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STUDY FINDS FUNDING GAP FAVORING NEW YORK CITY TRADITIONAL PUBLIC SCHOOLS OVER PUBLIC CHARTER SCHOOLS

Co-located charter schools have major fiscal advantage over other charters

Fayetteville, Ark. -- Charter schools in New York City receive almost \$5,000 less per student than traditional schools, according to a new study released today by a team of national experts in public education funding at the University of Arkansas. Charter students are also more likely to be economically disadvantaged, signaling an important disparity that the researchers say demands the attention of policymakers.

The report, *Charter School Funding: Inequity In New York City*, is based on data from in-depth financial records containing more than 1.4 million transactions provided by the New York City Department of Education.

"New York City is home to one of the most dynamic and closely watched charter sectors in the nation, and its policies offer a number of lessons for other cities – some models to replicate and some cautionary tales," said Larry Maloney, lead researcher of the University of Arkansas team. "Policies and practices put in place by city leaders a number of years ago have yielded greater equity over time, although charter students continue to receive less public funding than their peers in district schools."

The researchers say that New York City does outperform other major cities in at least one key area when it comes to equity: providing reasonably equivalent facilities to charter schools. Those charter schools that share space with district schools – known as co-located charters – have a major fiscal advantage over charters with their own facilities, according to the report. Co-located charters do not have to pay rent, freeing up resources to be allocated towards other school costs. Charters with their own facilities receive an average of \$4,005 less in funding per pupil every year and spend \$3,560 less per pupil than co-located charters.

Charter School Funding: Inequity In New York City also contains new insights into the funding that charters and traditional schools receive from private philanthropy. Contrary to popular belief, traditional schools receive more philanthropic funding per pupil than charters, and philanthropic support is modest-to-trivial for all but the top 25 percent of charters. According to the report, "after accounting for in-kind benefits, the charter gap in per-pupil public funding was \$4,405 while the gap in per-pupil non-

public funding was \$492.”

“We have clear evidence in New York City that private philanthropy does not level the playing field regarding charter school funding,” said Patrick J. Wolf, Ph. D, Distinguished Professor and 21st Century Chair in School Choice, Department of Education Reform, University of Arkansas. Philanthropy and other non-public funding are more prevalent in traditional schools than in charters. According to the report, “Average non-public funding...favored district schools over charter schools by \$841 per pupil versus \$349 per pupil.”

The researchers found that New York City's practice of providing "in-kind support" to charters – which mostly comes in the form of school facilities, as well as food and transportation – is among the highest of any major city in the country. Still, even factoring in in-kind support, charters receive 18 percent less funding than district schools. The report finds that the district schools would have to give back \$4.6 billion annually if they operated with the same per-pupil funding levels as the city’s charter schools.

The study also provides a breakdown of charter funding patterns across the city's five boroughs, plus Harlem. Charters in Manhattan receive the most per-pupil funding, averaging \$22,789. Charters in Queens receive the least per-pupil funding, averaging \$19,230.

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