

To: School Leaders

From: New York City Charter School Center

Date: April 1, 2016

Re: Provisions in the 2016-17 State Budget Legislation Affecting Charter Schools

The New York State budget for 2016-17 contains two legislative changes affecting charter schools.

### Grant Assistance Funding for the 2016-17 School Year

Similar to the one-time Senate appropriation in the last legislative session, the budget includes an additional \$54.8 million one-time appropriation to be allocated to all charter schools in the state on a per pupil basis in the 2016-17 school year, approximately twice the amount allocated last year ("Grant Assistance Funding"). Given current enrollment estimates, this amounts to an additional \$430 per pupil though this could increase or decrease by a few dollars as enrollment numbers are solidified. Please note that the funding would be available sometime after April 1, 2017 as this year's Grant Assistance Funding of approximately \$225 will be available sometime after April 1, 2016.

Despite early signs that calculation of per pupil tuition for charter schools in NYC might return to the formula for the 2016-17 school year, ultimately this legislative change was not included in the final bill. Given current statewide projections, the funding formula would have provided schools around \$14,067, or \$40 more than what you will actually get in per pupil tuition. However, with Grant Assistance Funding for 2016-17 added in, this differential is made up and total funding exceeds the amount the formula alone would have provided. **Below is next year's funding compared to this year's with the total funding for 2016-17 being approximately \$14,457.** Note that charter school funding will automatically return to the formula beginning in the 2017-18 school year absent any further change.

Year	Basic Tuition Per Pupil Amount <sup>1</sup>	Supplemental Basic Tuition Increase	Grant Assistance Funding	Total	% Increase
2015-16	\$13,777	\$100	\$225 <sup>a</sup>	\$14,102 <sup>a</sup>	-
2016-17	\$13,877	\$150	\$430 <sup>a</sup>	\$14,457 <sup>a</sup>	+2.5%

<sup>a</sup> Italicized figures represent estimates

### Simplification of the Rental Assistance Program

The budget agreement simplifies the Rental Assistance Program, where all newly opened or expanding charter schools are eligible for rental assistance, by preserving how rental assistance is calculated. Specifically, rental assistance will remain as the lesser of 20% of the per pupil funding amount or actual total rental costs.<sup>2</sup> Without this change, eligible charters authorized to open or expand on or after October 1, 2016 would have received rental assistance under a separate funding schedule based on complex calculations derived from the state's Building Aid program.<sup>3</sup> This legislative change eliminates this two-tiered funding model, and preserves the 20% (or actual total rental costs) funding structure for all eligible schools.<sup>4</sup>

<sup>1</sup> Recall that starting in 2014-15, charter schools in NYC began receiving a "supplemental basic tuition" increase allocated over a three-year period totaling an additional \$500 per pupil. The annual payment schedule is as follows: \$250 in 2014-15, \$100 in 2015-16, and \$150 in 2016-17.

<sup>2</sup> Education Law §2853(3)(e)(5).

<sup>3</sup> Education Law §3602(6).

<sup>4</sup> For the 2016-17 school year, 20% of the per pupil amount is estimated to be \$2,805.40.