STUDENT OPPORTUNITY ACT: PROGRESS REPORT

A 3-Year Progress Report on Student Opportunity Act Implementation.

An Act Relative to Educational Opportunity for Students (Chapter 132 of the Acts of 2019) was signed into law by Governor Charlie Baker in November 2019. Better known as the Student Opportunity Act (SOA), the new law represented the largest reform to education financing in Massachusetts in nearly 25 years.

The goals of the Student Opportunity Act were expansive, and the final bill included a range of education policy initiatives. But above all else, **the SOA aimed to dramatically increase the resources available for the highest need school districts across the state and create a data-driven structure to accurately assess how those resources were being used to close persistent disparities in student achievement.**

When the bill was signed into law, the state committed to reaching full implementation by Fiscal Year (FY) 2027. Now, more than halfway through that implementation schedule, the Massachusetts Taxpayers Foundation (MTF) is offering an assessment on the progress that has been made in meeting the primary objectives of the law.

TWO KEY QUESTIONS:

1. Is the Student Opportunity Act directing significant new resources to the highest need school districts across the state?

2. Are there suitable data collection and reporting requirements in place to allow policymakers and the public to identify how these new resources are being used, and can that information inform future policy action?

THREE MAIN TAKEAWAYS:

- The SOA is succeeding in directing the largest increases in Chapter 70 State Aid to the school districts educating the largest shares of high-needs students; **77% of state aid increases related to the SOA have been dedicated to the 64 school districts across the state educating the largest shares of Low-Income and English Language Learner students.**

- Challenges related to cross-referencing SOA spending reports with other school district financial reporting requirements, as well as **incomplete and inconsistent data prevent policymakers and the public from clearly connecting increased investments made possible by the SOA to specific evidence-based programs that could lead to improved student outcomes.**

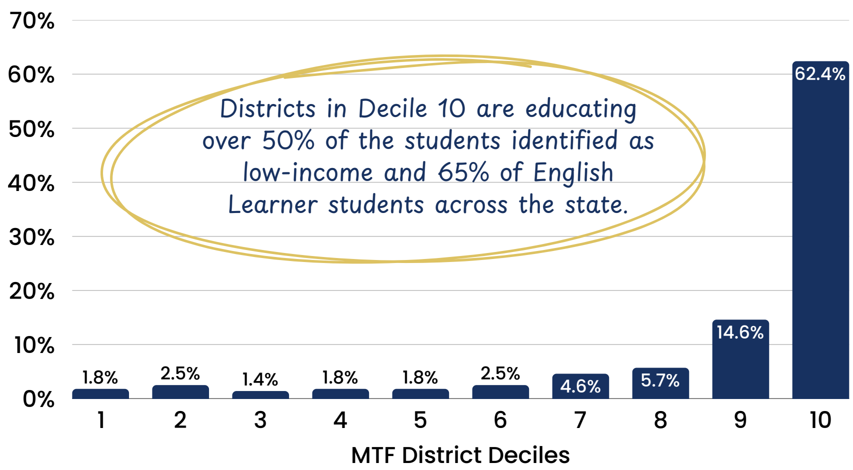
- During the first three years of SOA implementation, actual district spending data indicates that **new school district expenditures have been predominantly driven by increases in teacher salaries, out-of-district tuition payments, pupil services, and other teaching services.**

Statewide, over the first 3 years of SOA implementation, Chapter 70 State Aid increased by $1.3 Billion.

The amount of new state aid specifically tied to the reforms of the SOA exceeded $540 million.

More than 77% of the Chapter 70 State Aid increases related to SOA implementation were directed towards the 64 districts in Deciles 9 & 10.

DISTRIBUTION OF NEW CH.70 AID BY DISTRICT DECILES



CH. 70 SPENDING ON EVIDENCE-BASED PRACTICES BY PRIORITY DISTRICTS

	10 Priority Districts
Total CH.70 State Aid Increase, SOA Years 1 - 3	$597 million
CH.70 State Aid Increase Tied to SOA Reforms	$247 million
Planned CH.70 Spending on Evidence-Based Practices	**$146 million**
% of CH.70 Identified by Districts for Evidence-Based Practices	**59%**

To measure the state's success in creating a data-driven SOA reporting structure that connects increased investments to specific evidence-based practices and improved student outcomes, MTF analyzed SOA report data for a subset of 10 districts in Decile 10.

The 10 priority districts indicated their intention to spend 59% of the Chapter 70 State Aid increases they received on specific evidence -based practices.

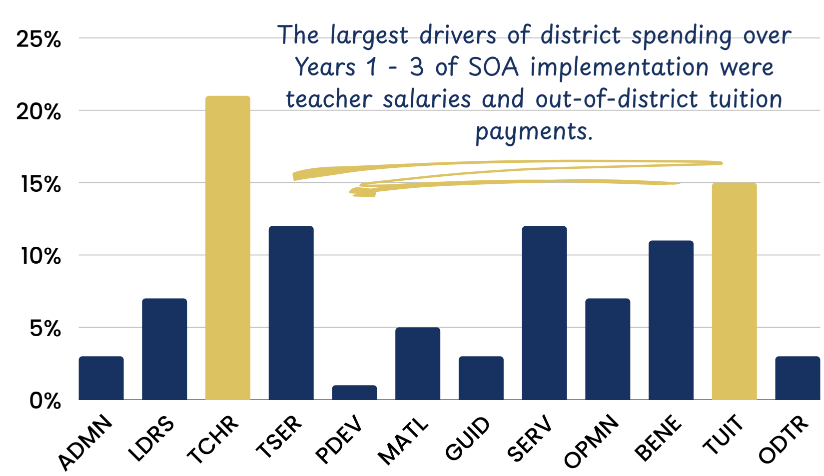
Importantly, SOA reports indicate districts *planned* spending, not *actual* spending patterns.

District expenditure reports provide more insight into district spending patterns during the first 3 years of SOA implementation.

While this data is not available at the program-level, categorical spending trends may be consistent with certain evidence-based practices.

A major challenge is the lack of coordination between SOA reports and district expenditure data.

PRIORITY DISTRICTS: DISTRICT EXPENDITURE INCREASES BY CATEGORY AS A % OF TOTAL INCREASE



MASSACHUSETTS TAXPAYERS FOUNDATION'S RECOMMENDATIONS

By providing a comprehensive analysis of the first three years of SOA implementation, critical lessons are learned about the state's success in driving significant new investments towards the highest-need districts across the state and areas for improvement are identified related to tracking how those investments will drive improved student outcomes and achievement over time.

Building off the findings of this report, there are several steps that policymakers, department officials, and school district leaders can take now to ensure that the state does not complete the largest investment in its public schools in a generation without understanding what has been accomplished and to prepare for the next iteration of education finance reform in Massachusetts.

Fully align SOA-required reporting and annually submitted district financial data. A major piece of missing information from the first three years of SOA implementation is any direct connection between the increased state investments made possible by the new law and actual district spending on the evidence-based programs identified in SOA-required reports. While the SOA Plan amendments submitted by districts in FY 2022 and FY 2023 provided valuable information about districts' intentions, many of which may have been fulfilled, without the ability to compare those reports to district expenditure data it is not possible to track actual district spending levels on evidence-based programs.

Expand SOA-related reporting requirements to all districts. The SOA included additional reporting and data collection requirements for the districts receiving the largest increases in state aid as a result of the new law. These enhanced requirements are well-intentioned; it is paramount that the state collects consistent and accurate information regarding how state dollars are being distributed and how they are being used in service of students. But regardless of whether new district spending is driven by increased state aid or enhanced local contributions, if it is being used effectively to improve student outcomes, the state should have an interest in understanding and sharing those strategies.

Develop a plan now for how to incorporate lessons learned from SOA implementation into future education finance reform efforts. In recent years, school finance challenges have emerged regarding the municipal contribution components of the foundation budget formula. Namely, school districts across the state – particularly those that have not experienced large financial benefits through the SOA reforms – have faced increasing local costs, growing required local contributions, and limitations on the amount of revenue that can be raised at the municipal level. As policymakers contemplate the next iteration of education finance reform in Massachusetts, it is paramount that lessons learned from SOA implementation are incorporated into those conversations.