



CITY OF NEW BEDFORD

JONATHAN F. MITCHELL, MAYOR

April 4, 2019

City Council President Linda M. Morad
Honorable Members of the City Council
133 William Street
New Bedford, MA 02740

Dear Council President Morad and Honorable Members of the City Council:

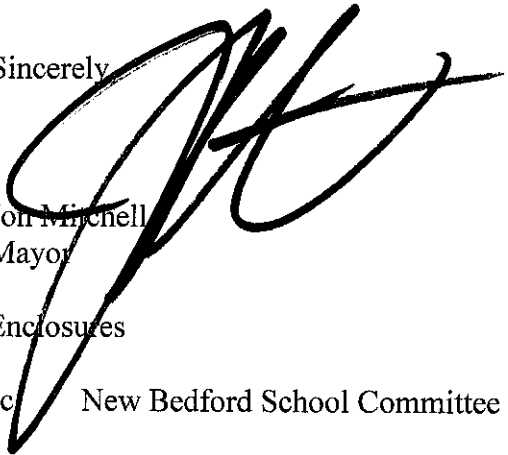
As you are aware, the School Committee voted on March 11, 2019 to recommend that the City Council approve special legislation that would effectuate the agreement between the City, the Alma del Mar Charter School, and the Department of Elementary and Secondary Education to establish a 450-student neighborhood-based charter school at the site of the former Kempton Elementary School. The agreement establishes in my view a fairer approach to charter schools in that the school would be required to accept students from a designated neighborhood zone, and that it would not be able to "counsel out" students back to district schools. This way the school would operate under essentially the same terms as a district school.

Moreover, the arrangement would be significantly less expensive than the alternative. In approving the Alma charter for 450 students, the Massachusetts Board of Elementary and Secondary Education likewise decreed that if the necessary legislation were not approved, Alma would be authorized to enroll 594 students in a lottery-based school. The cost of this alternative would be traumatic to the city's finances. As the attached spreadsheets make clear, the *annual* difference in cost between the two scenarios upon the school's full build-out would be approximately \$4 million. These additional costs would severely compromise the performance of New Bedford Public Schools, but also city services, and would necessitate layoffs in school and city personnel.

The legislation I am submitting is necessary to make this unique neighborhood-based school possible, as it addresses concerns about the charter's enrollment process, state procurement law, and the retention of students by the charter school. City Solicitor Mikaela McDermott and Legislative Counsel David Gerwatowski have also recommended that the legislation address the city's ordinance concerning the disposition of real property. Out of an abundance of caution, I am submitting an amended version of the legislation approved by the School Committee that makes clear (in Section 5) that the city need not commission an appraisal or solicit proposals before transferring the Kempton School to Alma del Mar.

I ask that you approve the legislation requested and approved by the School Committee. Thank you for your assistance in this matter.

Sincerely



John Mitchell
Mayor

Enclosures

cc New Bedford School Committee

Alma del Mar Charter Proposal (450 Seats) - Fiscal Impact Analysis

Description	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Additional Students										
Initial Year:	200	100	100	50	0	0	0	0	0	0
Previously Added:	0	200	300	400	450	450	450	450	450	450
Total:	200	300	400	450	450	450	450	450	450	450
Tuition	\$2,423,384	\$3,744,128	\$5,141,936	\$5,958,219	\$6,136,965	\$6,321,074	\$6,510,706	\$6,706,027	\$6,907,208	\$7,114,425
Facilities	178,600	267,900	357,200	401,850	401,850	401,850	401,850	401,850	401,850	401,850
Total:	\$2,601,984	\$4,012,028	\$5,499,136	\$6,360,069	\$6,538,815	\$6,722,924	\$6,912,556	\$7,107,877	\$7,309,058	\$7,516,275
Charter Reimbursement	(\$2,601,984)	(\$1,624,995)	(\$1,792,449)	(\$1,237,415)	(\$580,597)	(\$585,959)	(\$591,482)	(\$597,171)	(\$603,031)	(\$609,066)
DESE Transitional Aid	(500,000)	(500,000)	(500,000)	0	0	0	0	0	0	0
District Svcs/New School	(696,000)	(1,064,880)	(1,448,237)	(1,661,852)	(1,695,089)	(1,728,991)	(1,763,570)	(1,798,842)	(1,834,819)	(1,871,515)
Total Offset:	(\$3,797,984)	(\$3,189,875)	(\$3,740,686)	(\$2,899,266)	(\$2,275,685)	(\$2,314,949)	(\$2,355,053)	(\$2,396,013)	(\$2,437,849)	(\$2,480,581)
Net Cost to the District:	(\$1,196,000)	\$822,153	\$1,758,450	\$3,460,802	\$4,263,130	\$4,407,975	\$4,557,504	\$4,711,865	\$4,871,209	\$5,035,693
Net Savings from Compromise:	(\$1,351,280)	(\$2,551,009)	(\$3,421,160)	(\$3,620,455)	(\$3,921,709)	(\$4,013,459)	(\$4,107,617)	(\$4,204,246)	(\$4,303,415)	(\$4,405,192)

Notes:

The proposed 450-seat compromise with Alma del Mar would establish a new neighborhood-based, K-8 charter school at the site of the former Kempton School. The school would begin with a cohort of 50 students in each of grades K, 1 and 6, and would increase by two grades per year until the enrollment reaches 450 students. The compromise would also result in the conversion of Alma's existing school to a neighborhood-based school, with one grade of neighborhood students matriculating each year. DESE has agreed that it would provide the District with \$1.5 million in "transitional assistance" to be spread over three years. The financial impact set forth is based on this understanding, with the following assumptions:

1. State reimbursement will continue to be what it is now, with 100% of the cost of new students in the first year, along with the annual increase in tuition and the facilities allowance in subsequent years.
2. Charter tuition will increase at 3% per annum.
3. Although DESE has cited inconsistent figures for the Alma del Mar tuition rate, the impact statement uses a rate of \$11,764, which is approximately the midpoint of these figures and is included on the most recent spreadsheet on the DESE website.
4. The facilities allowance is \$893 per student, according to the DESE website, and is not subject to escalation.
5. The savings to the District is based on the reduction of two classes of 25 students per grade at each school: two classroom teachers (\$150,000), one paraprofessional (\$20,000), and \$4,000 in supplies and materials, escalated at 2% per annum. For the sake of simplicity, this scenario assumes that district classes will be reduced one-for-one as the charter school adds grades. The actual savings may be less in the event that a significant number of students opt out of transferring to the charter school.

Alma del Mar Charter Proposal (594 Seats) - Fiscal Impact Analysis

Description	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Additional Students										
Initial Year:	264	132	132	66	0	0	0	0	0	0
Previously Added:	<u>0</u>	<u>264</u>	<u>396</u>	<u>528</u>	<u>594</u>	<u>594</u>	<u>594</u>	<u>594</u>	<u>594</u>	<u>594</u>
Total:	264	396	528	594	594	594	594	594	594	594
Tuition	\$3,198,867	\$4,942,249	\$6,787,356	\$7,864,848	\$8,100,794	\$8,343,818	\$8,594,132	\$8,851,956	\$9,117,515	\$9,391,040
Facilities	235,752	353,628	471,504	530,442	530,442	530,442	530,442	530,442	530,442	530,442
District Transportation	<u>155,280</u>	<u>222,278</u>	<u>286,783</u>	<u>319,354</u>	<u>319,991</u>	<u>320,640</u>	<u>321,302</u>	<u>321,978</u>	<u>322,667</u>	<u>323,370</u>
Total:	\$3,589,899	\$5,518,156	\$7,545,643	\$8,714,644	\$8,951,226	\$9,194,900	\$9,445,877	\$9,704,376	\$9,970,624	\$10,244,853
Charter Reimbursement:	(\$3,434,619)	(\$2,144,993)	(\$2,366,033)	(\$1,633,387)	(\$766,387)	(\$773,466)	(\$780,757)	(\$788,266)	(\$796,001)	(\$803,967)
Net Cost to the District:	\$155,280	\$3,373,162	\$5,179,610	\$7,081,257	\$8,184,839	\$8,421,434	\$8,665,120	\$8,916,110	\$9,174,624	\$9,440,885

Notes:

1. Alma del Mar's application seeks 1,188 charter seats split between two schools. The above chart depicts the fiscal impact of one school according to the implementation scenario in Alma's application.
2. Assumes 100% State reimbursement of new students in the first year.
3. State fully reimburses annual tuition rate increase (3%) and facilities allowance (\$893).
4. Incorporates current tuition (\$11,764) and facilities (\$893) rates. Tuition increased by 3% annually.
5. Currently, the District spends approximately \$250,000 on transportation for students at the existing Alma del Mar school. Future costs incorporate conservative ratio of 50% of new students requiring transportation.

Revised DRAFT of Possible Legislative Language
New Bedford and Alma del Mar
4/3/19

An Act relative to the operation of charter schools in the City of New Bedford

Whereas, the General Court desires to support the March 12, 2019 memorandum of understanding by and between the City of New Bedford and its School Committee and Alma del Mar Charter School, as approved by the Commissioner of Elementary and Secondary Education, with respect to the opening of a second campus of Alma del Mar Charter School, and

Whereas, the deferred operation of this act would tend to defeat its purpose, which is to enable the second campus of Alma del Mar Charter School to open for the benefit of New Bedford students in the Fall of 2019, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience,

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. Notwithstanding any contrary provision in section 27C of chapter 29, section 89 of chapter 71, or section 5 of chapter 76 of the General Laws:

- (a) The City of New Bedford, through its School Committee, shall establish a neighborhood zone for student enrollment at the second campus of Alma del Mar Charter School, and shall assign students who reside in such neighborhood zone to the second campus of Alma del Mar Charter School unless otherwise authorized by the Commissioner of Elementary and Secondary Education.
- (b) The City of New Bedford, through its School Committee, and Alma del Mar Charter School may create, by mutual agreement and subject to the approval of the Commissioner of Elementary and Secondary Education, additional policies deemed necessary for the implementation of an effective student enrollment system at the second campus of Alma del Mar. Such policies may include but shall not be limited to the use of an alternative assignment system if the number of students assigned to the second campus of Alma del Mar Charter School (i) exceeds the number permitted by its charter, or (ii) is insufficient to support full enrollment. For the avoidance of doubt, nothing in this section is intended to preclude the adoption of policies that incorporate the New Bedford Public Schools policy on intra-district school transfer.

SECTION 2. For the purpose of the first sentence of section 5 of chapter 76 of the General Laws, the second campus of Alma del Mar Charter School shall be considered a public school of the City of New Bedford. The New Bedford Public Schools shall transfer all such information (including but not limited to documents, records, and files) to Alma del Mar Charter School as is required for the enrollment, transportation, and education of such students. For all other purposes, including but not limited to chapters 71A and 71B of the General Laws, Alma del Mar

Charter School, including its second campus, shall be considered a Commonwealth Charter School.

SECTION 3. The provisions of chapter 30B of the General Laws and of section 53 of chapter 40 of the General Laws shall not apply to any action, expenditure, or obligation involving the transfer, hereby authorized, of (i) real property in the City of New Bedford known as 135 Shawmut Avenue between the City of New Bedford or its School Committee and Alma del Mar Charter School for all purposes for which the latter is authorized to operate under law, or (ii) any personal property mutually agreed by those same parties to be transferred with said real property. Notwithstanding any contrary provision in or interpretation of section 15A of chapter 40 of the General Laws, the School Committee may transfer custody of 135 Shawmut Avenue to the City of New Bedford pursuant to a simple majority vote stating that said property is no longer needed by the New Bedford Public Schools.

SECTION 4. Notwithstanding sections 89(o) and (ff) of chapter 71, Alma del Mar Charter School shall receive tuition payments for the second campus in accordance with the March 12, 2019 memorandum of understanding by and between the City of New Bedford and its School Committee and Alma del Mar Charter School, as approved by the Commissioner of Elementary and Secondary Education.

SECTION 5. Notwithstanding any general, special, or local law to the contrary, the City of New Bedford need not commission an appraisal or solicit proposals before transferring 135 Shawmut Avenue to the Alma del Mar Charter School.

SECTION 6. This act shall take effect upon its passage, and shall be deemed to be repealed upon the termination of the March 12, 2019 memorandum of understanding by and between the City of New Bedford and its School Committee and Alma del Mar Charter School, as approved by the Commissioner of Elementary and Secondary Education.