



The Drain Game: Six Easily Overlooked Facts about the Charter School Financial Impact on the Boston Public Schools.

Opponents of lifting the charter school cap in Boston often declare that charters drain resources from the Boston Public Schools. They cite the net cost to the Boston Public Schools of sending students to charter schools, which in FY 2014 was \$86.5 million – up from \$55 million in FY 2011. But those numbers don't necessarily give a full picture of how charters are funded and how sending districts are reimbursed.

Some important notes:

1. Charter schools *are public schools* educating Boston public school students.

The money discussion often includes dollar figures, but often leaves out student figures. The money directing to Boston's charter public schools is used to educate Boston public school students – 7,645 of them in 2013-14. The cost only rises in direct correlation to the number of students attending charter public schools in the city.

2. School districts receive funds from the state for students who enroll in charters for six years after they leave.

The Massachusetts charter reimbursement policy is the most generous in the nation. As charters expand, not only does a school district receive the full per-pupil cost of each student who attends a charter in his/her first year of attendance, the district receives a 25 percent reimbursement for that student in each of the next five years. That means a sending district gets more than 2 years of funding for a student who moves to a charter school – more than **\$31,980 in total per student** at current rates. Under the formula, the BPS will receive some compensation for a student who started in a charter school this fall through 2018-2019.

3. When you look at the overall cost per charter student to the district, because of the reimbursements, BPS pays less to send a student to a charter school than it would cost to educate that student in the system.

The numbers are pretty straightforward – in FY14, the Boston Public Schools initially paid out about \$108.2 million dollars in tuition for 7,645 charter public school students in the city. That works out to \$14,213 per student. After reimbursements, though, the net tuition cost to the district was \$86.5 million, or

\$11,324 per student. That's a 20 percent reduction in per student cost, although it should be noted that some of those savings are consumed on items like transportation.

4. Despite their high-profile success, charter schools only educate about 1 in 8 public school students in Boston.

Public charter schools do get a lot of attention – but they also by design take a long time to grow. In 2013-2014, public charter schools in Boston enrolled 7,645 students – out of more than 66,000 public school students in the city. While charters give access to a quality public school to thousands of students who might not otherwise have a choice, it is still just a fraction of the overall student population.

5. The Boston Public Schools know with precision how many students they will lose to charters in 2014. And 2015. And 2016. And beyond.

One element that all sides of the charter school discussion can agree on is that the charters are filling their available seats, and have been since the first charters opened in 1994. Charter schools file their expansion plans with the state when they receive their charter – spelling out exactly how many students they will have and at what grade levels – in 2014, 2015 and beyond until they reach capacity. This gives the BPS a good handle on how many students they can expect to move to charters each year.

6. The reduction in Chapter 70 money related to charter school students is not borne by the district in a vacuum – it's factored into the overall city budget. By the same token, increases in other expenses, like the city's new police and fire contracts, have an equal impact on the school district budget.

Boston's school budget is not independent of the rest of the city budget – although it takes up about 35 percent of the total. Thus, any state funding changes come to the city as a whole and the fiscal impact is spread across city government. At the same time, it means local issues – like new contracts for police, firefighters, or other city workers, can and do have a fiscal impact on the city schools. When there is an unanticipated budget burden anywhere in or outside education, those costs are borne in some measure throughout the city budget, including the school department.