

**NASSAU-SUFFOLK  
SCHOOL BOARDS ASSOCIATION**

**REPORT ON FINANCIAL IMPACT  
OF CHARTER SCHOOLS  
ON  
LONG ISLAND SCHOOL DISTRICTS**

**PRESENTED TO THE  
NEW YORK STATE ASSEMBLY MEMBERS  
NASSAU DELEGATION**

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**There is little else that can develop an immediate pang of apprehension in a suburbanite's life than a notice reading "Coming Soon to a Vacant Property in Your Community"! Could it be a toxic waste dump, an adult entertainment business, a mega, mega mall which the citizens will have to confront?**

**Actually, if it is any of these or any other undesirable intrusion into the community's quality of life, homeowners and taxpayers have the power to rally many forces to defeat or modify most negative proposals and projects.**

**Not so, if the notice indicates that it is a charter school which has decided to locate in your community because of an available building, because of perceived public dissatisfaction with its schools, or because of a central location to which it can draw students from a broad spectrum of surrounding districts.**

**New York State's Charter School Legislation has left communities, voters and taxpayers virtually powerless to forestall a profit-making charter school's ability to raid the hard-earned dollars Long Islanders have designated for their schools. Yes, a number of Nassau and Suffolk towns and villages have already spent months in rallying opposition to attempts to impose charter schools upon them. For the most part, however, those applications were denied because of deficiencies in the charter proposals. New York State has removed from local taxpayers the right to determine who will be responsible for the education of all of the community's children and how much the community will spend to do so. It has vested this power in the hands of either a non-elected Board of Regents or a non-elected Board of SUNY Trustees.**

**While there continues to be ongoing debate and discourse on the philosophy behind and the educational quality of charter schools, it is the issue of Long Island's local tax revenues being taken from our schools and being given to profit-making companies selected by political appointees to which this presentation speaks.**

**The relationship between the delivery of a quality educational opportunity and the cost of doing so is nowhere more apparent than in the smaller school districts throughout the State. This is particularly true on Long Island where a demanding public is annually confronted with the reality of supporting its schools during the annual budget vote. For community members and parents, there are two key questions on issues of educational funding and spending..."What is this going to cost me?" and "How will this affect the educational services our children need?"**

**It is for this reason that the immediate public reaction to the imposition of a charter school into its community usually focuses on these two issues. Indeed, it is the usurping of local and state aid funds and the impact this will have on taxes and programs that have generated the initial outrage in the Long Island communities which have had to confront a charter application.**

**As written, New York's legislation threatens the fiscal stability of small suburban districts and can undermine public support for school budgets which are forced to forward education dollars to for-profit companies which are not held directly accountable to the voters.**

## **WHAT WILL IT COST?**

**The oft-stated premise that it is the educational cost that follows the child departing the district schools is belied by the facts:**

**Experience with Long Island's first charter school shows that the population of the charter school has not come from the public school but has transferred from private and parochial schools. Therefore, the community is paying for students who were never part of the school budget in the first place....the "savings" to the district are nil.**

**The funding for charter schools is derived from a formula based on a portion of K-12 spending. The per-pupil base from which the State decides the amount of money which will be taken for each charter student comes from a proportion of the average Approved Operating Expenditures (AOE). The AOE is computed on a K-12 per pupil expenditure which includes many budget items which are not directly attributable to an individual student or classroom. It also includes the district's substantial outlay for the cost of special education needs. The cost of educating secondary students is substantially higher and a K-12 allotment means greater profit to a charter school which has limited itself to serving only early elementary grades and those students who require less costly services. This bias in funding in favor of the charter schools results in an additional unfair burden being placed on the school district and the community responsible for providing financial support.**

**In addition to forwarding the per-pupil payment, New York State directs that charter school attendees be treated as private and parochial students when it comes to transportation, textbooks library material, computer software and health and welfare services. Funding for these will be an additional outlay from the school budget.**

**Transfer of our public school funds based on these previous two issues often results in a district sending more per-pupil funding to a charter enterprise than it spends on each of its remaining pupils.**

**A board of education facing a multi-million dollar loss of revenue will be forced to make some very tough budgetary decisions and most likely will have to curtail educational investment in order to gain the public's support. With no ability to designate or separate out a "charter school tax", the charter school costs will rise disproportionately and unnoticed within a district's budget and potentially jeopardize voter approval.**

**It is likely, also, that state funds which flow through district's accounts to the charter school will eventually be confused with state aid to its schools.**

**The calendar for charter approval and the lack of a requirement for timely and accurate information on pupil enrollment will impact the ability of a Board of Education to develop an appropriate budget proposal for its community.**

**New York's law mandates that payments be made to a charter school based on their estimates of projected enrollment. There is no mechanism for the school district to get timely verification prior to releasing public funds.**

**The schedule of payments from public schools to charter schools (six equal payments starting in July) is "out of sync" with state aid payments and tax revenues. Districts may be forced to borrow to meet these obligations and those which are heavily dependent on state aid will again be disproportionately affected. The costs of this borrowing must be absorbed by the district; they cannot be passed onto the charter school.**

**The for-profit status granted charter schools enables the bottom-line of profit to drive the educational program. In addition, the ability of the charter entity to contract with its own supply companies provides an even greater margin of profit by enabling them to charge back to the charter school trustees purchases procured at highly inflated rates.**

**Parents dissatisfied with the charter school have the right to re-enroll their children in the district school at any time. These re-entrants are not accompanied by the funds which went with them to the charter entity.**

**It has become apparent that the exit of students from a district school will not lower expenses in any significant fashion. Administrative and teaching positions will not be eliminated, heating and maintenance costs will not be affected, equipment purchases will not be reduced.**

**New York State has capped budget increases in districts which have failed to get voter approved budgets, thereby curtailing spending. However, the monies designated to go to charter school entities remain inviolate.**

## **WHAT WILL IT MEAN TO OUR STUDENTS?**

**Although it is difficult to make assumptions as to which students might possibly opt out of the district school, it is likely that those students most in need of services and who require a greater proportion of funding could be left in schools with diminished funds to provide for their needs.**

**The local and state funds that will leave the district schools will reduce the dollars left for those students who remain.**

**The intent of the Governor and Legislature in drafting this legislation may have been to address failing urban schools in the belief that funding would shift from one public school to another with a charter and be ultimately unnoticed within the vast sums of city budgets. It is very different in school districts where every expenditure is scrutinized by a public which must grant its approval and where local resources have been stressed for the past decade. It is these districts...Long Island**

**districts...whose budgets are vulnerable to the loss of revenues and the consequent loss of public confidence. New York State's forced withdrawal of community funds from community control threatens the decades of investment these communities have made for their children.**