

## Testimony from the New York City Charter School Center on the Executive Budget Proposal Fiscal Year 2023-2024

### NYS Legislature Joint Budget Hearing Of the Senate Committee on Finance And The Assembly Committee for Ways and Means February 8, 2023

The New York City Charter School Center (Charter Center) respectfully submits the following testimony regarding the FY 2023-2024 New York State Proposed Executive Budget (the “PEB”). The Charter Center, which provides technical support and advocacy on behalf of New York City (NYC) charter schools, thanks the Senate Finance Committee and the Assembly Ways and Means Committee for providing the opportunity to comment.

The New York State Charter Schools Act was passed by the Legislature almost 25 years ago, and in the 2022-23 school year there are 275 public charter schools operating in the five boroughs of NYC. These public schools educate an estimated 142,500 students, representing about 15% of public school students, of which 90% are Black/African American or Latinx. New York’s public charter schools are serving primarily low-income NYC families (80% are economically disadvantaged).<sup>1</sup>

More and more NYC families continue to choose charter schools as the right public school for their children. In the 2021-22 school year, 37% of NYC’s Black kindergarteners (enrolled in a public school) enrolled in a public charter school. Charter school enrollment growth during the pandemic has increased 8.2% between the 2019-20 and 2021-22 school years (enrollment numbers for 2022-2023 school year have not been released by New York State Education Department (NYSED)), even as the NYC district schools have seen historic drops in enrollment (9.1% drop in the same time period).<sup>2</sup> Differences in enrollment between district and charter schools are even more stark in certain areas of NYC.<sup>3</sup> For example, in the Bronx charter enrollment has increased 18.1% between 2019-20 and 2021-22. In this same period, district schools in the Bronx have lost 11.6% of students. Charter schools may well be part of what keeps families in NYC.

In addition, charter schools continue to provide a higher quality education than many students would otherwise receive. The recent 2022 Math and ELA 3-8 test scores confirmed that students in charter schools experience higher rates of proficiency than their district counterparts. In ELA, Black and Hispanic charter school students

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<sup>1</sup> Figures based on NYSED Enrollment Data for 2021-22 School Year available at <https://data.nysed.gov/downloads.php>.

<sup>2</sup> *Id.*

<sup>3</sup> See New York City Department of Education data, available at <https://infohub.nyced.org/reports/school-quality/information-and-data-overview>.

outperformed district students by 19 percentage points (55% vs. 36%), and 15 percentage points (52% vs. 37%), respectively. In math, Black and Hispanic charter school students outperformed their district counterparts by 25 percentage points (46% vs. 21%), and 19 percentage points (42% vs. 23%), respectively. The rates of proficiency become even more pronounced if you look at achievement in the Bronx: 55.6% of Bronx charter school students scored proficient on the 2022 NYS ELA exam, while only 33.2% of Bronx district students scored proficient. In Math, there is a similar gap with 48.9% of Bronx charter school students scoring proficient on the 2022 NYS Math exam, while only 20.9% of Bronx district students scored proficient. Bronx charter school performance remains significantly higher than their Bronx counterparts and Bronx charter schools continue to enroll some of the city's most historically underserved populations: 94.4% are Black or Hispanic, 17.3% are students with disabilities, and 12.2% are multilingual learners.

Since 2019, neither statewide authorizer has been able to provide authority for groups to open a new charter school. This simply doesn't make sense as so many NYC families are continuing to choose charter schools and charter schools continue to achieve higher proficiency rates in math and ELA. The Charter Center strongly supports the two proposals in the Governor's PEB regarding the charter cap. First, closed/revoked charters should be reissued; under the Governor's proposal the 23 schools that have closed since July 1, 2015 could be reissued by the statewide authorizers. This proposal would also allow all revoked charters to be reissued in perpetuity, effectively making the cap a marker of how many schools can operate at any one time rather than counted by charters issued. As authorizers close unsuccessful charter schools, new qualified replicators and community-based groups could open charters. This is the very definition of sound public policy and setting appropriate incentives.

The Governor's PEB also provides elimination of the geographic boundary on charters. Currently, there are 84 charters that are available for siting in upstate districts. This proposal would just level the playing field so that authorizers could site charters in any district in New York State. This proposal, if passed, would not mean that 84 charters would open in NYC in the near future. It takes many years for charters to plan for a new school opening. In 2019, there were 11 teams interested in opening, but were unable to open because the NYC sub-cap had been reached. In the intervening years, the Charter Center has heard from several community based teams that were interested in starting a charter school in NYC or were interested in replicating their successful model. There is a clear need for more charters in NYC, but integration into the larger public school system would build slowly as it has over the last 25 years. And, of course, some of the slots would be used by groups opening schools in the rest of the state.

It is nothing more than a myth that charter schools drain resources or cost the district a disproportionate amount of public aid. A NYC student attending a charter school receives much less public funding than their New York counterparts in district public schools. The most recent Independent Budget Office of New York City (IBO) analysis found that NYC charter schools were underfunded between more than a \$1,000 to up to almost

\$5,000 per student.<sup>4</sup> The magnitude of the disparity differs depending on whether the school is co-located, receives rental assistance, or no rental assistance. There has not been an updated comparative analysis of New York City's funding for district and charter schools since the new charter school tuition formula was passed in 2017. There is nothing in the funding trends since 2017 to suggest that gaps have gotten smaller; if anything, they are likely to have increased, particularly for students that receive no rental assistance. Absent an updated analysis it is impossible to ascertain the precise per pupil dollar figure needed in order to bring the public support/funding levels in line.

With respect to the students that receive no rental assistance, these students are the most underfunded public school students in New York City. The initial 2014 Facilities Access Law (Education Law Section 2853(3)(e)) provided co-locations or rental assistance to all new charters or charters with expanding grades in the 2014-15 school year and beyond. While this legislation has been instrumental in supporting NYC charter schools, there are approximately 30,000 charter students (attending over 70 schools) who are not eligible for such funding. As such schools that serve these students must divert a significant portion of their per-pupil allocation to rent. The most recent IBO analysis estimates charter students that do not receive rental assistance or co-located space are underfunded \$4,863 compared to district students. Charter schools are already the most under-funded public schools in NYC – the charter schools that don't receive rental assistance are left even further behind. The 2024 budget should provide some funding to these schools, with these students receiving a percentage of the total maximum amount of rental assistance and such percentages increasing in future years on a set schedule.

There is nothing in the PEB that will erase the disparities that make NYC charter schools the least well-funded public in schools in NYC by thousands of dollars on a per pupil basis. NYC district students are categorically better funded and will remain so under this proposal. Charter school students will receive a modest 3.3% increase in per pupil funding compared to a 12% increase in foundation aid for district schools. The Charter Center continues to support the formula because it provides increases to charters that are based on district expenditures. The Charter Center also supports the Legislature studying the disparities that exist and move in the coming years to erase them.

Lastly, the Charter Center is also supportive of the Public Education Racial Equity and Diversity Act (READ Act, S9225(2022)) that was drafted by a group of charter school leaders of color that make up the Black Latinx Asian Charter Collaborative (BLACC). The READ Act proposes to lift the NYC sub-cap but has a much broader reach. It seeks to promote equity in educational leadership and increase the number of educational leaders from historically underrepresented communities. This proposal demands careful consideration, and the Charter Center fully supports the charter leaders that are providing solutions for and highlighting these disparities that exist in all public education.

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<sup>4</sup> See *With State Formula for Charter School Funding Likely to Change, City Costs to Grow More Than Budgeted*, March 2017, available at <http://www.ibo.nyc.ny.us/iboreports/with-state-formula-for-charter-school-funding-likely-to-change-city-costs-to-grow-more-than-budgeted-march-2017.pdf>.