

# NEW YORK STATE EDUCATIONAL CONFERENCE BOARD



## The Impact of Charter Schools on Traditional Public Schools

The New York State Educational Conference Board (ECB), a membership organization comprised of New York State's seven leading educational organizations collectively representing parents, classroom teachers, school-related professionals, school boards, building administrators, superintendents and school business officials are united in calling upon the Governor and the Legislature to take action to address the devastating impact of the poorly designed charter school approval process, flawed funding system and lack of adequate oversight and accountability on traditional public schools.

Central to our work is the belief that every child deserves a quality education and, to that end, we have and continue to support parental school choice, including the charter school option. With few exceptions, charter schools have failed to deliver on the promise that they would be models of innovation and foster dramatic increases in student achievement. Instead, the unchecked proliferation of charter schools in some of the State's neediest communities is placing a near impossible burden on traditional public schools and the children they serve.

We urge the Governor and the Legislature to come together to adopt the following changes to address the inequities and stymie the damage being done.

### **Approval and Expansion**

#### **Grant the Board of Regents Exclusive Authority to Issue or Renew Applications**

- The Board of Regents must be designated as the sole authorizing authority for approval of new or expansion of existing K-12 charter schools. The State University of New York (SUNY) has repeatedly failed to adequately evaluate charter school applications prior to charter issuance. Furthermore, they have exploited loopholes in the charter school statute by providing renewals that far exceed existing statutory limits.

#### **Limit Growth in Saturated Communities**

- The State must prohibit the expansion or approval of charter schools in saturated communities where charter school enrollment already exceeds five percent of the total district-wide public school enrollment. These municipalities are experiencing significant fiscal hardship brought on by the proliferation of charter schools. Further charter school expansion will drain critical resources and erode efforts to ensure all children are afforded a chance to succeed.

## **Close the Grade Expansion Loophole**

- Charter schools must be prohibited from moving forward with grade level expansions outside of the division they currently serve. Such additions are clearly designed to circumvent the existing approval process for new schools and run contrary to the intent of the law and the associated caps.

## **Fiscal Considerations**

### **Provide Current Year Reimbursement for Supplemental Tuition Payments**

- The State must reimburse school districts for supplemental charter school payments in the year payments are made. It is burdensome for school districts to advance payments to charter schools on behalf of the State and to wait until the subsequent school year for reimbursement. In many cases, districts faced with limited reserves and cash flow challenges are forced to engage in short-term borrowing to cover such expenses, thereby incurring interest costs and redirecting scarce resources that would be better spent in the classroom.

### **Require Independent Oversight of the Charter School Dissolution Process**

- The State must appoint an independent authority to oversee the charter school dissolution process. On more than one occasion, charter schools have ceased operation with documented substantial assets that have never been accounted for. The process must be adjusted to ensure these resources are returned to the school districts from which they were derived.

### **Require Charter Schools to Bill School Districts in a Timely Fashion**

- The charter school statute must be amended to require charter schools to bill school districts in a timely fashion. In some cases, charter schools are severely delinquent in their billing. This places an undue burden on school districts who are unable to accurately budget for charter school tuition payments. Furthermore, charter schools should be required to immediately refund excess payments for students returned to traditional public schools mid-year.

### **Establish Limits for Charter School Reserves**

- Charter school reserves must be limited. Current statute places no restrictions on the reserves charter schools may retain. As a result, many charter schools have reserves on hand that are in excess of 50-150 percent of their total annual operating budget. Charter schools should be prevented from receiving additional payments until they have spent down these excess funds.

## **Create a Process for School Districts to Recoup Excess Payments**

- The State must establish a statutory mechanism for school districts to recoup excess charter school payments. Charter schools should not be permitted to retain public funds they are not entitled to merely because the current law does not provide a system for repayment of overages.

### **Oversight and Accountability**

## **Hold Charter Schools Responsible for Enrollment and Attendance Data**

- Charter schools must be required to regularly certify and report enrollment and attendance data, including verification of the school district of residence, to school districts and the State Education Department to ensure that charter school payments reflect accurate pupil counts. It is unreasonable to place this administrative burden on school districts.

## **Require Charter Schools to Serve All Students**

- Charter schools failing to comply with statutory requirements to attract a diverse student body that mirrors that of the traditional public schools should not be allowed to remain in operation. Charter schools are public schools and are obligated to provide enhanced learning opportunities for all students.

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