

From the City Paper, 3/30/2005

Fund Fracas

Charter-School Proponents and City School District at Odds Over Funding for New Schools



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ALL THINGS BEING EQUAL: Alison Perkins-Cohen, executive director of the Baltimore Curriculum Project, wants to make sure that charter schools are funded fairly without hurting the greater public school system.

By Anna Ditkoff

The road to getting charter schools up and running in Baltimore City has been particularly bumpy. Disagreements between the Baltimore City School Board and would-be charter-school operators have erupted at every turn since the state passed a law in 2003 that allows parents, educators, and nonprofit organizations to start independently run public schools—schools that operate using public money but have autonomy from the larger school system. So far the city public school district and the charter operators have bumped heads over the district’s restrictions on the number of charter schools it wanted to let operate in the city, the timeline for

approving the schools for operation, and more recently, how much money each charter school will receive.

Baltimore’s public schools are funded using what is called a “staffing model” that allots each school services, teachers, and administrators based on student enrollment and what grades the school offers. Charter schools, however, will be funded differently: The schools will receive a certain amount of money per pupil, which will allow their operators to exercise greater flexibility in their staffing practices. But the actual dollar amount the schools will get per pupil is being debated between the school district, which has suggested \$4,764 per student plus services available to other public schools, and charter-school proponents, some of whom say that is not enough, especially since the school district funding formula takes into account services that some of the charter schools won’t even be using.

“You have to either give us services or the cash, because the money does not belong to North Avenue,” says Bobbi Macdonald, founder of Northeast Baltimore’s City Neighbors Charter School and one of the city’s most outspoken charter-school advocates. “It belongs to the students who attend our school, just like it belongs to any students who attend any public schools.”

But Baltimore City School Board members, and even some other charter-school operators, say that the school system has to cover the system’s citywide expenses and may not be able to afford what some folks are asking for.

It all comes down to one word in the state charter-school law: “commensurate.” The law, which many national charter advocates say is one of the weakest in the country, is vague on the subject of finances, saying only that local boards have to provide charter schools with funding that is commensurate to that received by other public schools.

Since Baltimore’s individual public schools are not funded using a per-pupil method, as charter schools will be, it has been difficult to determine what amount of services combined with funding can be considered equitable.

“We believe that in the model that we’ve created that the charter schools are receiving the same amount of money plus service as the other schools,” says David Stone, director of Charter and New School Initiatives for the Baltimore City Public School System.

The model, which is based on funding and enrollment data from fiscal year 2005 (the 2006 budget has yet to be approved), calculates that each child in Baltimore is entitled to \$8,650. Of that amount, \$4,764 per student would go to the charter schools in cash to pay for administrators, teachers, academics, operations, and supplies. The remaining \$3,886 would be used to pay for services from the district that each charter school would have access to, such as the school board and its officers, legal services, special education, and testing.

For a school like City Neighbors, which plans to have 120 students in its first year, being funded at the rate of \$4,764 per student amounts to \$571,680 in funding per year. The average salary for a teacher in Baltimore is \$48,855, according to the Maryland State Department of Education, and the average salary for a principal is \$85,763. If the school hired a principal and just one teacher for each grade in its K-5 school, that would leave City Neighbors with just \$192,787 to hire art, music, and physical-education teachers, as well as support staff, including secretary, librarian, and teachers’ aides. The school would also have to use that money to buy supplies, including textbooks, maintain its facility, and run its academic programs.

Macdonald says that under the city’s proposed funding scale her ability to implement the programs she founded the school specifically for would be hindered.

“I have to cut in half art, music, and PE, and no cook and no custodian,” she says. “It makes it pretty clear, it’s going to be a quick hiring season around here.”

Likewise, Erika Brockman, executive director of Southwest Baltimore Charter School, says the allotment “is not enough. It’s not adequate. It’s like throwing money down the drain if they’re not going to give us enough to really make a go of it.”

While Brockman says her school could open under the current funding proposal, she is not so sure that it could achieve long-term success.

“If they give us the money they’re going to give us, can I predict success in five years? You know I don’t know,” she says. “We’re going to do our very best.”

In addition to the five completely new charter schools preparing to open in September, the district also approved the conversion to charter-school status of seven New Schools Initiative schools already operating in the city. As charter schools, these schools will gain more independence from the school board and become eligible for \$3.8 million in federal grant money specifically earmarked for charters.

Up until now, New Schools were funded using the staffing model used by all the other city public schools; now they will convert to the per-pupil funding method. Whether that will hurt or help the schools financially depends on several factors, such as class size and the seniority of the school's staff. Schools with more experienced, higher-paid teachers do well under the staffing model because they are allotted teachers rather than money to hire and pay teachers' salaries. Schools that hire younger, less-experienced staffs benefit from the per-pupil allotment method because they may pay their teachers less—the leftover money can be saved to pay for other programs.

Jason Botel, director of Northwest Baltimore's KIPP Ujima Village Academy, says the difference for his school will not be huge. In fact, the change to per-pupil funding will actually bring more money to the school than it received from the cash-strapped school district last year. However, even at the per-pupil rate, his school will not receive as much money as it did earlier on in its tenure as part of the New Schools Initiative, before the district found itself in a fiscal crisis.

Under the proposed funding rate, Botel says, KIPP will have to “raise a substantial amount of money on our own to continue to provide our students with an adequate education. . . . And as there are more charter schools, and more schools in general that have that kind of need, there's a limit to the resources that are out there. So it's a scary situation if we're not getting a substantial increase.”

On Feb. 22, state Sen. Gloria Lawlah (D-Prince George's County) introduced a bill that would force districts to give charter schools 90 percent of the per-pupil funding allotment in cash rather than in both cash and services. While many charter-school operators attended a March 15 hearing to support the bill, Alison Perkins-Cohen, executive director of the Baltimore Curriculum Project, a local nonprofit that runs three New School Initiative schools that are converting to charter status, spoke out against it before the Senate Education, Health, and Environment Affairs Committee. Perkins-Cohen says she knows that some people were surprised that she spoke against a bill that would give her schools more money, but she says the bill would not represent commensurate funding for charter schools.

“The amount of funding that would be provided under that bill is much, much higher for charter schools than it would be for other public-school students,” Perkins-Cohen says. “There is no question that we would like more funding for our schools. We would like more funding for all the schools in Baltimore. All the schools in Baltimore are underfunded, but we don't want to receive that funding at the expense of other Baltimore City schools. And that's what it would be. It would be not only getting more, but you'd

actually be taking money away from the other schools because you're receiving services that the other schools are having to pay for."

Though some charter schools say they won't be taking advantage of all the district services available to them, Perkins-Cohen says that "whether they like it or not, [charter schools] are going to use most of the services that North Avenue offers in some fashion. Basically they're saying they don't want to pay their taxes. Well, I don't really like paying taxes either, but you have to pay them."

Stone agrees with Perkins-Cohen, even using a similar analogy: "If you look at your tax bill that you pay annually, you're paying for things like social services and other services that you may not exactly use," he says. "But they are there if you need them, and in some cases that is similar here."

But Macdonald, Brackman, and others point out that there are some areas in which the charter schools will be shortchanged. For example, the school district's funding proposal charges charters \$943 per student for such things as student transportation, utilities, and food services. Under the state law, charter schools are required to cover their own transportation and utility costs, though, so charter operators say that money should be distributed to them. And some schools don't want to use the district's food service for their students—City Neighbors, for example, wants to provide organic meals for its students—but the allocation model states that while schools can provide their own food services "[n]o funds, however, will pass from BCPSS to the sites to manage this operation."

"Every student has a certain amount of money that stays with them whatever public school they go to," Macdonald says. "North Avenue is saying we want to keep a huge chunk of that and only give you the rest, this much, this small amount. And I'm saying that's not your money, hand it over. You don't get to keep it. We're not going to support you continually wasting money at North Avenue. We're not going to support them putting the money into their system and keeping their system alive, which isn't doing that well. . . . We're saying give us that money and we'll show you another way."

Sen. Lawlah's bill was voted down in committee, but some charter schools are not giving up on using state intervention to get the money they feel they deserve. City Neighbors and the other completely new charter schools opening in September filed a petition with the state requesting that it either create a formula for determining the per-pupil amount each charter school should receive or give a minimum per-pupil allotment figure for districts to follow. The petition is set to be heard by the state on April 18.

Stone says there is still some room for compromise and that the city school district is considering altering the charter-school funding scale somewhat.

"But I just want you to know that even in this model that they might consider limited, we're looking to a \$4 to \$5 million impact on a system that's already just clawing its way out of a deficit," he says. "Any new model that we're looking at—certainly the model

that we think would make them happiest—would probably cost an additional \$3 to \$5 million.”

In the meantime, many charter operators are in a holding pattern, saying that they can't hire teachers, apply for loans, or update their facilities until they know how much money they will have to work with. Schools also did not receive their contracts until March 25, a delay that Stone attributes to negotiations over the funding, further complicating their preparation for the upcoming school year. With so much still up in the air parents are getting skittish. Macdonald says that 45 percent of her students are coming from homeschooling or private schools.

“They're not putting in deposits to save their child's place at that private school,” she says. “They're depending on this to open, and so the fact that there's uncertainty is very difficult for them.”