

July 14, 2014 No. 14-1

Highlights

- H4108 would extend turnaround school flexibility to Level 3 schools in danger of being designated as Level 4
- Reforms to Horace Mann schools would both protect current schools and allow the creation of additional in-district charters
- Lifting the charter cap in Level 4 districts will allow limited expansion in Boston after 2017

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State Senate Should Approve the Education Reform Bill

Level 3 school and Horace Mann charter reform is needed for urban schools

Last month the Massachusetts House of Representatives approved H4108, *An Act Relative to Improving Student Achievement*, by a vote of 114 to 35. The bill would provide urban school districts with tools to improve student achievement in underperforming schools similar to what was authorized for Level 4 schools in 2010. The bill would also provide a modest increase in the charter school cap starting in 2018. The Research Bureau would have preferred a bill with stronger reform measures for local school districts, but with the legislative session ending on July 31st, the Massachusetts Senate should approve a similar bill now and add a provision for full funding of the charter tuition reimbursement by the state.

Boston currently has 128 public schools, 101 of which were assigned a state performance level in 2014. Of the 101 schools, 60 or 59.4% are Level 3 schools that served 29,527 students or 51.8% of total enrollment in SY2013-2014. These 60 schools represent the lowest 20% in student achievement statewide.

Level 3 and Horace Mann Schools

There is an urgent need for proven reform, through greater control over teacher and staff selection, budget and scheduling flexibility, to be made available to the lowest subset of these schools to help improve student achievement and reduce the achievement gap. Also important is enabling the lowest 10% school districts to convert underperforming Level 3 schools into Horace Mann in-district charter schools and facilitate the opening and renewal of Horace Mann charter schools.

This bill would provide greater flexibilities for the lower subset of underperforming Level 3 schools and more options for Horace Mann in-district charter schools, which are essential features of turnaround efforts for low-performing schools in the state's urban school districts.

Commonwealth Charter School Cap

The public discussion of this bill has focused more on its provisions for raising the cap on charter schools. With the expansion of existing Commonwealth charter schools and new schools already authorized, Boston has reached the existing cap through 2017. Lifting the current spending cap in Level 4 districts by 5% from 2018 to 2022 would limit its application statewide, but give parents and students in Boston more options for high performing schools.

Boston does lose Chapter 70 state aid that follows students who attend Commonwealth charter schools, but that does not directly affect the School Department's operating budget. Indeed, in the three years from fiscal 2011 to fiscal 2014, School Department spending increased by 15%, which compares to the increase of 7.7% for all other departments.

Level 3 “Challenge Schools”

The House bill would designate a subset of low performing Level 3 schools as “challenge schools”, which are required to develop two-year turnaround plans and are given the authority to:

- Hire without regard to seniority
- Expediently dismiss or replace poor performing teachers and administrators
- Add additional time to the school day
- Re-open and amend collective bargaining agreements through an accelerated process in order to drive rapid improvement

By developing a turnaround plan, these schools will both be given the flexibility to succeed and be held to measurable goals of improvement such as student attendance, drop-out rate and graduation rate. These clear goals help to identify best practices that can be shared within the district.

Horace Mann

Horace Mann schools bring the benefits of charter schools while keeping Chapter 70 funds within the school districts and employing members of the local teachers union.

The House bill maintains existing limits on charter schools, with a maximum of 48 Horace Mann schools and 72 Commonwealth charter schools. Since the 2010 education reform act, Horace Mann schools created through the conversion of existing underperforming schools, a key reform tool, are not subject to the limits on charter schools or union approval to be granted a charter. However, under current law the BTU would have to approve the renewal for Boston’s five Horace Mann charter schools. This bill would allow renewal of the schools without local union approval.

Commonwealth Charter Cap

The bill would allow expansion of the number of Commonwealth charter seats in the lowest performing 10% of districts from 18% to 23% of net school spending, with the limit increasing by 1% in each year from 2018 to 2022. To ensure that successful schools receive expansion seats, H4108

assigns additional seats to charters that have proven their success with low attrition rates and the sharing of best practices with the local school district.

As described in a 2013 Research Bureau [Special Report](#), the BPS does lose Chapter 70 funds for each student attending a charter school. Despite net Chapter 70 aid falling from 18.2% of the BPS budget in fiscal 2011 to 13.1% in fiscal 2014, the City’s budget policy of funding the School Department at 35% of available operating revenues, has allowed the BPS budget to grow faster than most other departments as shown in the table below. The Research Bureau would have preferred a reform bill that guaranteed full funding for the charter tuition reimbursement, to help fund the BPS as it adapts to a loss of students to additional charter school seats.

Budget Growth FY11-FY14

\$ in millions				
Account	Actual FY11	Budget FY14	Change	%
BPS*	\$737.4	\$847.8	\$110.4	15.0%
All Other Departmental*	\$861.3	\$927.3	\$66.0	7.7%
Total Expenditures	\$2,423.8	\$2,612.8	\$189.0	7.8%

*Health insurance is not included in any departmental expenses

This bill also addresses the concern that Commonwealth charter school success is based on student bodies that do not accurately reflect their districts. The House bill requires that any authorization for expansion of charter school seats over the 18% meet one of two requirements: (1) the school uses an “opt-out” lottery to enroll the students in which all resident students would be included in the lottery unless they specifically opted-out, or (2) the school is specifically designed to serve at-risk students and/or dropouts.

Conclusion

The urgency for further educational reform now is exemplified by the fact that a majority of Boston students are attending Level 3 schools. Local districts need the tools already proven to turn around underperforming schools and additional charter schools seats should be available to parents and students in 2018. The Senate should approve a bill similar to the one already passed by the House.