

FundEd: Massachusetts Report

A Detailed Look at Massachusetts's Funding Policies



Massachusetts



Funding Basics

Formula Type

Massachusetts has a hybrid funding formula incorporating both resource-based and student-based elements. The state assigns costs to the education of students in several different categories, derived from the resource costs associated with educating the students in each category.

The categories of students considered for the purposes of calculating resource costs in Massachusetts are students in certain grade levels, English-language learners, students with disabilities, and students enrolled in career and technical education programs. Massachusetts also accounts for the cost of educating low-income students by allocating a variable dollar amount for each low-income student.

Base Amount

Massachusetts does not have a single, statewide base amount. Instead, it uses several funding amounts that are associated with different categories of students.

The state uses a formula that accounts for resource costs and associates different costs with different categories of students. (Categories include regular- and special-education students in different grades; students with limited English skills; and students in career and technical education programs.) The per-student costs calculated for each category include those for teachers, staff benefits, materials, and professional development, among other resources.

Local Revenue

Expected Local Share

Massachusetts expects municipalities to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values, residents' income, and defined share of the amount calculated by the state to be necessary to educate its students.

In Massachusetts, school districts do not directly raise revenue; rather, municipalities raise revenue for schools. The state sets required local contributions for municipalities annually in order to transition each municipality's tax rate gradually towards its target local share. Each municipalities' target local share is based on a statewide target for the proportion of education funding to be covered by state and local funds, and on the municipalities' property values and resident incomes. Municipalities, in total, are expected to cover 59% of the statewide foundation budget, and the state is expected to cover 41%. The target local share will differ for each individual municipality depending on its property wealth and its residents' income, weighted equally. The target calculation also sets the maximum local share of the formula amount at 82.5%.

Property Tax Floors and Ceilings

Massachusetts sets both a floor and a ceiling for local property tax rates. School districts in Massachusetts may not directly impose taxes; property taxes for education are imposed by municipalities.

Municipalities must raise a local contribution that varies based on the district's contribution in the previous year, and a target based on property and income wealth, and student need. Massachusetts also sets limits on municipalities' overall tax rate: a municipality may not impose a property tax rate of more than \$25.00 for every \$1,000 of taxable property wealth or increase the tax rate by more than 2.5% from year to year. However, in order to pay for certain capital projects or to meet specified debt service costs, municipalities may impose taxes at rates above these limitations with voter approval. These exceptions require a vote of two-thirds of the municipality's governing body, and the approval of a majority of voters.

Other Local Taxes for Education

School districts in Massachusetts may receive local revenue from property taxes, motor vehicle excise taxes, utility taxes, and permit and license fees.

School districts in Massachusetts may not directly impose taxes. Municipalities impose property taxes as well as motor vehicle excise taxes, utility fees, and permit and license fees, a portion of which is directed to schools.

District Characteristics

Grade Level

Massachusetts provides different levels of funding for students in four different grade spans: kindergarten, elementary, junior high school or middle school, and high school.

The funding amounts are calculated based on the assumption that different resource needs apply to these different grade spans. Different amounts are assigned to other categories of students that are also tied to grade level, including special education students in each of these grade spans and secondary students in career and technical education programs.

English-Language Learner

Massachusetts provides increased funding for English-language learners (ELLs). It provides districts with a higher per-pupil amount for ELLs in accordance with the assumption the education of ELLs is associated with above-average resource costs.

The state uses a formula that accounts for some resource costs, and associates different costs with different categories of students, including ELLs. Massachusetts defines ELLs as those students whose native language is a language other than English, and whose difficulties in speaking, reading, writing, or understanding English may prevent them from meeting state standards, engaging in the classroom, or participating fully in society.

The per-student costs calculated for each category include those for teachers, staff benefits, materials, and professional development, among other resources. First, the total funding that a district requires for each category is calculated based on that category's associated costs and the number of students counted in the category. Then, each district's per-student funding amount is derived by adding together its total funding figures for all the student categories and dividing the sum by the district's total enrollment across all categories.

Poverty

Massachusetts provides increased funding for students from low-income households at a level that differs depending on the concentration of low-income students in their district. It does so through a per-student grant for each low-income student that varies depending on the concentration of low-income students in the district compared to other districts in the state.

Each district will be assigned to a decile based on the share of its students who come from families who participate in one or more of the following state-administered programs: Supplemental Nutrition Assistance Program (SNAP), Transitional Assistance for Families with Dependent Children, the state foster care program, and MassHealth. In FY2018, the lowest-poverty districts received \$3,817 per low-income student, while the highest-poverty districts received \$4,181 per low-income student.

Special Education

Massachusetts funds special education using a census-based system, assuming that a set percentage of students in each district will require special education services and using each district's full enrollment count to determine the amount of special education funding required.

The state assumes that in-district special education placements will make up the full-time equivalent of 3.75% of district's non-career and technical education enrollment in grades 1-12, and the full-time equivalent of 4.75% of its career and technical education enrollment. Out-of-district special education placements are assumed to make up the full-time equivalent of 1% of enrollment. In FY2018, the state provided districts with \$25,632 for each assumed, in-district, special-needs student and \$26,696 for each assumed, out-of-district, special-needs student.

The remainder of state special education funding is distributed through specific program-based allocations, including aid to districts serving students imposing costs greater than four times the state average foundation budget per pupil (that reimbursement covers 75% of costs incurred above that threshold) and an "extraordinary relief" program that supports districts whose special education expenses see at least a 25% year-on-year increase.

Gifted

Massachusetts does not provide increased funding for gifted and talented students.

Career and Technical Education

Massachusetts provides increased funding for career and technical education (CTE) programs. It does so by providing a higher per-pupil amount for students enrolled in these programs in accordance with the assumption that CTE is associated with above-average resource costs.

The state uses a formula that accounts for some resource costs and associates different costs with different categories of students, including students enrolled in CTE. In FY2018, Massachusetts provided districts \$13,417 for each student enrolled in CTE.

The per-student costs calculated for each category include those for teachers, staff benefits, materials, and professional development, among other resources. First, the total funding that a district requires for each category is calculated based on that category's associated costs and the number of students counted in the category. Then, each district's per-student funding amount is derived by adding together its total funding figures for all the student categories and dividing the sum by the district's total enrollment across all categories.

Sparsity and/or Small Size

Massachusetts does not provide increased funding for sparse districts or for small schools or districts.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org

