Commonwealth Charter Schools
Question 2
Potential Impact on
Arlington Public Schools
Paul Schlichtman
Arlington School Committee
September 24, 2016
The current charter school cap is really a plug in the fiscal drain.

For most Massachusetts districts, the drain is plugged at 9% of Net School Spending.

For the bottom 10% of districts the drain is plugged at 18% of Net School Spending.

If the per pupil charter school garnishment from local districts is cut in half, the number of available charter school seats would double.
In FY 2017, Massachusetts DEFLATED the per-pupil foundation budget by -0.22%.

In FY 2017, Net District Cost for Charter Schools (district garnishment after all reimbursements) increased from $412,811,820 to $451,338,729, a 9.33% increase.

This is happening to school districts under the current charter school cap.

A yes vote on Question 2, and 12 new charter schools every year, will make things much worse for children in our public schools.
How do we fund public school districts in Massachusetts?
Education Reform Act of 1993
Foundation Budget.
Based on the cost of providing an adequate education in 1993.
Arlington Foundation Budget: FY16
$50,290,292

- Vocational: 2 students @ $13,526
- ELL KF-12: 226 students @ $9,541
- Pre-School: 38 students @ $3,731
- Full Day Kindergarten: 478 students @ $7,461
- Elementary: 2187 students @ $7,507
- Junior High - Middle School: 1121 students @ $7,116
- High School: 1285 students @ $8,875
- SPED In-District (formula): 199 students @ additional $25,986
- SPED Out-Of-District (formula): 53 students @ additional $26,538
- Low Income Elementary: 410 students @ additional $3,570
- Low Income Other: 194 students @ additional $2,885
Arlington Foundation Budget: FY16
$50,290,292

Chapter 70 Aid: $10,715,559

Required District Contribution: $39,574,733

Required District Contribution: What the town can afford.
Arlington Foundation Budget: FY16
$50,290,292

Chapter 70 State Aid: Fills the gap between Required District Contribution & Foundation Budget.

- Chapter 70 Aid: $10,715,559
- Required District Contribution: $39,574,733
Arlington Net School Spending: FY16
$66,329,048
131.9% of foundation

Cities and towns may choose to spend above required levels.
Most cities and towns spend in excess of state requirements.
Arlington public school funding under Education Reform: FY93-FY16
Arlington Public Schools: Foundation versus Net School Spending, FY16

FY16: Arlington spends at 131.9% of foundation.
Arlington Public Schools: Foundation versus Net School Spending, FY16

FY16: Arlington spends at 526.8% of foundation on out-of-district SPED.
Arlington Public Schools: Foundation versus Net School Spending, FY16

FY16: Arlington spends at 240.0% of foundation on in-district SPED.
Arlington Public Schools: Foundation versus Net School Spending, FY16

FY16: Arlington spends at 106.4% of foundation on all non-SPED line items.
Charter school funding:

- Entitlement, not subject to appropriation
- Garnished from sending town’s Chapter 70 appropriation
- Based on average per-pupil spending.

(FY 17 projected charter per-pupil, $13,777)
Charter school funding:

Per-Pupil Expenditures
Charter Garnishment versus
Arlington Public Schools FY16

Charter School Garnishment: $12,393
District Average: $12,473

Entitlement, not subject to appropriation:
Not “subject to appropriation” by the legislature.
No vote permitted by Town Meeting or City Council of sending towns.
Charter school funding:

<table>
<thead>
<tr>
<th>Year</th>
<th>Reimbursement Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>2-6</td>
<td>25%</td>
</tr>
<tr>
<td>7 and beyond</td>
<td>0%</td>
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Charter industry claims districts are reimbursed at 225% of cost.

“Subject to appropriation” by the legislature. The (FY17) budget allocates $85,500,000 in charter aid. This appropriation will cover 50% of the actual requirement.”*

*Final FY16 reimbursement was at 63% of the actual requirement.
How charter garnishments compare to in-district per-pupil spending

Modeling per-pupil expenditures - non-SPED set at 106% of foundation
Arlington Net School Spending: FY16
$66,329,048

- Additional Local Contribution $16,038,756
- Charter Garnishment 8 students $99,141
- Chapter 70 Aid to Arlington: $10,715,559
- Required District Contribution: $39,574,733

Current charter school cap is 9% of Net School Spending
$5,969,614
Arlington Net School Spending: FY16
$66,329,048

- Additional Local Contribution $16,038,756
- Charter Garnishment at 9% cap, 482 students, $5,969,614
- Chapter 70 Aid to Arlington: $4,745,944
- Required District Contribution: $39,574,733

Current charter school cap is 9% of Net School Spending
$5,969,614 = 482 students
Arlington Net School Spending: FY16
$66,329,048

- Additional Local Contribution $16,038,756
- Charter Garnishmentat, 865 students, $5,969,614
- Chapter 70 Aid to Arlington: $8,007
- Required District Contribution: $39,574,733

Lift the cap?
865 charter students
$5,969,614 garnishment
Exhausts Chapter 70 funding,
Unrestricted General Government Aid next target.
Natick & Arlington: Similar Size Districts

Chapter 70 Aid, FY17

<table>
<thead>
<tr>
<th>District</th>
<th>Amount</th>
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<tr>
<td>Natick</td>
<td>$9,117,845</td>
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<td>Arlington</td>
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FY17 Enrollment

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<td>Arlington</td>
<td>5402</td>
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Natick Public Schools:
- 5 Elementary (K-4)
- 2 Middle Schools (5-8)
- 1 High School
Natick & Arlington: Similar Size Districts

**Chapter 70 Aid, FY17**
- Natick: $9,117,845
- Arlington: $11,012,669

**FY17 Enrollment**
- Natick: 5476
- Arlington: 5402

**Natick Public Schools:**
- 5 Elementary (K-4)
- 2 Middle Schools (5-8)
- 1 High School

**39 Natick Students in Charter Schools:**
- $435,421 Ch. 70 Garnishment
- $0 State Reimbursement
- $11,165 per pupil cost

DESE Preliminary Charter Tuition, FY17
“The state has sent approximately one billion dollars back to school districts to help ease the transition when students go to charter schools, to help them readjust. What we’re seeing is that some districts are not making the adjustments that they need to make due to their enrollment.”

Martha M. “Marty” Walz  
*Former State Representative and Senior Advisor to Democrats for Education Reform*  
*WBUR charter school debate, September 13, 2016*
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39 Natick Students in Charter Schools:
$435,421 Ch. 70 Garnishment
$0 State Reimbursement
$11,165 per pupil cost
DESE Preliminary Charter Tuition, FY17

How do you adjust for a $435,421 loss of revenue, when 39 students leave a system of 8 schools, with 13 grade levels?
“And charter schools were created in 1993 specifically to give families a choice because they needed to get out of their failing district schools. And so the idea here is to get away from locally controlled schools, in some instances for charters, because local control has led to far too many children not being well educated by district schools.”

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Former State Representative and Senior Advisor to Democrats for Education Reform
WBUR charter school debate, September 13, 2016

Boston Globe, Sep. 14, 1993:
Under the education reform law cosponsored by Roosevelt and signed by Weld on June 18, the state committed itself to a $1.3 billion increase in state spending on schools by the year 2000, mostly in low-income cities with poor-performing school systems, in order to ensure that every school in the state could spend at least $5,550 per student annually by then.
“And charter schools were created in 1993 specifically to give families a choice because they needed to get out of their failing district schools. And so the idea here is to get away from locally controlled schools, in some instances for charters, because local control has led to far too many children not being well educated by district schools.”

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The law also requires students to meet strict **new standards** to graduate from high school, mandates a battery of new **student assessment tests** to evaluate how well individual schools are doing, replaces **teacher tenure** with a simpler way of getting rid of poor teachers, provides more money for **teachers' continuing education**, and transfers the power to hire and **fire teachers** from school boards to principals.
“And charter schools were created in 1993 specifically to give families a choice because they needed to get out of their failing district schools. And so the idea here is to get away from locally controlled schools, in some instances for charters, because local control has led to far too many children not being well educated by district schools.”

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Boston Globe, June 7, 1993:
"Charter schools," innovative schools given public money but run by groups of teachers, parents, universities or museums, have been limited to 25, with no more than five in Boston, and they may not open before September 1995 and may not enroll more than about 6,500 students.
Question 2:
This proposed law would allow the state Board of Elementary and Secondary Education to approve up to 12 new charter schools or enrollment expansions in existing charter schools each year. Approvals under this law could expand statewide charter school enrollment by up to 1% of the total statewide public school enrollment (9,534) each year. New charters and enrollment expansions approved under this law would be exempt from existing limits on the number of charter schools, the number of students enrolled in them, and the amount of local school districts' spending allocated to them.

If the Board received more than 12 applications in a single year from qualified applicants, then the proposed law would require it to give priority to proposed charter schools or enrollment expansions in districts where student performance on statewide assessments is in the bottom 25% of all districts in the previous two years and where demonstrated parent demand for additional public school options is greatest.

New charter schools and enrollment expansions approved under this proposed law would be subject to the same approval standards as other charter schools, and to recruitment, retention, and multilingual outreach requirements that currently apply to some charter schools. Schools authorized under this law would be subject to annual performance reviews according to standards established by the Board.

The proposed law would take effect on January 1, 2017.  
(Source: MA Secretary of the Commonwealth)
Question 2:
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1% of current statewide enrollment: 9,534 students
Statewide average charter tuition (FY17): $12,675.75
Potential annual impact of 12 new charters (FY17): $120,850,600
Charter school tuition increases at a much greater rate than Chapter 70 aid.
Charter Tuition Trends and Projections without Question 2

Reimbursement
Net Cost to District
Charter Tuition Trends and Projections with Question 2
adding 12 additional charters in FY19 and FY20
Thus, according to common usage in the late Eighteenth Century, a duty to cherish was an obligation to support or nurture. Hence, the "duty . . . to cherish the interests of literature and the sciences, and all seminaries of them; especially . . . public schools and grammar schools in the towns" is an obligation to support or nurture these interests and institutions.

JAMI MCDUFFY & others vs. SECRETARY OF THE EXECUTIVE OFFICE OF EDUCATION & others (and a companion case). 415 Mass. 545
ARTICLE 29 APPROPRIATION/COMMITTEES AND COMMISSIONS
VOTED: (UNANIMOUS)
That the sum of $25,695 be and hereby is appropriated to be expended by the following commissions, committees, and boards in the amounts indicated:
A. Arlington Historical Commission – $2,160
B. Historic District Commissions – $5,100
(Avon Place Historic District Commission, Broadway Historic District Commission, Central Street Historic District commission, Jason/Gray Historic District Commission, Russell Historic District Commission, Pleasant Street Historic District Commission and Mount Gilboa/Crescent Hill Historic District Commission)
C. Capital Planning Committee – $0
D. Commission on Disability – $3,000
E. Recycling Committee – $3,000
F. Human Rights Commission – $4,500
G. Arlington Tourism and Economic Development Committee - $1,775
H. Vision 2020 - $3,000
I. Transportation Advisory Committee - $0
J. Arlington Commission on Arts and Culture - $3,160
Said sums to be raised by general tax and expended under the direction of the various commissions, committees and boards.
A true copy of the vote under Article 29 of the Warrant for the Annual Town Meeting of the Town of Arlington at the session held May 11, 2015.
ATTEST: Town Clerk
Massachusetts: Strong tradition of setting a high standard for accountable local governance.
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Commonwealth charter schools don’t meet our standards.