

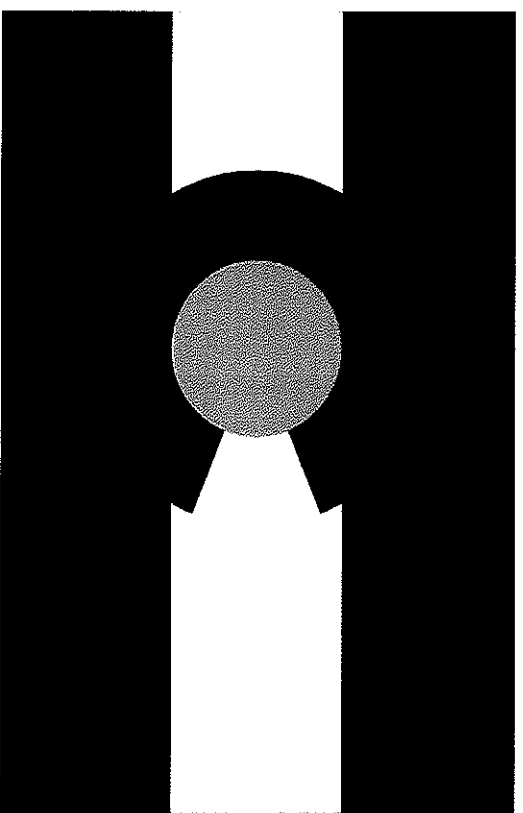


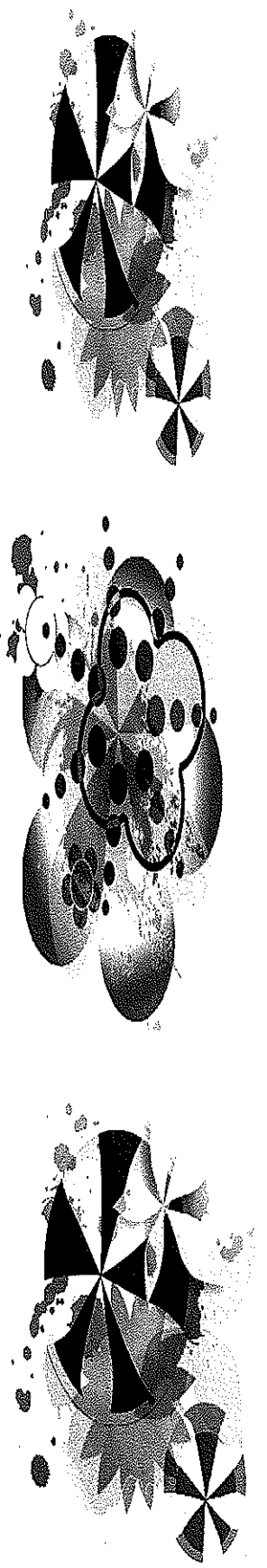


COLORADO TAXPAYERS PAY  
AN UNFUNDED MANDATE OF  
ABOUT \$340,000,000 PER  
YEAR **MORE** TO PAY FOR  
CHARTER SCHOOLS THAN  
EDUCATING THOSE  
STUDENTS IN DISTRICT  
PROGRAMS



INCREASE AND PRESERVE  
**REVENUE BY**  
TRANSITIONING FROM  
CHARTER TO DISTRICT  
PROGRAMS, INCLUDING  
SCHOOLS OF INNOVATION





CHARTERS COST MORE THAN DISTRICT PROGRAMS IN TWO WAYS:

1. CHARTERS DUPLICATE SPENDING: PER PUPIL COSTS INCREASE,

...SINCE CHARTERS SPREAD COSTS ACROSS FEWER STUDENTS—LIKE SPENDING 40% INSTEAD OF 15% ON ADMINISTRATIVE COSTS OR \$50,000 FOR A 20-STUDENT FOOTBALL PROGRAM.

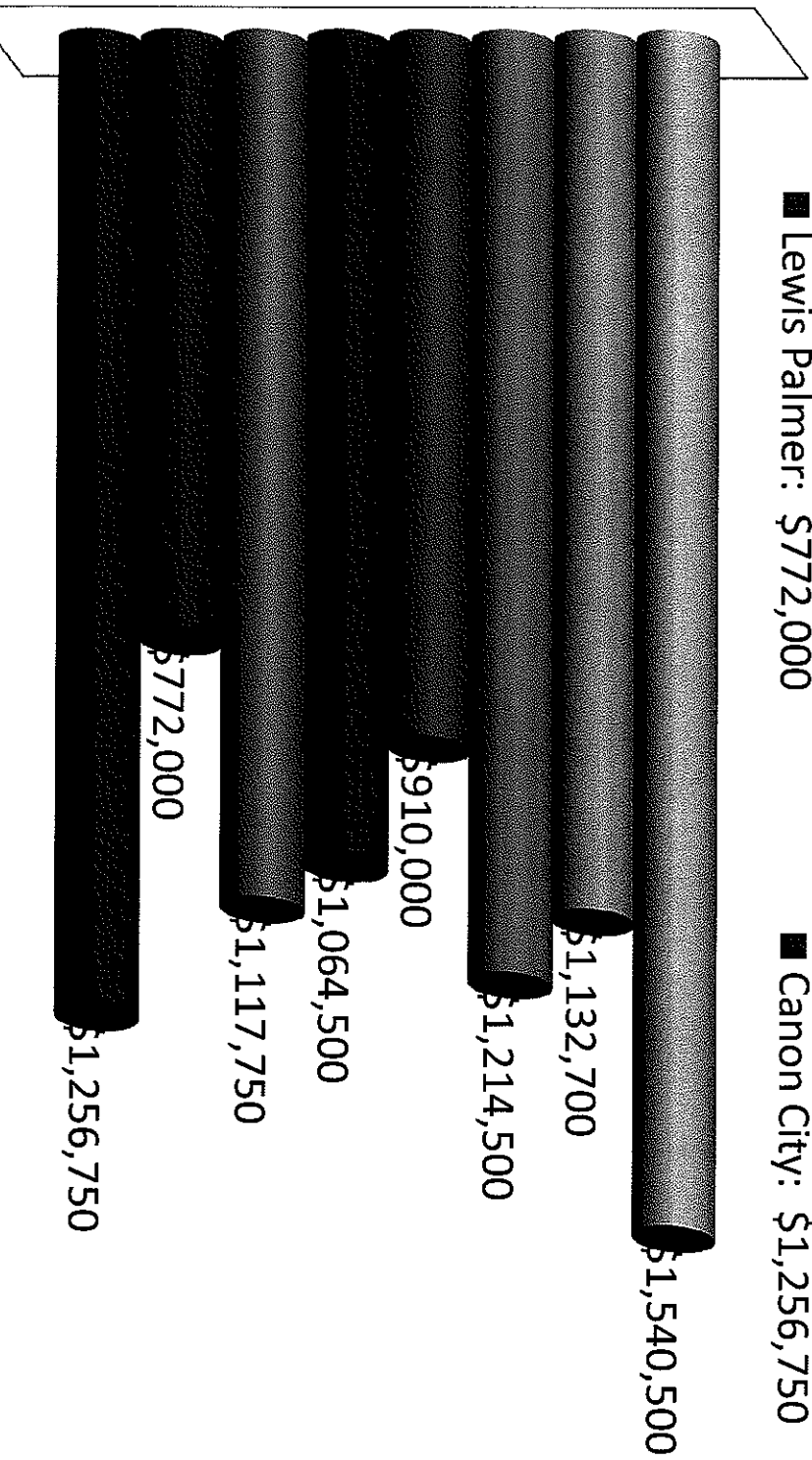
2. CHARTERS DUPLICATE FUNDING: AUTHORIZERS PAY CHARTERS BASED ON THE FULL PPR INSTEAD OF ON THE MARGINAL FUNDING SCALE, THE WAY ALL OTHER PROGRAMS ARE FUNDED.

# THE UNFUNDED MANDATE COST FOR DISTRICTS: \$309 MILLION/YEAR

THE COST TO THESE SPECIFIC DISTRICTS OF FUNDING A 250 PUPIL CHARTER PROGRAM  
INSTEAD OF A DISTRICT PROGRAM:

Source:  
School  
District  
Data: FY 07/08

- Adams 12: \$1,540,500
- Adams/Arapahoe: \$1,132,700
- Col. Springs D-11: \$1,214,500
- Poudre: \$910,000
- Falcon D-49 \$ 1,064,500
- Brighton: \$1,117,750
- Lewis Palmer: \$772,000
- Canon City: \$1,256,750

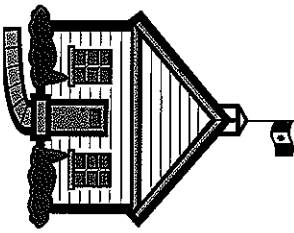


**The unfunded mandate from state charters : \$32 Million/year**

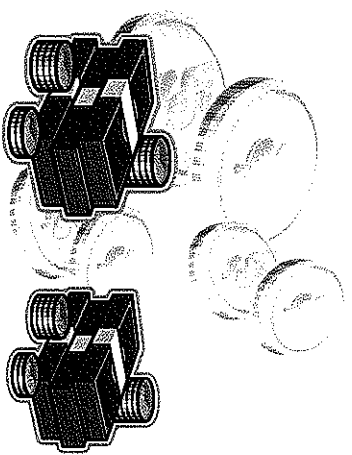
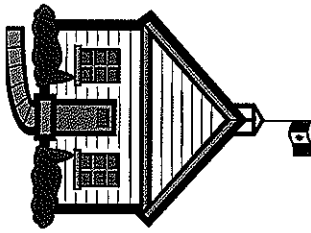
The cost of funding the State Charter Institute is \$32 million dollars per year greater in cost than educating those same children in district programs.

Transitioning from SCI to district schools saves \$32/million/Year

CHARTER SCHOOL



DISTRICT SCHOOLS OF  
INNOVATION & OTHER CHOICE



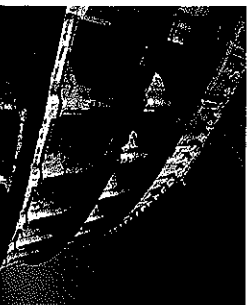
**\$32 MILLION DOLLARS PER YEAR**

# SCHOOLS OF INNOVATION OFFER THE SAME CHOICES AS

## CHARTERS:

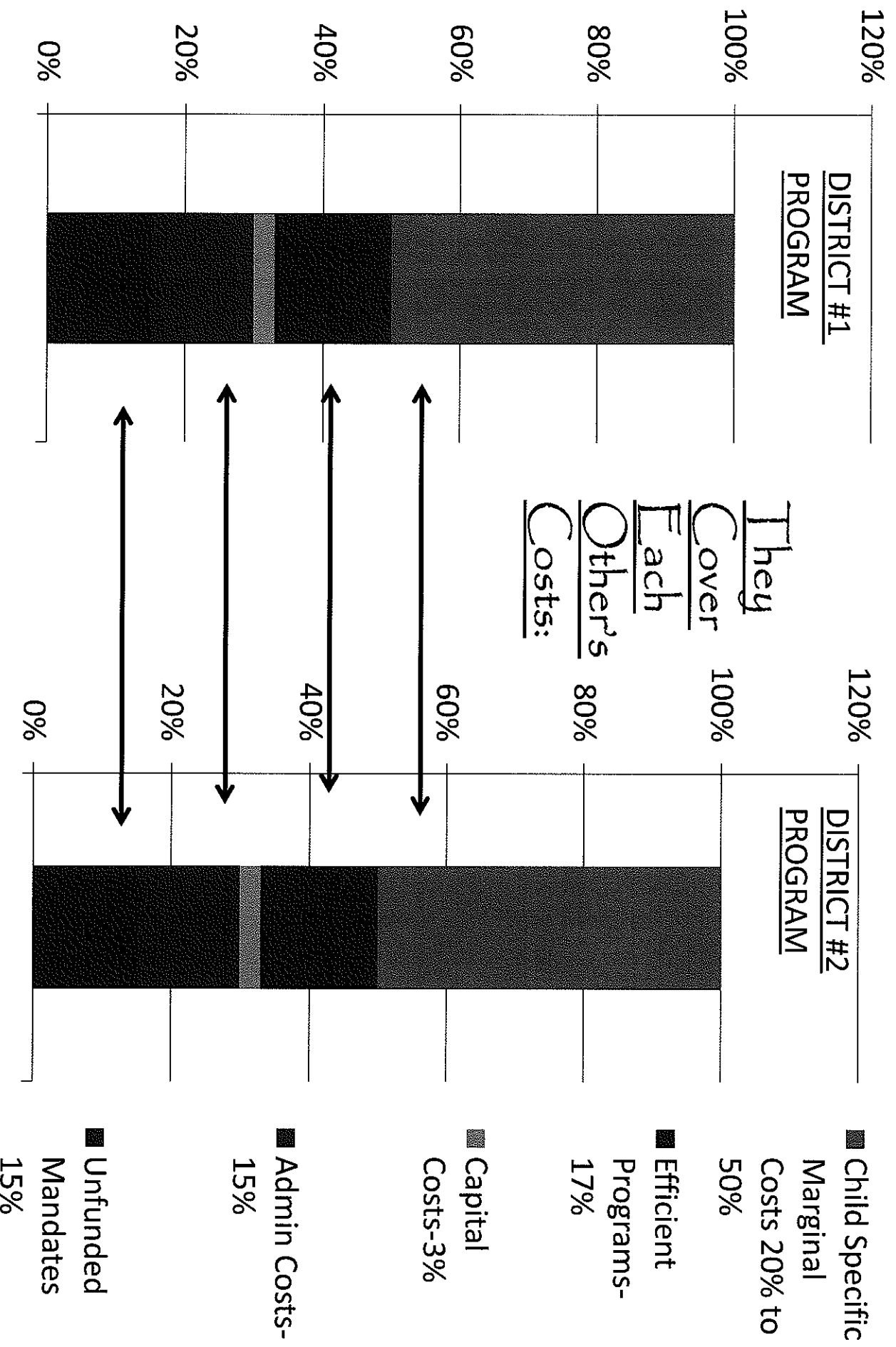
- \*Union rules can be waived, changed or eliminated---schedules can be expanded, wages altered, unique school cultures created.
1. District and charter programs have the same achievement.
  2. District and charter programs have the same flexibility and choice.
  3. But district programs can do this for \$340 million dollars less per

year!



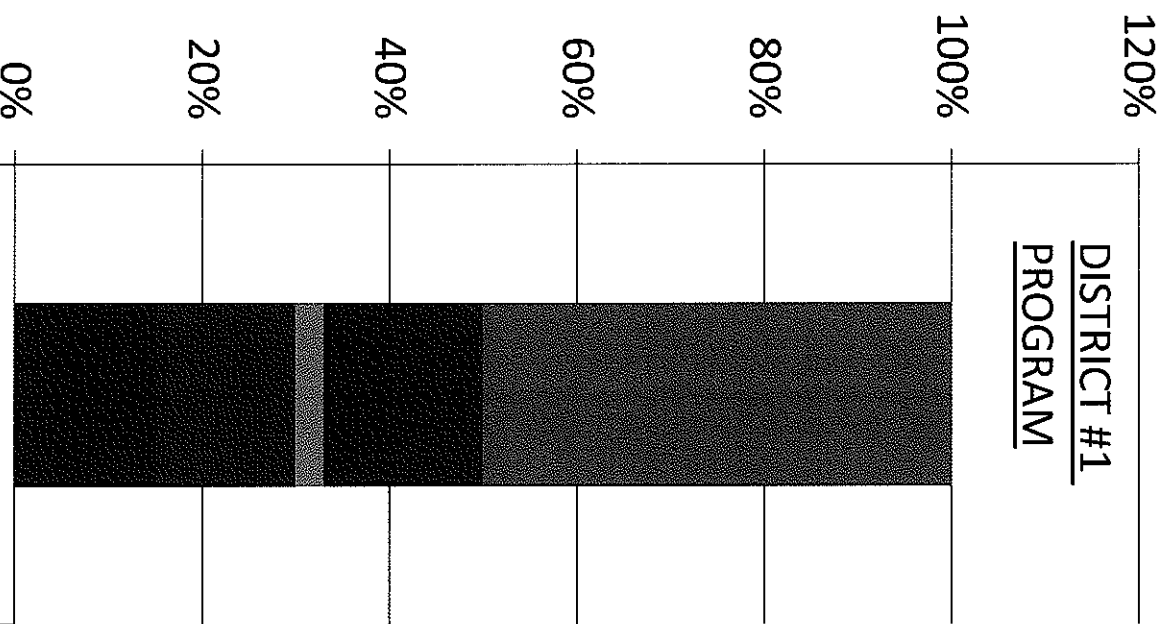
Let's now use the business model—the cost-benefit analysis used by all of Western and Eastern Civilization—including the CDE School Districts, to analyze charter costs: let's compare district-to-district choice and district-to-charter choice: what's the difference?

# PUBLIC-DISTRICT TO PUBLIC-DISTRICT CHOICE IS A FINANCIAL-WASH: STUDENTS SUPPORT PROGRAMS & MANDATES WHERE THEY ATTEND

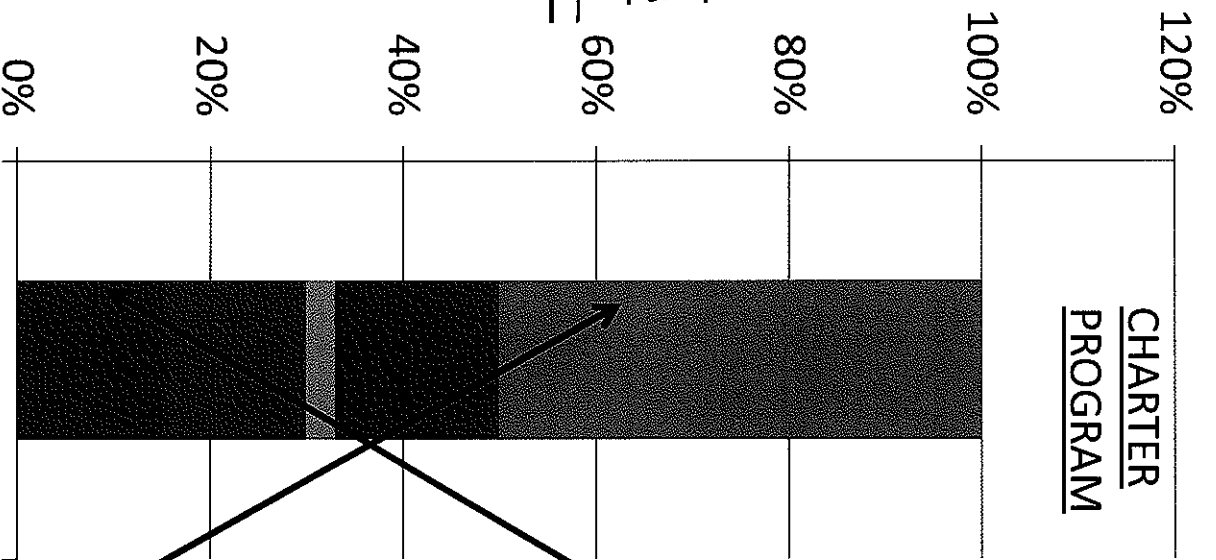




# PUBLIC-DISTRICT TO CHARTER SCHOOL CHOICE IS NOT A FINANCIAL-WASH:



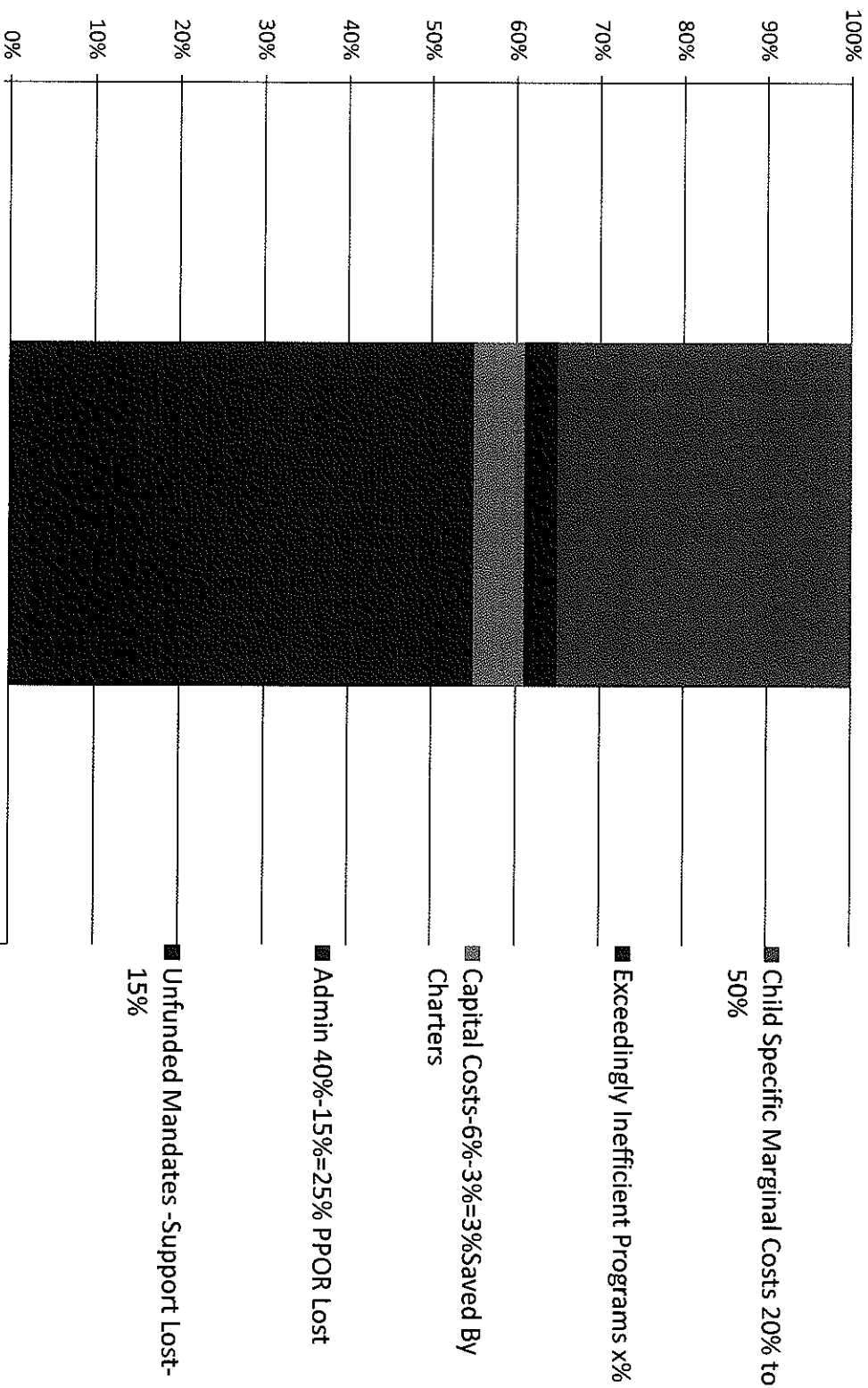
50% of the PPOOR is duplicated or lost with charters: 50% of the value is extinguished—  
Taxpayers lose 50% of their buying power!



■ Child Specific Marginal Costs 20% to 50%  
 ■ Efficient Programs- 17%  
 ■ Capital Costs- 3%  
 ■ Admin Costs- 15%  
 ■ Unfunded Mandates 15%

**CHARTER SCHOOLS LOSE ABOUT 50% OF THE VALUE OF THE PPOR: 15% IN UNFUNDED MANDATE SUPPORT, 25% IN CHARTER EXCESS ADMIN COSTS, 10% IN INEFFICIENT PROGRAMS, BUT CHARTERS PAY 3% MORE IN FACILITY COSTS, SAYS THE LEAGUE OF CHARTER SCHOOLS. (Sources: CDE &**

**Charter League: “\$480/pp is capital cost” @ 6%/pp)**



## SUMMARY:

\*Charters typically spend 40-50% on administration compared to the typical district average of 15%.

\*Charters spend almost nothing supporting the 15% per pupil in unfunded mandates spent by all district children.

\*All charter programs are inefficient since they spread fixed costs over fewer students than district programs adding 5-10% in waste.

\*Charter schools pay about 3% more in facility costs than district schools.

**TOTAL: CHARTERS COST TWICE AS MUCH**  
**WITH NO ADDED ACHIEVEMENT GAIN AND**  
**WITH NO MORE CHOICE OR FLEXIBILITY**

# WHICH HELPS KIDS MORE

## WITH \$340 MILLION DOLLARS TO SPEND?

DISTRICT SPENDING

CHARTER SPENDING

- \*CLASSROOM INSTRUCTION
- \*MATH/READING COACHES
- \*STUDENT INTERVENTIONS
- \*EXPERIENCED TEACHERS
- \*LOW-COST, EFFICIENT ART & MUSIC
- \*SUPPORTING THEIR SHARE OF UNFUNDED MANDATES
- \*PAYING CHARTER OPERATORS
- \*PAYING CHARTER OWNERS
- \*PAYING DUPLICATE CURRICULUM COSTS
- \*PAYING LAWYERS, LOBBYISTS
- \*PAYING RENT TO RELIGIOUS, ETHNIC & other ORGANIZATIONS
- \*PAYING MARKETING FIRMS/AD COSTS
- \*PAYING CHARTER SCHOOL LEAGUE

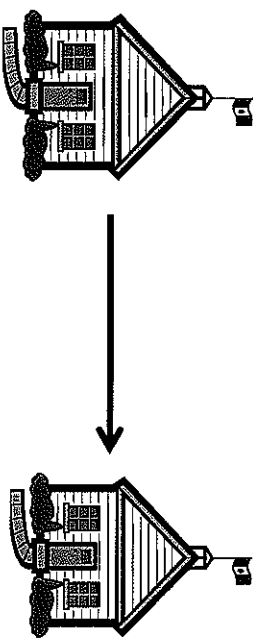




# HELPING THE STATE: SPLIT THE SAVINGS BETWEEN THE DISTRICTS AND THE GENERAL STATE BUDGET:

For each child transferred from charters to district schools, the state general fund gets a 20% credit of the PPR for three years and the district gets more funds and more control over its budget.

CHARTER SCHOOL      DISTRICT SCHOOL

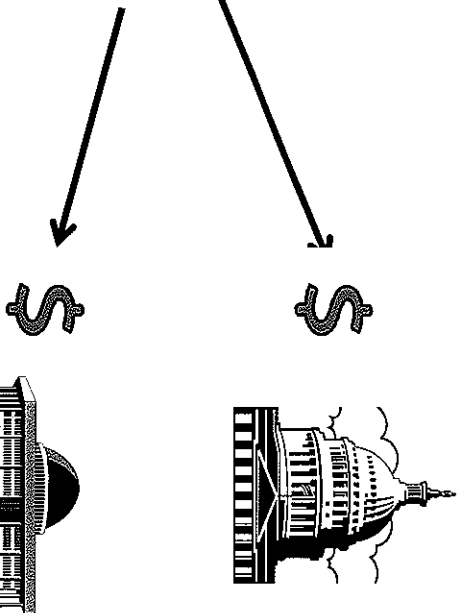


\$5,000 SAVINGS PER PUPIL--\$1,250,000

per 250-pupil charter school---SPLIT

THIS SAVINGS BETWEEN THE GENERAL  
FUND AND SCHOOL DISTRICTS-up to

\$70 for the state: Million/per year (50K  
x \$7K x 20%).



STATE  
BUDGET

DISTRICT  
BUDGET



## **Transition Process:**

- 1. Grandfather-in teachers of charters which transition during an existing contract through the contract & encourage licensure. Admin could stay 1 yr or part time.**
- 2. Close the State Institute & transfer admin of contracts to districts which can also negotiate with the charters.**
- 3. Develop several templates for Schools of Innovation.**
- 4. Lease, sell or re-utilize bonded charter facilities.**

PER PUPIL TAXPAYER LOSS FROM CHOOSING CHARTER PROGRAMS INSTEAD OF DISTRICT PROGRAMS-TWO FORMS (Sources: empirical district & CDE data)

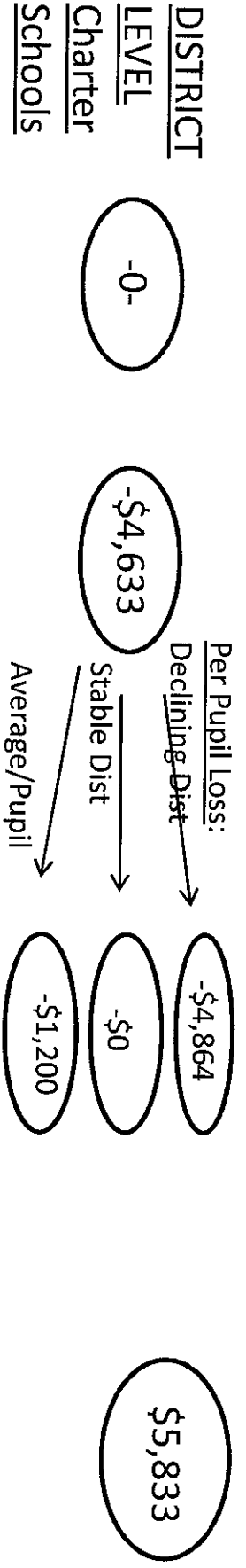
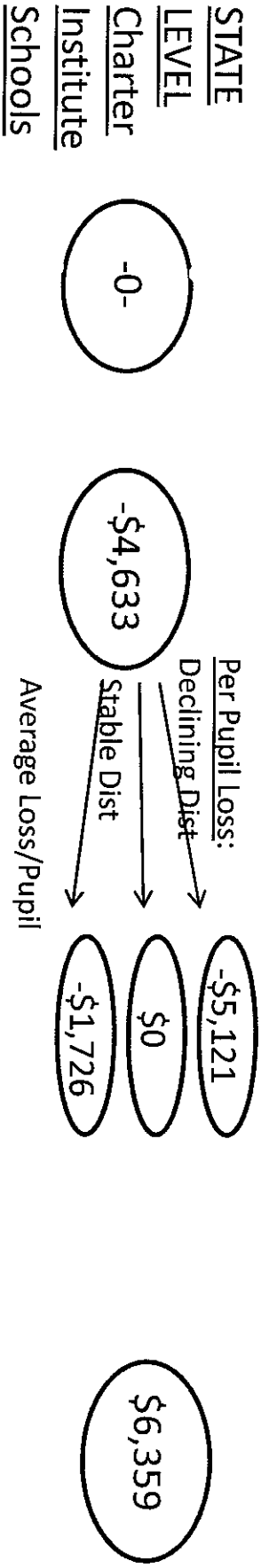
BASELINE (Form #1) DUPLICATE SPENDING (Form #2) DUPLICATE FUNDING: TOTAL TAXPAYER LOSS

District programs form the baseline: All charter programs duplicate spending: they lose @50% of PPOR, i.e., TAXPAYERS lose \$4,633/pupil, per data.

lose \$0 Per Pupil. district programs: Taxpayers lose an added \$1,200 to \$1,700 on average per charter pupil.

Declining enrollment districts receive unequal funding of charter versus district programs: Taxpayers lose an added \$1,200 to \$1,700 on average per charter pupil.

LOSS FROM CHARTERS VIS A VIS DISTRICT PROGRAMS ON AVERAGE, PER PUPIL.



Weighted average PER CHARTER PUPIL LOSS, STATE-WIDE: this is the average lost educational dollar per child from choosing a charter program instead of a School of Innovation or other district program: (Oval: \$5,881)

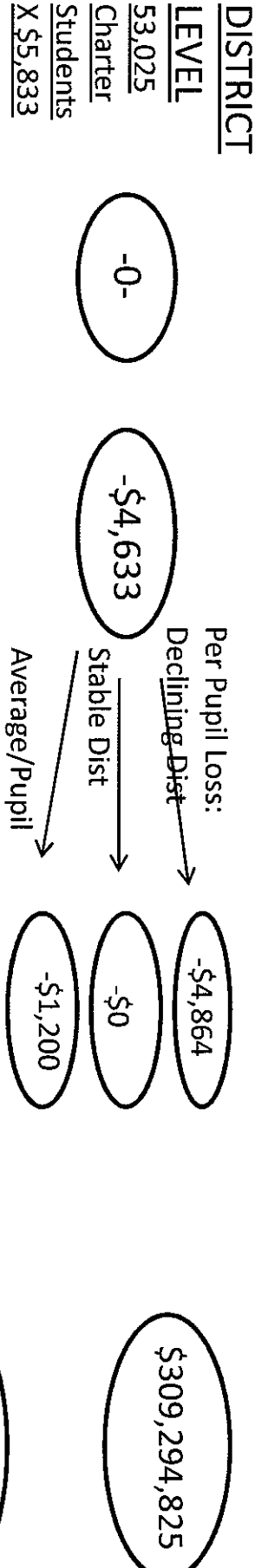
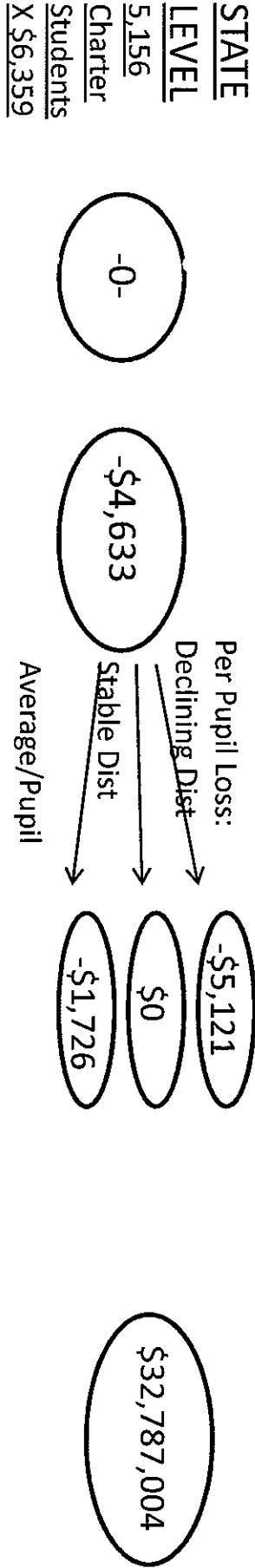


TOTAL TAXPAYER LOSS FROM CHOOSING CHARTER SCHOOLS INSTEAD OF DISTRICT

SCHOOLS-TWO FORMS. (Source: empirical district & CDE data)

BASELINE (Form #1) DUPLICATE SPENDING (Form #2) DUPLICATE FUNDING: TOTAL TAXPAYER LOSS

All charter programs	Duplicate spending:	they lose @50% of	PPOR: \$4,633 per the	study x state & district	charter student numbers.	on average per charter pupil.	Declining enrollment	districts receive unequal	funding of charter versus	district programs: Taxpayers	lose an added \$1,200 to \$1,700	LOSS FROM CHARTERS	VIS A VIS DISTRICT	PROGRAMS, BOTH BY	STATE AND DISTRICT	BUDGETS AND BY	TOTAL LOSS
----------------------	---------------------	-------------------	-----------------------	--------------------------	--------------------------	-------------------------------	----------------------	---------------------------	---------------------------	------------------------------	----------------------------------	--------------------	--------------------	-------------------	--------------------	----------------	------------



Weighted average TOTAL TAXPAYER LOSS PER YEAR, STATE-WIDE: This is  
the total taxpayer educational dollar lost from choosing charter programs  
instead of Schools of Innovation or other district programs, all else equal.

\$342,081,829

**HELPING THE STATE: SPLIT THE SAVINGS BETWEEN THE DISTRICTS AND THE GENERAL STATE BUDGET:**

For each child transferred from charters to district schools, the state general fund gets a 20% credit of the PPR for three years. These savings presume that only 80% of charters are transitioned.

Projected ANNUAL savings against the baseline of the efficient scale of school districts exceeding 5,000 in enrollment:

State Budget Savings:

Closing State Institute: \$32,787,004

Credit 20% 41,389 PPRs

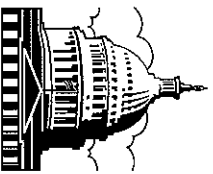
@\$7K : 3 years \$57,944,600

Total State Savings: \$90,731,604

District Budget Savings: \$183,305,363

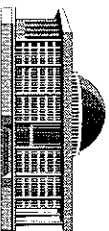
Total Overall Savings is 81%

of Estimate 342K Loss: \$274,036,968



STATE  
BUDGET

\$90,731,604/yr . saved



DISTRICT  
BUDGETS

\$183,305,363/yr. saved