

HOUSE No. 479

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to provide parity for local public school tuition payments for Commonwealth charter schools..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 89 of chapter 71 of the General Laws, as amended by Chapter 352
2 of the Acts of 2004, is hereby further amended by striking subsection (nn) and inserting in place
3 thereof the following:-

4 (nn) Commonwealth charter schools shall be funded as follows: The
5 commonwealth shall pay a tuition amount to the charter school, which shall be the sum of the
6 tuition amounts calculated separately for each district sending students to the charter school.
7 Tuition amounts for each sending district shall be calculated by the department of education
8 using the formula set forth herein to reflect, as much as practicable, the actual per pupil amount
9 that would be expended for operational purposes in the district if the students attended the
10 district schools. For the purposes of this section, “operational purposes” shall exclude, at a
11 minimum, capital costs associated with payments, including interest and principal payments, for
12 the construction, renovation, purchase, acquisition, or improvement of school buildings and land,
13 and any other costs not associated with payments for the construction, renovation, purchase,

14 acquisition, or improvement of school buildings but reported to the department of education as a
15 capital cost.

16 The tuition amount shall be calculated separately for each district sending students to a
17 charter school, and for each charter school to which a district sends students. Each district's per
18 pupil tuition amount for each charter school to which it sends students shall be adjusted to reflect
19 the actual net school spending in the sending district.

20 In calculating the per pupil tuition amount, the department shall calculate a foundation
21 budget for the students from each sending district attending the charter school in the previous
22 fiscal year, pursuant to the provisions of section 2 of chapter 70; provided, that the department
23 shall not include in said calculation the assumed tuitioned-out special education enrollment, nor
24 any amounts generated by said assumed enrollment, as defined by said section 2. The per pupil
25 tuition amount shall be the district's foundation budget for the charter school, as so calculated,
26 divided by the number of students attending the charter school from the sending district in the
27 previous fiscal year. The per pupil tuition amount shall be calculated separately for each charter
28 school to which a district sends students. The foundation budget for a charter school shall be the
29 sum of the foundation budgets for the charter school for each district sending students to the
30 charter school.

31 In adjusting the per pupil tuition amount, the department shall calculate for each sending
32 district an above foundation spending percentage, which shall be the percentage by which the
33 district's actual net school spending exceeds the foundation budget for the district, as calculated
34 pursuant to the provisions of chapter 70. The department shall further calculate the percentage of
35 actual net school spending reported by the sending district associated with tuition costs for

36 tuitioned-out special education students, including education that occurs in educational
37 collaboratives, and with spending on municipal administration, retired staff pension and health
38 care costs for retired employees, for any district for which such costs are included in net school
39 spending, and shall reduce the district's above foundation spending percentage proportionately.
40 The per pupil tuition amount for each charter school to which the sending district sends students
41 shall be increased by said adjusted above foundation spending percentage.

42 The tuition amount owed by a sending district to a charter school shall be limited to 75%
43 of the sum of the foundation budgets and adjusted foundation spending percentage to a
44 maximum of \$5000 per pupil, multiplied by the total number of students attending the charter
45 school from that district in the current fiscal year, provided that the tuition owed by a sending
46 district shall exclude pupils who did not attend sending district public schools in the prior year
47 but who were resident and eligible to attend public schools. The sending district's charter school
48 tuition payments for purposes of the following paragraphs shall be the sum of the district's tuition
49 amounts for each charter school to which the district sends students, calculated using the
50 provisions of this section. The receiving charter school's total charter school tuition amount shall
51 be the sum of the tuition amounts calculated for the charter school for each district sending
52 students to the charter school, including tuition for students who, although eligible, did not attend
53 district public schools in the prior year. The department of education shall, subject to
54 appropriation, provide funding for any difference between the receiving charter school's total
55 charter school tuition and the sending district's tuition payment.

56 The state treasurer is hereby authorized and directed to deduct a district's total charter
57 school tuition payment, as calculated herein and subject to a maximum of \$5000 per pupil, from
58 the total state school aid, as defined in section 2 of said chapter 70, of the district in which the

59 student resides prior to the distribution of said aid. In the case of a child residing in a
60 municipality which belongs to a regional school district, the charter school tuition amount shall
61 be deducted from said chapter 70 education aid of the school district appropriate to the grade
62 level of the child. If, in a single district, the total of all such deductions exceeds the total of said
63 education aid, this excess amount shall be deducted from other aid appropriated to the city or
64 town. If, in a single district, the total of all such deductions exceeds the total state aid
65 appropriated, the commonwealth shall appropriate this excess amount; provided, however, that if
66 said district has exempted itself from the provisions of chapter 70 by accepting section 14 of said
67 chapter 70, the commonwealth shall assess said district for said excess amount.

68 The state treasurer is hereby further authorized and directed to disburse to the charter
69 school an amount equal to the charter school's total charter school tuition amount as defined
70 above.

71 The department shall, subject to appropriation, provide funding to charter schools for a
72 capital needs allocation. The department shall calculate a statewide per pupil average
73 expenditure from state and local sources for capital costs solely associated with payments,
74 including interest and principal payments, for the construction, renovation, purchase, acquisition,
75 or improvement of school buildings and land. The department shall multiply said amount by the
76 number of students the district sends to charter schools, and shall provide funding directly to
77 charter schools for said costs. Such funding shall not be included in the tuition amount, and shall
78 not be deducted from the Chapter 70 aid of the sending district. In making these calculations, the
79 department shall use data from the most recent year for which actual district expenditures have
80 been reported by districts to the department.

81 The board of education shall adopt regulations for implementing the provisions of this
82 subsection, including, but not limited to, regulations for determining the actual per pupil net
83 school spending amounts in districts, and for calculating charter school tuition amounts. In
84 adopting said regulations, the department shall consult with the executive office for
85 administration and finance.