

Accountability Key to Education Funding Reform

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Massachusetts is about to undertake the most sweeping restructuring of public-education funding since 1993.

What does it mean for employers?

The 3,500 member companies of Associated Industries of Massachusetts (AIM) who depend upon the public schools to prepare the workforce of the future support education reform that contains specific and measurable performance objectives. Anyone who owns or manages a business tracks return on investment and the investment we make in our public schools and students should be no different.

Employers do not support the sort of reform being promoted by some advocates who have been calling at rallies for a “blank check” of billions of dollars of state aid with no accountability.



The Massachusetts Legislature is expected to debate changes this fall to the formula used to provide money to school districts around the commonwealth. The formula was developed in 1993 as a way to equalize per-pupil school spending between poor communities with shrinking property tax bases and wealthy communities that invest significant amounts of money on their school systems.

But most people now agree that the so-called Foundation Budget is not working.

While the National Assessment of Education Progress indicates that Massachusetts has the best public schools in the nation, that same assessment shows significant achievement gaps between white students and black and Latino students. Massachusetts finds itself in the bottom half of states with respect to Black-White achievement gaps across almost all grades in reading and math and in the bottom third of states with respect to Latino-White achievement gaps across all grades in both reading and math.

The achievement gap matters to employers confronting a persistent shortage of qualified workers in an economy running at 2.9 percent unemployment. With a demographic cliff looming as baby boomer retirements threaten to shrink the size of the state labor force, Massachusetts cannot overlook any citizen who might help Bay State employers compete in the global economy.

There are other issues as well. A report this year by the Massachusetts Business Alliance for Education (MBAE), the Massachusetts Business Roundtable and AIM found that employers continue to see a gap between the overall performance of the schools and the job those schools are doing preparing students

for the workforce. Business leaders want schools to improve the applied skills taught to students, hire better teachers, increase hands-on and vocational/technical education, and forge business partnerships.

Reforming the school funding formula will probably cost taxpayers around \$1 billion. Employers understand better than anyone the importance of making strategic investments, but they also know that pouring money into a broken system is not the answer. Employer support for education reform hinges on the establishment of clear and measurable standards that will allow everyone to determine whether changes are working for students, teachers and the commonwealth.

The evidence is clear that more money does not equal better educational performance. An online analysis of school funding by MBAE in June showed that schools serving similar student populations and spending the same amount per student can achieve dramatically different results.

For example, an elementary school in Winchendon spending \$13,644 per student and serving 38 percent low-income students and 18 percent special education students has only 31 percent of students on grade level in math, while a school in Revere spending \$13,913 per student and serving 43 percent low-income students and 20 percent special education students has 67 percent on grade level in math.

AIM and the rest of the Massachusetts business community insist that the following accountability measured by part of any education funding reform:

1. Fully implement the recommendations of the Foundation Budget Review Commission through a multi-year, fully funded revision to the Chapter 70 formula that will achieve adequacy and equity for all students. Funding provisions should include revisions to the charter-school tuition reimbursement program schedule and percentages.
2. Maintain and enhance the state accountability system to ensure new funds go to those students who need them the most and are used effectively to close achievement gaps, set statewide and district targets for closing those gaps with annual reporting on progress, and collect and report on data related to college and career readiness. The state should require, at a minimum, a user-friendly set of comparable data from school to school that correlates with student post-graduation success.
3. Add a new Chapter 70 enrollment category for Early College and Career Pathways to enable replication and expansion of these promising high-school reform strategies. Every effort should be made to create a new approach to preparing students for the future, including the awarding of industry-recognized credentials, work-based learning opportunities, and successful college and career pathway programs.
4. Provide significant and supplemental funding for innovation and the implementation of best practices in under-performing schools. It is vital to set aside money to support grants to schools and districts to innovate and create new approaches to closing achievement, opportunity, and skills gaps.
5. Enact Innovation Partnership Zone legislation to provide communities with a new tool for empowering schools and educators to address persistent low-performance and encourage innovation. Allowing for the expansion of autonomy and flexibility for educators, with school and zone level decision-making, these “zones” can create collaborative partnerships for success and should be extended for voluntary use across the state.

MBAE will conduct a State House briefing on September 10 at 11 am to allow employers to outline the business view of education reform to members of the legislature. The briefing will include individual meetings with legislators to discuss the need for accountability in any changes to the school funding formula. Please contact [MBAE to register](#).

AIM joined other business groups in August to urge Jeffery C. Riley, Commissioner of Elementary and Secondary Education, to ensure that additional money provided to schools in the current state budget reach the students for which it is intended.