

Massachusetts

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Summary and Highlights

This snapshot examines the revenue sources and funding equity for district schools and charter schools in Massachusetts and, in particular, Boston, during FY 2006-07 (Figure 1).¹

In the following figures, the statewide values show how much per pupil funding districts in the state received compared to how much charter schools received per pupil. The statewide values weighted for charter enrollment adjust these figures to

account for the fact that some districts enroll more charter students than others and the district PPR varies between districts. The weighted values estimate how much more or less per pupil funding charter schools received compared to the funding district schools would have received to educate the same students. (See Methodology for details.)

Highlights of Our Findings

- Statewide, Massachusetts charter schools trailed their district counterparts in funding by 16.6 percent: \$12,838 vs. \$15,396 per pupil, a difference of \$2,558 per student.
- Massachusetts charter schools received \$12,838 per pupil, but districts would have received an

Figure 1: District and Charter School Revenues and Enrollments

Massachusetts (2006-07)	Statewide		Statewide Weighted for Charter Enrollment		Boston	
Per pupil Revenue						
District	\$15,396		\$15,917		\$20,570	
Charter	\$12,838		\$12,838		\$17,602	
Difference	(\$2,558) (16.6%)		(\$3,079) (19.3%)		(\$2,968) (14.4%)	
Per pupil Revenue by Source	District	Charter	District	Charter	District	Charter
Federal	\$887	\$1,032	\$980	\$1,032	\$1,807	\$1,545
State	\$6,894	\$4,848	\$6,913	\$4,848	\$7,079	\$3,422
Local	\$6,760	\$5,412	\$7,101	\$5,412	\$10,153	\$7,983
Other	\$447	\$1,546	\$568	\$1,546	\$1,649	\$4,652
Indeterminate	\$408	\$0	\$355	\$0	(\$117)	\$0
Total	\$15,396	\$12,838	\$15,917	\$12,838	\$20,570	\$17,602
Enrollment						
District	946,032 97.6%		N/A N/A		58,450 94.2%	
Charter	23,168 2.4%		N/A N/A		3,618 5.8%	
Charter Schools	59		N/A		15	
Total Revenue						
District	\$14,565,159,996 98.0%		N/A N/A		\$1,202,296,904 95.0%	
Charter	\$297,421,300 2.0%		N/A N/A		\$63,677,530 5.0%	
Total	\$14,862,581,296		N/A		\$1,265,974,434	
Percentage of Revenue by Source	District	Charter	District	Charter	District	Charter
Federal	5.8%	8.0%	6.2%	8.0%	8.8%	8.8%
State	44.8%	37.8%	43.4%	37.8%	34.4%	19.4%
Local	43.9%	42.2%	44.6%	42.2%	49.4%	45.4%
Other	2.9%	12.0%	3.6%	12.0%	8.0%	26.4%
Indeterminate	2.7%	0.0%	2.2%	0.0%	(0.6%)	0.0%
Change in district school funding if subjected to charter funding structure						
	(\$2.4 billion)				(\$173 million)	

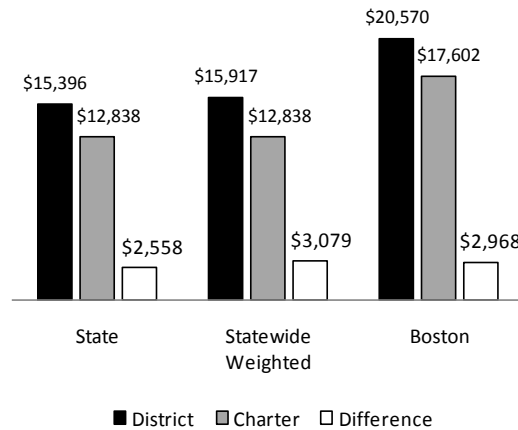
estimated \$15,917 to educate the same students – a difference of \$3,079, or 19.3 percent. Weighting the district PPR for charter enrollment therefore increases the funding disparity by \$521 from the statewide difference above.

- Boston charter school funding lagged behind district funding by 14.4 percent: \$17,602 vs. \$20,570 vs. per pupil, a difference of \$2,968.
- Boston charter schools trailed Boston district schools in tax-revenue totals per pupil by 31.6 percent (local, state, and federal): \$12,950 vs. \$18,922 per pupil, a difference of \$5,972.
- Horace Mann charter schools (district-sponsored) earned 19.0 percent less per pupil than Commonwealth Charter Schools statewide: \$12,838 vs. \$10,394 per pupil, a difference of \$2,444.

Primary Reasons for Funding Disparities

- The Massachusetts funding formula for charter schools is based on expenditures per pupil from the sending district. Because Massachusetts education funding is expenditure-based, charter schools are not eligible for a portion of total revenues.
- Local districts generate revenue beyond their required foundation spending or actual foundation spending in local revenues. Charter schools are eligible for a portion of the above foundation spending by school districts. However, local revenues are allocated to school districts by municipalities. The state or municipalities are not required to track actual revenues dispersed to school districts. This absence of any tracking system means there is no actual account of total local revenues, only estimates based on expenditures. A portion of the funding disparity, therefore, results from this “unknown” amount of local revenues that districts receive.

Figure 2: Per Pupil Total Revenue for Massachusetts District vs. Charter Schools, FY 2006-07



- Tuition amounts for charter school students are deducted by the state treasury from district foundation payments. Districts, however, are reimbursed by the state for these charter school deductions through a hold harmless formula at a rate of 100 percent, 60 percent, and 40 percent in years 1, 2, and 3, respectively.²
- Charter schools received a state averaged amount of facilities aid per pupil that is based on a statewide average of construction costs. This amount per pupil is actually substantially less than districts generate in combined local and state capital and debt service revenue statewide.
- For most districts, retired teacher benefits are not captured in the foundation budget and, thus, charter schools do not receive a portion of these state funds, which, according to the Massachusetts Department of Education, amounted to nearly \$1 billion in FY 2006-07.³ Districts also receive other state funding such as “circuit breaker” funds, which reimburse districts for educating in and out-of-district special education students, and transportation cost reimbursements.

How Massachusetts Funds Its District Schools⁴

Funding for education in Massachusetts is based on the Chapter 70 formula. The Chapter 70 formula begins with a foundation budget that is calculated individually and annually for each school district, accounting for changes in both student and district characteristics. The foundation budget represents the “minimum” spending level required per district to provide an adequate education.

Prior to FY 2006-07, foundation budgets were comprised of 18 funding categories. Beginning in FY 2006-07, foundation budgets have been comprised of eleven major functional categories that follow the state’s chart of accounts: teaching, maintenance, pupil services, instructional materials, technology and equipment, employee benefits and fixed charges, professional development, special education tuition, administration, other teaching services, instructional leadership; and guidance and psychological. Per pupil rates (with some FY 2006-07 adjustments) are assigned for each category (e.g. “teaching” is assigned rates by grade level and students served).

The amount of local contribution to the state aid formula is established per district with a set “target local contribution” of 59 percent of the statewide foundation budget and with state sources contributing the remaining 41 percent. Each district’s target portion of local share varies based on the municipality’s wealth. Moreover, several transition factors were included in FY 2006-07 so that the shift toward the “target levels” could occur over several years.⁵ The maximum amount of local share a district would have to contribute to the total foundation budget in FY 2006-07 was 82.5 percent.

To establish individual district local targets, a city’s or town’s FY 2006-07 required local contribution is first adjusted for the municipal revenue growth factor by the Department of Revenue, which sets the preliminary local contribution. If the preliminary local contribution is greater than the

target contribution, the difference is the district’s “excess local effort”. In FY 2006-07, 66 percent of Massachusetts’ cities and towns generated excess local effort and, therefore, their preliminary local contributions were reduced to arrive at the required local contribution. In Massachusetts, the majority of cities and towns belong to at least one regional school district. A municipality’s total contribution is apportioned among the various districts which it contains. FY 2006-07 was the third year in a four-year phase-in of the regional allocation methodology.

Districts receive state aid from four different calculations: (1) *foundation aid* is the difference between a district’s foundation budget and its required contribution, which guarantees that a district will have funding at least equal to its foundation budget; (2) *foundation down payment aid* provides districts with the additional funding they would receive if their local contribution was reduced to their target level; (3) *growth aid* provides a guaranteed increase in state aid for a district whose foundation budget increased, even if the district’s state aid already exceeds the amount needed to equal the minimum foundation level; and (4) *minimum aid* provides districts with the necessary state aid to reach foundation budgets if none of the three calculations above provided a district with a minimum \$50 per pupil increase over FY 2006-07 Chapter 70 amounts.

By law, each district must spend its combined required local contribution and Chapter 70 aid. The amount that a school district actually spends is its Net School Spending (NSS). In the vast majority of cases, the district NSS significantly surpasses the foundation budget because of the expenditure of additional local revenues.

How Massachusetts Funds Its Charter Schools⁶

The Massachusetts charter school foundation rate formula is structured to establish a tuition rate per student that is comparable to what spending would have been per student if the students were educated in the home district. A charter school’s total revenues, therefore, are based on varying

total tuition amounts for students from different sending districts.

Figure 3: State Charter School Policies

State Policies	Yes	No	Partial
Charter schools receive their funding directly from the state	X ⁷		
Charter schools are eligible for local funding	X ⁸		
Cap on funding a charter school can receive		X ⁹	
District public schools receive differential funding (e.g. more funding for 9-12 vs. K-8 schools)	X ¹⁰		
Charter schools receive differential funding	X ¹¹		
State allows district to withhold funding from charter schools for providing administrative services		X	
State "holds harmless" district funding for charter enrollment	X ¹²		
School is considered LEA if authorized by non-district organization	X		
School is considered LEA if authorized by district		X	
Cap on number of charter schools	X ¹³		
Cap on number of charter schools authorized per year	X ¹⁴		
Cap on number of students attending charter schools	X ¹⁵		
Charter schools have an open enrollment policy			X ¹⁶

Funding rates begin the calculation of a base foundation budget through the Chapter 70 aid formula that should represent an “adequate” spending level. The foundation amount is inflation-adjusted and is calculated in 11 areas:¹⁷ administration, instructional leadership, classroom

and specialist teachers, other teaching services, professional development, instructional equipment and technology, guidance and psychological, pupil services, operations and maintenance, employee benefits and fixed charges, and special education tuition. The sum total of a charter school’s funding in these 11 areas, divided by the foundation enrollment per district is the base foundation budget per pupil.¹⁸

As stated above, most districts spend more per pupil than the foundation budget. The additional spending per district is reflected in a district’s Net School Spending (NSS), reported on schedule 19 of the End of Year Pupil Financial Report. The amount of spending above the Chapter 70 foundation budget is calculated for each sending district as a percentage. Charter schools receive this calculated amount per pupil above the base foundation amount.

Lastly, charter schools receive a statewide averaged facilities amount per pupil. The amount per pupil is derived from the most recent year’s statewide average spending per pupil for building costs. For FY 2006-07, the facilities amount was \$811 per charter student. (See Figure 3 for more on policies that impact charter school funding.)

Facility Funding

Massachusetts district schools receive state facilities funding from the Massachusetts School Building Authority and Chapter 70B. State financing of school capital is provided by local district application for funding on a competitive and need-based basis. The other portion of capital funding is raised by municipal governments. Municipalities make payments for school districts for capital needs.

Charter schools are not eligible for district capital revenue sources. Instead, the state provides an average amount per pupil for all charter school students based on the most recently available data on statewide district building expenses.

Primary Revenue Sources for Massachusetts' Public Schools

School districts in Massachusetts do not have authority to raise taxes. Instead, cities and towns are responsible for raising school revenues. The primary sources of local education revenues in Massachusetts come from property tax revenues, which are governed by Proposition 2 1/2. This proposition limits the property tax levies to 2.5 percent above the previous year in addition to new revenues from newly taxable property.¹⁹ And though the required local contribution of the foundation budget is determined as a percentage of property tax, municipalities can raise funds through any source they choose.²⁰ The primary state source of education revenues for public schools is generated through the income tax.

The gap between charter and district school funding per pupil is largely attributable to the following source disparities: (1) charter schools' limited access to local funds; (2) charter schools' lack of access to capital dollars; (3) state formula, district-only revenue streams; and (4) district hold harmless provisions. (Figure 4 shows per pupil revenues by sources.)

Local Sources

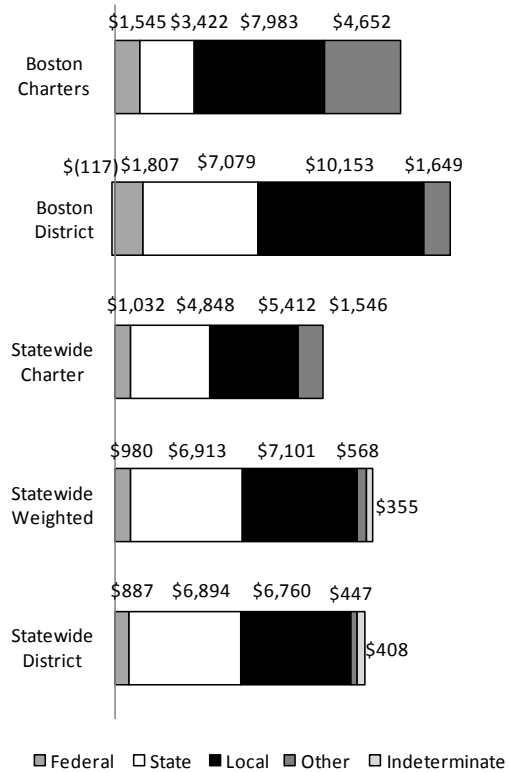
No Access to "Unknown" Local Revenues: Full accounts of local tax revenues are not required to be reported by municipalities for departmental or sector purposes. Therefore, the state does not maintain a record of school district revenues generated by local taxation. Funding for charter schools is determined using prior year expenditure totals, not revenues. End of Year Reports show very little local tax revenue in comparison with local spending estimates.²¹ There exists, therefore, an unknown amount of revenue generated per district to which charter schools have no access.

Combined State and Local Sources

Unequal Access to Capital and Debt Service Revenues: Complete estimates of district and capital revenues were hard to determine because of varying figures reported by different data sources. Districts receive facilities funding through the MASB program and through municipal, on

behalf of payments. Data from the Department of Revenue, Division of Local Services, shows total municipal payments for school districts for FY 2006-07 of \$719,874,791. Municipal payments combined with state MASB revenues of \$1,186,298,754²² produce a statewide district PPR of \$2,015 per student. The charter school per pupil allotment for facilities was \$811.

Figure 4: Per Pupil Revenue by Source for Massachusetts District vs. Charter Schools, FY 2006-07



State Sources

District-Only Revenue Streams/In-Kind Services: There are several state aid revenue streams that may be available to charter schools, but by and large, school districts provide the majority of services and thus receive the bulk of funding under these revenues.

- **Transportation:**²³ Statute requires school districts to provide transportation to charter school students "on the same terms and conditions" that district school students receive

transportation services. Charter schools can choose to provide transportation to some or all of its students and will receive transportation reimbursement for those students. Transportation therefore, is often provided as an in-kind service to charter schools.

- **Circuit Breaker Funds:** School districts receive reimbursements for excessive costs for educating special needs students (four times the statewide foundation budget). Charter schools are eligible to receive these funds, but are less likely to incur these costs.
- **Retired Teacher Benefits:** Retired teacher benefits are removed from the foundation budget calculation for purposes of the charter school foundation calculation.

Hold Harmless: Tuition amounts for charter school students are deducted by the state treasury from district foundation payments. Districts, however, are reimbursed by the state for revenues lost through a hold harmless formula at a rate of 100 percent, 60 percent, and 40 percent in years 1, 2, and 3, respectively.²⁴

Formula Restrictions: The state aid formula is expenditure-based rather than revenue-based. Given that total statewide district revenues are an unknown, the amount of actual revenues charter schools do not have access to is unknown, although the amount of the statewide disparity is a good indicator.

Federal Sources

Students Served: According to NCES data, charter schools serve a higher percentage of free or reduced price lunch students and have greater numbers of Title I eligible schools (Figure 5). This is likely why, statewide, charter schools generated more federal dollars per pupil than district schools: \$1,032 vs. \$887, a difference of \$145 per pupil. In Boston, however, district federal revenues were \$262 more per pupil than charter school revenues.

Charter District Status: With the exception of Horace Mann charter schools, all Commonwealth schools have independent access to federal revenue sources as independent school districts. The statewide comparison of federal funding reflects this status.

Figure 5: School Characteristics²⁵

Massachusetts (2006-07)	Statewide District	Statewide Charters
Percentage of students eligible for free or reduced price lunch	28.3%	41.5%
Percentage of schools eligible for Title I	54.7%	79.7%
Percentage of students by school type:		
Primary (K-5)	63.0%	30.5%
Middle (6-8)	18.4%	22.0%
High (9-12)	17.0%	20.3%
Other (K-12, K-8, etc.)	1.6%	27.1%

Other Sources

Making-Up For The Gap: Like charter schools in many other states, Massachusetts charter schools generate large amounts of non-tax dollars to support education programming compared to district schools. Statewide, charter schools generated 12.0 percent of total funding through other sources whereas district schools generated 2.9 percent of total revenues through other dollars. Boston charters raised an amazing 26.4 percent of their total revenues through outside sources whereas Boston district schools raised 8.0 percent of their total revenues from other dollars. When other dollars are removed from the revenue picture and we look at government revenues alone, Boston charters received \$12,950 per student and Boston district schools received \$18,922 per student; the public support funding disparity thereby increases to \$5,972 per pupil, or 31.6 percent.

State Scorecard

We have assigned ratings to each state based on the quality of data available, as well as to the

Figure 6: State Scorecard

Findings		MA
Federal Funding	Charters have access to federal funds according to state statutes (Yes = black, No = white)	Y
	Percentage of federal revenue is <i>greater than</i> (>; black), <i>equal to</i> (=; black), or is <i>less than</i> (<; white) that of total enrollment for charter schools	> ²⁶
State Funding	Charters have access to state funds according to state statutes (Yes = black, No = white)	Y
	Percentage of state revenue is <i>greater than</i> (>; black), <i>equal to</i> (=; black), or is <i>less than</i> (<; white) that of total enrollment for charter schools	<
Local Funding	Charters have access to local funds according to state statutes (Yes = black, No = white)	Y
	Percentage of local revenue is <i>greater than</i> (>; black), <i>equal to</i> (=; black), or is <i>less than</i> (<; white) that of total enrollment for charter schools	<
Facilities Funding	Charters have access to facilities funds according to state statutes (Yes = black, No = white)	Y
	Percentage of facilities revenue is <i>greater than</i> (>; black), <i>equal to</i> (=; black), or is <i>less than</i> (<; white) that of total enrollment for charter schools	<
Data Availability	State provides detailed, public data on federal, state, local, and other revenues for district schools (Yes = black, Partial = grey, No = white)	N
	State provides detailed, public data on federal, state, local and other revenues for charter schools (Yes = black, Partial = grey, No = white)	Y
Funding Formula	Charters are treated as LEAs for funding purposes (Yes = black, Partial = grey, No = white)	P
	State funds student (black) or the LEA (grey)	S
	State funding formula is fair and equitable (Yes = black, No = white)	N

extent charter schools have access to specific streams of revenue (Figure 6).

In Figure 6, we judged “Data Availability” on the ease of access to the information needed for this study and others like it. A rating of “Yes” means that all information was available through web sources or that it was provided upon request by state departments of education. A rating of “Partial” means some but not all of the data for this study were available either through web sources or through state departments of education. A rating of “No” means the data were not available either through web sources or through state departments of education.

Separately, we judged “Funding Formula” based on whether or not charters were considered Local Education Agencies for purposes of funding. “Yes” means that charters in the state are always considered LEA’s for all forms of funding. “Partial” means that charters are sometimes considered LEA’s for specific streams of funding (such as federal revenue) or that only certain charters are considered to be LEA’s. “No” means charters in the state are never considered an LEA for funding purposes. A state received a rating of fair and equitable funding if charters received fair and equitable revenue in all three revenue streams listed. The same method was applied to the ratings for federal funding, state funding, local funding and facilities funding.

Endnotes

¹ District data presented herein is imperfect. The state of Massachusetts does not collect and document total school revenues. Accounts of revenues (estimates based on expenditures) vary widely between state sources. At the advice of the Head of School Finance at Massachusetts Department of Education, we used NCES revenue data, the closest approximation of all revenues from all state funds.

Information on revenue sources and calculations: District Revenues: (1) End of Year Financial Reports for school districts are

expenditure based and incomplete. The state does not collect local revenue data distributed to school districts; (2) At the recommendation of the Head of Finance, we used NCES revenue reports for FY 2006-07 for local, state, and federal revenues; (3) We used the End of Year Financial Reports provided by Massachusetts Department of Education for total district revenues and Boston to identify estimates of line item revenues for deductions from totals for adult education and to estimate a total for "other" non-tax generated revenues, which were deducted from "local" NCES revenue totals and moved to "other" for consistency in this study; (4) Because NCES data include charter school revenues, charter school revenues were deducted from local and state totals. Deductions were specifically calculated for all charter schools with student enrollment from Boston as a home district; (5) Pre K revenue deductions were calculated using Department of Education provided enrollment totals and NIEER expenditure estimates per pupil. The Massachusetts Department of Education could not separate Pre K revenues from total tuition. Therefore, Pre K was deducted from "indeterminate" sources since source could not be determined by any specific percentage of local or state contribution.

Charter School Revenues: (1) In contrast to district data, the Massachusetts Department of Education makes excellent charter school revenue data available at: http://finance1.doe.mass.edu/charter/charter07_eoy_final.html; (2) Out of 59 charter schools, 58 reported data. One Horace Mann charter school that closed at the end of FY 2006-07 did not report data; (3) Only one charter school, the Neighborhood House, had Pre-K counts in FY 2006-07. The same NIEER expenditure estimate per pupil was used to deduct Pre-K revenues using the Boston percentage of local and state revenues (where 98% of the student population resides); (4) Enrollments at three Commonwealth charters schools were capped to comply with 603 CMR 1.06(4)(c). By law, no school district's total charter school payments

shall exceed 9% of the district's net school spending (NSS cap); and (5) Charter school revenues were calculated by the following method:

- a. Massachusetts reports charter school local and state revenues as a combined total as "tuition". The process used to identify local and state revenues separately is as follows: (A) FTE counts and the Total Foundation Formula Rate from sending districts for each charter were obtained from "FY07 Rates by Charter School by Sending District (Q4)" at the Massachusetts Department of Education; (B) The percentage of Chapter 70 revenues (state) from each sending districts' Actual Net School Spending (NSS) was determined for each sending district for every Commonwealth charter school; (C) The Total Foundation formula rate per sending district was multiplied by each sending district's chapter 70 percentage of Actual NSS, the product of which was then multiplied by the total FTE count for each sending district to determine the total amount of State revenue received by FTEs from each sending district; (D) This state revenue total for all sending districts at each school was totaled per school and deducted from each school's "tuition" total to produce a remaining "local" revenue total per school; and (E) Charter School deductions from Boston District state and local revenues were calculated separately for all Boston sending district charter FTEs.
- b. Horace Mann charter schools' revenues are negotiated with the authorizing district. To approximate a local and state revenue amount for Horace Mann charter schools, we used the Chapter 70 percentage of Actual NSS from the district in which the school is located.
- c. FTE Data: District FTE totals are a combination of tuitioned pupils at the

district and tuitioned-out. From “FY07 Expenditures Per Pupil, all Funds, Summary by Function”.

² “Mass. Education Bill Changes Charter School Reimbursements”. *Winchester Star*, Feb. 1, 2010. In January 2010, an education bill called, “An Act Relative to the Achievement Gap”, changed the district reimbursement rate and structure. Going forward, reimbursement for charter school costs will now be spread over six years at a rate of 100 percent in the first year and 25 percent for the remaining five years. The multi-year reimbursements will now total 225 percent, whereas previously districts and cities received 200 percent in total.

³ According to the Office of School Finance, the amount of retired teacher benefits make up the main difference between Massachusetts Department of Education estimates of total state revenues and NCES reported revenues.

⁴ Massachusetts Department of Education. “Chapter 70 Aid and Required Contribution Calculations”.

⁵ The two transition factors were: (1) Municipalities whose local contributions were higher than their target saw a reduction in the requirement of 20 percent of the amount above the target. Five municipalities with very high required contributions (exceeding 150 percent of foundation budget) received additional relief; and (2) Municipalities whose local contributions were lower than their target were unaffected. Those Municipalities’ requirements would continue to increase by the municipal revenue growth factor.

⁶ Charter school funding explanations are taken from the Massachusetts Department of Education’s “Charter Rate Summary” unless otherwise noted.

⁷ Commonwealth charter schools are funded by the state but Horace Mann charter schools are funded by their sponsoring district.

⁸ Charters are eligible for the sending district tuition amount, including local contributions, based on actual expenditures, not revenues. Total local district revenues are actually “unknown” in Massachusetts since municipalities are not required to report revenues by department or sector.

⁹ A district's total tuition “payments” to Commonwealth charter schools cannot exceed 9 percent of total expenditures. Please note that these “payments” are actually deductions from a district’s funding executed by the state; districts do not make any direct payments to charter schools.

¹⁰ A district’s foundation budget is calculated using foundation enrollment, which is the number of students that fall into different weighted categories the previous year. Cost rates are adjusted for special needs and regular education students by varying grade levels.

¹¹ Charter schools receive the amount per pupil by sending district based on estimated costs of educating the individual student, using the district’s foundation enrollment.

¹² In FY 2006-07, districts were reimbursed at a rate of 100%, 60%, and 40% for the costs of charter school students in years 1, 2, and 3, respectively.

¹³ The cap is set at 120 charters throughout the state. A total of 72 charters are reserved for Commonwealth charters and 48 are for Horace Mann charter schools.

¹⁴ Applies to FY 6-0: Not less than three of the new charters approved by the board in any year shall be granted for charter schools located in districts where overall student performance on the statewide assessment system approved by the board of education pursuant to section 11 of chapter 69 is at or below the statewide average in the year preceding said charter application. In any year, the board shall approve only one regional charter school application of any

Commonwealth charter school located in a school district where overall student performance on the statewide assessment system is in the top 10 percent in the year preceding charter application. The board may give priority to schools that have demonstrated broad community support, an innovative educational plan and a demonstrated commitment to assisting the district in which it is located in bringing about educational change. The board shall not approve a new Commonwealth charter school in any community with a population of less than 30,000 unless it is a regional charter school.

¹⁵ The number of students attending Commonwealth charters cannot exceed 4% of the total number of students attending public schools in the Commonwealth.

¹⁶ Commonwealth charter schools have open enrollment, whereas Horace Mann charter schools must give preference to currently enrolled students and students within the district.

¹⁷ The number of funded categories was reduced from 18 to 11 in FY 2006-07.

¹⁸ Because charter schools do not pay for special education students who are educated out-of-district, this rate of the formula is excluded.

¹⁹ O'Donnell, Robert. "Current trends in school finance". Massachusetts Department of Education. September 2007.

²⁰ Berger, Noah and Jeff McLynch. "Public School Funding in Massachusetts: How it Works, Trends

since 1993". Massachusetts Budget and Policy Center. November 2, 2005.

²¹ Estimates of local revenues vary widely. Our analysis uses NCES data, which shows a total of \$6,395,500,185 accounting for "other" revenue deductions using MA DOE EOY data and charter school revenues deductions. According to Department of Revenue data, total local municipal expenditures (minus charter school and other revenues) were \$7,633,554,539.

²² Again, differences in data sources provide varying figures. According to NCES data, the FY 2006-07 total for capital and debt service was \$1,282,754,000.

²³ Massachusetts Department of Education. "Charter Schools Technical Advisory". Found at: http://www.doe.mass.edu/charter/tech_advisor_y/07_2.html.

²⁴ "Mass. Education Bill Changes Charter School Reimbursements". *Winchester Star*, Feb. 1, 2010. In January 2010, an education bill called "An Act Relative to the Achievement Gap" changed the district reimbursement rate and structure. Going forward, reimbursement for charter school costs will now be spread over six years at a rate of 100 percent in the first year and 25 percent for the remaining five years. Reimbursements will now total 225 percent, whereas previously districts and cities received 200 percent in total.

²⁵ Data only available from NCES.

²⁶ The charter school percentage of federal revenue in Boston was less than the percentage of total enrollment.