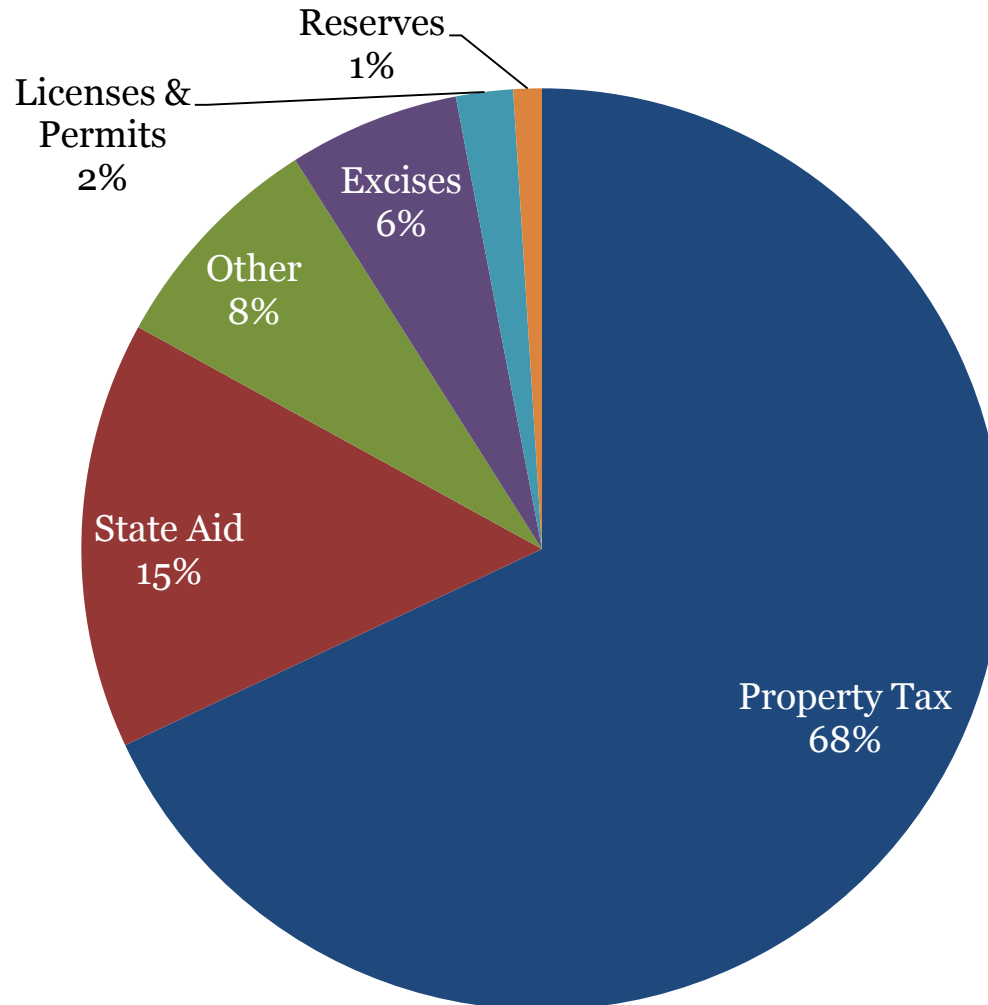




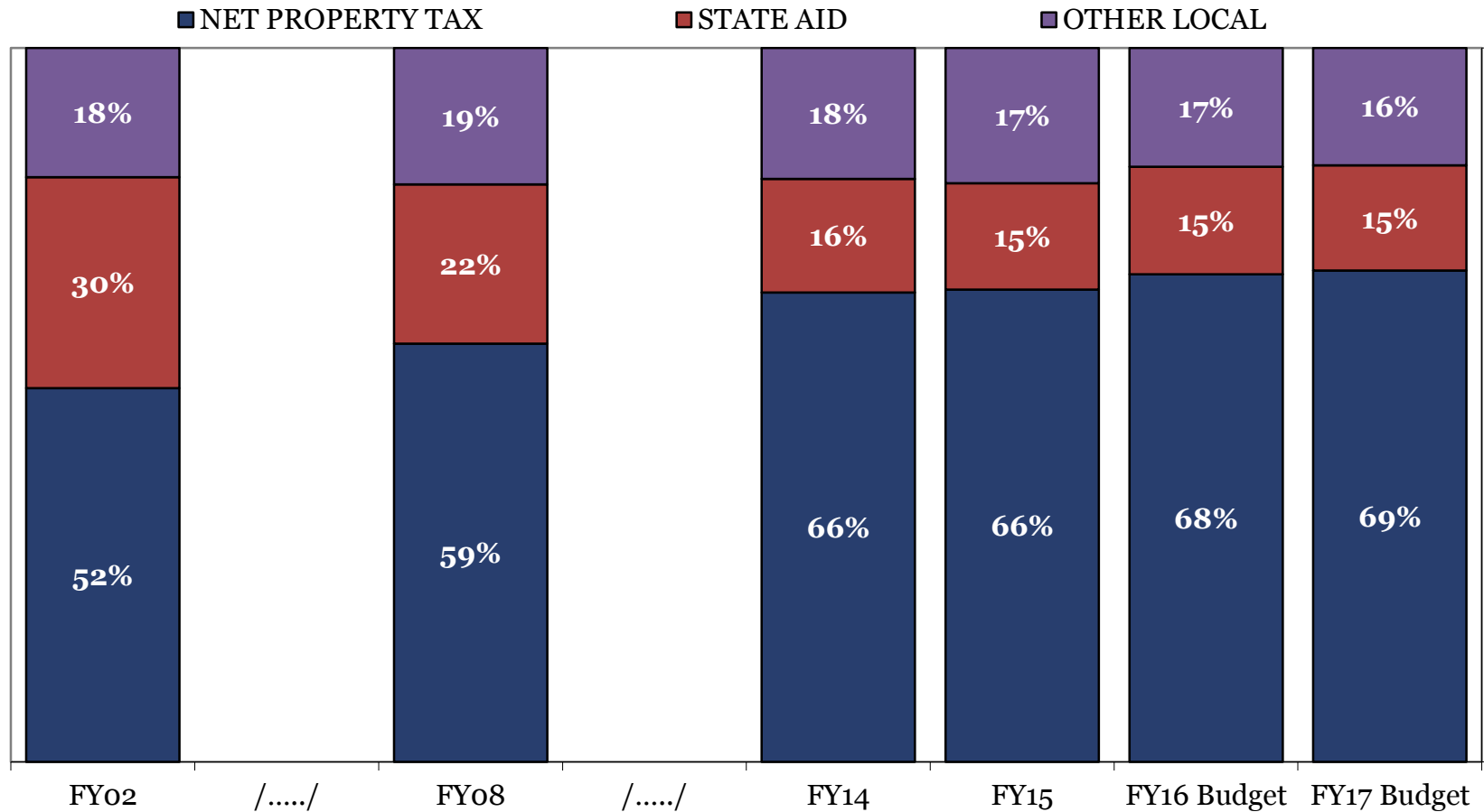
CITY *of* **BOSTON**

Education Revenue and
Assessments

FY17 RECOMMENDED BUDGET IS \$2.97 BILLION



INCREASED RELIANCE ON PROPERTY TAX

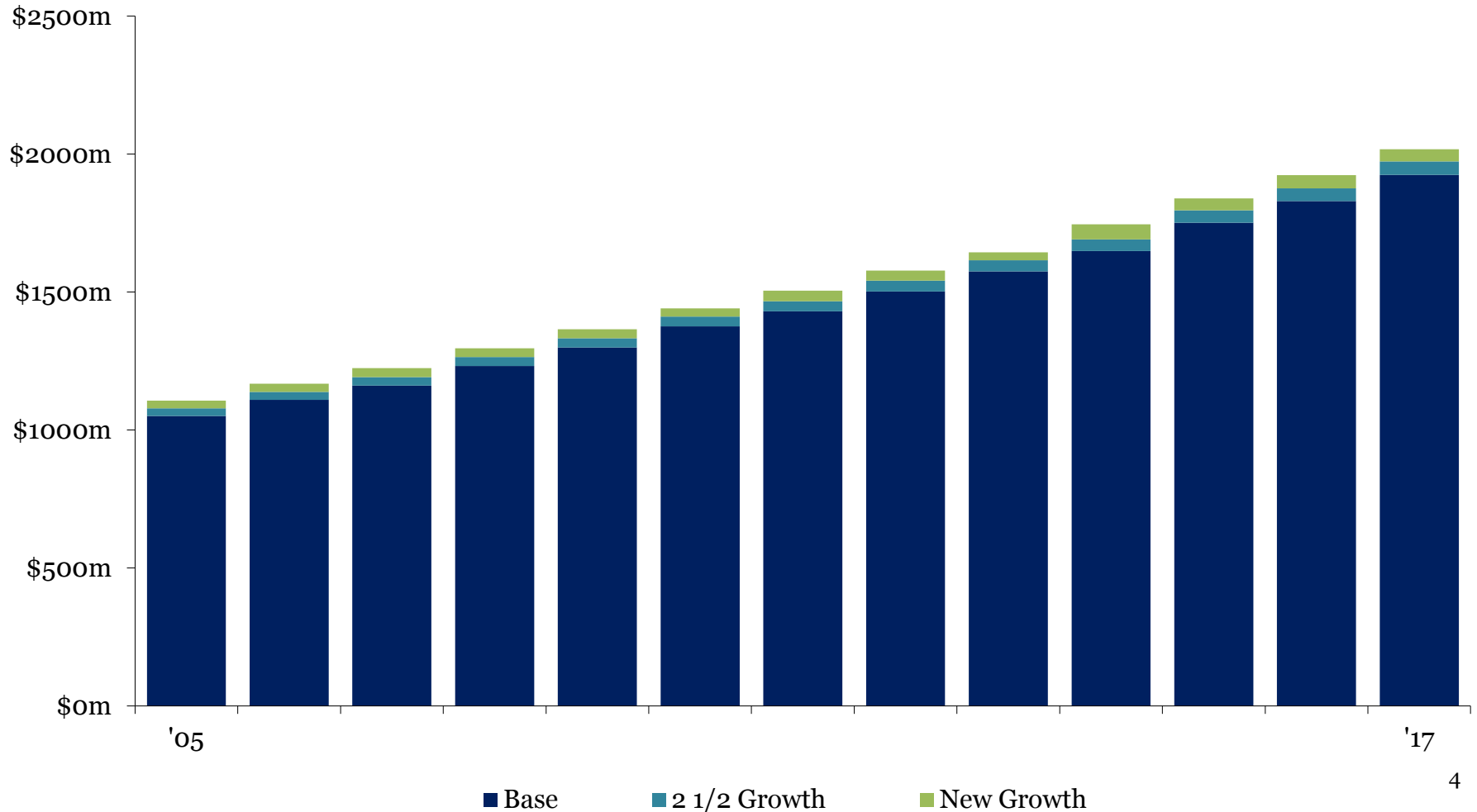


Totals may not add due to rounding.

PROPERTY TAX GROWTH GUIDED BY PROP 2 1/2



Proposition 2 1/2 constrains Boston's property tax growth each year to 2 1/2 % over the previous year's levy limit, plus increased value of new development and other growth



BOSTON STATE AID AND ASSESSMENTS



Chapter 70 Education Aid: Public elementary and secondary schools primary state aid funding source. It also establishes minimum spending requirements for each school district and minimum requirements for each municipality's share of school costs.

Unrestricted General Government Aid (UGGA): Local aid for funding general government services.

Charter School Tuition Assessment: A per pupil payment for students attending Commonwealth Charter Schools. The per pupil rate reflects the City's spending in support of public education.

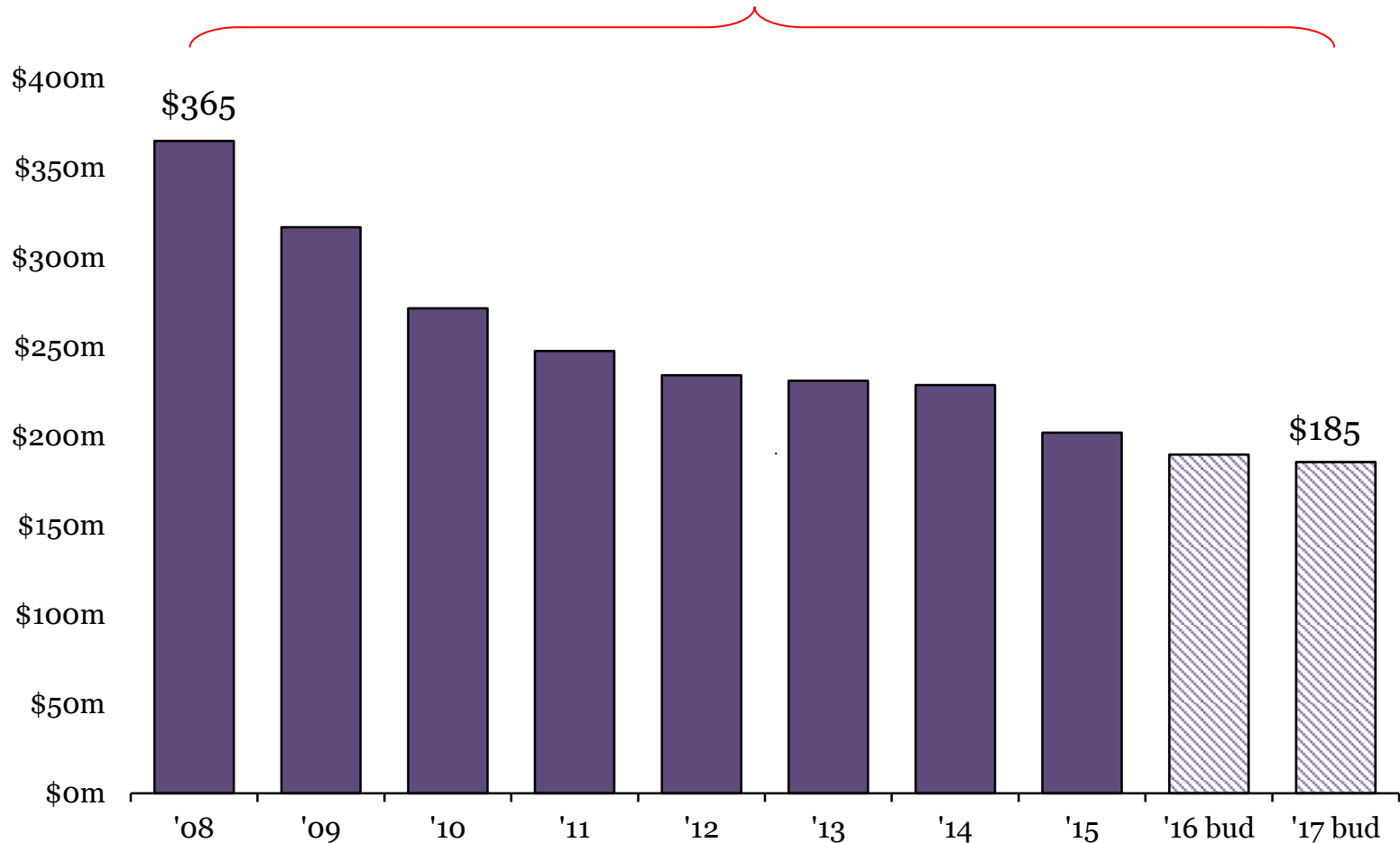
Charter School Tuition Reimbursement: Transitional funding meant to assist communities as their charter school costs grow.

Net School Spending: The amount of funding the state requires each district to spend in support of education, excluding certain types of expenditures such as transportation, adult education, and long-term debt.

BOSTON'S NET STATE AID IS DECREASING

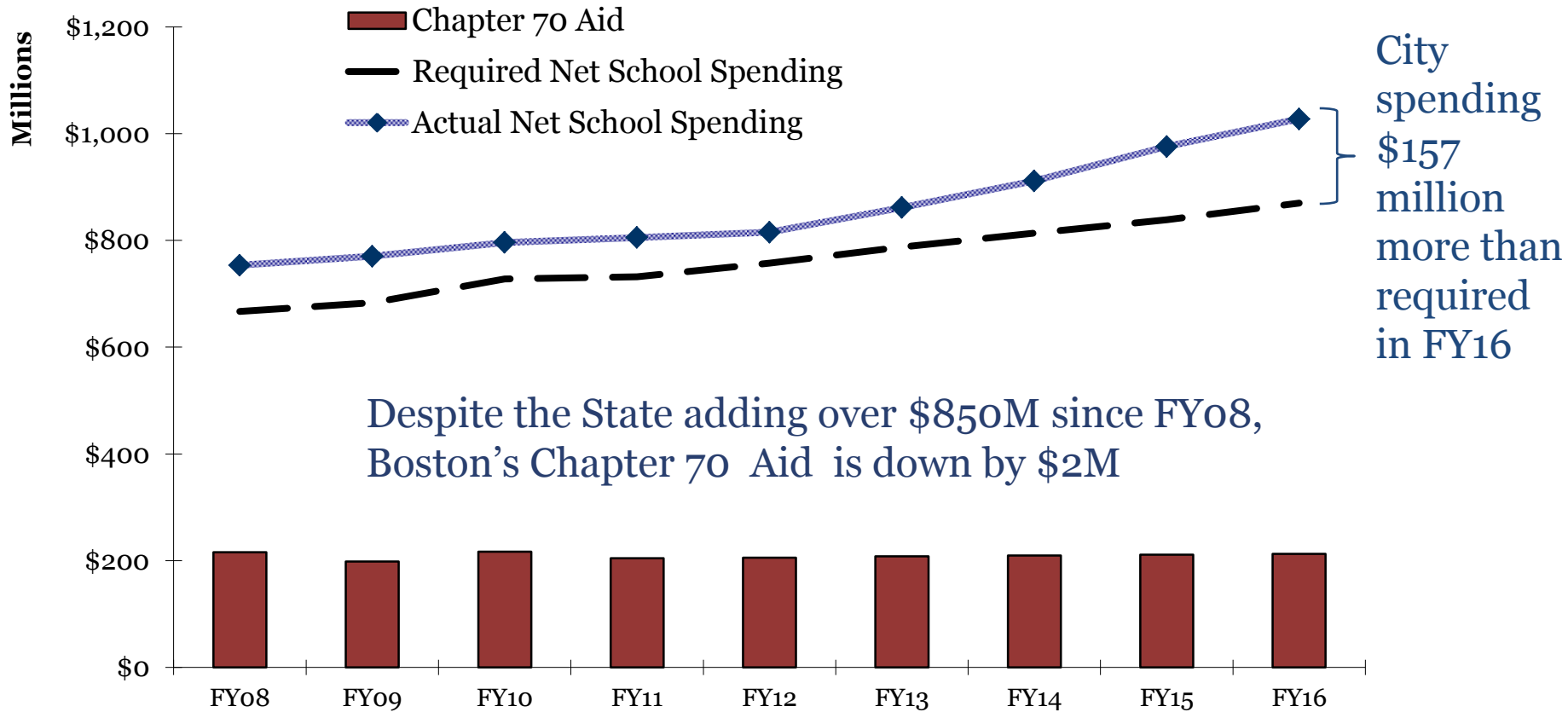


-\$180 million



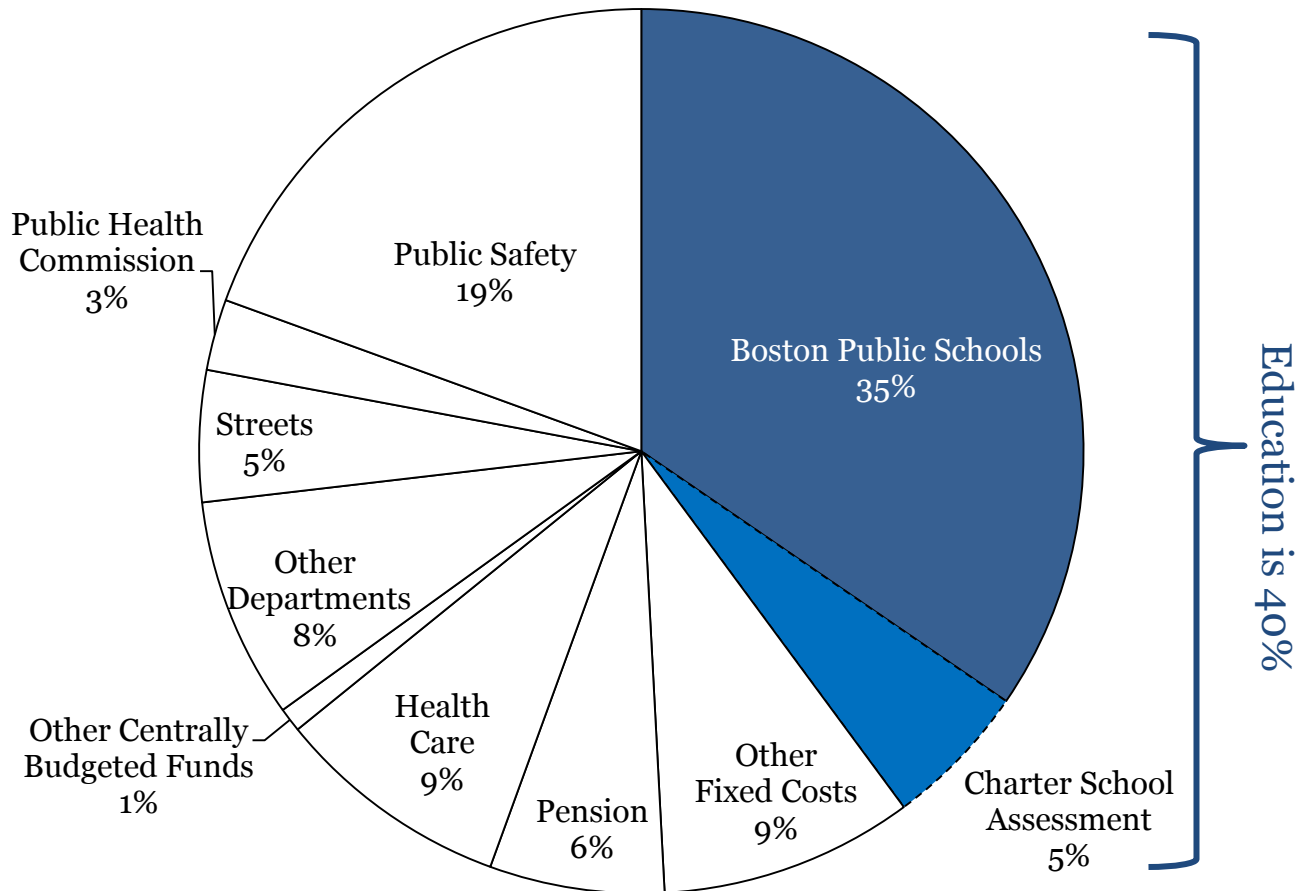
Net State Aid is defined as state aid revenues less state assessments.

BOSTON & STATE EDUCATION FUNDING TRENDS



*Net school spending excludes certain types of expenditures such as transportation, adult education, and long-term debt

BOSTON'S EDUCATION SPENDING



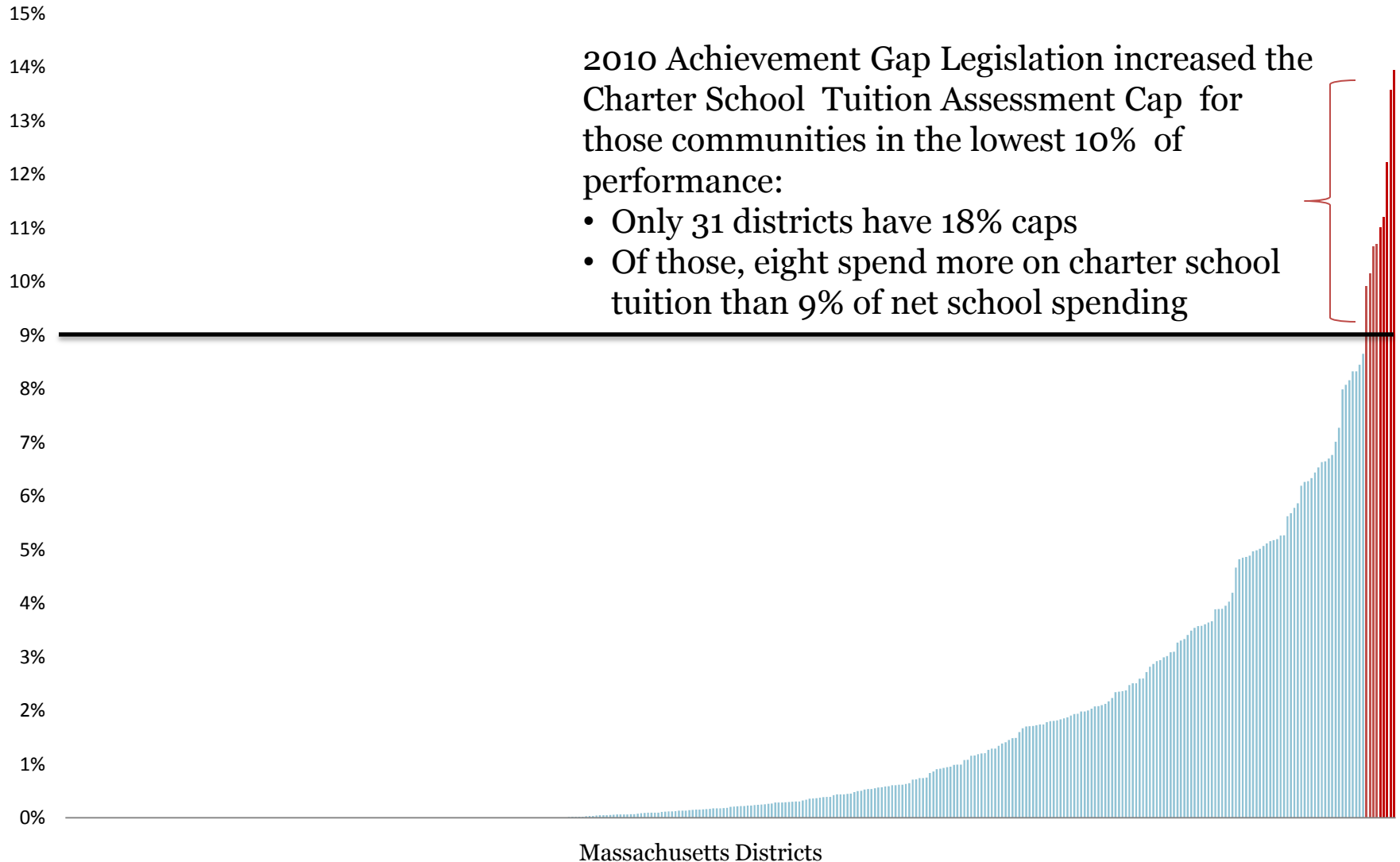
Health care includes \$40 million to fund the OPEB liability.

Total health benefit related costs, including OPEB, Schools & PHC are 12.7% of total expenditures.

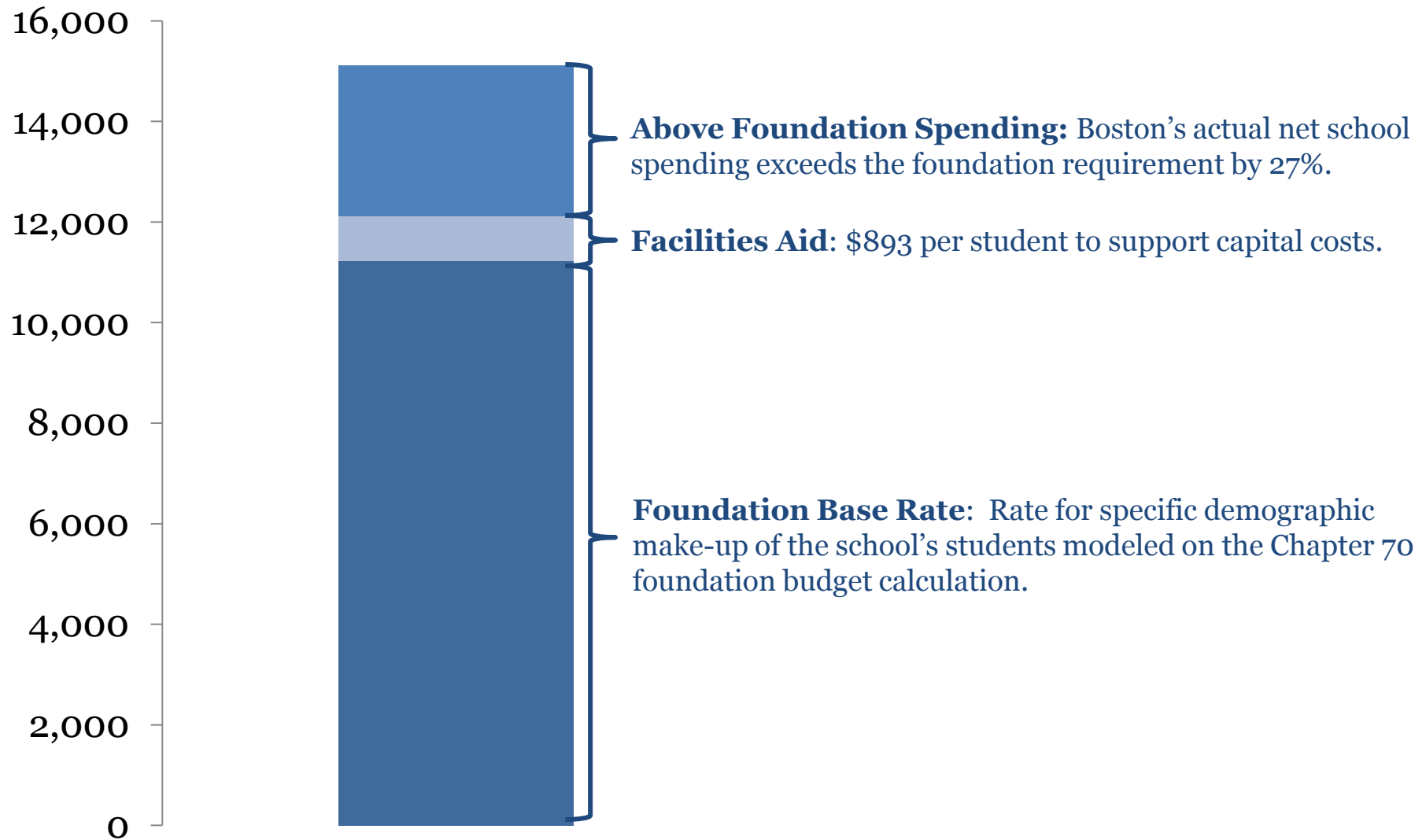
CHARTER SCHOOL TUITION



Charter Tuition as % of NSS

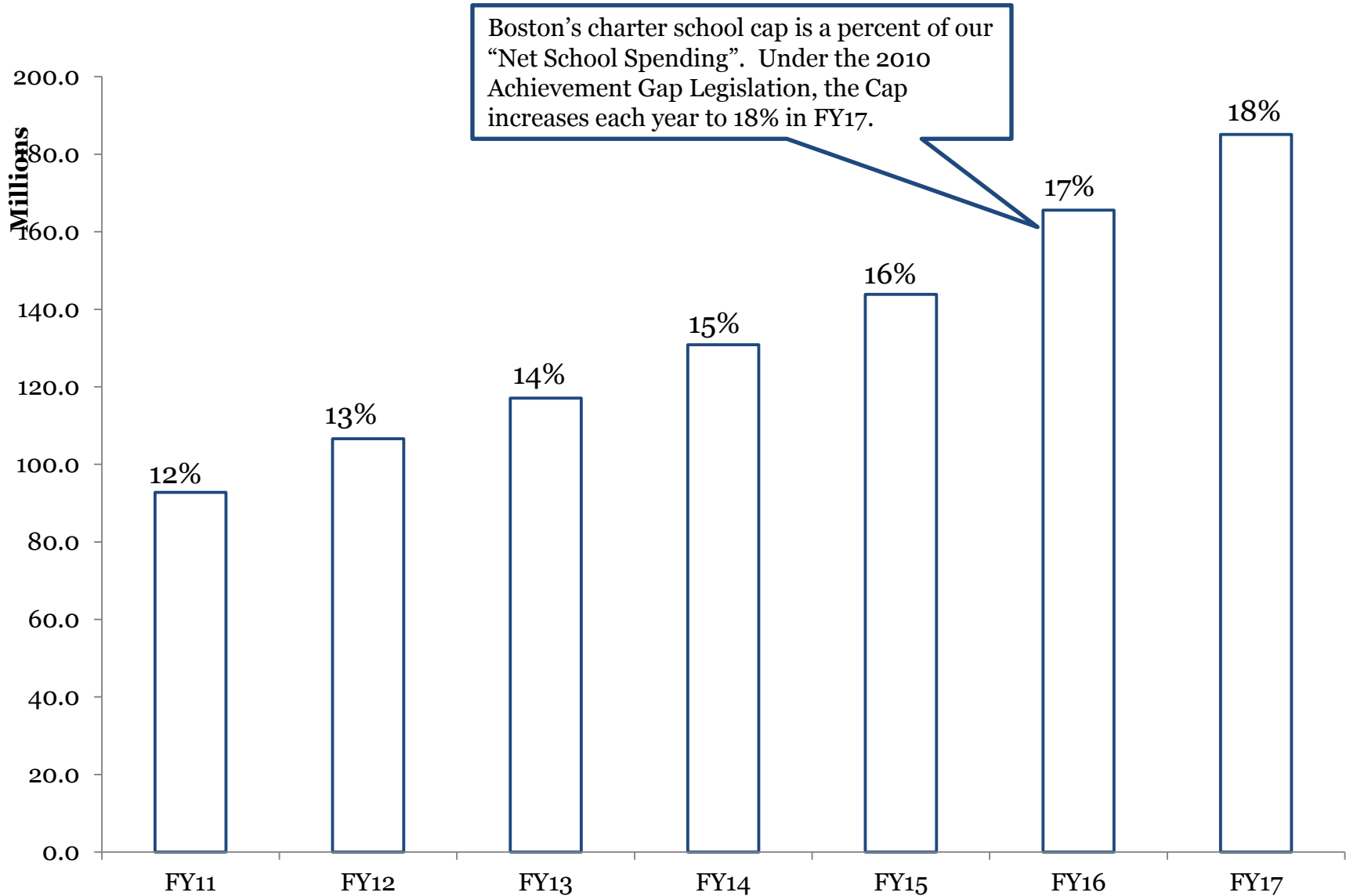


CHARTER PER PUPIL TUITION



*Example based on Projected FY17 Rates for Excel Academy Commonwealth Charter School.

BOSTON'S CHARTER TUITION CAP

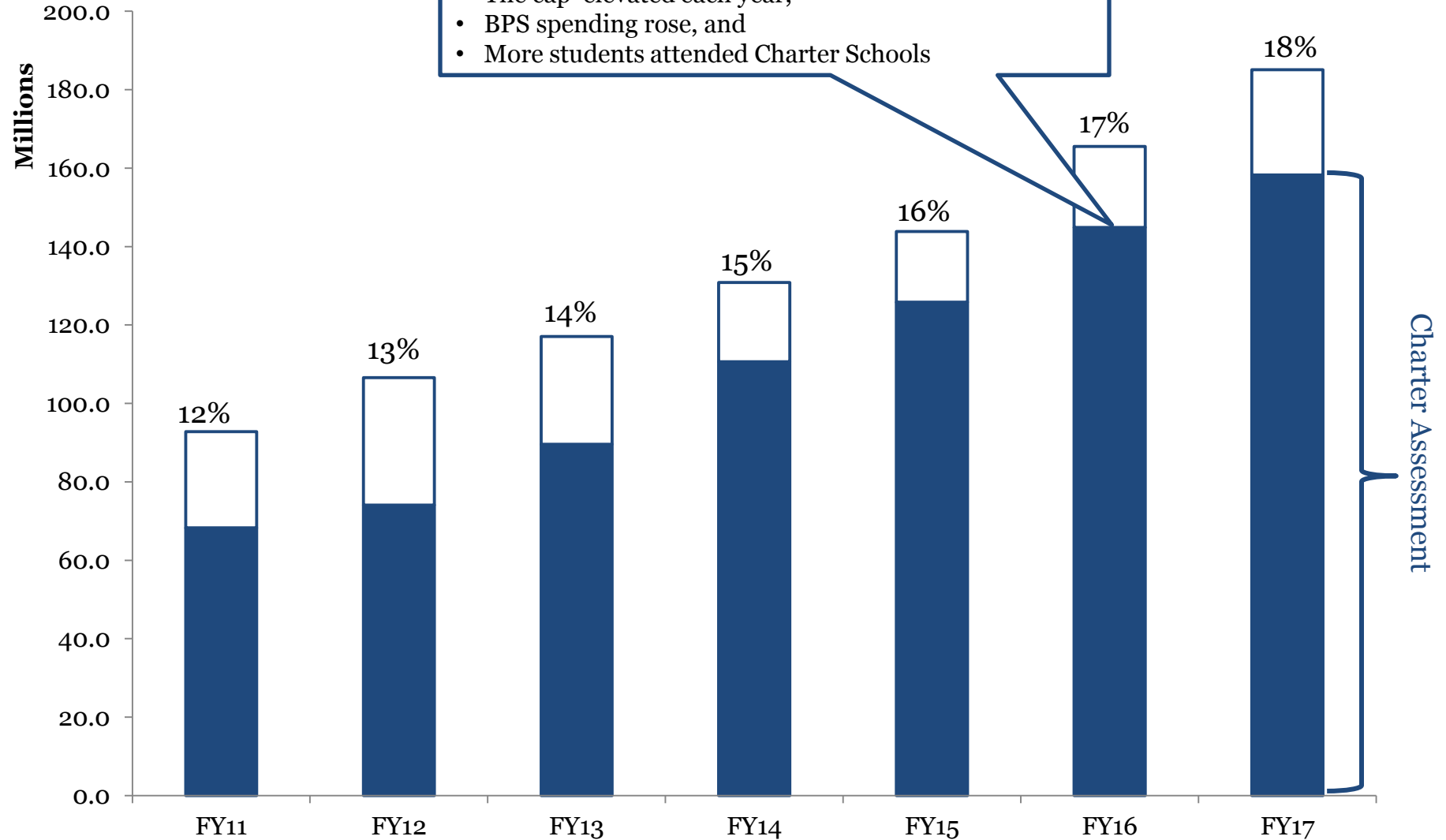


CHARTER SCHOOL TUITION ASSESSMENT



Boston's Assessment has increased as:

- The cap elevated each year,
- BPS spending rose, and
- More students attended Charter Schools



CHARTER SCHOOL TUITION REIMBURSEMENT

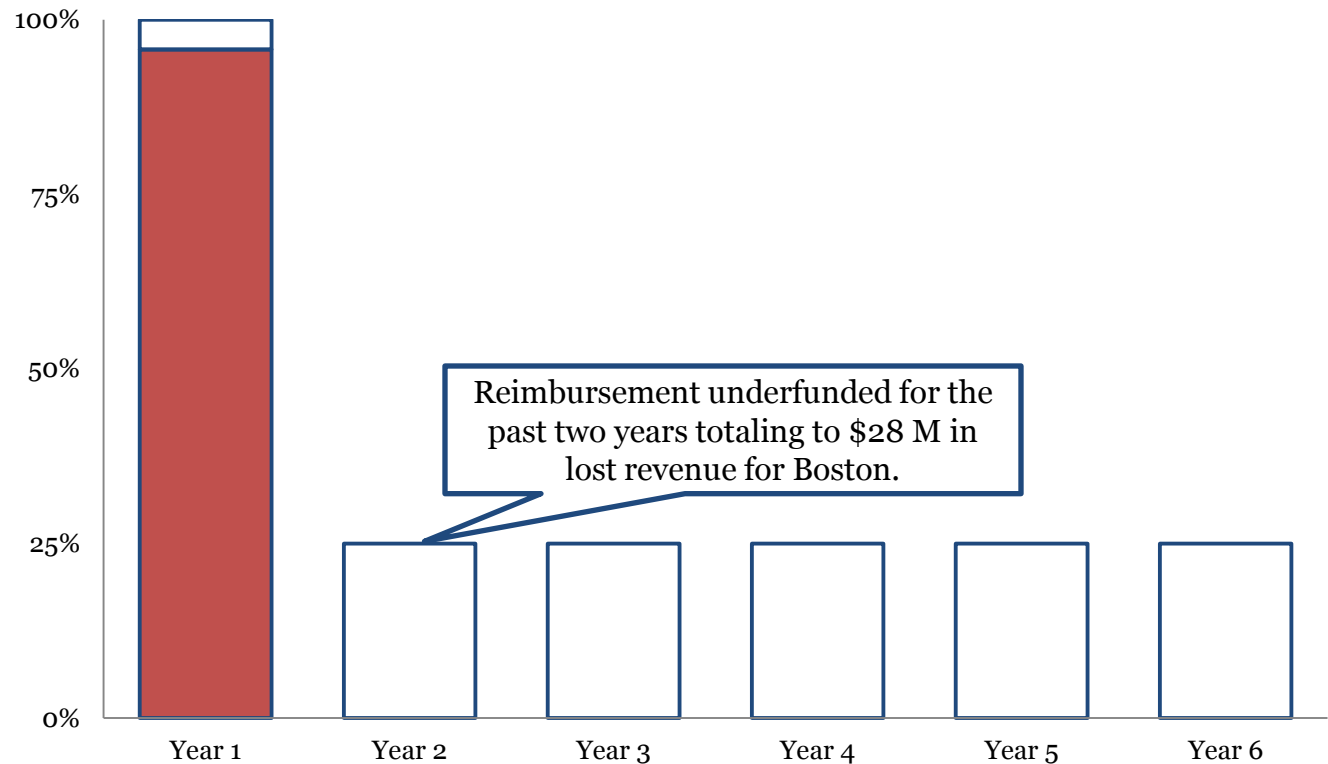


Charter tuition reimbursement is based on the increase in the district's tuition over the prior fiscal year.

The first year's increase is reimbursed at 100% and the subsequent five years are to be reimbursed at 25%.

Municipalities are also reimbursed for the \$893 per student facility assessment.

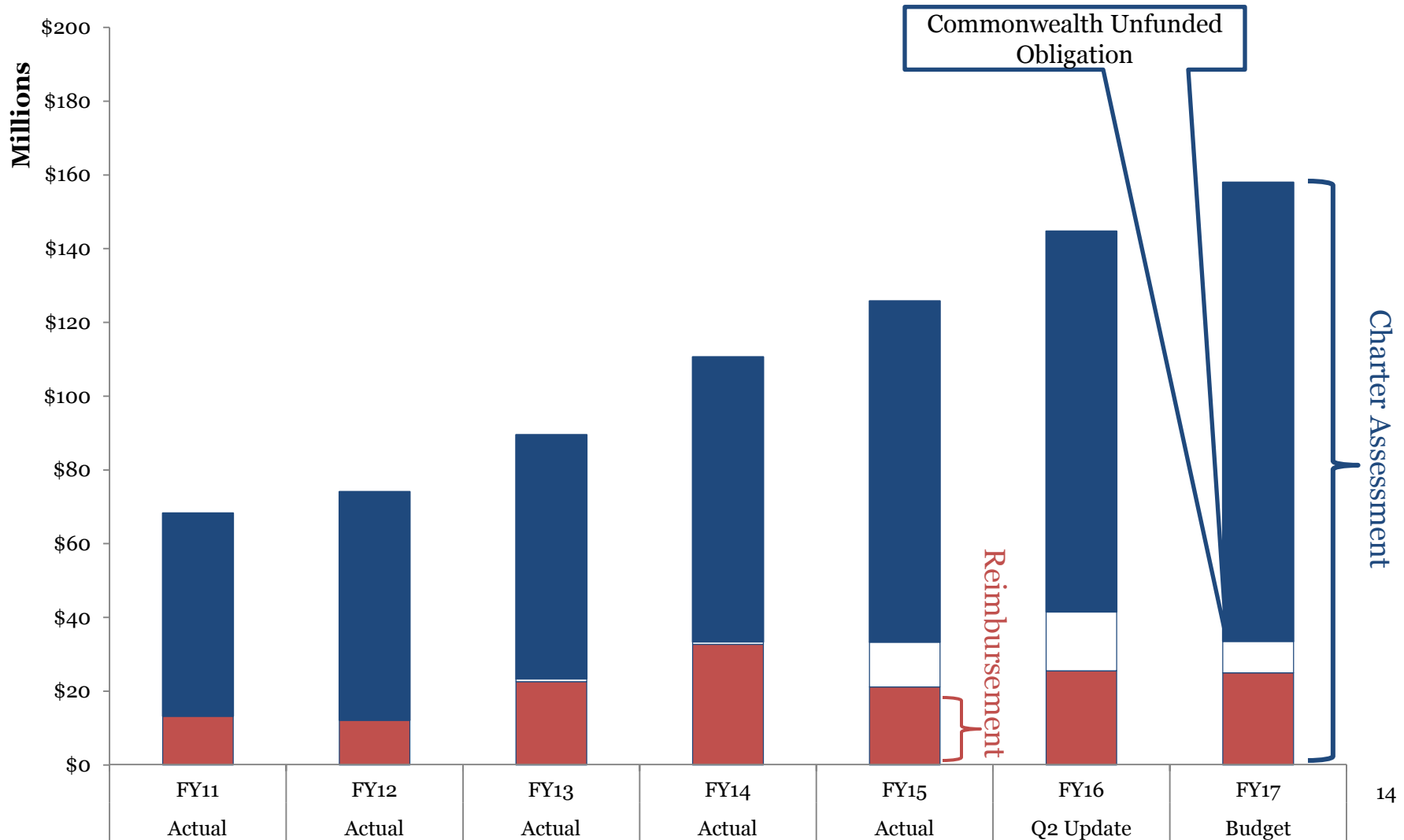
FY16 Q2 Charter Tuition Reimbursement



BOSTON'S NET CHARTER SCHOOL COSTS



Commonwealth Charter School Tuition

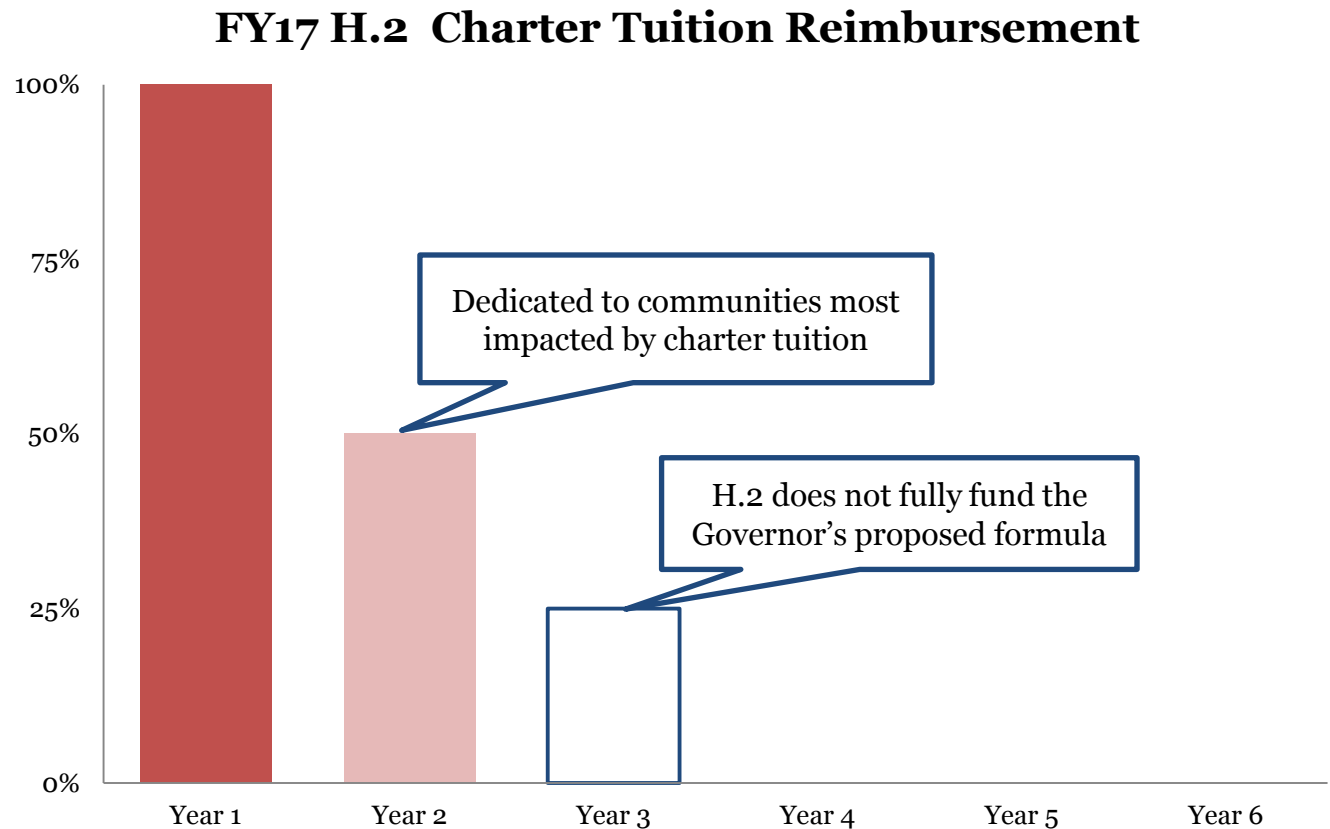


CHARTER SCHOOL TUITION REIMBURSEMENT



Under the Governor's H.2 proposal, all communities receive their full facilities reimbursement and 100% of their first year tuition costs, a greater percent than they received in FY16.

Communities most impacted by charter school costs should receive 50% of their year 2 tuition costs and 25% of their year 3 tuition costs, but H.2 does not fully fund the Governor's formula.



RELIABLE TRANSITION FUNDING



The current reimbursement model is broken.

Because it is subject to appropriation, the Commonwealth has underfunded its obligation to cities and towns, while cities and towns have continued to pay their assessments.

- The need for transitional dollars for school districts is real.
- The cost structures of large urban districts are inflexible, defined by multi-year collective bargaining agreements, enrollment patterns that often do not support facilities changes, and large concentrations of the highest need students.

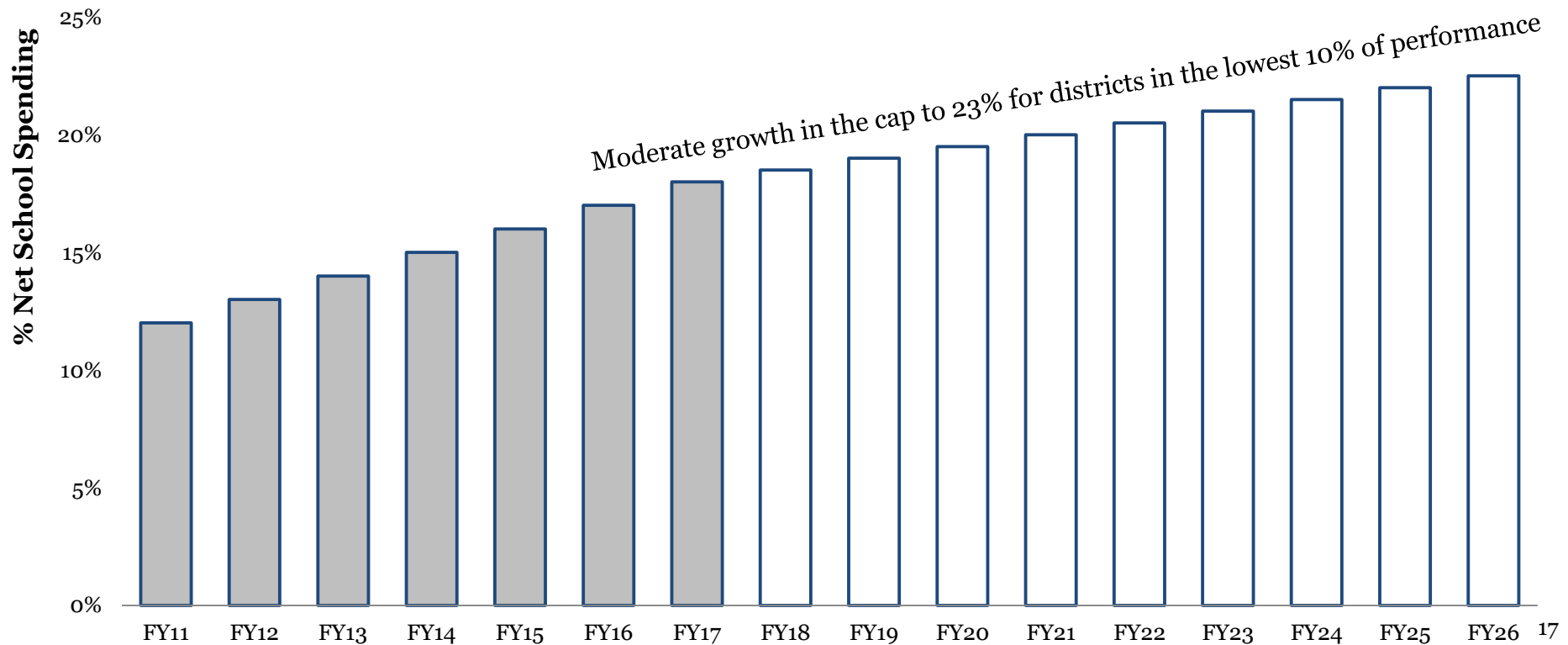
Mayor Walsh is proposing a more affordable **direct funding model** to ensure the Commonwealth's commitment to supporting charter schools.

GRADUAL CAP LIFT



Mayor Walsh's education reform proposal fixes charter school financing by making the Commonwealth more accountable to funding transition assistance for communities that are quickly seeing their charter school costs rise

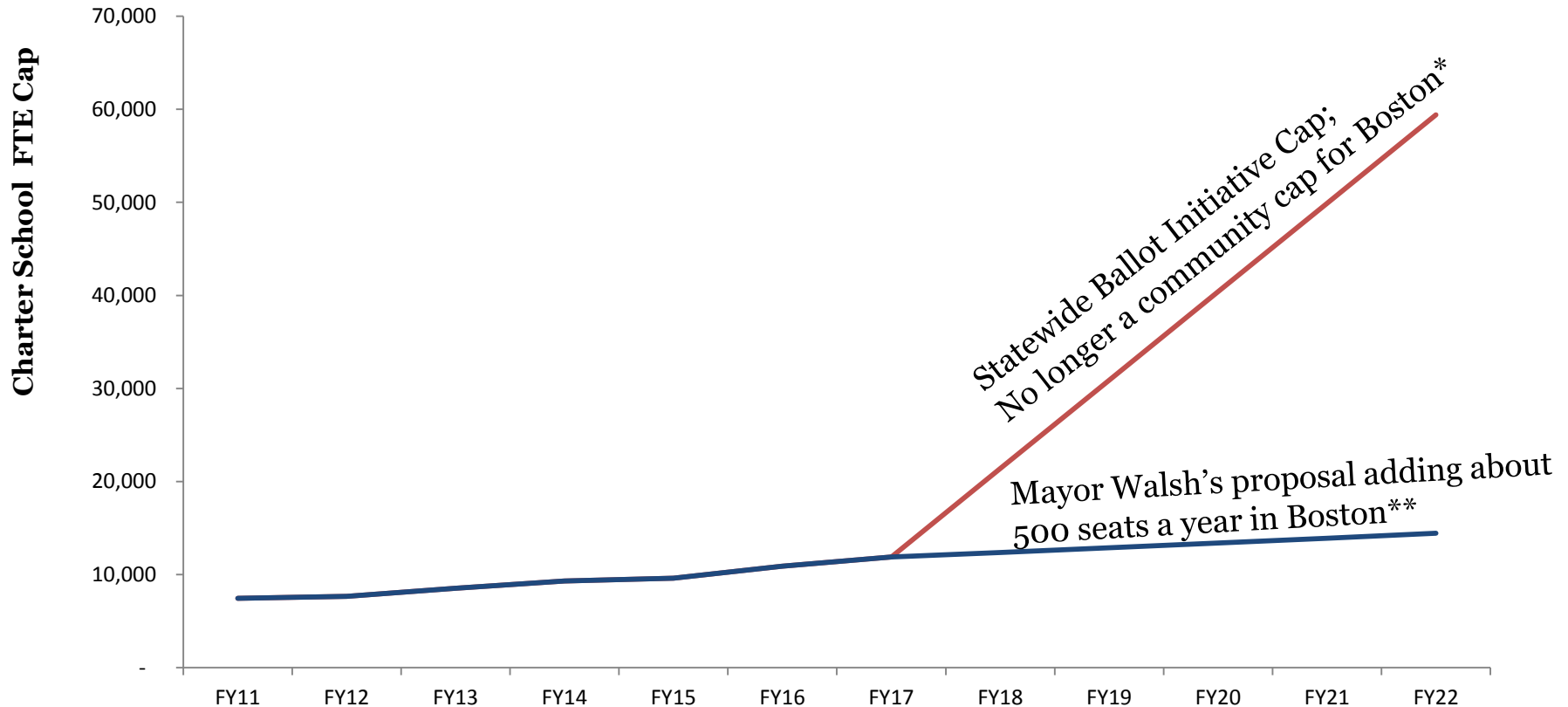
With financing fixes, the Mayor's plan would allow the charter cap to continue to rise, but in a fiscally responsible manner that would protect taxpayers and would not pit District Public Schools against Public Charter Schools



GRADUAL CAP LIFT



The proposed charter ballot initiative nullifies community caps. Without real limits, Boston's Assessment could grow at an even faster rate.



* This projection assumes the addition of 1% statewide enrollment (about 9,500 students) every year to the cap.

**This projection assumes a 4% growth in Net School Spending each year.



CITY *of* **BOSTON**