



Massachusetts Taxpayers Foundation

**Written Testimony in Support of H.70
of
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Thank you for this opportunity to testify today on H.70, An Act to Promote Equity and Excellence in Education. I am Eileen McAnneny, President of the Massachusetts Taxpayers Foundation. The Foundation's mission is to provide accurate, unbiased research with balanced, thoughtful recommendations that strengthen the state's finances and economy in order to foster the long-term well-being of the Commonwealth. Over the course of eight decades the Foundation has played an instrumental role in achieving major reforms and promoting sound public policy in state government.

As a proponent of the 1993 education reforms and a founding member of the Massachusetts Business Alliance for Education, the Foundation has long recognized that the long-term well-being of the Commonwealth relies on a high performing education system. The employers of the modern economy need well-trained, well-prepared employees in order to compete and thrive. We are proud Massachusetts is home to the top-rated education system in the nation.

The Chapter 70 funding formula is the Commonwealth's primary tool for sharing the cost of public education with the 351 cities and towns in Massachusetts. These costs are significant. In fiscal year 2017 for example, cities and towns spent a total of \$11.4 billion on education, according to DOR's Division of Local Services. Chapter 70 funding offset \$4.6 billion, or 44% of those costs.

The Commonwealth has kept its promise to cities and towns. Notably, the ratio of education costs covered by Chapter 70 has remained essentially unchanged at 44% since 2003 according to the publicly-available DLS data. The Governor's proposal would increase local aid share of the budget slightly in fiscal 2020 to 14% of total state spending from 13% in fiscal 2019 and begin to bend the curve upward for the first time in years.

Despite these successes, however, challenges remain:

- the Achievement Gap persists;
- the current funding formula does not accurately account for the rising cost of health insurance costs and special education; and
- the need for accountability is as pressing as ever.

Although Massachusetts has done well when measured against its peers, our public education system is at a critical juncture. This next iteration of education reform must ensure that any additional spending is targeted to best practices in addressing achievement gaps and there is accountability for these additional resources. Given the many pressing needs of the Commonwealth, we cannot afford to allocate additional money for education and simply hope for improvements. We must ensure that any additional spending get us measurable, evidence-based improvements in the following areas.

- Equitable funding
- Improved learning outcomes
- Increased innovation by educators and administrators
- Transformative school leadership
- Student preparedness for college success and future employment
- Enhanced state partnership tools and resources
- Transparency in how the money is spent and whether it achieved its state purpose

MTF's analysis is that H.70, An Act to Promote Equity and Excellence in Education, supports the long-term well-being of the Commonwealth and advances the principles outlined above.

More specifically, H.70 makes the funding formula more progressive by pushing more resources toward those low-income students and/or English language learners that

need it most. This should reduce the achievement gap by ensuring that students with the greatest need are prioritized.

The Governor's proposal benchmarks health care costs in the foundation budget calculation to GIC rates, building on the reforms made in recent years at the GIC. I believe this is a sensible approach. As co-chair of the Massachusetts Employer Health Coalition, I recognize that the rising cost of providing health insurance coverage is a challenge faced by employers throughout the Commonwealth. As a member of the Group Insurance Commission, I know how much energy and effort has been exerted in recent years to control costs and create value for the more than 400,000 members of the GIC. By using the GIC target, we are incenting municipalities to do what they can to rein in health care cost growth while providing a more realistic health care cost target.

Accountability and a data-driven approach to education programming must be integral to education finance reform efforts. This information must then be used to affect change in underperforming school districts so that educational opportunities are maximized. Therefore, the Foundation supports giving the DESE Commissioner new tools to assist school districts in maximizing their performance.

In summary, the Commonwealth has much to be proud of when it comes to education, but we cannot rest. The Foundation believes the Governor's education finance reform proposals offer a sensible approach for improving public education in Massachusetts.

Thank you very much for your time and consideration.