act eliminating education funding inflation cap*** as the legislative package that would have collectively: revised the inflation formula to reflect true cost growth since 2019, and eliminated the outdated 4.5% cap on annual increases.
- The above bills were consolidated with bills seeking similar goals and redrafted into: **H555 - *An Act establishing a legislative commission to study and make recommendations regarding the chapter 70 funding formula*** & **S400 - *An Act to ensure adequate and equitable funding for public education***. Each bill is in their respective Ways & Means Committee.
- Both **H555** and **S400** would establish legislative commissions to study Massachusetts’ education funding formula. MASC views S400 as slightly more favorable and will continue to advocate for each of these bills’ passage this session.

What Fully Adjusting for Inflation Could Have Looked Like

Had MASC Resolution language re: Ch. 70 Inflation Catch-Ups already been state law, here is what subsequent budgets could have looked like. Note: Actual inflation in FY23 was 7% and in FY24 was 8% - leaving a gap of 6% unaccounted for. See green for hypothetical catch-up years – added 2.5% in FY25, 2.5% in FY26 and 1% in FY27.



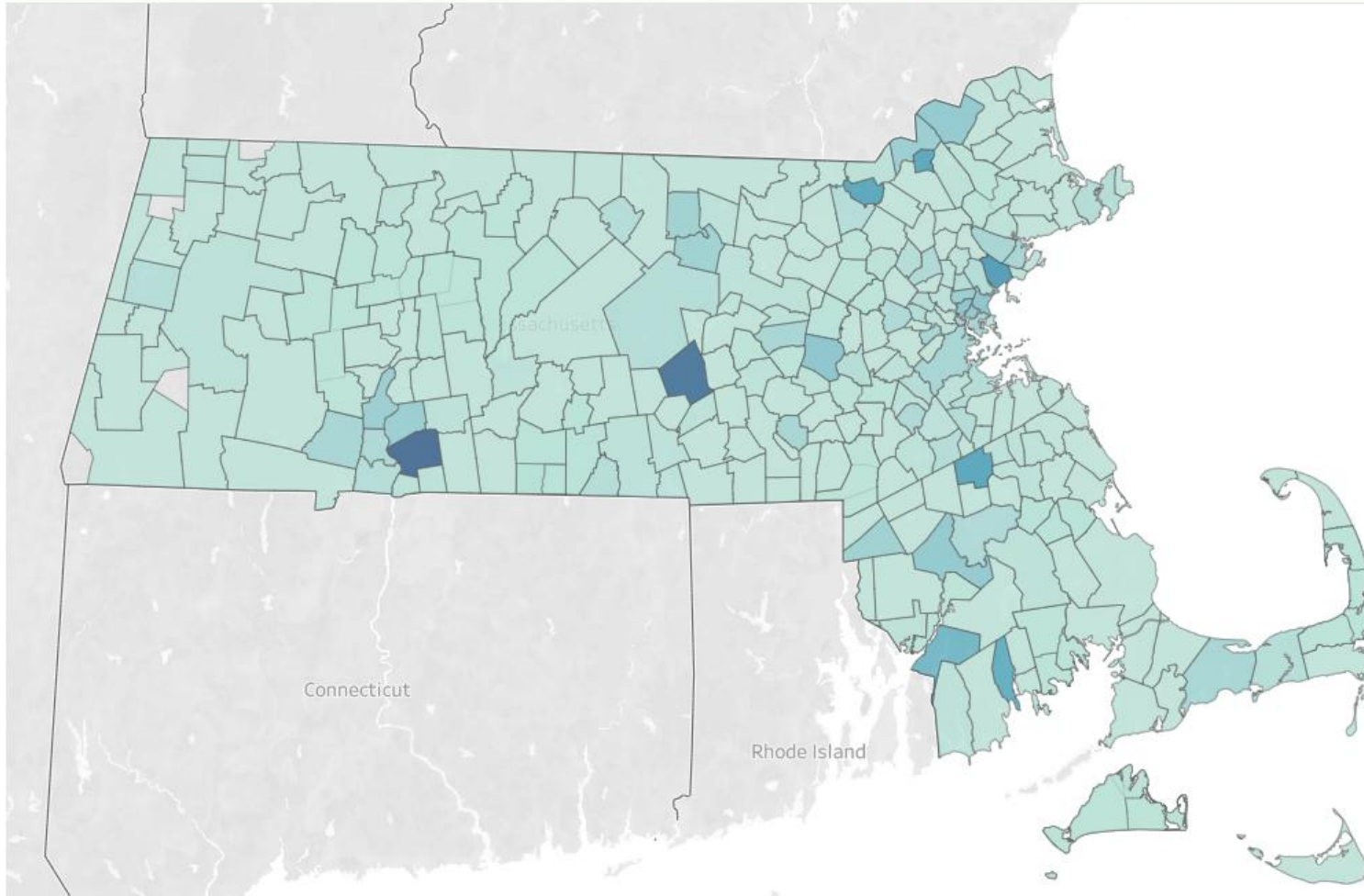
COLIN JONES

NOVEMBER 8, 2024

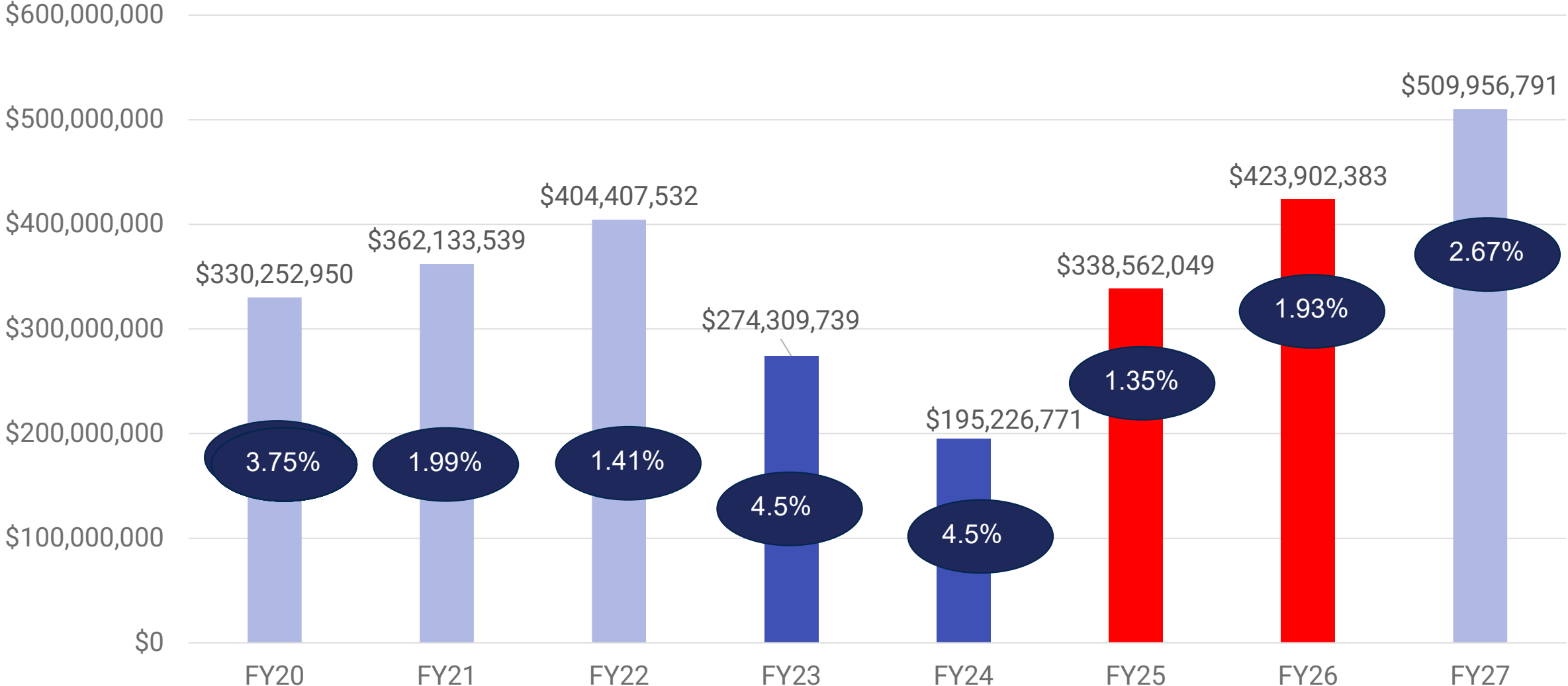
BUDGET RESOURCES,
EDUCATION, KIDS

Interactive Data by School District: Inflation Lessens SOA's Equity Impact

Many Districts Would Have Gained Even More Chapter 70 Aid
In FY 2025 if Inflation was Fixed Along with the SOA



Hold harmless + minimum per pupil increases



% Foundation budget inflation (non-benefit categories)

Questions & Discussion

Drop your questions in the Q&A, the Chat, or
just raise your hand!

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