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**THE LEAGUE
OF WOMEN VOTERS**
of New York State

**JOINT LEGISLATIVE PUBLIC HEARING
ON 2022-23 EXECUTIVE BUDGET PROPOSAL
ELEMENTARY AND SECONDARY EDUCATION
JANUARY 26, 2022**

Good afternoon. I am Marian Bott, Education Finance Specialist for the New York State League of Women Voters.

This brief testimony is on the topic of the aid to our state's charter schools. The League holds a neutral position with respect to these schools and has no position on the cap. However, the League does follow trends in resource allocation between the two sub-sectors and (charter and non-charter) and has some observations about this year's allocation.

In 2020, a law was passed pertaining to paragraph A, subsection 2 of section 2856 of the Education Law of New York State. I am attaching excerpts from the NYSED website^{1 2} which more fully explain the context. Charter schools in any specific school district receive tuition reimbursement for the lesser of the result of two calculations, one having to do with the school district's Annual Operating Expenses, and the other having to do with its Total General Fund Expenses. Normally, the operative calculation is the one relating to Annual Operating Expenses.

Note that for 2021-22, the "haircut" factor of .945 on Annual Operating Expenses was eliminated. So, for example, before 2021-22, if a school district's Annual Operating Expenses in the recent past had averaged \$15,000 and that provided the basis for the charter school tuition for that school district, the actual charter tuition calculation for the "lesser of" would be .945 of \$15,000 or \$14,175. So, the school district's obligation to the charter schools would be \$825 less than the Annual Operating Expenses. This year's budget continues this law's impact. By comparison, after many years of advocacy for increased Foundation Aid for high-needs districts

¹ https://stateaid.nysed.gov/charter/html_docs/charter_2122_def.htm;

² https://stateaid.nysed.gov/charter/html_docs/charter_2021_def.htm

including New York City, this year's incremental Foundation Aid per pupil is roughly half of that amount.

Total Charter School Aid Charter schools in New York City, in the Executive Budget, are increased in 2022-23 from \$2.6 billion to \$2.9 billion; this aid supports an estimated 130,000 students – this increase amounts to \$300MM/130,000 or \$2,300 per student. Total Foundation Aid in New York City is increased in 2022-23 to \$346MM³; this supports the remaining 890,000 students who are not in charter schools as well as the charter school students. Thus, depending on whether you assume it supports just the students in non-charter schools or all students, given a New York City estimated enrollment of 1,023,000, this increase amounts to less than \$400 per student.

Another observation is that Charter School Transitional Aid, for which the League lobbied in the early 2000s, was put into law excluding New York City. It applies to any school district for which the percentage of charter schools exceeds 2. Today, with perhaps 15% of students in charter schools, New York City continues to receive no Charter School Transitional Aid.

As to Facilities Aid, this year's budget grants a \$48 million increase in aid to Charter School Facilities. It is not clear how this compares district by district to Building Aid increases so it is difficult to assess whether this is a fair resource allocation of facilities aid. We would recommend that your committees make further inquiry as and when appropriate.

As a policy matter, it appears that both the prior year's budget and this year's Executive Budget are very favorable toward Charter Schools. The question is whether the balance between the two sectors is being maintained both in terms of Operating Aid and in terms of Facilities aid.

If you have questions about this testimony, I may be contacted at sydneymab@aol.com.

³ See Executive Budget Backup Runs, DABTD1, Column AA

Attachment to Testimony by Marian A. Bott, League of Women Voters

2020-2021 Definition of Charter School Basic Tuition and Supplemental Basic Tuition

Pursuant to paragraph (a) of subdivision 1 of section 2856 of the Education Law, as amended by Chapter 56 of the Laws of 2020, total 2020-21 Charter School Basic Tuition to be paid to charter schools is the lesser of:

(A) the 2019-20 Charter School Basic Tuition times a multiyear Approved Operating Expense (AOE) Growth Factor derived from the average of three year-to-year quotients in the school district's AOE (starting from aid years 2015-16 to 2016-17 and ending with aid years 2017-18 to 2018-19) times 0.945.

2021-2022 Definition of Charter School Basic Tuition and Supplemental Basic Tuition

Pursuant to paragraph (a) of subdivision 1 of section 2856 of the Education Law, as amended by Chapter 56 of the Laws of 2020, total 2021-22 Charter School Basic Tuition to be paid to charter schools is the lesser of:

(A) the 2020-21 Charter School Basic Tuition times a multiyear Approved Operating Expense (AOE) Growth Factor derived from the average of three year-to-year quotients in the school district's AOE (starting from aid years 2016-17 to 2017-18 and ending with aid years 2018-19 to 2019-20).