

2025-2026 Legislative Agenda



Funding Our Schools to Meet the Needs of All Students

Public school districts across the Commonwealth are facing severe fiscal challenges that threaten to undermine their capacity to deliver high-quality public education to all students. The legislation below offers a comprehensive platform to address the main drivers of the public school fiscal crisis and provide the funding our students and educators need to succeed now and in the years to come. The crisis could be addressed most rapidly by these reforms being incorporated into the FY26 state budget.

H.678/S.388 | An Act to fix the Chapter 70 inflation adjustment

Lead Sponsors: Rep. Orlando Ramos (D-Springfield) | Sen. Robyn Kennedy (D-Worcester)

- The Chapter 70 formula currently caps inflation adjustments in state aid at 4.5%, no matter how high inflation actually is in a given year. This cap means that in periods of high inflation, as we saw in recent years, public school districts do not receive the state aid they need to keep pace with increased costs at the local level. It also means that, absent a fix, this funding will be lost forever and districts will never receive the real-dollar aid they were promised under the *Student Opportunity Act*.

This legislation will address this flaw in the Chapter 70 law by maintaining the 4.5% cap but making a technical fix so that state funding to public school districts keeps pace with inflation over time. It will do so by allowing for funding to be made up in years when inflation is below the 4.5% cap, thereby ensuring that districts will over time receive the funding they need and that the Commonwealth meets the real-dollar targets in the *Student Opportunity Act*.

H.517/S.314 | An Act to provide a sustainable future for rural schools

Lead Sponsors: Rep. Natalie Blais (D-Sunderland) | Sen. Jo Comerford (D-Northampton)

- Rural schools often have costs that are not reflected in the foundation budget for school funding, which are mostly related to not having the same economies of scale as other non-rural districts. Rural districts also often have declining enrollments, which means they rarely get increases in Chapter 70 (other than minimum aid) since it is an enrollment-based formula.

This legislation proposes to increase financial support for rural school districts through a variety of means, including through the establishment of several funds to provide additional financial resources that help address their unique fiscal challenges. One such fund is a Rural Schools Aid Fund that would receive \$60 million annually in state appropriations to directly support rural school districts.

H.697/S.328 | *An Act relative to full funding of regional school district transportation*

Lead Sponsors: Rep. Margaret Scarsdale (D-Pepperell) & Rep. Kristin Kassner (D-Hamilton) | Sen. John Cronin (D-Fitchburg)

- High inflation continues to drive up the cost of providing transportation to students, particularly in regional districts that cover larger geographical areas. Regional school districts are currently reimbursed for a significant portion of these costs, but the Commonwealth has historically underfunded those reimbursements relative to the total cost borne by the districts. This has resulted in additional stress on already stretched public school district budgets.

This legislation seeks to move Massachusetts toward 100% reimbursement of regional school transportation costs by requiring the Department of Elementary and Secondary Education to annually request full funding for the program.

H.597/S.348 | *An Act ensuring full reimbursement for in-district school transportation costs / An Act providing in-district transportation funding*

Lead Sponsors: Rep. Jim Hawkins (D-Attleboro) | Sen. Lydia Edwards (D-Boston)

- As noted above, school transportation costs continue to rise and non-regional school districts are not immune from those increases. In addition, non-regional school districts do not currently receive reimbursements for the transportation costs associated with regular day and in-district special education programs, meaning that those communities are covering the full cost of student transportation. While existing law does provide for reimbursements to be made to such districts by the Commonwealth, the state budget has not funded these reimbursements in over two decades.

Under this proposal, the Commonwealth will once again reimburse school districts for regular day and in-district special education transportation costs. Specifically, it will create a four-year reimbursement funding schedule starting with 25% of the total state obligation in FY26 before reaching 100% in FY29 and subsequent years.

H.691/S.430 | *An Act relative to the long-term fiscal health and sustainability of special education in the Commonwealth*

Lead Sponsors: Rep. Adam Scanlon (D-North Attleborough) & Rep. Mike Kushmerek (D-Fitchburg) | Sen. Jake Oliveira (D-Ludlow)

- Special education costs have been increasing significantly, stretching local school district budgets and necessitating a close examination of how special education is provided and funded in Massachusetts. Currently, the Special Education Circuit Breaker Program reimburses school districts at 75% for certain instructional and transportation costs above a per-student threshold of approximately \$50,000. However, the current reimbursement program has proven inadequate in covering local district costs and districts are not always reimbursed at the 75% amount.

This legislation will move the Commonwealth closer to addressing these funding concerns by increasing the reimbursement rate for the Special Education Circuit Breaker program from 75% to 90% of eligible special education costs, lowering the cost threshold for expenses to become eligible for reimbursement under the program and creating a commission to study and make recommendations on special education funding. These changes will bring immediate relief to public school districts across the state and lay the foundation for additional, long-term reforms.

H.577/S.389 | *An Act honoring the Commonwealth's commitment to public school districts*

Lead Sponsors: Rep. Brandy Fluker-Reid (D-Boston) | Sen. Robyn Kennedy (D-Worcester)

- When a student leaves a public school to attend a charter school, the public school district is required to pay the charter school a corresponding tuition amount, a system that siphons hundreds of millions of dollars from Massachusetts public school districts and significantly stresses the budgets of impacted public school districts. This is because the costs of operating a community's school system does not meaningfully change despite a decline in enrollment.

One way to begin to address this issue is to strengthen the Charter School Tuition Reimbursement Program that currently reimburses sending public school districts for three years on a sliding scale when they lose students to charter schools. This legislation will add a fourth year to the reimbursement schedule and raise the reimbursement rate in the second year, thereby increasing funding to public school districts so that they can continue to deliver a high-quality public education.

H.544/S.369 | *An Act to establish the Whole Child Grant Program*

Lead Sponsors: Rep. Marjorie Decker (D-Cambridge) | Sen. Adam Gomez (D-Springfield)

- There is a mental health crisis in Massachusetts public schools that has been intensified by the impacts of the pandemic and that continues to impact students' ability to learn and educators' ability to teach. Educators, who experience the impacts of this crisis firsthand every day in the classroom, have been clear that what is needed is more funding to support staffing increases in positions that provide direct services to students and the development of other important programs and policies at the local level.

This legislation is responsive to the needs in our public schools and builds on the work the Commonwealth is already doing to address this crisis. Specifically, it creates a formula grant to provide per-pupil funding to public school districts to hire more school counselors, social workers, psychologists, Education Support Professionals and other educators, and allows for other critical investments that support the well-being of students and educators. Importantly, this grant will provide the highest per-pupil amounts to low- and middle-income districts that are not major beneficiaries under the *Student Opportunity Act*.