



BUFFALO BOARD OF EDUCATION

INTEROFFICE MEMORANDUM

FINANCE DEPARTMENT – ROOM 708 CITY HALL

DATE: October 22, 2020

TO: Buffalo Board of Education

CC: Dr. Kriner Cash, Superintendent

FROM: Geoffrey Pritchard, Chief Financial Officer

SUBJECT: **Charter School Impact on District Schools and State Aid**

One of the major misconceptions that proposed charter schools and charter school advocates raise is that public schools either financially profit by the existence of new charter schools, or that public schools have a net savings when students move to a charter school. This is simply not true. It can be demonstrated by showing the impact that a single regular education pupil moving to a charter school has on State Aid and related expenditures on a recurring annual basis (data as of 2020-21 fiscal year):

- 1) Each regular education pupil generates approximately \$10,079 in State Foundation Aid, plus \$1,000 in Charter school aid, for a total of \$11,079 for the District. That is the primary incremental revenue generated by each student (see notes below).
- 2) Each regular education pupil at a charter school costs the District \$13,200 in charter school tuition expense, which is paid by the District, not the State, resulting in an incremental net loss of \$2,121 per pupil (\$11,079 minus \$13,200).

Further, and notwithstanding the net loss above, this one student will only reduce the number of pupils in an existing District classroom from, for example, 20 students to 19 students, while the total costs needed to provide education to the remaining 19 students is almost unchanged. The teacher is still needed. The facility is still needed. The student supports are still needed. Because the population of pupils in Buffalo is not growing, the net effect is generally that there is no incoming pupil to take that empty seat. Each new charter school seat creates another surplus seat. This is repeated in hundreds of classrooms annually, and is not measured in the calculation above, however, it is the greater harm to the District than the net fiscal loss, and will be compounded due to Covid-19 with its probable resultant revenue reductions in the coming years.

Notes:

This memo is not meant to be an all-encompassing analysis of the impact of charter schools on the District, and should be read in conjunction with other materials released by the District relative to charter schools, which can be found here: <https://www.buffaloschools.org/Domain/51>

As of September 2020, charter schools pupils have crossed the 10,000 pupil threshold, or 25% of the K-12 enrollment in Buffalo. Continued charter seat growth, given the overall flat population of Buffalo students (District plus charter), results in significant damage to District schools, 75% of which are in good standing. Individual District schools lose handfuls of students each year, generally one or two in a classroom, to charter schools, but cannot easily downsize in the short term, and instead are left with fewer resources to support the remaining students.

The District is a pass-through for other costs to charter schools (food service, transportation, special education, textbook, software, hardware, library, health services and other grants), and pays special education tuition to charter schools. These items collectively increase the charter school tuition approximately \$2,525 per pupil to \$15,725 on average. Some of these items generate reimbursement revenue, or are designed to follow the pupil, while others do not generate any revenue. Not every charter school participates in each of these programs, so they are removed from the analysis above for simplicity. Building Aid is based on specific facilities and does not change based on student counts, whether they go up or down.

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