



CITY *of* **BOSTON**



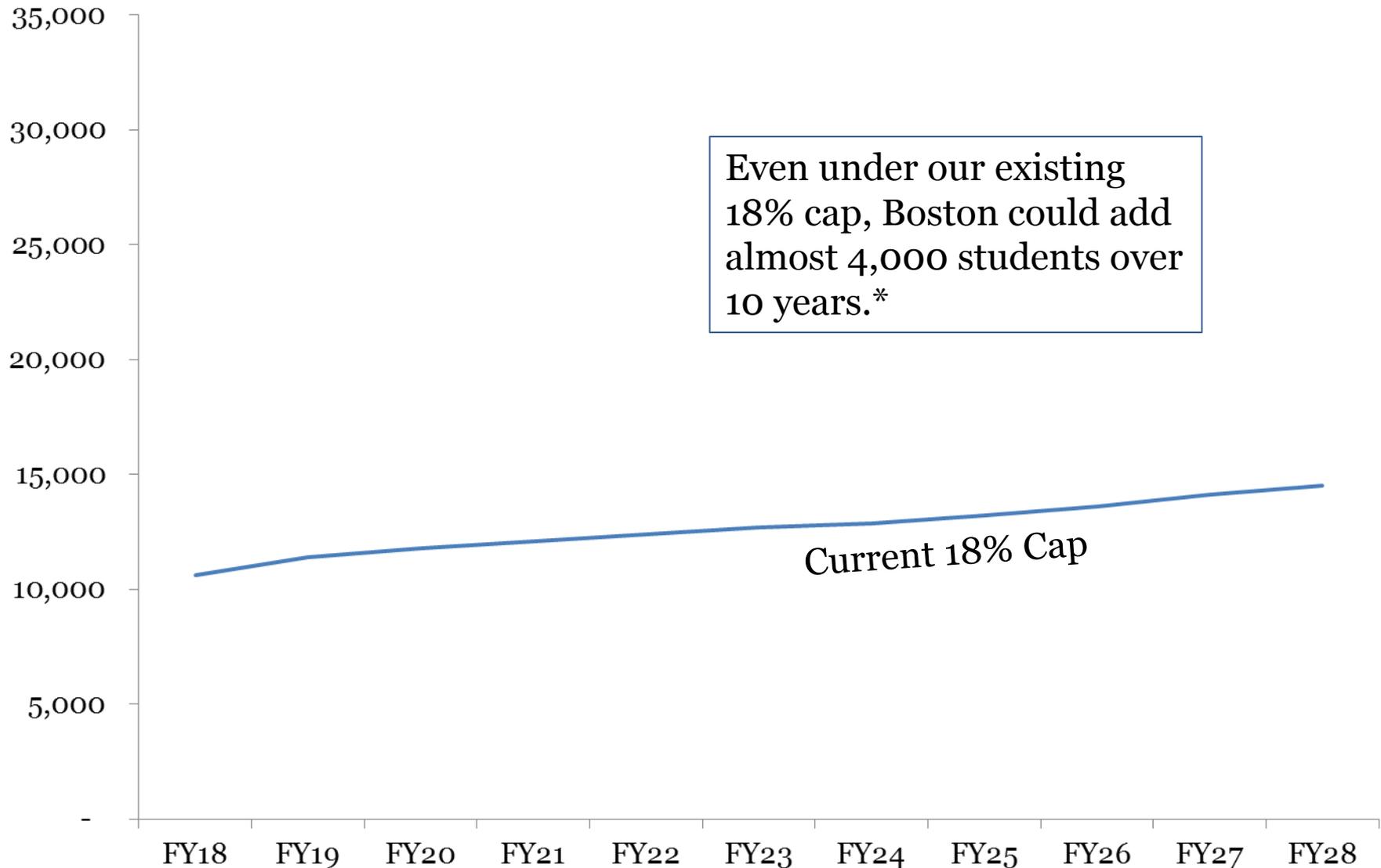
Financial Impact of Charter Cap Lift

OVERVIEW



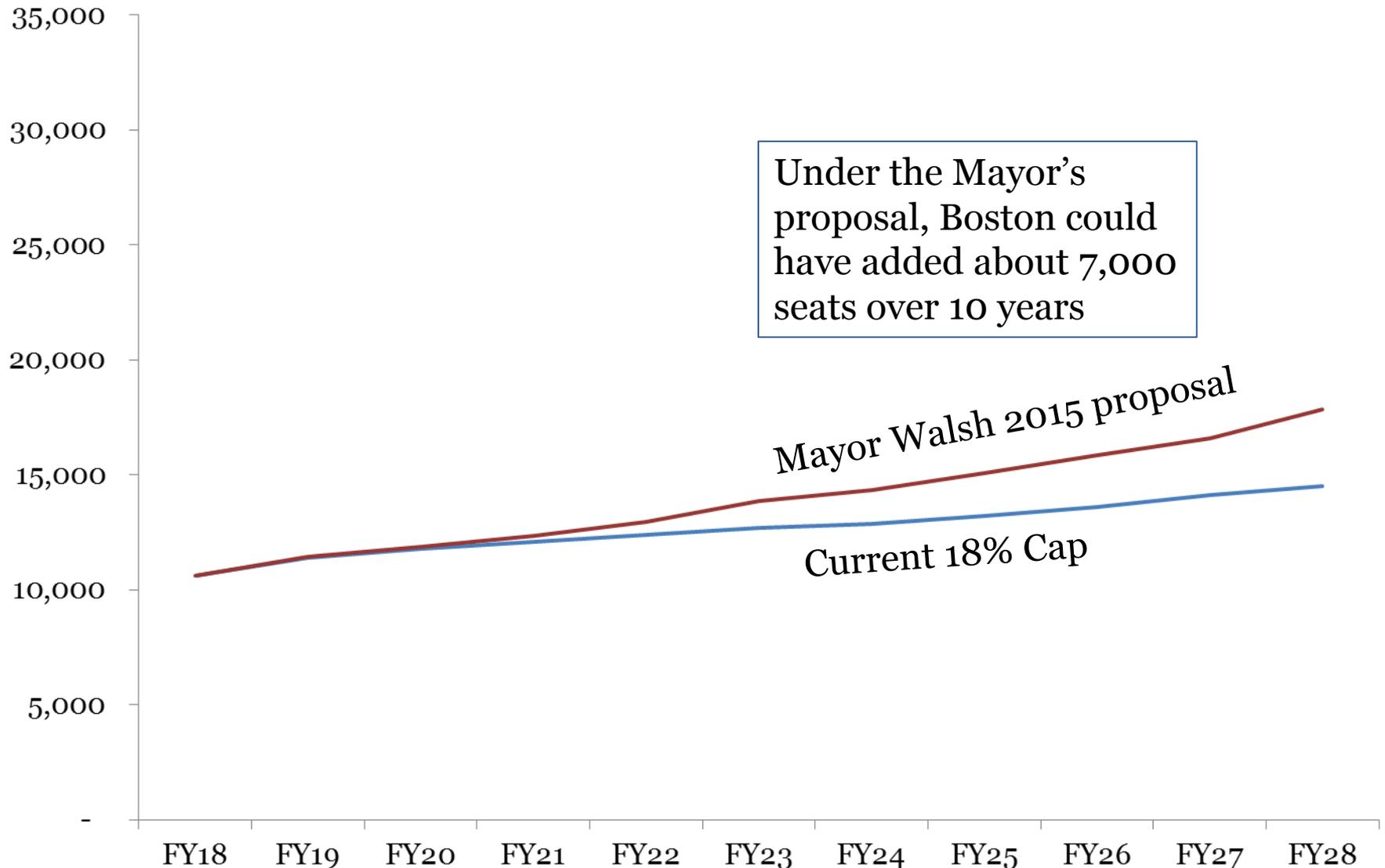
1. The Ballot Initiative will accelerate the growth in Boston's Charter School Assessment
2. Boston has lost \$48 M over 3 years due to underfunding of the Charter School Reimbursement
3. Boston's assessment is higher because the reimbursement is underfunded
4. As currently structured, state law disadvantages BPS' finances relative to charter schools

PROJECTED CHARTER SCHOOL ENROLLMENT

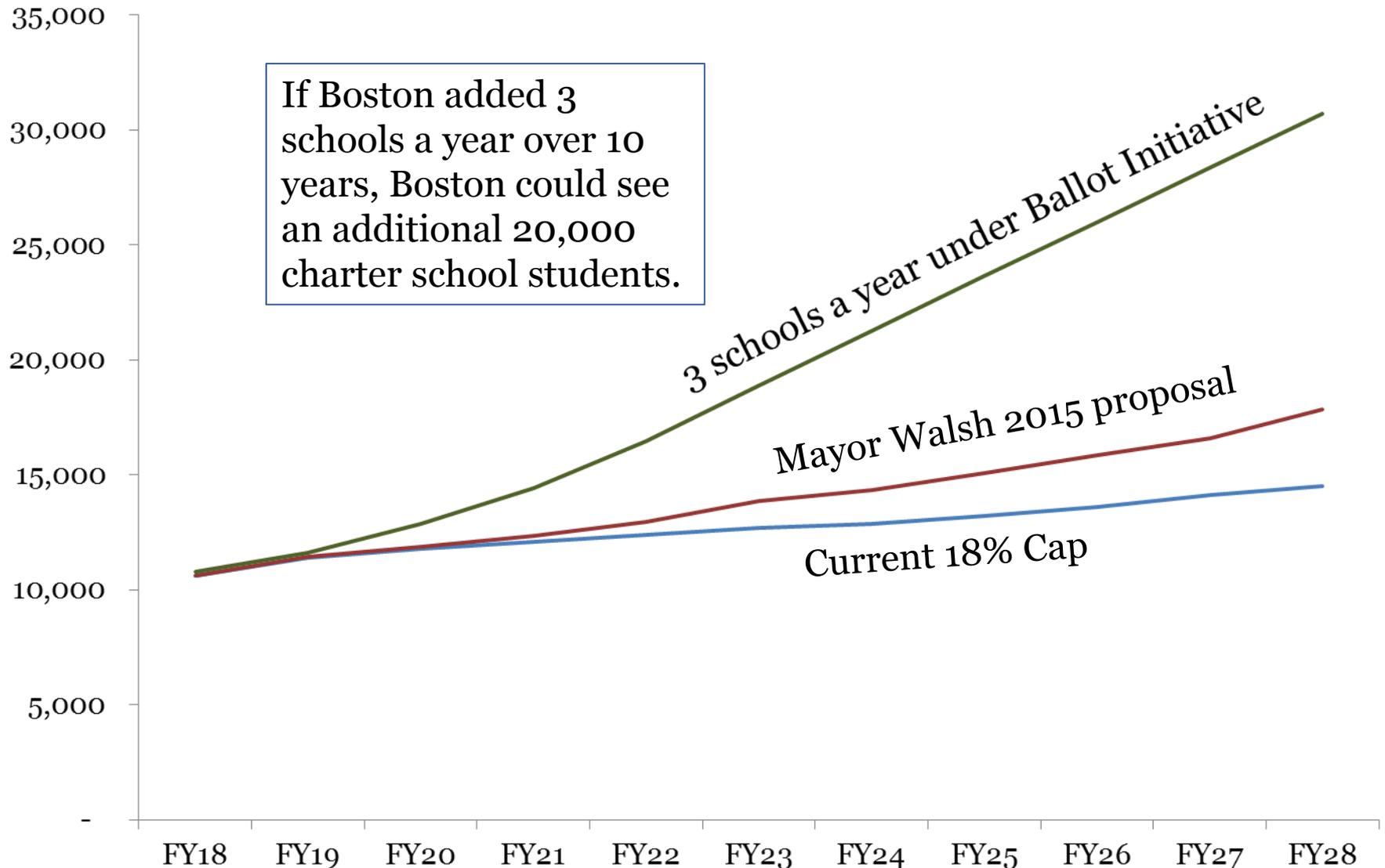


*The existing cap is not on students, it's a cap on the percent of spending on charter schools.

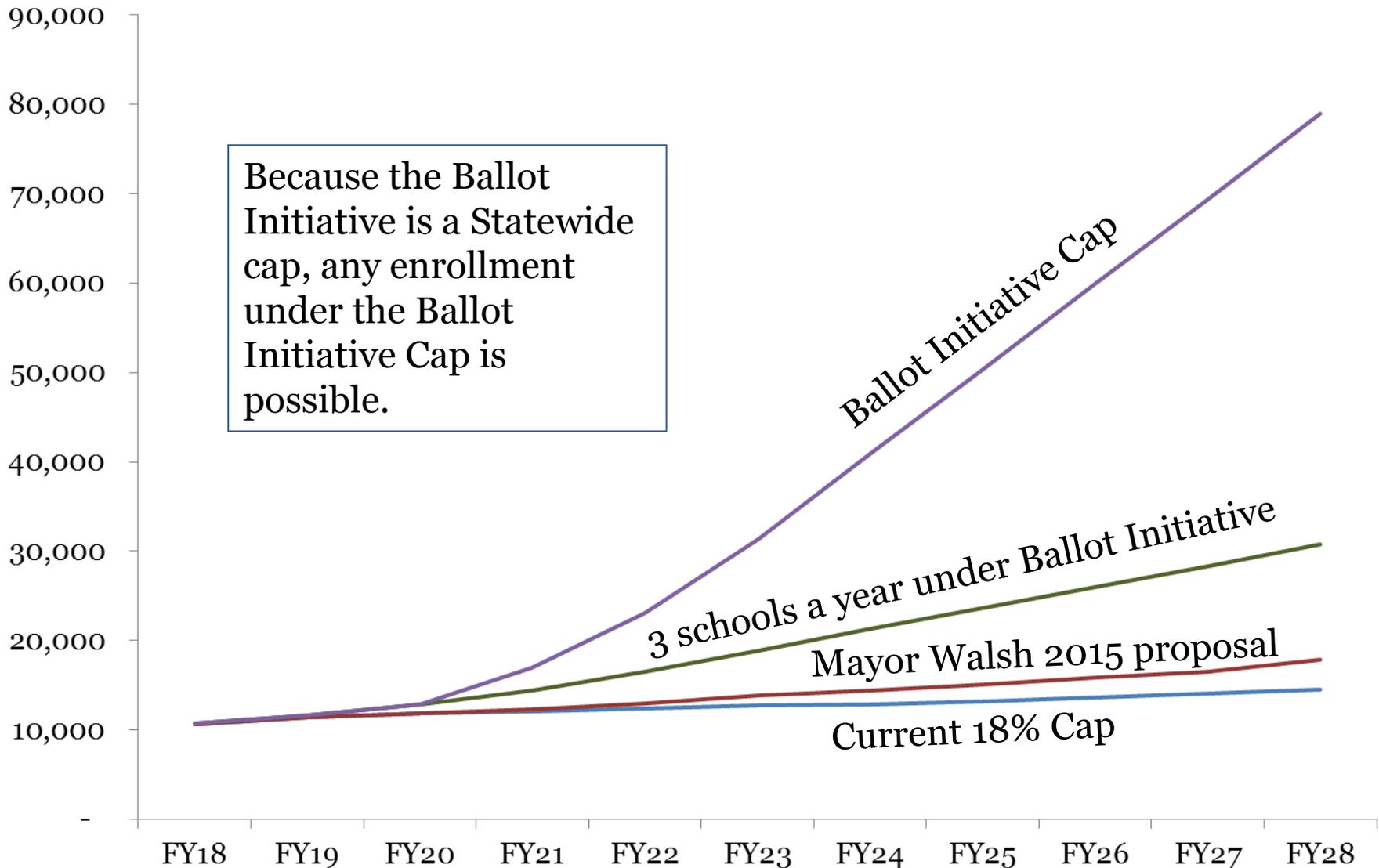
PROJECTED CHARTER SCHOOL ENROLLMENT



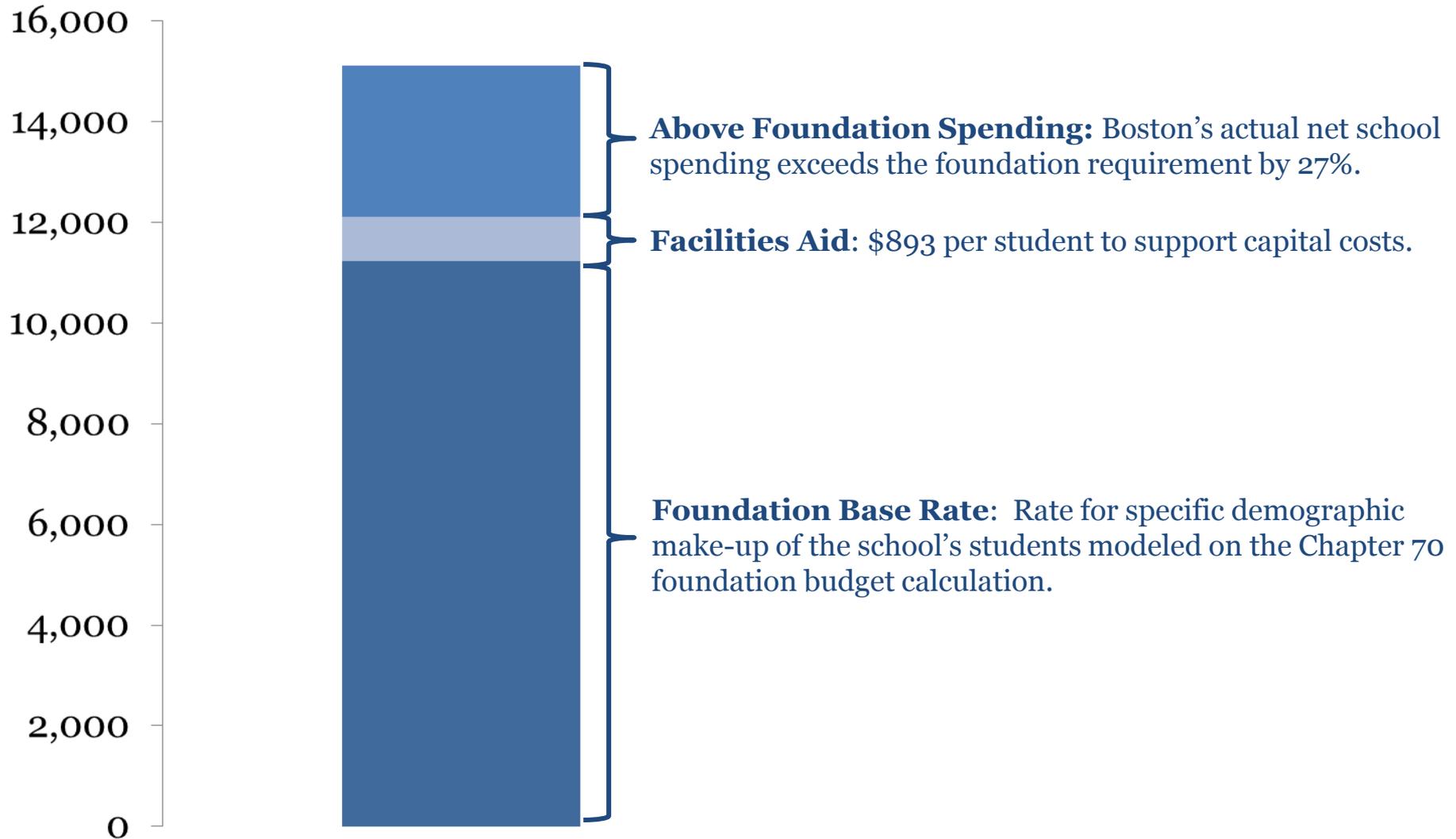
PROJECTED CHARTER SCHOOL ENROLLMENT



PROJECTED CHARTER SCHOOL ENROLLMENT



FY17 CHARTER PER PUPIL TUITION

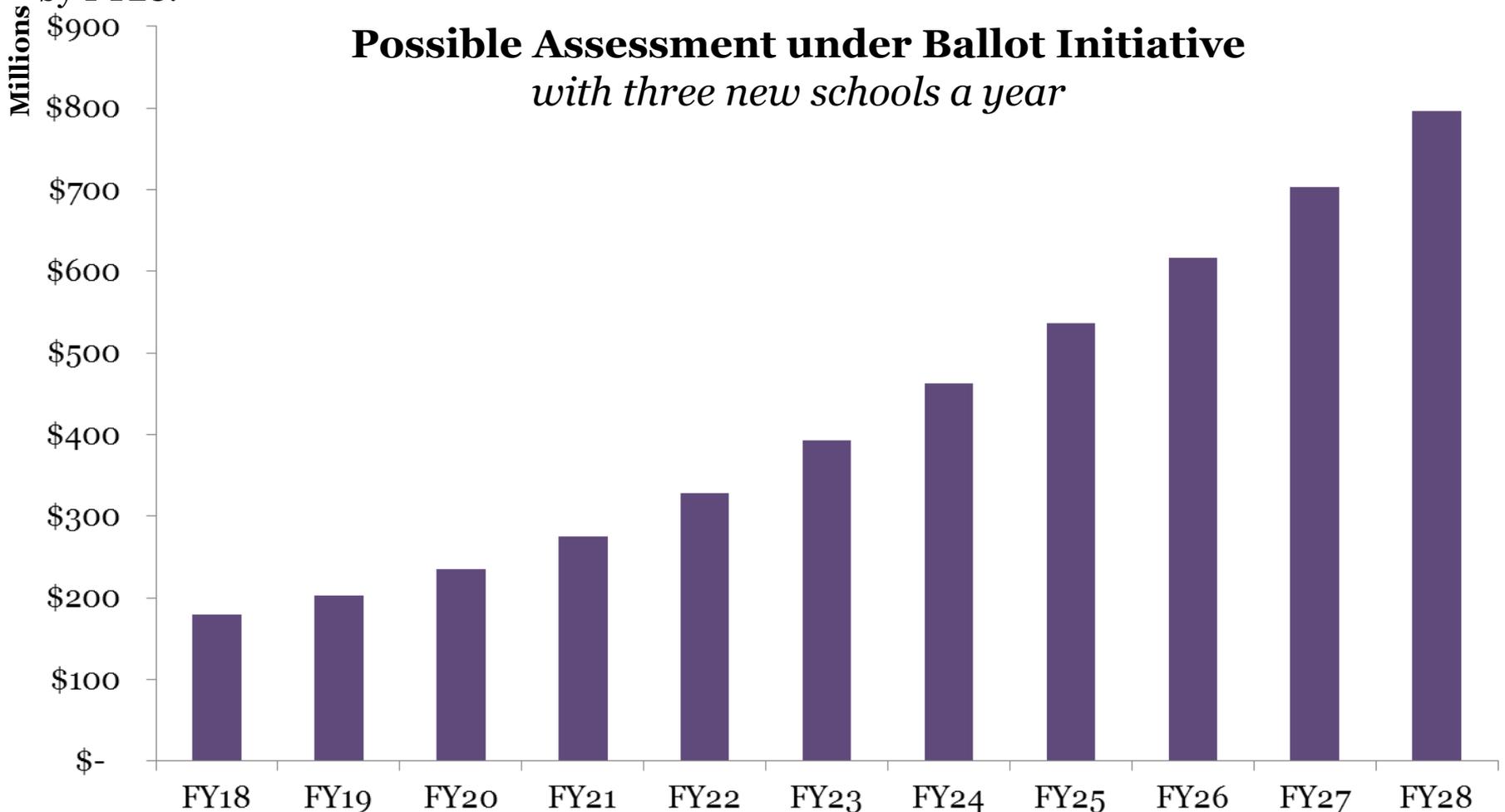


*Example based on Projected FY17 Rates for sample Commonwealth Charter School.

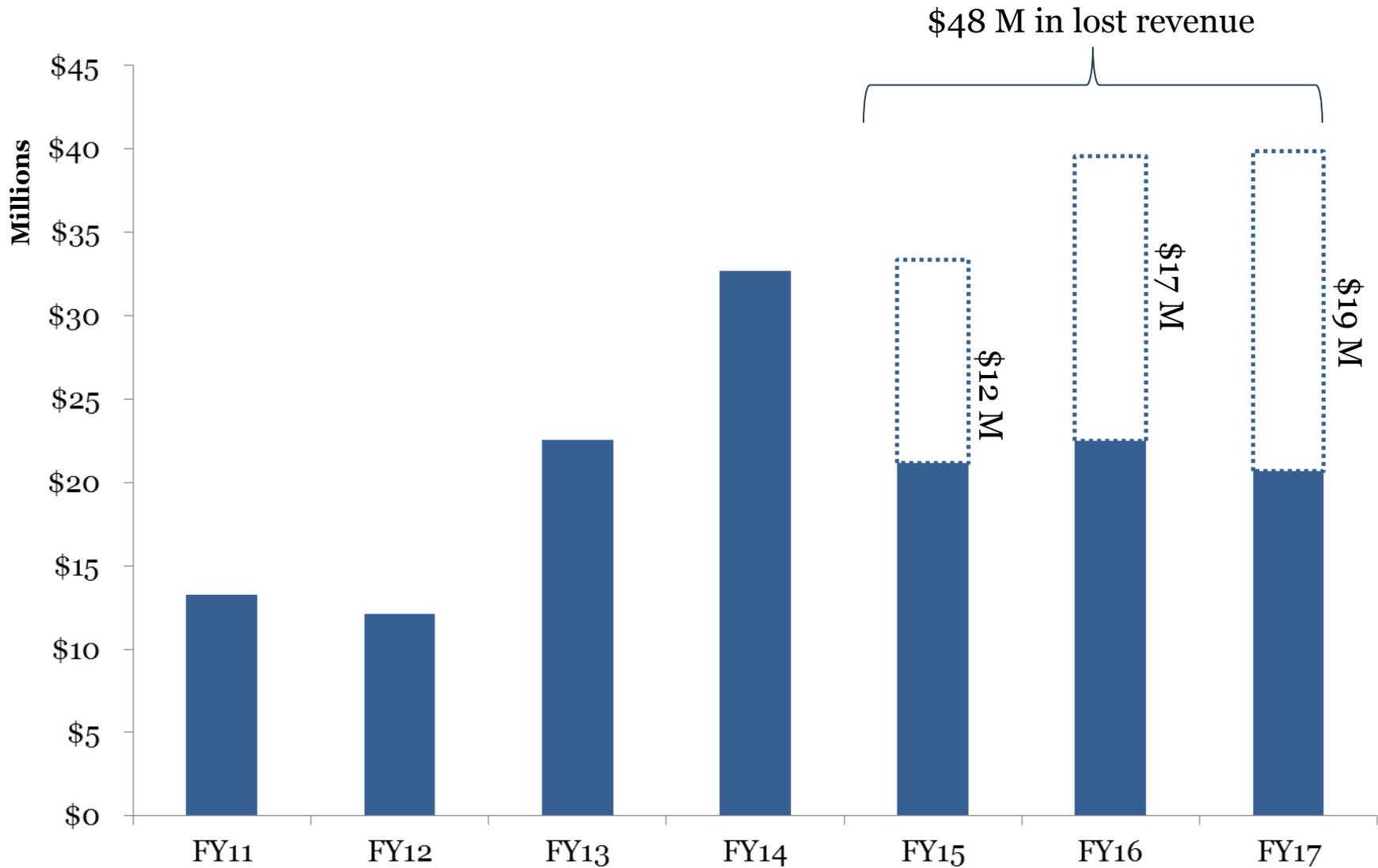
CHARTER SCHOOL ASSESSMENT



If Boston's Above Foundation Spending Rate continues to grow at a rate consistent with the last five year average, Boston could be paying a \$26,000 per pupil or an \$800M assessment by FY28.



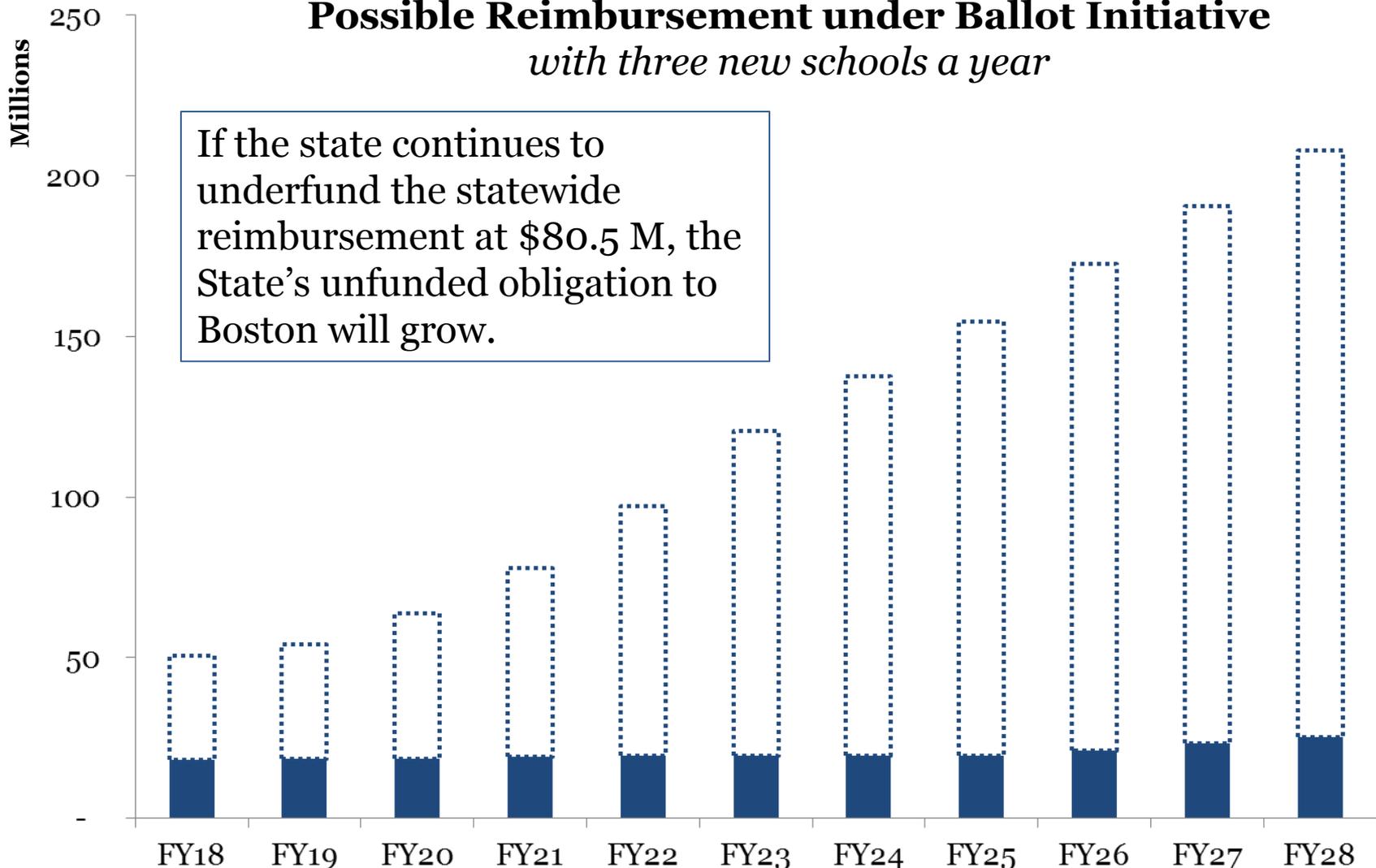
CHARTER SCHOOL TUITION REIMBURSEMENT



PROJECTED UNDERFUNDED REIMBURSEMENT



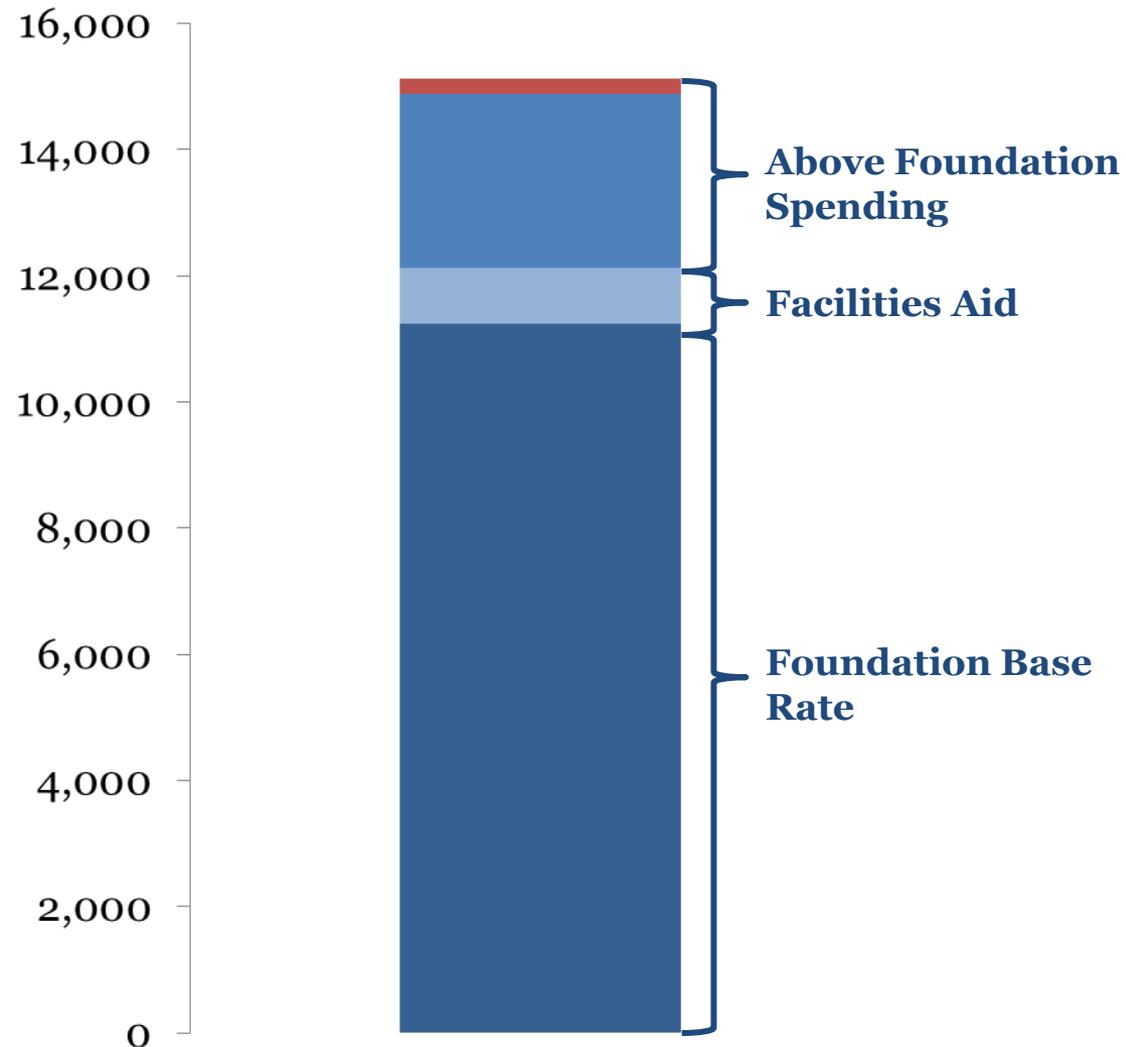
Possible Reimbursement under Ballot Initiative *with three new schools a year*



IMPACT OF UNDERFUNDING ON ASSESSMENT



Boston's is spending \$2.4 M more on its Charter School Assessment in FY17 due to the state's underfunding of the Charter School Reimbursement.



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

As currently structured, state law disadvantages BPS and the City's finances

Funding formulas do not fully account for student need and disadvantage LEAs serving the highest need and most expensive students

If more students participate in citywide enrollment, transportation costs are likely to rise

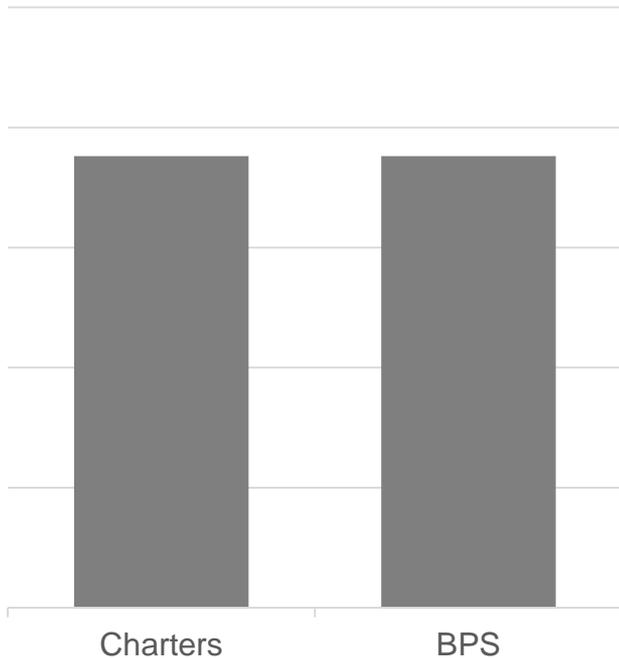
The state has not fully funded the Charter Reimbursement intended to support periods of transition

As currently structured, state law disadvantages BPS and the City's finances

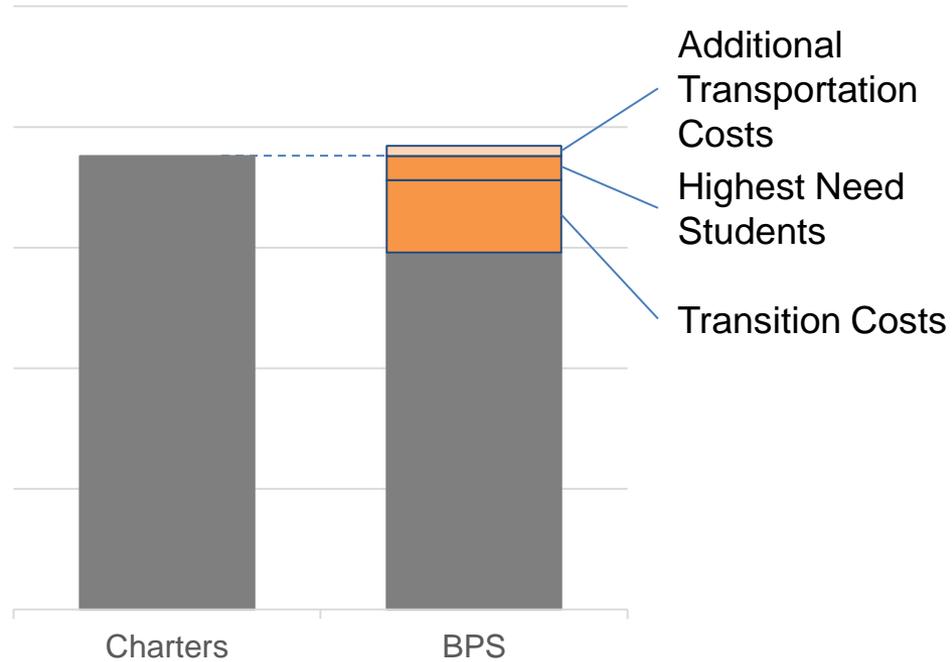
Ideally, state law would create an even playing field between charters and BPS...

... But current state law disadvantages BPS financially

Theoretical Per Pupil Costs with "Level Playing Field"



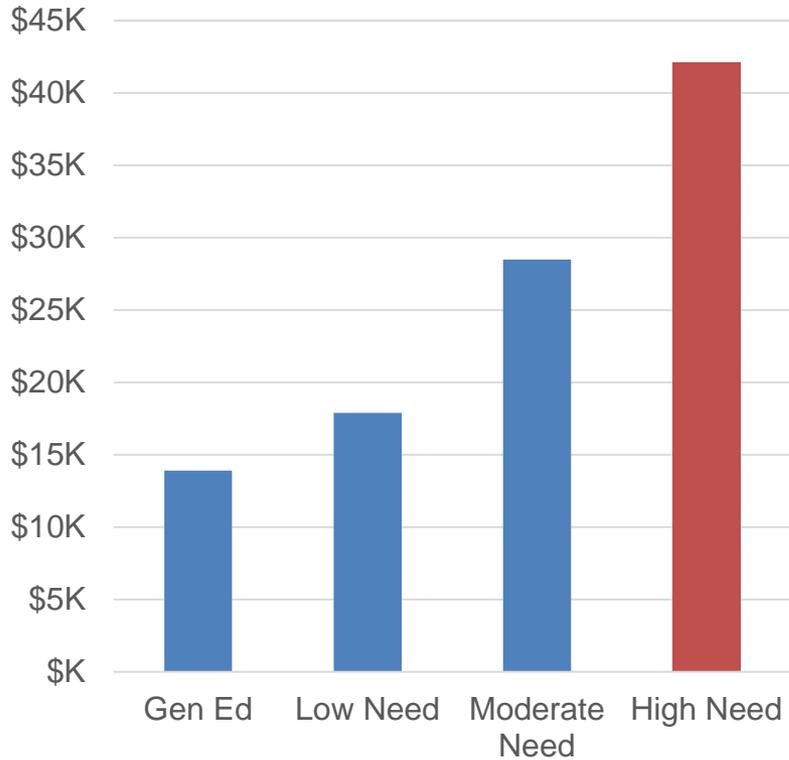
Projected FY28 Per Pupil Cost Under Current State Law



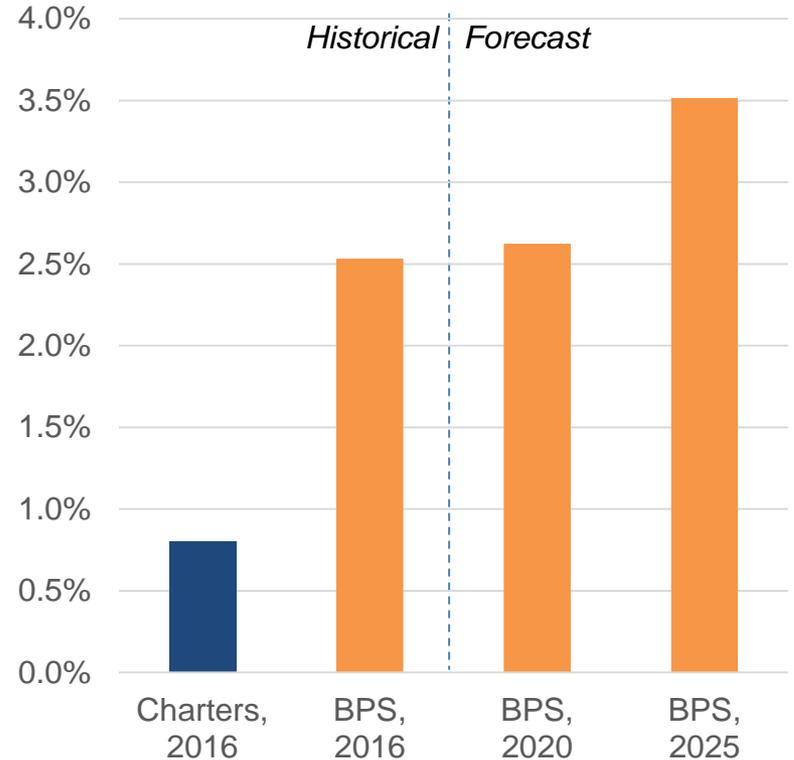
Note: Transportation are based on increase in expected per student costs in FY28; costs associated with the highest need students are the FY28 additional costs over required services for BPS students vs. charters; transition costs is the per student gap from the charter assessment

Funding formulas do not fully account for student need and disadvantage LEAs serving the highest need and most expensive students

Cost by Student Need
FY16 through FY25 (Forecast)



Percent of Students with High Needs
FY16 through FY25 (Forecast)

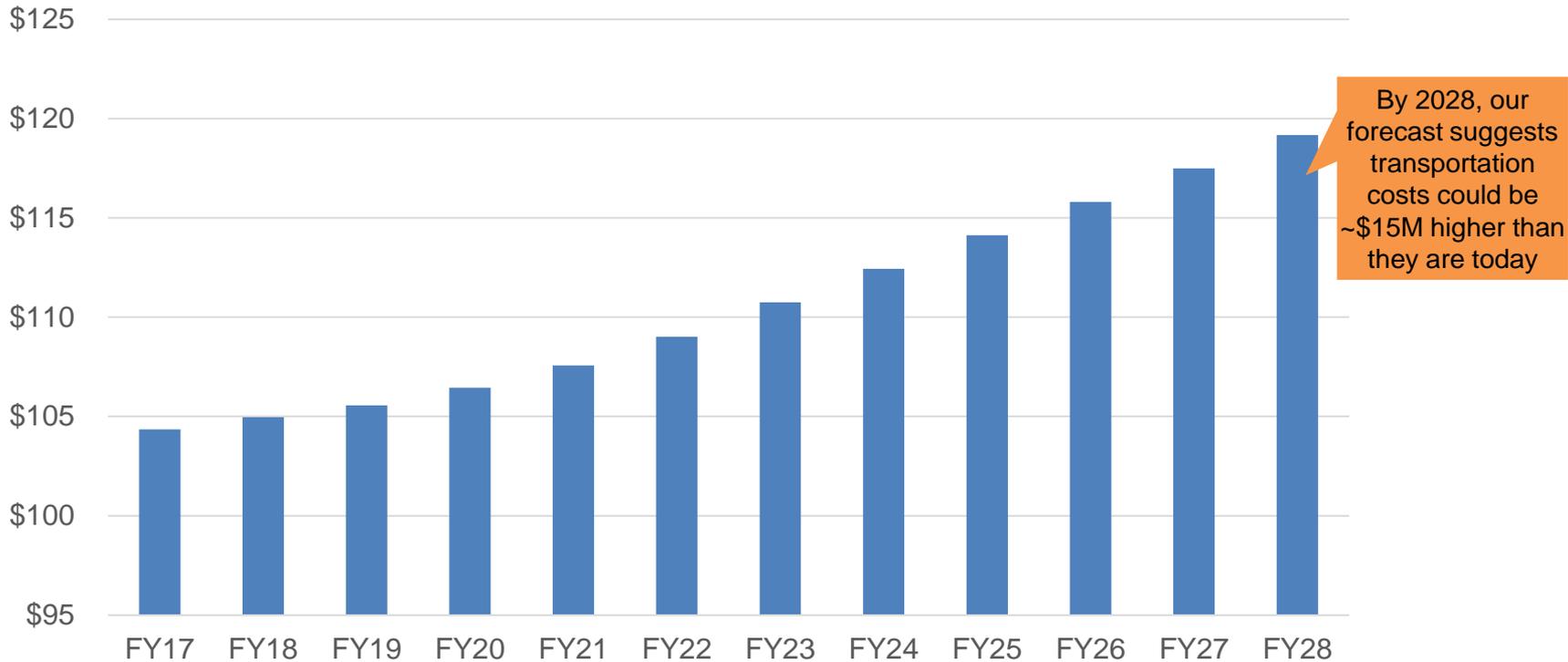


Notes: Estimates of costs by student need based on ERS study; classification of students based on DESE disability postings

If more students participate in citywide enrollment, transportation costs are likely to rise

Students enrolled citywide are more likely to ride the bus, and to travel further distances across the city – both of which have historically increased transportation costs

Total Transportation Costs, FY17 – FY28



Notes: Assumes that historically higher costs for citywide enrolled students will continue, and that charters will continue to enroll citywide;¹⁵ does not include parochial or private SPED transportation; includes budgeted \$10M reduction in expenditure for FY17

The shift could also create operational challenges for transportation

- **Current charter transportation**
 - Collaborative partnership between transportation department and charter schools
 - For legacy reasons, most charters start at 7:30am and 8:30am due in part to having much longer school days
 - We are reviewing all school start and end times for SY 17-18 and will apply an equity and financial lens across all schools

- **Potential future considerations**
 - An increase in charter seats would increase the number of schools in the City with long school days
 - It could put some pressure on our 3-tier bell schedule – some students would either get home very late or else we would move to a 2-tier schedule to accommodate reasonable school dismissal times, likely incurring additional cost

The district could look very different with an increase in charter seats

If BPS reduces its size proportional to enrollment loss...

If BPS lost...	... that would equate to
5% of enrollment	6 schools
10% of enrollment	13 schools
15% of enrollment	19 schools
20% of enrollment	26 schools
30% of enrollment	39 schools
35% of enrollment (scenario presented with 3 schools per year through 2028)	45 schools



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