An Act to provide a sustainable future for rural schools

Section 1 adds a definition of “rural school district” to the state’s school financing statute (chapter 70 of the General Laws). A rural school district is defined as a district with both a student density of less than 35 students per square mile and a per capita income below the average annual estimated state per capita income.

Section 2 establishes two funds in state law:

- *Rural School Aid Fund* will receive $60,000,000 each year from the state’s General Fund. Amounts credited shall not be subject to appropriation. The fund will be used to support the long-term fiscal health of rural school districts, with priority given to those serving communities with the fewest students per square mile.

  The provision also directs DESE to annually make recommendations for additional adjustments to the rural school aid calculation to improve accuracy and equity.

- *Declining Enrollment Fund* will provide additional per-pupil aid to school districts with a decline in student enrollment of at least 35 percent in the past 20 years. Amounts credited to the fund shall not be subject to appropriation.

Section 3 adds a provision to the law governing the state’s grant program for paraprofessionals in public schools who are pursuing a bachelor's degree at a public higher education institution to become a certified teacher. Under section 3, the program must give priority to paraprofessionals seeking licensure as special educators.

Section 4 amends the definition of costs that can be reimbursed by the state for special education costs to add that it can include payment of full-time equivalent salaries for specialized part-time staff in order to obtain a qualified professional.

Section 5 provides for 100% reimbursement of special education costs incurred by school districts for transportation and tuition for students receiving education out of their home district in the year in which the costs incurred. Current law limits this reimbursement to 75% of costs above an amount set in law.

Section 6 adds a section to the special education law to create a program to provide funding for local educator preparation programs for special education. The program will support school districts that coordinate with educational collaboratives and other providers to build “grow your own” programs and provide paid time off, or child care stipends to paraprofessionals studying to become licensed special education teachers.

The program may also work with teachers licensed in other subjects to become special education teachers.

The section also directs DESE to develop special education instructor assessments that can be used as an alternative to Massachusetts Tests for Educator Licensure (MTEL).

Section 7 directs DESE to conduct a review of their special education regulations as they pertain to the needs of rural school districts. The department is directed to publish a web page that will be a one-stop resource to allow the public to obtain information and provide comments on individual rules and guidelines under review as well as the department's regulatory review program generally.

Section 8 establishes a Special Education Financing Legislative Commission to review the system for financing special education and make recommendations for a more equitable system that provides adequate funding to local school districts to meet the costs of providing high quality education to students with disabilities. The Commission will review the current financing system and make recommendations to achieve the following goals:

1. special education funds shall be sufficient to allow all schools to provide a high quality education in the least restrictive environment that meets the unique needs of each eligible student;
2. special education funds provided to school districts shall recognize the variation in the resources that are required to provide students with different disabilities a high quality education;
3. districts with more students receiving special education services shall equitably receive more state special education assistance funding than districts with fewer students receiving special education services;
4. districts with less local resources shall equitably receive more state special education assistance funding than districts with more local resources;
5. special education funds shall be relatively predictable and stable to enable school districts to budget effectively and implement multi-year plans;
6. the special education funding system shall promote the efficient use of funds without incentivizing the under or misdiagnosis of students with disabilities;
7. the special education funding system shall promote flexibility and innovation in providing high quality education;
8. the special education funding system shall limit local financial responsibility for providing education to students with extraordinary needs; and
9. the special education funding system shall provide sufficient funds to meet the costs of transportation of special education students.

The Commission will have at least 4 public hearings across the state as part of its review.

The chairs of the commission will be the House and Senate chairs of the Joint Committee on Education. The other members are the Governor or a designee; the Secretary of Education; the DESE Commissioner; the Commissioner of Early Education and Care; the director of the Massachusetts Office on Disability; the House Speaker and Minority Leader, or their designees; the Senate President and Minority Leader, or their designees; the Chairs of the House and Senate Committees on Ways and Means, and the Joint Committee on Children, Families and Persons with Disabilities or their designees, and 1 member to be appointed by each of the following organizations: the Massachusetts Municipal Association, the Massachusetts Business Alliance for Education, the Massachusetts Association of School Committees, the Massachusetts Association of School Superintendents, the Massachusetts Teachers Association, the American Federation of Teachers Massachusetts, the Massachusetts Association of Vocational Administrators, the Massachusetts Association of Regional Schools, Massachusetts Advocates for Children, Federation for Children with Special Needs, ARC of Mass, and the Parent Professional Advocacy League of Massachusetts.

The Commission is to file its report by June 30, 2028.

Section 9 amends the law governing state assistance for pupil transportation. Under section 9, the state will pay the full amount of extraordinary transportation costs for transporting students between home and school in rural school districts.

Section 9 also sets up a Non-Resident Pupil Transportation Fund. The Fund will be used to reimburse schools for the costs of transporting students who attend school outside their home district. Amounts credited to the fund shall not be subject to appropriation. Funds spent from this fund will not be considered part of regular chapter 70 school aid.

Section 10 sets up an Office of Shared Services within the Department of Elementary and Secondary education (DESE). This Office will oversee the formation of regional school districts and superintendent unions, and assist school districts that are considering forming or are in the process of forming regional school districts and superintendent unions. The Office may assist with the research, development and execution of shared services projects and shared services agreements.

Section 11 amends the statute governing the Massachusetts School Building Authority (MSBA). The MSBA provides sliding scale assistance for the construction and renovation of school buildings. Under section 11, the Authority is directed to pay 90% of the cost of projects for regional school districts.

Section 12 provides that if a school is closed as part of a regionalization effort, the MSBA will relieve the district of its debt to the Authority. Also, the Authority, in collaboration with the Executive Office of Economic Development, is directed to offer the municipality where the school is located assistance in developing a plan for demolition or use of the school building for other purposes.

Section 13 provides for an extra payment of $200 per student to regional school districts during their first three years of operation as a regional school district. The section replaces a provision in current law that calls for declining "regional bonus aid" payments of $50, then $40, $30, $20 and $10 per student during the first five years of a regional school district's establishment.

Section 14 authorizes the payment of state aid to cover the salaries of temporary school district employees, including but not limited to an assistant superintendent, assistant business manager, assistant information technology director and assistant pupil services director, during the first two years of a regional school district's operation. The amounts of the aid are to be determined by the DESE Commissioner.

Section 15 establishes three funds in state law. Each of the funds can spend funds appropriated for their use, and also hold over money for future years, unlike regular appropriations. The three funds are:

- *School District Regionalization Grant Fund* - assists school districts that are considering forming, are in the process of forming or have formed within the past five years a regional school district or are regionalizing services.

  Priority for the funds shall go (in order) to (1) school districts with significant enrollment decline; (2) school districts where existing school space is underutilized; and (3) school districts where the regionalization proposal will produce significant expansion of available academic resources and supports as a result of cost savings. Amounts credited to the fund shall not be subject to appropriation. The maximum grant award will not exceed $1,500,000 over a three-year period.

- *Regional School District Foundational Aid Fund* - makes up shortfalls in assistance to regional school districts during their first five years if the district's constituent schools received more foundational aid before regionalization than the regional district. Amounts provided by the fund will not be considered chapter 70 aid for the calculation of the minimum required local contribution for the following year. Amounts credited to the fund shall not be subject to appropriation.
- *Superintendent Union Formation Grant Fund* - provides assistance to school districts that are considering forming, are in the process of forming or have

formed within the past five years a superintendent union. A superintendent union allows multiple smaller districts to share a single superintendent. Amounts credited to the fund shall not be subject to appropriation. The grants will not exceed $250,000 annually.

Section 16 requires the department of elementary and secretary education and the department of children and families to jointly apply for federal reimbursement of transportation costs incurred by a district for the transportation of a child in foster care between the foster home and the child's school of origin.

If the federal government does not reimburse in full, the department shall reimburse the district for the balance of said costs.

Section 17 requires geographic equity on the Board of Elementary and Secondary Education