

Town of Andover

Potential Impact of Proposed Charter High School (Steam Studio)

Estimate as of November 18, 2013

**Potential Impact of the proposed Charter School on the Andover Town and School Budgets.
Without Town "Bucket" Model**

Estimated Charter School Tuition 15,871 (Source - Steam Studio Charter Application)
 Estimated Andover student enrollment as % of total enrollment 70% (Source - Steam Studio Charter Application)

| | Charter Enrollment | Estimated Andover Enrollment | Charter Tuition | DESE Reimbursement Rate | DESE Reimbursement Amount | Increase to Andover's Expenses |
|--------|--------------------|------------------------------|-----------------|-------------------------|---------------------------|--------------------------------|
| Year 1 | 115 | 81 | 1,285,551 | 100% | 1,285,551 | - |
| Year 2 | 230 | 161 | 2,555,231 | 25% | 638,808 | 1,916,423.25 |
| Year 3 | 340 | 238 | 3,777,298 | 25% | 944,325 | 2,832,973.50 |
| Year 4 | 450 | 315 | 4,999,365 | 25% | 1,249,841 | 3,749,523.75 |
| Year 5 | 450 | 315 | 4,999,365 | 25% | 1,249,841 | 3,749,523.75 |
| Year 6 | 450 | 315 | 4,999,365 | 25% | 1,249,841 | 3,749,523.75 |
| Year 7 | 450 | 315 | 4,999,365 | 0% | - | 4,999,365.00 |

Assumptions:

1. If Andover's enrollment rate exceeds 70% of the total, Andover's expenses will increase proportionately.
2. Assuming that the tuition rate will increase from year to year, Andover's expenses will increase proportionately.
3. Subsequent decreases in the School or Town Budgets and the subsequent impact are yet to be determined.