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# Op Ed: How charter schools actually reduce local cost of education

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By ROBERT PILKINGTON

As the state's longest serving charter school designer and operator I have spent the past 13 years debunking myths about charter schools. Fortunately, the falsehoods that are perpetuated by those opposed to this unique and effective method of public schooling don't change. Thus, with the passing of time the falsehoods become easier and easier to rebut. The anti-charter mantra goes like this: Charters take money from "public" schools and charters are not really public schools but are private schools in masquerade. Fortunately, both of these arguments can easily be refuted by an examination of policy, law and over a decade of actual Rhode Island charter school implementation.

The initiative to reopen Potowomut Elementary is a serious and sophisticated one. Three years ago I presented to the Warwick School Committee a fiscal plan to charter and thus save the Potowomut Elementary School. At the time I was not involved with the Potowomut group. I was just a Warwick resident with experience in converting, financially managing and reconstituting Rhode Island charter schools. I knew firsthand the destabilizing effect that threatened closure can have on the operation and effectiveness of a school and the annual threats against Potowomut's existence had to be detrimental to its culture.

I showed the committee that by becoming a charter school the city's financial obligation to the school would be diminished and with a lessened burden to the district the school could remain open. A thousand days later the basic facts of charter school funding have still not been accepted and misinformation is being used to combat the current Potowomut initiative.

Here's the reality about charter school funding. It is based on a premise that every public school student has a "per pupil" amount that can be derived by dividing the total school department's annual budget by

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the number of students in that district. It's simple and fair and is based on recognizing public school choice as parental and taxpayer right.

The "per pupil" amount is then applied to a "share ratio" formula that is generated by the State Department of Education. Every city has a different share ratio that is determined by their wealth. A charter school in the inner city may pay 20 percent of the per pupil cost while the state covers the remaining 80 percent. Cities and towns like Little Compton, East Greenwich and Barrington would have the largest city share of 70 percent city to 30 percent state. In Warwick the share ratio is 60 percent city and 40 percent state.

The Warwick financial statement from the 2006-2007 school year is the most recent revenue and expense report found on the Department of Education's 2008 InfoWorks! Web site. The overall budget reported by the Warwick School Department was \$150,505,508. The district listed its enrollment at 10,684. The resulting per pupil amount is \$14,087. The 60 percent of the charter school per pupil cost that Warwick would be responsible for is \$8,452 per student. The formula and the figures in this share ratio are based on publicly reported budget numbers and a formula found in state law. There's nothing interpretive or subjective in charter school financing.

The real shame regarding charter school funding is that knowledgeable school administrators have never creatively applied these numbers to their own districts. Let's say that Warwick was to suddenly become progressive and charter all its schools. When the city's legal obligation of \$8,452 per student is multiplied by the number of students in the district, the resulting new "all charter" school department budget would be about \$90 million. That's the total annual cost to the city; period, absolute and finite. Therefore, in the first year of a chartered district, the city's school budget needs would drop from \$150,505,508 to \$90,303,304. The net savings for the taxpayer in the first year alone would be \$60,202,204.

While converting an entire district to charter schools seems extreme, it has been done in Washington State, Oregon, California, Ohio, Pennsylvania and Florida. Rhode Island is not as progressive as other states and the "charter district" potential is less than slim. But the lesson of possibility is instructional. If you were to charter half the schools in the district, or a quarter of the schools even, the cost savings to the taxpayer would be enormous. Charter schools are truly not as injurious to the local school department budget as traditionally funded district schools.

What accounts for this windfall? Simply stated, the Warwick district reported that 23 percent of its revenue for the '06-'07 year was from state aid and under the charter school formula the state aid grows to 40 percent. On a baseline revenue number of \$150 million, quite a lot of savings to the Warwick school budget results when your state aid rises by 17 percent. A tangential and philosophical debate can be started about the effect of shifting a tax burden from the city to the state, but that's not going to alter the present fact that the Rhode Island charter school funding formula lessens the local tax dollar support needed to operate public schools. When in such acute fiscal distress why would any school leader not seriously consider this unique funding mechanism? When has any local education agency been adverse to a higher level of state funding?

The sad fact is that status quo and system protective educators don't voluntarily dilute their authority, so this type of radical re-engineering, no matter how advantageous it might be to the employees, students or taxpayers, doesn't happen. That's why when a single idea emerges,

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and is brave enough to stand up for itself, the first stone thrown its way is the fiscal one. And because a single idea, like Potowomut, is such a small piece of the overall school budget, painting it as an additional cost becomes an argument that is easy to frame but false in law, policy and practice.

Is the appearance of a new "charter school line item" in a school department budget perceived as an extra expense by the administration putting the budget together? The factual answer is yes. But let's remember that when a charter school makes a budget request to a district for new money it is done in an environment of serving more students under a predictable funding formula found in law. When a city school department asks the General Assembly for more money year after year it does so in an environment of declining enrollment and uncontained costs.

The question of whether charter schools are public or private is not only ridiculous; it's tiresome. To me the "public-ness" of a school is determined by some simple criteria. Are the student demographics in the charter school the same as the district? Are parents charged tuition? Does the school accept all students and have the same percentage of special education, second language learners and students of poverty as the district? Are the teachers certified, subject to tenure and do they earn the same salary and benefits as the district teachers do? Is the school's board subject to the open meetings law and is there fiscal oversight by the Rhode Island State Auditor General and the Office of Municipal Affairs? Does the school receive federal funding, adhere to NCLB requirements, take state mandated standardized tests and participate in all state department data gathering, graduation system and financial management requirements? The list of "public-ness" indicators is exhaustive and private schools are responsible for none of them and charter schools must adhere to all of them by law or they will be closed by the commissioner and operations will cease.

The font of the private versus public attack by those opposed to charter schools is a deep-seated sentiment that the "public-ness" of a school is solely determined by who governs and operates the school. To some, public schools are only public when the municipality operates the school; the governance is performed by a school board and a central administration with unionized teachers running the show. Charter schoolers believe that a school governed openly, publicly financed, tuition free, publicly evaluated and accepting of all are what truly determine whether it is public or not.

If opposition to the Potowomut charter school initiative simply relies on the old and tired arguments of cost and private school appearance then that would be at least keeping the conversation policy-based and lively. However, the most troubling aspect of the Potowomut issue surrounds the school building and the district's talking points. Presently, the school has been mothballed and there has not been a change of use. So let's think logically. If the administration says the building needs substantial and costly fire code upgrades, but there has not been a change of use, then does that mean the Warwick School Department willingly and knowingly had children in a facility not within code a mere four months ago? I don't believe they would do that, so arguments against the building's present suitability as a location for the new school are false on their face. Fire control systems need to be updated when the building goes through a legal change of use. Potowomut is remaining a school.

The school building is a community and taxpayer-owned asset and to do anything that would undercut or squelch the neighborhood's will to reclaim it would be dastardly at best. If the school board or school administration manufacture a situation where the building becomes anything other than a reserved future home for the charter school, such as quickly converting it to a facility with a purpose other than being a public school or renting it at under market value to any taker, then they may be viewed as unscrupulous by the taxpayers of Warwick. Being sworn to keep the public trust requires being trusted by the public and this mandate and responsibility is non-negotiable.

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In an era of negative news about the economy and public school performance, the team of parents at Potowomut should not only be applauded but they should be treated as partners in public education and respected for both the plan and funding they bring to Warwick's school children. Their dedication to public education and their resourcefulness is remarkable. Hopefully, when clearer heads prevail, the PATH the school has chosen will be viewed as fair to all; Warwick taxpayers, the parents and especially the students who deserve much better.

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is the Founder and Past President of the Rhode  
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