

Charter School Funding

High price to BPS should generate reform in next teachers' contract.

In FY07, the City will pay a tuition assessment of \$53.7 million for Commonwealth charter schools serving students living in Boston. State reimbursements will reduce the cost to a net of \$39.6 million. These public charter schools provide important educational options for Boston parents and students and represent a competitive force intended to spur reform in the Boston Public Schools (BPS). Boston's tuition assessment of \$53.7 million is an increase of \$6.7 million or 14.2% over this year and represents 7.3% of the recommended FY07 BPS budget. Charter school enrollment of Boston students next year is projected to increase by 443 or 10.4% to 4,697 students, which represents 8.3% of the BPS total enrollment. The high price of tuition loss should demand reform language in the teachers' contract now being negotiated to make the BPS more competitive.

Fourteen Commonwealth charter schools operate in Boston (28% of state total) independent of BPS and union contract rules. The schools are funded through a formula that calculates the cost of educating each student by program and grade level in the BPS. Prior to 2004, the formula was based on the district-wide per-pupil average which was a disadvantage to Boston with its higher special needs and English Language Learner expenses. The formula also includes a component for

facility costs based on the average of all school capital facility expenditures in the prior year, adjusted for inflation.

City of Boston	
FY07 Net Charter School Payment	
Assessments	
Charter School Tuition	\$49,874,177
Charter School Facilities	\$3,809,267
Assessment Subtotal	\$53,683,444
Reimbursements	
Chapter 46 Reimbursement	\$10,271,073
Facilities Reimbursement	\$3,809,267
Reimbursement Subtotal	\$14,080,340
Net Charter School Payment	\$39,603,104

Massachusetts Department of Education estimates.

Two forms of state reimbursement total \$14.1 million in FY07. The state reimburses the City for any year's charter school tuition increase for three years based on a declining scale of 100%, 60% and 40%. In addition, the state provides reimbursement for the entire facility cost component of the formula. Payment of both reimbursements has been subject to state appropriation, which has not always funded the total amount owed by the Commonwealth.

Boston also has two Horace Mann charter schools, which receive funding directly from the BPS.