

2004 Legislative Priority

Reviewing the Operation and Financing of Commonwealth Charter Schools



A Position Paper supported by:

Massachusetts Association of School Committees
Massachusetts Association of School Superintendents
Massachusetts Parent Teachers Association
Massachusetts Federation of Teachers
Massachusetts Teachers Association
Massachusetts Secondary School Principals Association
Massachusetts Elementary School Principals Association

Summary Statement

Unanswered questions about the operation, academic success, and financing of Commonwealth charter schools feed mounting opposition to the charter school program. Under current legislation, Massachusetts is creating a dual education system for the children of the state – one that segregates and separates children in need from their more capable peers.

MassPartners for Public Schools requests that the state legislature initiate a review of the results of the Commonwealth charter school program and the regulations governing its implementation, including the current financing mechanism. In addition, the review should include a comparative analysis of charter school performance against traditional public schools. Until a comprehensive review of charter schools is complete, the state should institute a moratorium on issuing new or additional charters.

Components of a Legislative Inquiry

MassPartners requests that a legislative inquiry be conducted that investigates three aspects of the Commonwealth charter school program, specifically:

- Inequities in the financing formula
- Comparative student selection, demographics and achievement results
- Operational expectations compared to actual experiences

1. Inequities in the financing formula

Per pupil expenditures: Under the funding formula, Commonwealth charter schools receive the average per-pupil cost of the sending district. However, these costs include expenses that are borne by public school districts but not by all charter schools and may include costs for:

- Vocational education
- Payments to special education collaboratives
- Services for English Language Learners
- Funding for low income students
- High School athletics
- Municipal administrative costs
- Health insurance for retired employees

Worcester pays \$8,253 in tuition for a charter school student, including a middle-income student, for example, who has no special needs or language barriers. That same student would receive only \$6,060 worth of educational services and programs if the student stayed in a traditional Worcester public school. The review of charter school financing must investigate the equality of this formula. At a minimum, charter school tuition should be based on the per-pupil cost for the same type of student, and not on the average for all students because the average for all students includes costs incurred only by the public school district.

Sending district reimbursements: Another central financing issue is the inadequate reimbursement to school districts for money that is diverted to charter schools. The state is not meeting its existing obligation for reimbursing local school districts in accordance with the law, and a moratorium on new charters is a reasonable step to take given the current fiscal condition of the state.

The Massachusetts Department of Education calculates the tuition assessment for charter schools in each community. Each community, declares the law, receives 100 percent reimbursement for the increased costs that the charter school creates during its first year of operation. In the second year, the reimbursement is 60 percent of the increase; in the third year 40 percent; and in the fourth year – no reimbursement.

This year, taxpayers paid \$13 million in reimbursements. Since fiscal year 1996, public tax dollars were used to pay \$184 million in reimbursements. However, in fiscal year 2003, there were no funds allocated for tuition reimbursement and for FY 2004, districts will receive only about 38 percent of the amount to which they would be entitled if tuition reimbursements were funded in accordance with the law. In effect, the district is left to pay for a state-sponsored school and to ask local taxpayers to make up the difference, without any decision-making authority over the charter school.

Between 1997 and 2002, the City of Lynn gave \$7.6 million to the Lynn Community Charter School. In June of 2003, the Massachusetts Board of Education closed the charter school because of mismanagement and poor performance. Students were absorbed back into the Lynn public school system. Money was not returned to the district and, perhaps more egregious, materials and equipment were shipped to other charter schools. Since March of 2003, funding for the Lynn Public schools has been cut \$2.5 million. With approval from the Board of Education, a new charter school will open in September of 2004, and by its fourth year of operation, this charter will take \$3.99 million from district schools.

Charters receive their money first, off of the top of a district's state aid. The justification that the district would have a corresponding reduction in its own costs has not proven true. A review of the Commonwealth charter school program must include a comparative analysis of the actual costs, if any, saved by the sending district with the actual cost of tuition for a charter school student. In addition, money for the existing charter schools should be more clearly delineated in a separate state budget line item, rather than funneled through local school district budgets.

2. Comparative student selection, demographics and achievement results

Both proponents and opponents of charter schools cite examples about student performance to support their respective positions. A research initiative is required that will reveal and explain data about students who attend Commonwealth charter schools. Reliable information about student selection, demographics and achievement would help families who enroll in the charters and those who attend district schools exercise their right to an informed decision.

Furthermore, a question that must be answered is whether the Commonwealth charter school program is creating a dual and segregated education system. For example, in the 2002 – 2003 school year, the percentage of students requiring special education services in the Boston school district was 19.1 percent. In the same period, 10.2 percent of the Boston charter school student body required special education services. Limited English Proficient students in

Boston made up 24.3 percent of the student population compared to 0 percent in Boston charter schools. Similarly, students qualifying for free or reduced lunch prices in the Boston public schools made up 73.6 percent of all students compared with 53.6 percent of students enrolled in charter schools in the city. Public schools are left with an even greater challenge of raising the academic achievement of growing numbers of children who are most vulnerable and most in need of special services and support. Some of the questions to include in this research are:

- What admission priorities are in place in each charter?
- Does charter school enrollment reflect the diversity of the sending district and do all students have equal access to a charter school?
- Do the recruitment strategies result in recruiting specific populations of students, and if so, how do they need to change?
- What are the racial, income and language characteristics of charter students; how do they compare with the sending district?
- What is the percentage of students with special needs; how does it compare to the sending district?
- Are models of inclusion that are in place in public schools existing in charter schools?
- What is the student mobility rate; how does it compare to sending district?
- What are the MCAS scores by subgroup as defined by No Child Left Behind; how do they compare to the sending district?
- How do class sizes and student grouping in charter schools impact student performance?

3. Operational expectations compared to actual experiences

Anecdotal evidence suggests that the objectives for creating a system of charter schools have not been realized. MassPartners proposes that within the legislative review, operational expectations be investigated to determine the degree to which expectations have or have not been met. Some of the outstanding questions are:

- What is the rate of staff attrition for both teachers and administrators; how does it compare to the sending district?
- What other options, if any, does the sending district have for offering 'choice' to families?
- Is the charter uncovering teaching or management strategies that improve student achievement; if so, what are they and what process is in place for sharing those best practices with the sending district as intended?
- How do the depth and breadth of curricula compare to the sending district and are the curricula aligned with the Massachusetts curriculum frameworks?