



# MAYOR DAVID J. NARKEWICZ

## City of Northampton

210 Main Street Room 12

Northampton, MA 01060-3199

(413) 587-1249 Fax: (413) 587-1275

[mayor@northamptonma.gov](mailto:mayor@northamptonma.gov)

### TESTIMONY IN SUPPORT OF AN ACT RELATIVE TO TRANSPARENCY AND ACCOUNTABILITY IN CHARTER SCHOOL FINANCE

Joint Committee on Education

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Thank you Chair Peisch, Chair Lewis and Members of the Committee for the opportunity to testify before you today in support of *H. 418, An Act Relative to Transparency and Accountability in Charter School Finance*. This legislation is of critical importance to the City of Northampton and municipalities across our Commonwealth.

The impact that charter schools have had on the Northampton Public Schools since the first students chose to attend local charters in FY1996 has been steadily growing while our Chapter 70 aid from the state has failed to provide adequate funding to offset these impacts.

In FY2019, there are 200 students from Northampton that have opted for a charter school education taking with them \$2,325,874 in charter school assessments. These students represent 7% of our enrollment, yet the assessment paid to the seven local charter schools represents 31% of the \$7,477,309 the Northampton Public Schools received in Chapter 70 assistance from the state. Under the current charter tuition formula, 7% of our students take 31% of the Chapter 70 aid for Northampton Public Schools.

In the Governor's FY2020 budget, Northampton is slated to receive \$56,120 in new Chapter 70 aid while our charter school assessment grows by \$187,611. Northampton is one of about 80 cities, towns, and regional school districts that face a net loss in school aid next year after subtracting its proposed increase in charter school assessments from its increase in Chapter 70. Northampton would experience a net loss of \$113,491 in FY2020 aid under the Governor's plan.

Ten years ago, Northampton was being charged \$1,260,655 (net of reimbursement) for charter school assessments for approximately 154 students. In FY2020, we will be charged \$2,686,233 (net of reimbursement) for 200 students. Over this ten-year period, Northampton student enrollment in charters has grown by 29%, but tuition charges have grown by 113%.

During this same ten year period, Chapter 70 aid to my city's two school districts has gone from \$8,164,398 in FY2010 to a proposed \$8,443,334 in FY2020, an increase of just \$278,936 over ten years. This is the equivalent of a 0.34% increase each year for the past ten years or a total increase of 3.4% over ten years.

The state has failed to live up to its obligations under the current charter school tuition reimbursement formula, leaving Northampton and other towns to make cuts and pass overrides to fund our local schools. By not fully funding charter school reimbursements over the last six years, between FY2014 and FY2019 the Commonwealth has short-changed Northampton a total of \$838,904 in unfunded reimbursements for charter school assessments.

An Act Relative to Transparency and Accountability in Charter School Finance, which is supported by the Massachusetts Municipal Association and my colleagues here today, would go a long way toward correcting the stark funding inequities between charter and district schools. It would put a reasonable limit on the local contribution to charter schools and asks the state to take responsibility for the balance.

Charter schools would receive the same level of funding, but their funding would not be solely on the backs of students that remain in our traditional public schools. This much-needed change to charter school finance would acknowledge that school districts do not experience reduced costs when students leave a local public school to attend a charter school. Two hundred less Northampton students spread across 13 grade levels, four elementary schools, and our middle and high school does not result in significant reductions in staffing and costs for my city’s public schools.

We have analyzed the potential impact of this legislation when applied to the proposed FY2020 tuitions for the seven charter schools in our region attended by Northampton students. I have embedded a chart in my testimony that breaks it down by school with the proposed caps on both the base rate and above net school spending charter tuition:

<b>Northampton under "An Act Relative to Transparency and Accountability in Charter School Finance"</b>								
	FTE Students	Current Per FTE Basic F. Rate	Capped Rate	Per FTE F. Rate Savings	Current Per FTE Above-F. Rate	Capped Rate	Per FTE Above-F Savings	Savings to Northampton
Four Rivers	1	\$9,555	\$6,636	\$2,919	\$3,065	\$3,580	\$0	\$2,919
Hilltown Cooperative	95	\$9,270	\$6,636	\$2,634	\$2,973	\$3,580	\$0	\$250,230
Holyoke Community	3	\$11,402	\$6,636	\$4,766	\$3,657	\$3,580	\$77	\$14,529
Pioneer Valley Performing Arts	40	\$10,248	\$6,636	\$3,612	\$3,287	\$3,580	\$0	\$144,480
Pioneer Valley Chinese Immersion	59	\$8,909	\$6,636	\$2,273	\$2,858	\$3,580	\$0	\$134,107
Paulo Freire Social Justice	1	\$10,127	\$6,636	\$3,491	\$3,248	\$3,580	\$0	\$3,491
Springfield Preparatory	1	\$12,729	\$6,636	\$6,093	\$4,083	\$3,580	\$503	\$6,596
Total Savings to Northampton under MMA Proposal								\$556,352

All told, Northampton would realize a savings in charter school tuition costs \$556,352 in FY2020 if these formula changes were implemented. If no longer diverted to charter schools, this funding would help us better meet the educational and social-emotional needs of our students while allowing us to better support teachers and school staff.

Thank you again for this opportunity to testify before this committee in strong support of *An Act Relative to Transparency and Accountability in Charter School Finance*. I look forward to answering any questions you may have or providing additional information that would be helpful to your deliberations on this important education reform measure.