



Myths and Realities

CHARTER PUBLIC SCHOOL FINANCING

MYTH: Charter public schools “drain money” from district public schools.

REALITY: When money is allocated to charter public schools, there is no loss of funding for public education because charter schools *are* public schools. The total amount of spending on public education in communities with charter public schools is unchanged. Charter public schools are open to all children and are overseen by public boards of trustees and both the state Board of Elementary and Secondary Education and state Department of Elementary and Secondary Education (DESE).

Charters receive funding only when parents choose to enroll their children in charters. Funds are allocated to charters because the districts no longer have to educate those students. The amount charters receive is determined by a complicated formula established by the Legislature and essentially is based on how much the district spends on each student. A 2004 change in the funding formula ensures that the amount of money charter public schools receive reflects the demographics and grade levels of the students who enroll.

Districts receive reimbursement money from the state for every student who attends a charter. This reimbursement is designed to help districts adjust to the loss of students and funding. Every time there is an increase in the amount of money that is transferred – whether it be because a new charter opens in that district or because there is an increase in district spending on students – those dollars are reimbursed by the state for six years at a rate of 100% the first year and 25% for the next five years. That’s more than double their money back. In FY 2010, the state sent \$50 million back to districts.

Charter public schools have to stretch their education dollars further because they must pay for their own facilities. They are not eligible to receive the same state subsidies for school facilities that districts receive. District schools receive generous subsidies from the state ranging from 50% to 80% of the total cost of the buildings through the Massachusetts School Building Authority (MSBA). In 2005, charters started receiving a per pupil grant to cover a small portion of construction costs.

MYTH: Charter public schools cost the state more than \$250 million a year.

REALITY: Charter public schools do not cost the state additional dollars. The money charters receive would be spent anyway to educate those children in district schools. The only additional spending associated with charters is the reimbursement money the state gives to districts.

MYTH: Charter public schools receive more money than district public schools.

REALITY: Charter public schools actually receive less than what districts spend to educate their students, according to the state DESE. Several expenses paid by districts are not included in the charter calculation because charters do not have these costs. These include “out-of-school” special education costs and health care benefits for retired teachers. The state analysis showed that charters actually receive about three-quarters of the amount spent by districts.

MYTH: Charter public schools take an unfair share of a community’s state aid. For example, in Framingham, the charter public school gets \$9,000 per student in state aid, but the community receives only \$1,100 per student.

REALITY: Education spending is a combination of state and local funds, but charter public schools are funded 100% from state aid. The funds are deducted from a community’s Chapter 70 (local aid) allotment and are deposited directly into charter public school accounts. Communities like Framingham that fund their schools mostly with local money and do not receive much state aid will see a high percentage of their state aid deducted. But this is not the norm and should not be used as an example of what happens in most communities.

MYTH: A moratorium would save the state millions.

REALITY: If the state were to put a freeze on new charter public schools, it wouldn’t save any money because the children would continue to attend district schools. The only thing a moratorium would do is deny parents choice.

MYTH: Charter public schools are not affected by cuts in local aid. They “take their money off the top.”

REALITY: Charter funding is based on how much districts spend on each student. So, when local aid is cut, education spending in communities is reduced, and the amount that charter public schools receive is cut by the same percentage. The claim that charter public schools take their revenues “off the top” is false.

MYTH: The charter public school funding formula is unfair.

REALITY: What's so unfair about a transfer of funds that is based on the amount of money districts spend to educate the same kids? The only reason funds are allocated to charters is because they are now educating the students. Are districts arguing that they should be able to keep taxpayer dollars even though they are no longer educating the children? If anything, the formula is unfair to charters because they are not eligible for the same subsidies districts get to finance their school buildings.

MYTH: District public schools do not save \$1 for every \$1 that's transferred to charter public schools.

REALITY: We recognize that there are some costs that cannot be saved. But, the Legislature provided for that by enacting the most generous reimbursement policy in the county to give districts time to adjust to the loss of students. For every new dollar that is transferred to charters districts receive money back from the state for six years. They receive 100% of their money back the first year and 25% in each of the following five years. That's more than double their money back.

Are districts saying this reimbursement is not enough to offset their fixed costs? If so, they need to make the case that the reimbursement the state provides is not enough. Districts have to constantly adjust their budgets to account for changes in enrollment whether students leave for charters or private schools, or when families move out of town. The only time they are reimbursed is for transfers to charter public schools.

MYTH: Younger, less expensive students are disproportionately enrolled in charter public schools.

REALITY: This makes no difference in terms of how much money charters receive from districts. The 2004 amendments to the funding formula ensure that the amount of money charters receive reflects the grade levels and income levels of the students who enroll. In addition, charter enrollment, like district enrollment, is about evenly split between pre-kindergarten through grade five, and grades six and up. Since many charter public schools initially enroll students in the lower grades, we expect that over time, the population in upper grades will rise further.

MYTH: Charter public schools should not receive more than the per pupil foundation aid.

REALITY: Using "foundation aid" for comparison purposes is totally misleading because it represents only a small portion of what districts actually spend on their students. "Foundation aid" is essentially the minimum districts are required to spend. It does not reflect actual spending.

MYTH: Charter schools should receive the same amount of money that district schools receive under the school choice program.

REALITY: This is an apples to oranges comparison that bears no similarity to how charters should be funded. When children transfer from one district to another, the receiving district already has buildings, available classroom space and teachers on staff. Charters are started from scratch; a full staff is hired, a new building is rented or purchased and renovated (without state assistance). The Legislature recognized this in 1993 when they passed the original Education Reform Act that created charters.

If the Legislature adopted the "school choice" model it would result in a separate and unequal way to fund the education of charter students, who are predominantly minority and poor. The "school choice" model would cap the local district share of charter funding at \$5,000 per student, leaving the state to fund the rest in a separate budget line item. This line item would be subject to appropriation by the Legislature every year, leaving it exposed to attack every year by powerful opponents. So, half of the funding for charter students would be taken out of the local aid formula, which is how all other public school students are funded. Why fund district school students one way and charter school students another?

MYTH: Charter public schools are forcing cuts in other areas of town budgets and causing towns to raise taxes.

REALITY: Charter public schools have become a convenient excuse for every local budget problem. But, they are not to blame. Districts focus on how much money gets reallocated to charters, conveniently neglecting to mention that they no longer have to pay to educate the children who transfer. They also forget to mention the six years of reimbursement funds they get from the state for every new dollar reallocated to charters. All totaled, districts receive \$2.25 for every new dollar that goes to a charter. This gives them six years to adjust to the loss of enrollment and funding.

MYTH: The state should not be expanding any programs during tight fiscal times.

REALITY: Charter public schools are not an expansion; they are funded through a reallocation of existing education dollars.

MYTH: Charter public schools don't pay their fair share of special needs services, especially the very expensive cases.

REALITY: Charter public schools are under the same obligation as district public schools to provide in-school special education services. You may hear opponents talk about how some special needs children cost \$150,000 a year or more to educate, and that charters should not be receiving money for these students. The fact is charters don't. The cost of educating severely handicapped special needs children are not included in the calculation that determines how much money charter public schools receive, so the issue is irrelevant to the debate. Districts usually send these children to independent "out-of-district" special needs schools specially equipped to serve this population.

ACADEMIC PERFORMANCE

MYTH: Charter public schools have not lived up to their promise; they have an uneven track record.

REALITY: Charter public schools have had measurable academic success. Recent independent studies have shown that charters have been the state's most effective tool to close the achievement gap between low-income, minority children and affluent, white children.

On the 2009 MCAS, a higher percentage of students in charter public schools scored proficient or advanced in all subject tests at every grade level compared with their district peers. Many urban charters, with a high percentage of minority and low-income students, ranked first in the state, outperforming every affluent suburban district.

These 2009 MCAS results highlight our success at educating urban students:

Urban Charter Public Schools Outperformed Their Sending Districts By Wide Margins

- **Boston**

- 22% more charter students scored proficient or advanced compared to the district average in English, 25% in math
- Six of the seven highest performing public schools in Boston are charters and seven of the ten highest performing public middle schools in Boston are charters. This is based on 2009 MCAS comparing open admission public schools. Three Boston charter middle schools ranked higher than the city's elite public exam schools.

- **Springfield**

- 16% more charter students scored proficient or advanced compared to the district average in English, 9% in math
- Charters ranked 1st and 3rd in 8th grade English/math; and 1st and 2nd in 10th grade English/math

- **Lawrence**

- 28.5% more charter students scored proficient or advanced compared to the district average in English, 34.5% in math
- Charters ranked 1st and 2nd in 8th grade English/math and 1st and 4th in the district in 4th grade English/math

- **Fall River**

- 23% more charter students scored proficient or advanced compared to the district average in English, 16% in math
- Charters ranked 1st in the district in 8th grade English/math

- **Holyoke**

- 12% more charter students scored proficient or advanced compared to the district average in English, 12% in math
- Charters ranked 1st in the district in 8th grade English/math

- **Lynn**

- 20% more charter students scored proficient or advanced compared to the district average in English, 43% in math
- Charters ranked 1st in the district in 8th grade English/math

MYTH: Charter public schools have been marked by instability and uneven academic performance.

REALITY: Since they first opened in 1995, charter public schools have proven that underprivileged kids from urban school systems can achieve at the same level as kids from affluent suburban schools. Charters are moving disadvantaged children from the back of the pack to the front of the pack arming them with the tools they will need to succeed in college and the work force.

Independent studies conducted by DESE in 2006 and The Boston Foundation in 2008 have shown that charter public schools are helping to close the achievement gap.

The DESE study found that one-third of all charters were performing at a significantly higher level compared to district schools. Only 10% were scoring lower. The widest gap in MCAS scores between charter students and district students were among African American, Hispanic, and low-income students – showing that charters are closing the achievement gap.

The Boston Foundation study showed that academic gains from a single year in a Boston charter erased half the achievement gap between minority and white students. Students who entered charters in the fourth grade improved their test scores from slightly above Boston's average to slightly below Brookline's average by the eighth grade. Brookline is one of the highest performing districts in the state.

When charter public schools fail academically, or are beset by financial or managerial instability, they can be closed by the state. Several have been. The state Board of Education has also renewed charters with restrictions, requiring them to restructure and improve, or face closure.

MYTH: Charter public schools are doing no better in Boston than Boston district schools

REALITY: Boston charter public schools are among the best in the country. These schools serve predominantly poor and minority students, yet they are not only outperforming district schools in Boston, they are outperforming schools located in affluent suburban communities. On the 2009 MCAS, several Boston charters ranked Number 1 in the entire state, including:

Excel Academy Charter School (Boston)

(77.3% minority; 67.3% low-income; 11.4 special ed; 50.7 first language not English)

8th Grade ELA (100% Proficient/Advanced)

8th Grade Math (96% Proficient/Advanced)

Edward Brooke Charter School (Boston)

(95.2% minority; 77.9% low-income; 9.4% special ed; 11.8% first language not English)

7th Grade Math (91% Proficient/Advanced)

Boston Preparatory Charter Public School

(92.4% minority; 76.4% low-income; 15.8% special education; 10.6% First language not English)

10th Grade Math (100% Proficient/Advanced)

10th Grade English (100% Proficient/Advanced)

Roxbury Prep Charter Public School

(96.5% minority; 72.6% low-income; 8.3% special ed; 33% first language not English)

8th Grade Math (96% Proficient/Advanced)

Boston Collegiate Charter School

(36.4% minority; 41.2% low-income; 17.2% special ed; 5.4% first language not English)
10th Grade Math (100% Proficient/Advanced)

Academy of the Pacific Rim Charter (Boston)

(74% minority; 52.3% low-income; 13.9% special ed; 13.9% first language not English)
10th Grade ELA (100% Proficient/Advanced)

MATCH Charter Public High School (Boston)

(92.2% minority; 77.9% low-income; 9.4% special ed; 20.1% first language not English)
10th Grade Math (100% Proficient/Advanced)

MYTH: National studies have shown repeatedly that charter public school students do no better than district public school students.

REALITY: Various national studies have been conducted that show conflicting results for charter public schools. Most of these studies have not included data from Massachusetts. Independent studies of Massachusetts charters have confirmed that charter schools in the Commonwealth are achieving at high academic levels. Massachusetts has a particularly strong charter program. The state has set a high bar to obtain and keep a charter. Standards are set very high and oversight is strict. Because of this, only strong charter applications are approved and low-performing charters are closed.

CHARTER PUBLIC SCHOOL ENROLLMENT

MYTH: Charter public schools are privately run.

REALITY: Charter schools are public schools open to any child, free of charge. They are operated independent of the local school system, but are public schools overseen by public Boards of Trustees and the state.

MYTH: Charter public schools accept only the “cream of the crop” and reject underperforming students.

REALITY: Unlike exclusive private schools, charter public schools do not recruit or select “the best” students. They are open to everyone and if enrollment requests exceed the number of seats, the schools hold a public lottery to determine who will attend. Enrollment is reflective of the educational choices parents make for their children, not a selective admissions policy of the schools.

MYTH: Charter public school enrollment does not reflect the diversity of the communities they serve.

REALITY: Statewide, charter public schools enroll twice the percentage of poor and minority students as districts and an equivalent percentage of special needs students. A recent study comparing the demographics of charter public schools to their home districts showed that we serve a far higher percentage of African American children, a similar percentage of low-income families, and lower percentages of Hispanics, special needs students, and English-language learners. But the study also noted obstacles put up by the districts that hinder our recruitment of students in underserved areas.

A comparison of charter school student demographics tells the larger story. The numbers below from DESE are for the 2008-09 school year as reported by DESE.

2008-2009 Demographics	Charters	State
First Language Not English	16.0%	15%
Limited English Proficient	4.0%	5.9%
Special Education	11.9%	17%
Low Income	45.8%	30.7%
African-American	26.4%	8.2%
Asian	4.3%	5.1%
Hispanic	22.9%	14.3%
White	43.5%	69.9%
Native-American	0.3%	0.3%
Native Hawaiian, Pacific Islander	0.1%	0.1%
Multi-Race, Non-Hispanic	2.6%	2.0%
Males	48.6%	51.4%
Females	51.4%	48.6%

MYTH: Charter public schools do not provide special education services.

REALITY: Charter public schools are under the same state and federal obligations to provide services to special needs children as other public schools.

MYTH: Charter public schools advise families with special needs children or English Language Learners not to enroll.

REALITY: That's just false. Charters do not discriminate and they do not counsel families not to enroll. Any family can enter their children in charter enrollment lotteries, but ultimately enrollment is totally random.

MYTH: Compared with district public schools, charters enroll almost no students with severe disabilities, and virtually no Limited English Proficient students.

REALITY: Compared to statewide averages, charter public schools enroll a far higher percentage of African American, Hispanic, and low-income students; comparable percentages of children whose first language is not English or who cannot speak English at all; and a lower percentage of special needs children. Comparisons between individual charters and their host districts vary – just as comparisons between individual district schools and district averages.

But, statistics – whether favorable or unfavorable to charters – do not tell the whole story.

Two demographic categories over which schools have little or no control – race and income – reveal that charters enroll a far higher percentage of minority and poor students than district schools. These are the children who suffer from the widest achievement gap. And these are the students that charters are serving with overwhelming success.

Designating children as special needs or as “English Language Learners” depends on a subjective analysis by school administrators. Nationally, about 12 percent of students are in SPED programs, but that number is 17 percent in Massachusetts and well over 20 percent in some districts. Maybe the question should be turned on its head. Why are the district numbers so high?

Charter public schools specifically try to avoid over-labeling kids. Many students with low literacy levels are taught to read, not given a special education label. Many students with behavioral issues are given structure, not a special education label. Many kids whose families do not speak English at home are mainstreamed with the regular students, not given an English Language Learner label.

Charter leaders believe many non-English speaking families are unaware of the choice they have to send their children to charters. In 2010, charters in Boston engaged in aggressive outreach campaign to inform immigrant families of their options. In the most recent charter enrollment lotteries, there was a dramatic increase in the number of lottery participants who identified themselves as English Language Learners and students who came from families who do not speak English at home. One school received applications from students who come from families who speak Spanish, Igbo, Chinese, Portuguese, Vietnamese, Krio, Hatian Creole, Cape Verdean, Somali, French, Japanese and Mandingo.

MYTH: Education reform was never intended to create a two-tiered educational system.

REALITY: It hasn't. In fact, it has leveled the playing field for poor and working class families, providing the same type of educational choice that wealthy families who can afford private school enjoy. In addition, charter public schools have injected a healthy dose of competition into the public school systems across the state. That has prompted district public schools to improve in order to compete with the charters for students.

MYTH: Younger, less expensive students are disproportionately enrolled in charter public schools.

REALITY: A 2004 amendment to the funding formula ensures that the amount of money charter public schools receive reflects the grade levels of the students who enroll. In addition, charter enrollment, like district enrollment, is about evenly split between pre-kindergarten through grade five, and grades six and up. Since many charter public schools initially enroll students in the lower grades, we expect that over time, the population in upper grades will rise further.

CHARTER PUBLIC SCHOOL ACCOUNTABILITY

MYTH: Charter public schools play by different rules.

REALITY: Charter public schools must follow the same educational standards, administer the same standardized tests, employ the state's educational curriculum, and abide by all the same laws and regulations as other public schools. The big difference between charters and districts schools is the management flexibility charters are given. Charters can lengthen their school days and school years to provide more time in the classroom, establish their own educational culture, hire and fire teachers for performance, tie teacher pay to performance, and set high standards for their students. Because they are given this additional flexibility, they are held to extremely high standards by the state.

MYTH: Charter public schools are not held accountable for performance.

REALITY: Massachusetts charter public schools are held to the highest academic standards in the country. It is extremely difficult to obtain and retain a charter. Independent national studies have ranked Massachusetts' application, performance, and oversight practices as the toughest in the nation. Only strong, viable applications are approved. The charter renewal process is equally stringent. Charter public schools must reapply for certification every five years and are subject to annual inspections by the state. Charter public schools that don't succeed can be closed.

MYTH: Local communities have no meaningful say in the charter public school process.

REALITY: Local communities do have a say. Charter public schools are founded by parents and citizens and controlled by local public boards of trustees made up of people who live in the community. The local government, the local school bureaucracy, and the local teachers unions don't control charter public schools, but they do have a voice during the chartering process and the renewal process. The chartering process takes almost a year to complete, and includes several opportunities for comment and testimony. Community officials opposed to charters make their opposition known to the community and state education officials. But, charters were established to operate independently from the local district. In exchange for this independence, they are held to high standards by the state Board of Education.

MYTH: Charter public schools are an unproven experiment.

REALITY: The first charter public schools opened in 1995, and since then they have provided both educational choice for poor and working class parents and academic opportunity for their children. Studies of Massachusetts charters have repeatedly found that most outperform their district peers and our urban charters are helping close the achievement gap between white, suburban students and minority children in our cities. Demand for charters is still high and the need for charters has never been clearer. Charters are an integral part of the public education system in the Commonwealth.