



NEW YORK STATE SENATOR

Andrea Stewart-Cousins

Senate Democrats Urge Transparency And Accountability For Charter School Funding

ANDREA STEWART-COUSINS June 13, 2017

| ISSUE: **EDUCATION**



Albany, NY - The Senate Democrats today rolled out legislation to provide enhanced transparency and accountability of charter schools. Senate Bills.6578, sponsored by Senator Brad Hoylman, will implement a series of common sense regulations and guidelines for charter schools to adhere to. This legislation recognizes that charter schools currently run with nearly no oversight or transparency, despite the fact that they serve thousands of New York students and operate in part with taxpayer money.

“Every New York State school, public, private or charter, has a responsibility to educate our students,” Senate Democratic Leader Andrea Stewart-Cousins said. “Schools which receive taxpayer money and accreditation must be held accountable to guarantee they are truly serving New York students. The Senate Democratic plan will help ensure charter schools are more transparent, and I commend Senator Brad Hoylman for advancing this common sense legislation.”

Bill Sponsor, Senator Brad Hoylman said, “Charter schools are public schools. Therefore, it's important that our laws have sufficient oversight and transparency mechanisms in place to ensure that parents, elected representatives and the general public have confidence in their crucial role in educating our kids.”

During this current school year, New York State has 267 operating charter schools serving approximately 92,000 students, yet these charter schools are not subject to many of the same requirements as public school districts. One stark difference is that while charter schools have no limit on the amount of private funds they can amass, public school districts are bound by a 2% tax cap that limits local revenue. Recent audits have shown that charter schools held \$395 million in cash and \$451 million in unrestricted net assets at the close of 2015. Unrestricted net assets, which can be used to fund programs or pay rent, grew by \$93.5 million from 2013 to 2015. While public schools continue to struggle, charter schools have been able to hoard funds which could be used to invest in students, educators, special programming, and facilities.

Another source of concern is the fact that charter schools are currently able to select the students they want to enroll, which has led to major disparities between them and public schools. In 2015-16, traditional public schools outside of New York City enrolled 12.6% of English language learner (ELL) students, while charter schools only served 4.2%. Traditional public schools also served 17.4% of students with disabilities, while charters only served 9.5%.

These glaring differences demonstrate the need for accountability and reform.

To help address all of these issues, Senate Bill S.6578, sponsored by Senator Brad Hoylman will provide enhanced transparency and accountability for New York taxpayers by implementing regulations for charter schools on enrollment targets, discipline policies, compensation plans for executive and financial backers, as well as other operations. Some of highlights of this legislation include proposals to:

- Require charter schools connected with non-profits to specify the extent of the company's participation in the management and operation of the school;
- Require charter schools to disclose executive compensations as well as all loans or gifts received over one thousand dollars;
- Limit the charter executives' salaries to \$199,000 annually, with limited exceptions;
- Require charter schools to disclose regular financial statements outlining the assets of the school and, if applicable, any of its affiliated corporate/business entities, valued over one million dollars;
- Require charter schools that request co-location to demonstrate that the school does not have the financial capacity to procure adequate facilities. Charters with assets that are valued at over one million dollars would be ineligible to be offered co-located or private space;
- Limit the time a charter school may be offered private space at no cost to three years and limit rental aid payments to six years; and
- Require charter schools to admit and retain an equal or greater enrollment of ELLs, students with disabilities, and free lunch recipients compared to the district's public school enrollment.

Under this common sense legislation advanced by Senator Brad Hoylman and supported by the Senate Democrats, charter schools will simply be held to similar standards imposed on New York's public education schools. Imposing restrictions on how these facilities operate will help ensure all students receive the quality education and investment they deserve. This bill would provide overall greater transparency and accountability of charter schools, and protect New York students and tax dollars.

For more information about Senate Bill S.6578, please visit:

<https://www.nysenate.gov/legislation/bills/2017/s6578>

United Federation of Teachers President Michael Mulgrew said, "Parents and taxpayers deserve to know how charters spend public dollars and to know that students are the real beneficiaries, not an afterthought. Charters have to be more accountable on everything from admissions and enrollment to discipline and finances. They need to show that they are about educating all children, not just about raking in more tax dollars."

NYSUT President Andy Pallotta said, "NYSUT supports this bill's approach to ensuring that charter management serves all students equally. Too many charters now exclude students with special needs; those who are homeless and those who are still learning English. That is wrong. If charters are public schools, they should be required to serve all students – just like regular public schools."

Senate Democratic Deputy Leader Michael Gianaris said, "Standing up for New York students is one of Senate Democrats' top priorities. I applaud Senator Hoylman for his common sense legislation to require all schools to meet the same standards. The Senate Democratic Conference will keep fighting to ensure all New York students receive the quality education they deserve."

Senator John E. Brooks said, “A promising future for New York’s children requires a fair playing field for all students. This bill will provide the guidelines and transparency necessary to hold all schools to similar standards; and reassure New Yorkers that the portion of their tax dollars invested in education is allocated with common sense and accountability.”

Senator Leroy Comrie said, “I believe it is fundamental that we work to ensure that public money being spent on education is being spent equitably and transparently. Charter schools do not deserve any unfair advantages over our public schools, and they certainly cannot be allowed to serve disproportionately low numbers of ELL students or students with disabilities. I thank Senator Hoylman for his leadership on this issue and stand firmly in support of a fair educational system for all New York students.”

Senator Tim Kennedy said, “All of our children deserve access to a quality education, and the tools and resources they need to succeed. With this legislation, we’re simply seeking to create more transparent regulations for charter schools across New York, and ensure that any investment made is one that is truly benefiting our students. I stand alongside my Democratic colleagues to demand more accountability in these schools, and echo their call to put students first.”

Senator Roxanne J. Persaud said, “Our students deserve a vigilant government to ensure they receive the education and support they deserve. This legislation will help level the playing field to provide more transparency, parity and accountability to schools currently receiving taxpayer funds, but with limited government oversight. I will continue to fight so that all students, regardless of where they attend classes, have access to a high quality education.”

Senator Gustavo Rivera said, “As recipients of taxpayer money, charter schools should operate under similar guidelines and regulations as our public schools. I applaud the efforts

of Senator Hoylman for putting forth these common sense proposals that will rightfully increase transparency and accountability on schools that serve thousands of students across the State.”

Senator James Sanders Jr. said, “I fully support this legislation which will increase oversight and transparency with regard to charter schools. This is especially important since charter schools serve thousands of New York students and are partly funded by taxpayer money. The common sense guidelines put forth in this bill will, among other things, bring about much needed accountability and reform. It will also help reduce the disparities among certain students who are enrolled in traditional public schools opposed to charter schools, like English Language Learners (ELL) and the disabled.”

Senator Toby Ann Stavisky said, “Holding charter schools to similar standards placed on public schools is common sense. As a former educator and ranking member of the Higher Education Committee, it is important for the 92,000 students and their parents to be assured that the education they are being given is a quality one. If these schools continue to accept public funds, we need to ensure they are indeed serving the public. I want to thank my colleague Senator Brad Hoylman for sponsoring this key legislation that will protect thousands of children.”

RELATED LEGISLATION

2017-S6578

-
- Introduced

- ○ In Committee Assembly
 - In Committee Senate

- ○ On Floor Calendar Assembly
 - On Floor Calendar Senate

- ○ Passed Assembly
 - Passed Senate

- Delivered to Governor

- Signed By Governor

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Relates to charter schools

June 05, 2017

In Senate Committee [Education](#)

Sponsored by [Brad Hoylman-Sigal](#)

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