

An Analysis of Charter School Fiscal Impact in Bridgeport

June 2014

EXECUTIVE SUMMARY

According to Connecticut law,¹ Connecticut's charter schools are **public, non-profit schools** that are free of charge and open to all students, regardless of race, wealth or ZIP code. Connecticut's charter schools offer some of the state's highest quality educational options, especially for students in struggling districts. There are currently 18 charter schools in Connecticut, educating over 7,096 students across 13 cities. In Bridgeport, 1,774 students attend four charter schools.^{2,3} The State Board of Education has approved six additional charter schools in four cities to open over the next two years. Two of these newly approved schools will open in Bridgeport: Great Oaks Bridgeport (opening in Fall 2014) and Capital Prep. Harbor (opening in Fall 2015).

This report examines the claim made by some members of the Bridgeport Board of Education that opening new public charter schools in Bridgeport would drain financial resources from the district's education budget. By analyzing the fiscal, legal, and performance data on Bridgeport and state funding, we find these claims to be false. Data show that **over the next two years, the total increase in additional state per pupil aid for charter schools to educate students in Bridgeport is \$45 million, plus Bridgeport's school district will continue to receive approximately \$33 million in funding for city students that attend charter schools.** These findings suggest that not only can charter schools can provide a high-quality education to the Bridgeport students who need it most, but also that these schools can save the school district millions of dollars that could be used to further improve educational results for children.

Specifically, an analysis of state statute, Bridgeport Public schools performance data, and funding data obtained from the State Department of Education shows that:

✓ **State funding for Bridgeport Public Schools has been increasing.**

For the 2013-2014 school year, Bridgeport's school district received [over \\$173 million in funding from the state for the city's schools](#). This figure doesn't include an additional \$9 million from state programs to help turn around Connecticut's lowest performing schools and districts.⁴ Next school year, Bridgeport will see this state aid increased by another \$2 million.⁵

✓ **Public charter schools are funded separately from other public schools.**

Students who attend charter schools in Bridgeport are [funded entirely by the state](#). This money doesn't come from the \$173 million in state ECS funding Bridgeport gets each year, but instead from an additional, separate state grant. The district does not contribute any funds to cover the general education costs for Bridgeport children who attend charters.⁶ **That means Bridgeport students benefit from an additional \$45 million over the next two years in separate state aid for new and currently operating public charter schools.**

¹ Connecticut General Statutes, § 10-66aa(1). "Charter schools: Definitions." 2014. Hyperlink: http://www.cga.ct.gov/current/pub/chap_164.htm#sec_10-66aa

² Connecticut State Department of Education. "Biennial Report on the Operation of Charter Schools in Connecticut." 2014. Hyperlink: http://www.sde.ct.gov/sde/lib/sde/pdf/equity/charter/report_on_the_operation_of_charter_schools.pdf

³ Connecticut State Department of Education. "2013-2014 Public District Enrollment by Race and Gender." 2014. Hyperlink: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2758&q=334898>

⁴ \$8,997,225 for Commissioner's Network and Priority School District Programs in FY 14. (Source: Connecticut State Department of Education)

⁵ Connecticut Office of Fiscal Analysis. "Town Grants Dashboard" 2014. Hyperlink: <http://www.cga.ct.gov/ofa/dashboard1.asp>

⁶ Connecticut General Statutes, § 10-66ee(d)(1). "Charter school funding. Special education students. Transportation. Contracts. Cooperative arrangements." 2014. Hyperlink: http://www.cga.ct.gov/2014/sup/chap_164.htm#sec_10-66ee

✓ **Bridgeport keeps and benefits from both sets of money.**

Of the more than \$173 million the city of Bridgeport receives annually, approximately \$33 million over the next two years is meant for students who have chosen to attend public charter schools, including nearly \$5 million for students who would attend the two new charter schools set to open in Bridgeport in the next two years.

[Bridgeport's school district receives this Education Cost Sharing \(ECS\) funding](#) even though it is meant for students who now attend charter schools, because public charter schools are funded separately by the state.⁷

✓ **Bridgeport is legally required to cover special education and transportation costs for all of its students, no matter what.**

[According to state law](#), school districts are *required to pay special education and transportation costs for every student who lives within the district*, even if they attend a private school, magnet school, traditional school or charter school. But school districts can get reimbursed for those costs by the state.^{8,9}

✓ **Thousands of kids in Bridgeport currently attend failing schools.**

Less [than one out of every four Bridgeport 3rd graders](#) can read on grade level, the lowest percentage in the state, and about [one out of every three](#) Bridgeport students does not graduate from high school.^{10,11}

✓ **Charter schools are delivering positive results for Bridgeport's children.**

All four charter schools in Bridgeport outperform Bridgeport Public Schools' by over 10 points, according to School and District Performance Index data. In addition, all four charter schools in Bridgeport outperform state average performance for African American students, and three out of four charter schools in Bridgeport outperform state average performance for both low-income and Hispanic/Latino students, according to School Performance Index data.¹² That's why Bridgeport parents are actively pursuing charters as a quality option for their children. In the 2011-2012 school year, there were more students on charter school waiting lists in Bridgeport than the number of students enrolled in Bridgeport charter schools that year.¹³

These findings show that charter schools are not only a public school solution that will deliver better results for kids, but also deliver an economic benefit to Bridgeport.

⁷ Connecticut General Statutes, § 10-66e(a)(2). "Charter school funding. Special education students. Transportation. Contracts. Cooperative arrangements." 2014. Hyperlink: http://www.cga.ct.gov/2014/sup/chap_164.htm#sec_10-66e

⁸ Connecticut General Statutes, § 10-66e(f). "Charter school funding. Special education students. Transportation. Contracts. Cooperative arrangements." 2014. Hyperlink: http://www.cga.ct.gov/2014/sup/chap_164.htm#sec_10-66e

⁹ Connecticut General Statutes, § 10-66e(d)(3). "Charter school funding. Special education students. Transportation. Contracts. Cooperative arrangements." 2014. Hyperlink: http://www.cga.ct.gov/2014/sup/chap_164.htm#sec_10-66e

¹⁰ Connecticut State Department of Education. "Connecticut Mastery Tests." 2013. Hyperlink: <http://solutions1.emetric.net/CMTPublic/Index.aspx>.

¹¹ Connecticut State Department of Education. "Connecticut Four Year Cohort High School Graduation Data by District." 2013. Hyperlink: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2758&q=334898>

¹² Connecticut State Department of Education. "School & District Performance Reports 2012-2013." 2013. Hyperlink: <http://www.csde.state.ct.us/public/performance-reports/20122013-reports.asp>

¹³ Connecticut State Department of Education. "2011-2012 Enrollment by Race, Gender, & Grade." 2012. Hyperlink: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2758&q=334898>

INTRODUCTION

Connecticut's charter schools are public schools that offer some of the state's highest quality educational options, especially for students in struggling districts. By Connecticut law,¹⁴ Connecticut's charter schools are public, non-profit schools that are free of charge and open to all students, regardless of race, wealth or ZIP code. State charter schools are approved by the State Board of Education, and must perform well to stay open.

There are currently 18 charter schools in Connecticut, educating over 7,096 students across 13 cities. In Bridgeport, 1,774 students attend four charter schools.^{15,16} Recently, the State Board of Education approved six additional charter schools in four cities to open over the next two years. Two of these newly approved schools will open in Bridgeport: Great Oaks Bridgeport (opening in Fall 2014) and Capital Prep. Harbor (opening in Fall 2015).

Connecticut parents are actively pursuing charters as a quality option for their children. Right now, many more students want to attend charters than can. When there aren't enough seats at a charter school to serve all students who want to attend, a blind lottery is held and students who do not get a seat at a charter through the lottery are placed on a wait list. In the 2012-2013 school year, there were 4,273 children on charter school waiting lists in Connecticut, which is two-thirds of the students enrolled in charters that year.¹⁷ In the 2011-2012 school year, there were more students on charter school waiting lists in Bridgeport than the number of students enrolled in Bridgeport charter schools that year.¹⁸

This report analyzes Bridgeport and state level fiscal, legal, and performance data to determine the impact that opening new public charter schools in Bridgeport would have on the district's education budget. Specifically, we examine the claims that new public charter schools in the city would drain resources from the city's education budget.

ANALYSIS

Impact on per pupil general education expenditures

First, we examine state per pupil funding laws and data for Bridgeport city schools and for public charter school students to determine of new charters on Bridgeport's per pupil general education expenditures. This analysis of state statute and state data shows that **over the next two years, the total increase in additional state per pupil aid for charter schools to educate students in Bridgeport is \$45 million, plus Bridgeport's school district will continue to receive approximately \$33 million in funding for city students that attend charter schools** based on the following facts:

- In Bridgeport, as in any city in our state, **all open and approved state charter schools in Bridgeport are funded entirely by the state, with no local per-pupil contribution from the city.** Bridgeport charter schools receive money directly from the state as a *pass-through grant* to the town at a rate of \$11,000 per pupil.¹⁹ Specifically, the law states that:

"For the purposes of equalization aid grants pursuant to section 10-262h, the state shall pay in accordance with this subsection, to the town in which a state charter school is located for each student enrolled in such school . . . for the fiscal year ending June 30, 2014, ten thousand five hundred dollars, and for the fiscal year ending June 30, 2015, and each fiscal year thereafter, eleven thousand dollars . . . The town shall pay to the fiscal authority for a state charter school the portion of the amount paid to the

¹⁴ Connecticut General Statutes, § 10-66aa(1). "Charter schools: Definitions." 2014. Hyperlink: http://www.cga.ct.gov/current/pub/chap_164.htm#sec_10-66aa

¹⁵ Connecticut State Department of Education. "Biennial Report on the Operation of Charter Schools in Connecticut." 2014. Hyperlink:

http://www.sde.ct.gov/sde/lib/sde/pdf/equity/charter/report_on_the_operation_of_charter_schools.pdf

¹⁶ Connecticut State Department of Education. "2013-2014 Public District Enrollment by Race and Gender." 2014. Hyperlink: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2758&q=334898>

¹⁷ Connecticut State Department of Education. "Biennial Report on the Operation of Charter Schools in Connecticut." 2014. Hyperlink:

http://www.sde.ct.gov/sde/lib/sde/pdf/equity/charter/report_on_the_operation_of_charter_schools.pdf

¹⁸ Connecticut State Department of Education. "2011-2012 Enrollment by Race, Gender, & Grade." 2012. Hyperlink: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2758&q=334898>

¹⁹ Connecticut General Statutes, § 10-66ee(d)(2). "Charter school funding. Special education students. Transportation. Contracts. Cooperative arrangements." 2014. Hyperlink:

http://www.cga.ct.gov/2014/sup/chap_164.htm#sec_10-66ee

town pursuant to subdivision (1) of this subsection attributable for students enrolled in such state charter school.” - [Conn. Gen. Stat. § 10-66e\(d\)\(1\) \(2014\)](#)

- Bridgeport students attending all open and approved charter schools are funded and counted separately from local funding and enrollment for the purposes of the Education Cost Sharing Formula that the state uses to fund traditional public school districts. Here, again, state law is clear:

“For the purposes of equalization aid under section 10-262h a student enrolled . . . in a state charter school shall not be considered a student enrolled in the school district in which such student resides.” - [Conn. Gen. Stat. § 10-66e\(a\)\(2\) \(2014\)](#)

Based on these laws and current state funding data, state per pupil funding for the two newly approved charter schools in Bridgeport, Great Oaks and Capital Prep Harbor will bring an additional \$6 million in new, separate state aid to educate the Bridgeport children over the next two school years.²⁰ This increase is in addition to the nearly \$20 million Bridgeport receives in additional state aid for existing state charter schools annually.²¹ **Over the next two years, the total increase in additional state aid for charter schools to educate students in Bridgeport is \$45 million.**

Table 1. State Charter Funding Per Student in Bridgeport for 2014-15, 2015-16

YEAR	CATEGORY	GREAT OAKS BRIDGEPORT	CAPITAL PREP HARBOR	EXISTING CHARTER SCHOOLS
2014-2015	State Charter Funding Per Pupil	\$11,000	\$11,000	\$11,000
	Number of Students (Estimate)	100	-	1,774
	TOTAL	\$1.1 million	-	\$19.5 million
2015-2016	State Charter Funding Per Pupil	\$11,000	\$11,000	\$11,000
	Number of Students (Estimate)	200	250	1,774
	TOTAL	\$2.2 million	\$2.75 million	\$19.5 million
GRAND TOTAL		\$45 million		

Of the more than \$173 million in per pupil Education Cost Sharing funding the city of Bridgeport receives annually, over \$33 million over the next two years is meant for students who have chosen to attend public charter schools. Table 2 below shows that this \$33 million includes funding for students who attend existing state charter schools as well as the two new state charter schools based on estimated enrollments.²² The [Bridgeport school district receives this ECS funding](#) for students who live in Bridgeport, even though they will no longer attend Bridgeport Public Schools and will therefore no longer have to spend ECS money to educate these students.²³

²⁰ Estimated enrollment for Great Oaks and Capital Prep. Harbor as stated in their applications submitted to the Connecticut State Department of Education. Hyperlink: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2681&q=320438>

²¹ Approximation annual additional aid for existing charters = \$11,000 per pupil x 1,774 students
Number of students from: Connecticut State Department of Education. “2013-2014 Public District Enrollment by Race and Gender.” 2014. Hyperlink: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2758&q=334812>

²² Approximation annual ECS saving for existing charters = \$8,139 Bridgeport ECS per pupil x 1,774 students
Number of students from 2013-2014 Enrollment by School <http://www.sde.ct.gov/sde/cwp/view.asp?a=2758&q=334812>. Estimated enrollment for Great Oaks and Capital Prep. Harbor as stated in their applications submitted to the Connecticut State Department of Education. Hyperlink: <http://www.sde.ct.gov/sde/cwp/view.asp?a=2681&q=320438>

²³ \$8,319 ECS per resident Bridgeport student for 2013-2014 ECS grant (Source: Connecticut State Department of Education)

Table 2. ECS Funding Retained in Bridgeport for Students Who Attend Charter Schools

YEAR	CATEGORY	GREAT OAKS BRIDGEPORT	CAPITAL PREP HARBOR	EXISTING CHARTER SCHOOLS
2014-2015	Bridgeport ECS Funding Per Pupil	\$8,139	\$8,139	\$8,139
	Number of Students (Estimate)	100	-	1,774
	TOTAL	\$813,900	-	\$14.4 million
2015-2016	Bridgeport ECS Funding Per Pupil	\$8,139	\$8,139	\$8,139
	Number of Students (Estimate)	200	250	1,774
	TOTAL	\$1.6 million	\$2.0 million	\$14.4 million
GRAND TOTAL		\$33.35 million		

Historical data on state educational aid to the city of Bridgeport

Second, we examine state educational aid to the city of Bridgeport over the law few years. While there are separate disputes about whether this level of funding is sufficient, **data show that state funding for Bridgeport Public Schools has increased significantly since 2012**, through ECS funding and other grants and funding sources. Specifically:

- Bridgeport’s total ECS entitlement was \$173,724,236 for 2013-2014 SY ²⁴
- Bridgeport received nearly \$17 million in additional state aid through the Commissioner’s Network and Priority School District grant programs In FY 13 and FY 14.²⁵
- Bridgeport will receive an additional \$2 million increase to its ECS grant from its original FY15 appropriation.²⁶

Impact of new charters on the special education and transportation costs

Third, we examine state statute to determine the impact of new charters on the special education and transportation costs to Bridgeport Public Schools. **Per Connecticut State law, any school district, including Bridgeport, is required to pay for Special Education and transportation costs for every student who lives in the district regardless of what type of public school a student attends, traditional or state charter. In addition, school districts can get reimbursed for these costs by the state.** ^{27,28}

For transportation, Connecticut state law specifies that the district must pay for transportation costs for those students who reside within the district, regardless of whether they attend a charter school or traditional public school:

“The local or regional board of education of the school district in which the charter school is located shall provide transportation services for students of the charter school who reside in such school district pursuant to section 10-273a unless the charter school makes other arrangements for such transportation.” Any local or regional

²⁴ \$173,724,236 total 2013-2014 ECS entitlement, which includes \$9,528,892 Alliance District conditional aid Sources: Connecticut State Department of Education. “Alliance Districts Year 2 Amendment Summary: Bridgeport.” 2013. Hyperlink: http://www.sde.ct.gov/sde/lib/sde/pdf/alliance_districts/alliance_year2_amendment_summary_Bridgeport_final.pdf

²⁵ \$3,504,691 for Commissioner’s Network program and \$13,415,140 through the Priority School District grant Source: Connecticut State Department of Education Connecticut Office of Fiscal Analysis. “Town Grants Dashboard” 2014. Hyperlink: <http://www.cga.ct.gov/ofa/dashboard1.asp>

²⁶ Connecticut Office of Fiscal Analysis. “Town Grants Dashboard” 2014. Hyperlink: <http://www.cga.ct.gov/ofa/dashboard1.asp>

²⁷ Connecticut General Statutes, § 10-66ee(f). “Charter school funding. Special education students. Transportation. Contracts. Cooperative arrangements.” 2014. Hyperlink: http://www.cga.ct.gov/2014/sup/chap_164.htm#sec_10-66ee

²⁸ Connecticut General Statutes, § 10-66ee(d)(3). “Charter school funding. Special education students. Transportation. Contracts. Cooperative arrangements.” 2014. Hyperlink: http://www.cga.ct.gov/2014/sup/chap_164.htm#sec_10-66ee

board of education may provide transportation services to a student attending a charter school outside of the district in which the student resides and, if it elects to provide such transportation, shall be reimbursed pursuant to section 10-266m for the reasonable costs of such transportation. Any local or regional board of education providing transportation services under this subsection may suspend such services in accordance with the provisions of section 10-233c. The parent or guardian of any student denied the transportation services required to be provided pursuant to this subsection may appeal such denial in the manner provided in sections 10-186 and 10-187.” - [Conn. Gen. Stat. 10-66ee\(f\)\(2014\)](#)

Even if transportation costs are slightly higher because students may opt to attend charters that are located across the district, overall **transportation costs are nominal at only \$700 per student in Bridgeport.**²⁹

Bridgeport spends a lot on special education costs. In 2012-2013, 22.7% of Bridgeport Public Schools’ total current expenditures are used for Special Education; on average, services cost \$21,387 per student.³⁰ However, the city’s obligation for these expenses doesn’t change, regardless of the type of public school a student with special needs attends. **State law requires any district, including Bridgeport, to pay the difference between the reasonable cost to educate the student and whatever funds the charter otherwise receives for special education funding.** Connecticut law states:

“In the case of a student identified as requiring special education, the school district in which the student resides shall . . . pay the state charter school, on a quarterly basis, an amount equal to the difference between the reasonable cost of educating such student and the sum of the amount received by the state charter school for such student pursuant to subdivision (2) of this subsection and amounts received from other state, federal, local or private sources calculated on a per pupil basis. Such school district shall be eligible for reimbursement pursuant to section 10-76g. The charter school a student requiring special education attends shall be responsible for ensuring that such student receives the services mandated by the student’s individualized education program whether such services are provided by the charter school or by the school district in which the student resides.” - [Conn. Gen. Stat. 10-66ee\(d\)\(3\)\(2014\)](#)

Student Performance Data

Finally, we examine student performance data on Bridgeport public schools and charter schools. All four charter schools in Bridgeport outperform Bridgeport Public Schools’ by over 10 points, according to School and District Performance Index data.³¹ In addition, all four charter schools in Bridgeport outperform state average performance for African American students, and three out of four charter schools in Bridgeport outperform state average performance for both low-income and Hispanic/Latino students, according to School Performance Index data.

²⁹ Bridgeport transportation per pupil expenditures were \$701 in the 2012-2013 school year
(Source: Preliminary Strategic School Profile Data for Bridgeport, Connecticut State Department of Education)

³⁰ Connecticut State Department of Education. “2012-2013 Analysis of Special Education as a Percentage of Total Current Expenditures.” 2013. Hyperlink: <https://www.csde.state.ct.us/public/dgm/grantreports1/SpTrExpViewRpt.aspx>

³¹ Connecticut State Department of Education. “School & District Performance Reports 2012-2013.” 2013. Hyperlink: <http://www.csde.state.ct.us/public/performance-reports/20122013-reports.asp>

Table 3. School and District Performance Index (CMT), 2012-2013

	ALL STUDENTS	LOW-INCOME STUDENTS	AFRICAN AMERICAN STUDENTS	LATINO/HISPANIC STUDENTS
STATE AVERAGE	78.0	68.0	62.3	67.4
BRIDGEPORT	53.7	53.7	51.3	52.4
ACHIEVEMENT FIRST BRIDGEPORT	76.7	75.8	75.9	77.2
PARK CITY PREP	72.9	70.0	67.7	78.3
NEW BEGINNINGS FAMILY ACADEMY	68.5	69.4	67.9	69.2
THE BRIDGE ACADEMY	65.2	66.6	64.6	66.1

CONCLUSION

This report examines the claims that opening new public charter schools in Bridgeport would drain financial resources from the district’s education budget. Fiscal, legal, and performance data on Bridgeport and state funding prove these claims to be false. Data show that **over the next two years, the total increase in additional state per pupil aid for charter schools to educate students in Bridgeport is \$45 million, plus Bridgeport’s school district will continue to receive approximately \$33 million in funding for city students that attend charter schools.** These findings suggest that not only can **charter schools can provide a high-quality education to the Bridgeport students who need it most, but also deliver an economic benefit to the city because these schools save the school district millions of dollars that could be used to further improve educational results for children.**

ABOUT THE CONNECTICUT COALITION FOR ACHIEVEMENT NOW (CONNCAN)

The Connecticut Coalition for Achievement Now (ConnCAN) is an advocacy organization leading a movement to improve public education for kids. We bring parents, educators, policymakers, and advocates together to help ensure that all kids have access to great schools regardless of race, wealth, or zip code.

To learn more about ConnCAN, visit: www.conncan.org.