

SEPTEMBER 2020

Trump, DeVos and Democratic Governor Andrew Cuomo Provide Funding for Privately Run Charter Schools, While Starving Public Schools of Much Needed Aid

WHILE NEW YORK PUBLIC SCHOOLS COULD LOSE OVER \$5.5 BILLION IN FUNDING, CHARTER SCHOOLS EXPECT TO RECEIVE 100% OF FUNDING

Public schools across New York State, especially in the Capital District, are confronting looming cuts and grapple with how to do more with less. The [Albany City School District](#) recently announced potential layoffs to 222 full-time employees, restructuring two schools, and suspending in-person learning for most students in grades 7-12 to address a devastating budget shortfall caused by reductions to state aid. The [Schenectady City School District](#) is considering laying off about 450 employees, including more than 200 teaching assistants or paraprofessionals, between 87 and 94 teachers, 30 operations and maintenance employees, school administrators and clerical staff. Governor Cuomo's decision to withhold 20 percent of funding is having a catastrophic impact on budgets for public schools. But New York's charter schools are not feeling the same burden. School districts are expected to operate with 20 percent less funding from the state, but they will still be required to pay charter schools 100 percent of their tuition.

New York's charter schools are not expected to have to cut their budgets. While districts scramble to alter reopening plans and decide which positions to cut, New York charter schools can comfortably

rely on receiving their full tuition from cash strapped school districts. Not only are they not in danger of a 20 percent cut, but they have also been the beneficiaries of the Payroll Protection Program (PPP) loans¹ that the federal government issued in the spring. The Trump/DeVos administration allowed charter schools to access this additional federal aid intended for small businesses. These publicly funded but privately run charter schools were able to apply for and receive the PPP loans, while Governor Cuomo deprived public schools of the CARES dollars aimed at mitigating the effects of the COVID-19 pandemic.²

CHARTER SCHOOLS IN NEW YORK ARE PRIVATELY RUN PUBLIC SCHOOLS, MAKING THEM ELIGIBLE FOR STATE AND FEDERAL DOLLARS, INCLUDING EMERGENCY CORONAVIRUS EDUCATION GRANTS, BUT THEIR STATUS AS NON-PROFITS OR CORPORATIONS HAS ALSO AWARDED THEM ACCESS TO THE PPP SMALL BUSINESS LOAN PROGRAM.³

In New York State, 144 charter schools and their management organizations took advantage of the PPP loans. The vast majority of these charter schools are located in New York City, which has the largest number of charter schools in the state. In total, the privately run charter industry received between \$126 million and \$294 million⁴: charter schools outside New York City received between \$19 million and \$45 million, whereas charters in New York City received between \$102 million and \$236 million. New York City, Buffalo, Rochester and Albany are the school districts most affected by the oversaturation of charter schools. While charter schools, which enroll only 6 percent of students statewide (about 147,000 students total), add hundreds of millions to their bank accounts, public schools make deep cuts to programs and personnel to deal with the state funding cuts. Albany, Buffalo, Rochester and New York schools combined enroll a total of 1,125,528 students in public schools. These four school districts could lose \$2.7 billion as a result of the 20 percent cuts the Governor is pushing.

DISTRICT	20% CUT TO PUBLIC SCHOOLS	CHARTER TUITION PAYMENTS FOR 2019-20	INCREASE IN FUNDING FROM PPP LOAN FOR CHARTERS IN THESE DISTRICTS	
			Minimum Increase	Maximum Increase
ALBANY	\$25,190,209	\$34,799,073	\$4,400,000	\$11,000,000
BUFFALO	\$163,063,507	\$132,227,250	\$6,250,000	\$14,350,000
ROCHESTER	\$139,469,529	\$89,305,889	\$4,900,000	\$11,350,000
NEW YORK CITY	\$2,410,390,207	\$2,294,488,702	\$101,750,000	\$235,800,000
Total	\$2,738,113,452	\$2,550,820,914	\$ 117,300,000	\$272,500,000

At the same time, school districts must continue to provide tuition payments for all resident students that attend charter schools. In other words, public schools are at risk of losing 20 percent of state funding, but they are still mandated to make their charter school payments in full. A change in this statute would require legislative action, and agreement by the Governor.

Privately-run charter schools also receive financial support from wealthy hedge fund billionaires, many of which also make political donations to Governor Cuomo's campaign. In 2017, 2018, and 2019 **Governor Cuomo has received a total of \$759,000 in campaign donations** from the charter school industry.⁵

WHAT MUST BE DONE

It is alarming to see democratic Governor Cuomo advancing a Trump/DeVos strategy of driving funding to privately run charter schools, while starving public schools where more than 90 percent of New York's children are educated. The Governor and state legislature must decide how to respond to the inequities. New York cannot continue to grant billions in public dollars to privately run charter schools, while forcing public schools to make devastating cuts. Governor Cuomo and the State legislature must act now to change the statute obligating districts receiving a 20 percent cut in funding to pay 100 percent of the tuition to privately run charter schools. It is time for the New York Democratic Governor to stop promoting the Trump/DeVos education agenda.

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The Alliance for Quality Education is a coalition mobilizing communities across the state to keep New York true to its promise of ensuring a high-quality public school education to all students regardless of zip code. Combining its legislative and policy expertise with grassroots organizing, AQE advances proven-to-work strategies that lead to student success and echoes a powerful public demand for a high-quality public school education for all of New York's students.



ENDNOTES

- 1 <https://www.timesunion.com/news/article/NY-public-charter-schools-secure-hundreds-of-PPP-15448656.php>

<https://www.nytimes.com/2020/06/15/us/politics/charter-schools-relief-coronavirus.html>

<https://nycpublicschoolparents.blogspot.com/2020/07/108-nyc-charter-schools-received.html>

- 2 <https://www.timesunion.com/news/article/NY-public-charter-schools-secure-hundreds-of-PPP-15448656.php#:~:text=Charter%20schools%20in%20New%20York,PPP%20small%20business%20loan%20program>

Governor Cuomo withheld an amount of state aid equal to the CARES funding that each school district was set to receive, essentially zeroing out the effect the federal funding was intended to have. Read a more thorough analysis that AQE released last week <https://www.aqeny.org/2020/09/02/set-up-to-fail-how-cuomos-school-cuts-target-new-yorks-black-brown-students/>

- 3 *See first link in footnote 1.*

- 4 The Payroll Protection Program does not allow accurate tracking of the funding.

- 5 According to New York State Board of Elections data analyzed by the Public Accountability Initiative and the Alliance for Quality Education.

https://docs.google.com/spreadsheets/d/e/2PACX-1vQArohy3T4s7IDUb4e3IHdvZJwaYUnCrRUFsS_1SVA7-5Zan6_XShx0pZhQrVSwZuAnShdl1kQWbR4h/pub?output=pdf