

Testimony from the New York City Charter School Center on the Executive Budget Proposal Fiscal Year 2024-2025

NYS Legislature Joint Budget Hearing Of the Senate Committee on Finance And

The Assembly Committee for Ways and Means February 1, 2024

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 (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 25 years ago, and in the 2023-24 school year, there are 274 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).¹

More NYC families continue to choose charter schools as the right public school for their children. In the 2022-23 school year, 37.3% of NYC's Black kindergarteners (enrolled in a public school) enrolled in a public charter school. Charter school enrollment growth for grades K to 12 increased 8.6% between the 2019-20 and 2022-23 school years (enrollment numbers for 2023-2024 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 (11.6% drop in the same time period).² Differences in enrollment between district and charter schools are even more stark in certain areas of NYC.³ For example, in the Bronx charter enrollment has increased 24.5% between 2019-20 and 2022-23. In this same period, district schools in the Bronx have lost 16.0% of students.

¹ Figures based on NYSED Enrollment Data for 2022-23 School Year available at <https://www.p12.nysed.gov/irs/statistics/enroll-n-staff/home.html>.

² *Id.*

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

In no way coincidental to the above enrollment trends, charter schools continue to provide a higher quality education than many students would otherwise receive. The 2023 Math and ELA 3-8 test scores confirmed that students in charter schools experience higher rates of proficiency than their district counterparts.⁴ In ELA, Black and Hispanic charter school students outperformed district students by 19 percentage points (59% vs. 40%), and 16 percentage points (55% vs. 39%), respectively. In math, Black and Hispanic charter school students outperformed their district counterparts by 27 percentage points (61% vs. 34%), and 25 percentage points (61% vs. 36%), respectively. The rates of proficiency become even more pronounced if you look at achievement in the Bronx: 59.1% of Bronx charter school students scored proficient on the 2023 NYS ELA exam, while only 37.0% of Bronx district students scored proficient. In Math, there is a similar gap with 62.7% of Bronx charter school students scoring proficient on the 2023 NYS Math exam, while only 33.9% 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: 87.4% are economically disadvantaged, 94.3% are Black or Hispanic, 17.7% are students with disabilities, and 12.2% are multilingual learners.⁵

The statutory formula set forth at Education Law 2856(1) will determine the per pupil tuition amount that charter schools will receive during the 2024-25 school year. While we support the underlying rationale of the funding formula, which ties charter school funding to changes in district expenditure over a running three-year average, it is imperative to remember that New York City charter school students remain underfunded compared to district students. The most recent Independent Budget Office of New York City (IBO) analysis, conducted in 2017, found that NYC charter schools were underfunded between more than \$1,000 to up to almost \$5,000 per student.⁶ The magnitude of the disparity differed on whether the school was co-located, received rental assistance, or no rental assistance. For example, a charter school operating without rental assistance that enrolled 500 students would have received almost \$2.5 million less than a comparable district school. 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. However, 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 who 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. It is unconscionably large. The Charter Center has requested that the

⁴ 2023 Math and ELA grades 3-8 test score data is publicly reported by the New York State Education Department (<https://data.nysed.gov/downloads.php>) and the New York City Department of Education (<https://infohub.nyced.org/reports/students-and-schools/school-quality/information-and-data-overview>).

⁵ NYSED Enrollment Data for 2022-23 School Year available at <https://data.nysed.gov/downloads.php>.

⁶ 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>.

IBO redo their study and we would support the Legislature studying the disparities that exist. More importantly we strongly support legislative efforts in the coming years to erase those gaps altogether and urge that this be done with all deliberate speed.

With respect to the students who 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 27,000 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 2017 IBO analysis estimated charter students who do not receive rental assistance or co-located space are underfunded by \$4,863 compared to district students. Again, there is every reason to believe that gap has increased some eight years later. The 2025 budget should provide rental assistance to all charter schools students. Recognizing the current fiscal challenges, we support a phase in of that funding over the next several years.

Lastly, the Charter Center supports the funding request from the New York State Education Department for funding for the Charter School Office (\$1.7 million). New York's strong charter school sector depends on strong regulators (authorizers), including the Board of Regents, SUNY Board of Trustees, and New York City Department of Education. NYSED needs this critical funding to ensure they can maintain services and staff that were previously funded by an expiring federal grant.