

TO: School Committee

FROM: Dr. Anna Nolin, Superintendent of Schools,
Liam Hurley, Assistant Superintendent, CFAO,
Dr. Katy Hogue, Chief of Data and Research,
Sean Mannion, Director of Finance

DATE: April 26, 2024

RE: Follow up questions from School Committee on Inter-District School Choice Program

We look forward to discussing the Massachusetts Inter-district School Choice program with the School Committee at our meeting on May 6, 2024. This memo serves to prepare the committee for this meeting and includes our recommendations for the program, as well as follow up responses for questions asked during the discussion of School Choice on April 1, 2024.

Key Points about School Choice:

- 1. No negative impact to faculty/staff children: School Choice Benefits NPS Staff and Budget or Supports the Status Quo:** If School Choice is approved, faculty/staff children shall apply for available School Choice seats; if they receive a School Choice seat through the lottery, their enrollment in NPS is no longer contingent upon their caregiver's employment with the Newton Public Schools and they are eligible to attend NPS through graduation regardless of their caregiver's employment status. If they do not receive a School Choice seat through the lottery, they can continue to attend NPS through the contract benefit as long as their caregiver remains employed with NPS. Currently enrolled faculty/staff students will remain in their current school placement whether they are accepted through School Choice or through the contract benefit.
- 2. Special Education and Other Support Services (counseling, speech, occupational and physical therapy) for School Choice students are reimbursed at a higher rate than current special education reimbursement for services under the \$52,419 (for FY25) Circuit Breaker threshold for faculty/staff students.** If a student is accepted into School Choice through the lottery and receives special education services, the cost of these services is reimbursed by DESE based on DESE's special education cost calculator (based

on current faculty/staff students receiving special education services, DESE would reimburse 96% of these costs).

3. **Helps Keep Neighborhood Schools and Enrollment Stable:** School Choice would maintain our current school building portfolio while enrollment stabilizes/trends become evident post-covid. Enrollment has declined recently in elementary classrooms (due to birth rates, real estate trends, availability of affordable housing, and COVID matriculation scenarios) and has created challenges in school management, collaboration and student support. Adding incremental School Choice seats would allow us to maintain current enrollment trends, bring in revenue, and give the city time to decide if it will fund new buildings for Ward, Underwood and Peirce elementary schools.
4. **Class sizes will not be impacted negatively with School Choice given current class sizes and enrollment patterns (known as of April 30, 2024)** in the chosen school choice seats at the elementary level. Projected [elementary class sizes by building for next year can be found here](#) and are currently being monitored weekly based on current and incoming enrollments for this fall. In this way, **School Choice helps us bridge the gap between current declining enrollment and future further declines** (we are at a place where we cannot yet reduce staff, but may need to in the future). School Choice bridges our transition. School Choice can be closed any time, as a vote by the School Committee each year is required.
5. **School Choice Fills Holes When Well-Managed, It Doesn't Create Deficits:** The number of seats that will be open through School Choice will be determined to fill empty seats in existing classrooms. If School Choice is approved, **it will not be used to create new classrooms, but rather to fill seats within existing classes.** Seat availability by grade level is determined by the district and districts are not required to make seats available in every grade level. The Newton business and data offices have a strong handle on projections and inform school choice seats with authority.
6. **School Choice Vote Is Required by State Law:** The School Committee **must** vote on School Choice **every year**, per state law , G.L. c.76, § 12B. All public school districts in the state are presumed to participate in and to admit non-resident students through School Choice unless and only if a School Committee holds a public hearing on this issue and then votes to withdraw from the School Choice program prior to June 1st every year. The decision and vote by a School Committee to withdraw from School Choice is effective only for the following school year. The resolution on which the School Committee votes to withdraw from School Choice must contain the reasons for the

withdrawal. *The district has voted School Choice closed each year but has not, in recent decades, deeply discussed the program, nor has it had the required need for additional revenue generation from the city.* The decision to approve participation in School Choice for one school year (and admitting students pursuant thereto) does not necessarily mean that School Choice would be needed, available or supported in the next year, unless the School Committee chooses to continue the program and does not vote to withdraw the following year.

7. **School Choice is adaptive to a district's needs.** Because the vote is required each year by the state, any district seats need School Committee approval and are facilitated through professional administrators. **However, School Choice protects participant students who remain eligible:** any student who is accepted through the School Choice lottery in a year when it is available is able to attend NPS through graduation, if they so choose.

8. **How Popular will This Option Be?**

Currently, the district has an internal process for families who desire a transfer to a school other than the one to which they are residentially districted and a process for enrolling the children of staff. The School Choice program, if opened, would follow similar timelines. Those timelines would notify School Choice families that they are admitted to the district on July 1 but they would not know the school to which they would matriculate until August 1 of each year. Students who are already faculty/staff children who receive a School Choice seat through the lottery would remain in current placements. This later timeline for school placement and the commuting time will most likely be the major factors impacting whether School Choice in Newton is popular with the average regional parent.

Deterrents to people applying for School Choice seats:

The late notification of school assignment on August 1 may deter matriculating families. Other factors that may deter people from School Choice include moving friend groups after early elementary relationships have been established; the commute to and from school each day twice a day, traffic in and around Newton, geography of where their assigned school is relative to parent work or home, the reputation of the district, and/or the recent strike conditions.

Reasons people would apply for School Choice seats: these include the quality of teaching staff, the vocational education provided in-district, the quality of education and

programs, the breadth and range of special education programming and services in-district, geography, and/or the reputation of the district.

Possible School Choice applicants and acceptances, and the assumptions used to make these projections on how many families might sign up for seats are described in the financial and projection analysis below.

Recent Questions from School Committee members Parlikar and Fuller:

Questions and responses from and after the April 9, 2024 School Committee Meeting are listed below:

1. **Question:** Are we eligible for the additional special education cost reimbursement if a student enrolls in Newton through School Choice without any special education costs, but let's hypothetically say the student received an IEP plan after 3 years of being in Newton? Can we (Newton) submit for these services in the cost calculator form even though they had not received those services/costs in years past?

Response: FROM DESE: Yes, Newton would be able to submit for special education costs in any school year for School Choice students. Each year, DESE populates the form with School Choice students with special education codes in SIMS (you can add students). Then the district adds the cost of those services for that school year. It is a yearly form, so students may be on the form one year if they require services and not on the form another if they don't require services.

2. **Question:** Do the Special Education Cost Increments in the cost calculator go up every year? Are they tied to any annual COLA or inflation? See also, the below [analysis on incremental/marginal costs](#).

Response: FROM DESE: Yes, the special education increment rates are increased based on the workforce stability factor set by the Operational Service Division (OSD) on a yearly basis.

Here is the link [download \(mass.gov\)](#) which shows an 8.84% workforce stability factor increase in FY24. Please note, this is the same document that is used to set the increases for approved private special education schools.

Relative to student need for EL (English Language) or social worker services, the reimbursement for services depends on whether they are special needs or receiving related services that are covered in the cost calculator. As with our current resident

students, the need for social workers is unpredictable and not necessarily booked at a constant rate; however, an increase of students through School Choice would likely mean an increase in these services. For all of our students, the \$2,375 per student Chapter 70 funding does not cover their needs either; the goal with School Choice slots is to accept enough students to fill open slots in existing classrooms but not add to the typical burden of the system. We budget additional monies per pupil to address any and all potential marginal costs, which results in the \$25K per pupil cost listed on the DESE website. This does not mean, however, that all students use \$25k worth of additional services.

Note: Newton just raised its salaries in a new contract year and DESE has not yet revised its special education calculator reimbursement for hourly compensation, so, currently there is a discrepancy in hourly compensation reimbursements, but this may not long be the case. DESE reimburses for all hourly costs at a majority proportion.

3. **Question:** Can we recoup funding for staff children for Special Education costs?

Response: *Yes, our staff students are eligible for reimbursement through the special education increment rates if they are in the School Choice program. This would be additional revenue for Newton Public Schools as we are not collecting any reimbursement now until costs have surpassed the \$52,419 state circuit breaker threshold. If all staff students were accepted through School Choice, this would bring in an additional \$191,000 of reimbursement out of \$200,000 of actual costs (or a 96% reimbursement rate) that we are not collecting. Even though we are not assuming that all faculty/staff students will be accepted through the School Choice program, we still have the opportunity to claim for reimbursements that we currently are not eligible to receive reimbursement for those who are accepted..*

4. **Question:** *I know that those entering into School Choice have to provide their own transportation to and from our school each day, but what will this do to parents and the students who opt in? Should we provide it for them?*

Response: *It is true that School Choice opt-in parents must provide transportation. This is to avoid having the district bear responsibility for any transportation costs, which have gone up dramatically in the past few years. This protects the district and ensures that those matriculating have a plan for short term travel and support for these young people. It is also consistent with our policy for Newton students attending out of their assigned school district (school transfers), for whom we do not provide transportation. We have already signaled that we are accepting of this practice with Newton resident students and have done so for decades.*

5. *What are the lessons learned from other districts who participate in the School Choice program?*

Response: *There is no survey to ask this of participating districts each year, but answers from individual superintendents vary widely. Depending on the needs of the district, the lessons learned are quite different. When needed, the School Choice tool provides revenue, stability and recurring revenue options for financially strapped districts. It also allows us to provide stability for our staff in educating their children regardless of their status with us as educators (i.e., start in NPS but cannot finish there, but their children are attending), and allows us to stabilize for those whose life circumstances may require geographical and financial changes but a desire to remain in our school system.*

Three questions raised by a member of the public at the public hearing on April 30, 2024:

1. If a child who enrolls in NPS via School Choice and is not on an IEP, but NPS then deems the child eligible for IEP while here, when does the reimbursement kick in for those services?
 - a. **Answer:** in the year and the quarter that the child becomes eligible for special education, the reimbursement will begin.
2. Can a sending district of a child on an IEP who receives special education transportation limit the distance a child can travel?
 - a. **Answer:** (8) Transportation Services. The term transportation providers shall include the driver of the vehicle and any attendants or aides identified by the Team. The school district shall provide a qualified attendant on each vehicle that transports one or more students in need of special education, when such attendant is recommended by the Team in accordance with 603 CMR 28.05(5)(b).
 - (a) The district shall not permit any eligible student to be transported in a manner that requires the student to remain in the vehicle for more than one hour each way except with the approval of the Team. The Team shall document such determination on the IEP.
3. What if a child who lives far from Newton and is a School Choice student has an emergency or transportation fails to show up?
 - a. We address this situation now with staff children, children from other districts who tuition into our special education programs and METCO students. Like all students, families have emergency pick up contacts and those contacts are enlisted to support students along with their guardians/caregivers when there is an emergency.

4. Can there be objective criteria set to determine the success of the program if tried so that the decision to opt in/opt out can be informed by these criteria.

d. Answer: Yes, the committee could do this, although the School Choice program does not require this. School administration would want to evaluate the success of the program, student experience, enrollment impact, benefit or detriment, monetary impact, benefit or detriment, and feedback from receiving schools and families in the program.

Possible Enrollment Scenarios & Finances Analysis

In response to questions and comments about the financial impact of School Choice, a detailed analysis with specific assumptions was conducted for a variety of School Choice scenarios. The table below displays a summary of four possible scenarios, as well as the financial analysis for these scenarios. The following assumptions were made to conduct this analysis:

1. The majority of non-faculty/staff applicants will come from cities/towns that are 5 miles away or less. This assumption was made based on the School Choice experiences of Natick and Shrewsbury, and the fact that School Choice participants will be responsible for their own transportation to/from school. While it is likely that there may be a small number of applicants from towns farther than 5 miles away, the inclusion of the entire city of Boston as a potential applicant town in this analysis likely accounts for these applicants (see assumption 4 for more detail). This assumption narrowed the likely applicant towns to Boston, Needham, Waltham, and Watertown.
2. A variety of publicly available academic indicators was compiled for Newton and the four likely applicant towns, including MCAS achievement and growth data, graduation rate, dropout rate, stability rate (of student enrollment), average class size, and advanced course completion rate. These indicators for each likely applicant town were compared to Newton's and the assumption was made that students from towns that had less favorable data for these indicators would be more likely to apply, while students from towns that had similar or more favorable data for these indicators would be less likely to apply. This further narrowed down the likely applicant towns to Boston, Waltham, and Watertown.
3. The School Choice experiences of Shrewsbury and Natick were utilized to calculate a likely application rate for public school students from the likely applicant towns. To calculate the likely application rate, the number of eligible public school students in the surrounding towns during the latest year of School Choice for both Shrewsbury and Natick was calculated and compared to the number of actual applications each town

received. This application rate was 0.4% for Natick and 0.6% for Shrewsbury, indicating that less than 1% of the eligible students in surrounding towns applied for School Choice seats in these two towns. Only the most recent year was utilized due to the availability of data on the number of applications each town received.

4. The number of eligible students from the likely applicant towns for Newton (Boston, Waltham, and Watertown) was then calculated based on current year public school enrollment and is displayed in the table below as total potential students. The total potential students is based on the scenario in the table: an elementary only scenario includes only elementary-aged students from the likely applicant towns. Please note that the entire elementary public school student population from Boston is included in these totals, which is likely an overestimate, as it is unlikely that students from neighborhoods in Boston that are further away from Newton would apply given the commuting time and the requirement to provide their own transportation. However, this overestimate may account for applicants from towns further than 5 miles away in this analysis.
5. The rate of application for eligible students of 0.6% was used in the table below to calculate the estimated number of non-faculty/staff applicants from the potential applicant pool based on the experience of Natick and Shrewsbury. The table below displays the number of estimated non-faculty/staff applicants from the potential applicant pool, as well as the projected number of faculty/staff applicants (which is based on current year enrollment and faculty/staff applications for next year).
6. Estimates for the percentage of faculty/staff students with IEPs comes from current and historical data for faculty/staff students. Estimates for the percentage of non-faculty/staff students with IEPs comes from data from DESE on the number and percentage of School Choice students statewide with IEPs over the past three years. Estimates for the level of need for non-faculty/staff students with IEPs also comes from this DESE data. Over the past three years, slightly under 18% of students participating in School Choice across the state received special education services through an IEP; this is the same percentage estimated for faculty/staff students on an IEP. To be conservative, this analysis assumes that 25% of non-faculty/staff students accepted through School Choice will be receiving special education services through an IEP.
7. The average special education per pupil cost for non-faculty/staff students is estimated at \$8,014. This estimate was derived from the average special education per pupil cost for currently enrolled faculty/staff students and is utilized as a reasonable estimate for the average cost for non-faculty/staff students accepted through School Choice and

receiving services. The range of special education costs for individual students currently enrolled as faculty/staff students is \$404 to \$46,171 and the median is \$3,551.

8. Estimates for the reimbursement of special education costs from DESE come from an analysis of current faculty/staff students receiving special education services in Newton utilizing DESE's special education cost calculator. Based on this analysis, an average reimbursement of \$7,665 is estimated per current faculty/staff student with an IEP (special education costs for current faculty/staff students are not included in this analysis because NPS accrues those costs with or without School Choice). This results in a 96% reimbursement rate.
9. The estimated per pupil marginal cost (\$1,000) is based on the estimated marginal cost of filling an empty seat in an already existing elementary classroom. This is different from the average per pupil expenditure, which includes all of the costs required to run the district divided by the number of students enrolled. The per pupil marginal cost estimate looks at the cost of filling an empty seat in an already existing elementary classroom, and includes the cost of supplies, technology, field trips, fees, and curriculum, instruction, and assessment materials for a student. Please note that because we are not required to provide transportation for School Choice students, this number does not include transportation costs. The size of Newton and the number of schools provides flexibility for placement of School Choice seats to ensure that the placement of School Choice students does not require the addition of a new classroom.
10. Please note that the scenarios included in the table below differ only in the number of available seats. All other assumptions are consistent across scenarios.
11. The Chapter 70 program is the major program of state aid to public elementary and secondary schools in Massachusetts. It is important to note that School Choice students would not be included in the foundation enrollment for calculating Chapter 70. Currently, students of faculty/staff that attend Newton Public Schools are counted in our Chapter 70 enrollment. However, if the School Committee were to adopt School Choice, none of the faculty/staff students who are accepted through School Choice would be counted in the foundation enrollment. This would lower the expected increase in Chapter 70 funding by approximately \$2,375 per School Choice accepted faculty/staff student. Thus, the possible impact of 22 faculty/staff children accepted through School Choice in Scenario 3 (the recommended scenario) is -\$52,250 in overall Chapter 70 funding annually. Given the current hold harmless position from the State for Chapter 70, it is likely that Newton will continue to expect to see small increases (1-2.5%) in the

near to medium term on Chapter 70 funding regardless of School Choice decision, and if approved, School Choice would not have a significantly deleterious impact on already weak Chapter 70 increases.

Table 1 displays the results of this analysis for four possible scenarios, which vary only by the number of seats available at the elementary level. Based on this analysis, the recommendation is Scenario 3: **70 seats at the elementary level**. If spread across all 15 schools (school placement will be determined in August), this results in 4.7 School Choice students per school spread out over 6 possible grades. Please note that this total would include some currently enrolled faculty/staff students; assuming that 22 faculty/staff students are accepted through the lottery, this scenario results in an additional 48 students, which is 3.2 new School Choice students per school spread out over 6 possible grades.

***Scenario 3 results in a potential net cash increase of \$1,381,110 over five years for a one year opening of 70 School Choice seats (assuming all 70 students remain enrolled in NPS for five years).**

Table 1. **4 School Choice Elementary Scenarios.**

Key Assumptions:				
Available Seats:	Scenario 1	Scenario 2	Scenario 3*	Scenario 4
Elem	20	50	70	100
MS	0	0	0	0
HS	0	0	0	0
Applicant Pool (non-staff students):				
Total Potential Students	23,352	23,352	23,352	23,352
Application Rate	0.60%	0.60%	0.60%	0.60%
% Special Education Students (IEP):				
Non-Staff Students	25%	25%	25%	25%
Staff Students	18%	18%	18%	18%
IEP Costs:				
Avg IEP Cost of Staff Student	\$8,014	\$8,014	\$8,014	\$8,014
DESE Reimbursement Rate	95.7%	95.7%	95.7%	95.7%

Other:				
Marginal Cost per student (non-staff only)	\$1,000	\$1,000	\$1,000	\$1,000
Potential Ch 70 Impact per student (staff only)	\$2,375	\$2,375	\$2,375	\$2,375
Analysis Output:				
Applicant Pool:				
Non-Staff Applicants	140	140	140	140
Staff Student Applicants	64	64	64	64
Total Applicant Pool	204	204	204	204
Probability-Weighted Acceptance:				
Non-Staff Applicants	14	34	48	69
Staff Student Applicants	6	16	22	31
Base \$5,000 School Choice Tuition:				
Total	\$100,000	\$250,000	\$350,000	\$500,000
Special Education Reimbursement:				
Non-Staff Applicants	\$30,660	\$68,985	\$91,980	\$130,305
Staff Student Applicants	\$7,665	\$22,995	\$30,660	\$45,990
Total	\$38,325	\$91,980	\$122,640	\$176,295
Total Program Revenue:	\$138,325	\$341,980	\$472,640	\$676,295
Potential Loss of Ch 70 Funds (staff only)	\$14,250	\$38,000	\$52,250	\$73,625
Non-Staff Student Marginal Costs	\$14,000	\$34,000	\$48,000	\$69,000
Non-Staff Student Special Education Costs	\$32,056	\$72,126	\$96,168	\$136,238
Total Program Costs:	\$60,306	\$144,126	\$196,418	\$278,863
Forecast Net Cash Impact to NPS:	\$78,019	\$197,854	\$276,222	\$397,432
<i>% of Base \$5,000/student tuition</i>	<i>78.0%</i>	<i>79.1%</i>	<i>78.9%</i>	<i>79.5%</i>
Forecast Net Cash Excluding Ch 70 Loss:	\$92,269	\$235,854	\$328,472	\$471,057
<i>% of Base \$5,000/student tuition</i>	<i>92.3%</i>	<i>94.3%</i>	<i>93.8%</i>	<i>94.2%</i>

Recommended School Committee Action: The school administration—superintendent and finance team— recommends a small foray into the School Choice program to test the program for possible future continued administration and expansion.

A. Allow School Choice program opening in Newton.

Possible Motions:

A. **RECOMMENDED VERSION:** Vote to participate in the MA interdistrict School Choice program and allow 70 students to participate in School Choice at the elementary level.

B. **More detailed RECOMMENDED VERSION:** Vote to participate in the MA interdistrict School Choice program and allow 70 students maximum (additional increase of average 4.7 students per school, fewer if staff children are included) to enroll in School Choice grades K-5, the seats for which are determined by our summer placement procedures for out of district placement (current process for when families ask to transfer to other schools within district or when we place the children of staff).

B. Vote to opt out of the MA interdistrict School Choice program for the 24-25 School Year and provide reasons.

Previously shared documents:

As a review, here are the items previously shared with the school committee at meetings on January 8th, February 8th, February 26th, and April 1st with a public hearing on April 24th.

[Questions Already Asked by School Committee](#)

[DESE - Inter-District School Choice Program](#)

[Advisory on Inter-District School Choice Pursuant to G.L. c. 76, §12B](#)

[Advisory Memorandum on Financial Administration of the School Choice Program](#)

[DESE: Choosing a School: A Family Guide to Educational Options in Massachusetts](#)

 DESE School Choice FAQ's.docx

 School Choice MGL's.docx

 School Choice Program Administration Webinar October 2023.pptx

[DESE MA School Districts School Choice List 23-24](#)