Every Student Succeeds Act
Financial Transparency Requirement:
Impact on Charter Schools

October 25, 2019

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&
David Frank
Before We Get To ESSA….

It’s a great time to be a NYS charter school
Charter Landscape

<table>
<thead>
<tr>
<th>Charter Authorizer</th>
<th>Charters Open with Students in 2019-20</th>
<th>Charters Approved to Open in Subsequent Years</th>
<th>Total Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Regents</td>
<td>88</td>
<td>5</td>
<td>93</td>
</tr>
<tr>
<td>SUNY Trustees</td>
<td>187</td>
<td>27</td>
<td>214</td>
</tr>
<tr>
<td>NYC DOE Chancellor</td>
<td>40</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Buffalo BOE</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>317</strong></td>
<td><strong>32</strong></td>
<td><strong>349</strong></td>
</tr>
</tbody>
</table>

- 98 charters left for issuance in New York State
- NYSED Received 23 letters of intent to apply for new charter schools in round 2 of the 2019 new charter school RFP

(http://www.p12.nysed.gov/psc/startcharter/)
Who are we serving?

• ~150,000 students across the state
  ~6%

• 76% of our students are economically disadvantaged
  +25

• 6% are English Language Learners
  -2

• 15% are Students with Disabilities (IEPs)
  -2

• 58% are African-American
  +42

• 32% are Hispanic
  +7
What about outcomes?¹

• On average, charter students in New York gain an additional....
  
  - 34 days of additional learning in reading and an additional 63 days of learning in math over their district school peers.
  
• These outcomes represent an increase of 22 days of learning in reading compared to the results four years ago.

• For Black and Hispanic students, the analysis indicates a significant academic advantage from charter school enrollment.

• Hispanic charter school students perform at the same level as their white district school peers representing no annual learning gap.

¹ CREDO 2017 NYS Charter School Study
Blue Ribbon

- Charters serve ~6% of public school children but:
  - 21% of USDOE Blue Ribbons in NYS were charter schools

- Making a difference for all children: Blue Ribbon charter schools are serving a greater percentage of at-risk students
More Good News

- NYSED applied for and received the largest CSP grant in the country (along with Wisconsin) $95,000,000

- $85.5 Million to new charters and for the first time in New York State, charter schools expanding grade levels
- $6.65 Million for Technical Assistance across New York State
- $2.85 million to support high-quality authorizing
Thinking outside the box….

• “A-GAME”: Advancing Great Authorizing & Modeling Excellence - Support charter school authorizers measure the quality and effectiveness of alternative education campuses [https://nationalcharterschools.org/a-game-grant/](https://nationalcharterschools.org/a-game-grant/)

Where do we go from here?

• Lots we didn’t mention (check out http://www.p12.nysed.gov/psc/) but:

• Incredible innovation
  • Getting results for children who others leave behind
  • Results for children is the best advocacy

• Still lots of work to be done
  • Autonomy and accountability

• Public schools → public responsibilities
  • Change management and innovative system building
ESSA Fiscal Transparency
What is the ESSA Financial Transparency Requirement?

ESSA requires that beginning with data from the 2018-2019 School Year, State Report Cards must include:

“The per-pupil expenditures of Federal, State, and local funds, including actual personnel expenditures and actual nonpersonnel expenditures of Federal, State, and local funds, disaggregated by source of funds, for each local educational agency and each school in the State for the preceding fiscal year.”
Why Charter Schools?

• Under New York State Education Law, charter schools are “local educational agencies” and are subject to this federal requirement.

• This differs from the State School Funding Transparency Form requirement under Education Law §3614, which only applies to public school districts.

• But good news! Charter schools will not be required to submit fiscal data through this new system until November 1, 2020.
Charter schools already report most of this fiscal data

<table>
<thead>
<tr>
<th>Statements of Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the years ended June 30,</td>
</tr>
</tbody>
</table>

### Changes in unrestricted net assets:

**Support and revenue:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment fees:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue-resident student enrollment</td>
<td>$5,168,932</td>
<td>$4,361,410</td>
</tr>
<tr>
<td>Revenue-students with disabilities</td>
<td>280,433</td>
<td>188,058</td>
</tr>
<tr>
<td>Revenue-additional state aid</td>
<td>-</td>
<td>148,178</td>
</tr>
<tr>
<td>Federal grants</td>
<td>308,807</td>
<td>161,256</td>
</tr>
<tr>
<td>State and other grants</td>
<td>71,500</td>
<td>272,650</td>
</tr>
<tr>
<td>Other income</td>
<td>203,302</td>
<td>90,416</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td><strong>6,032,974</strong></td>
<td><strong>5,221,968</strong></td>
</tr>
</tbody>
</table>

**Expenses:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular education</td>
<td>2,189,986</td>
<td>2,066,997</td>
</tr>
<tr>
<td>Special education</td>
<td>711,713</td>
<td>679,268</td>
</tr>
<tr>
<td>Other programs</td>
<td>828,071</td>
<td>785,042</td>
</tr>
<tr>
<td><strong>Total program expenses</strong></td>
<td><strong>3,729,770</strong></td>
<td><strong>3,531,307</strong></td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>965,740</td>
<td>954,349</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>4,695,510</strong></td>
<td><strong>4,485,656</strong></td>
</tr>
</tbody>
</table>

**Change in net assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets - beginning</td>
<td>1,685,136</td>
<td>948,824</td>
</tr>
<tr>
<td><strong>Net assets - ending</strong></td>
<td><strong>$3,022,600</strong></td>
<td><strong>$1,685,136</strong></td>
</tr>
</tbody>
</table>
How does this change public school district and charter school reporting?

**School Districts**
- Reporting school-level data for the first time
- Accounting structure based on existing ST-3 reporting
- 2018-19 will be the first school year reported, available in Spring 2020

**Charter Schools**
- Reporting will remain at the charter level
- New guidance will be provided to best align accounting practices to ST-3
- 2018-19 reports complied with ESSA; new reporting will be for SY 2019-20 due on November 1, 2020
What are the next steps for charter schools?

- Once the ST-3-based accounting is finalized for public school districts, NYSED will work with charter schools to align the rubric with charter accounting practices to the greatest extent possible.

- NYSED will seek amendments to regulations to update them to provide ESSA specific guidance.

- To ensure NYSED avoids double collecting data, starting in 2020, fiscal reporting will no longer be through the Fluid Review Platform.
What are the next steps for charter schools?

- A charter school-specific guidance document will be produced by NYSED for charter schools statewide to use.

- NYSED is seeking participants for a charter school ESSA fiscal transparency guidance steering committee (if you or anyone on your fiscal team is interested, email David.Frank@nysed.gov).
What data will be collected through the new ESSA Fiscal System?
Section 1 - School and District Demographics

• Demographics and characteristics of the school district or charter school (at the district level), such as district enrollment, fiscal capacity, and student need

• School name and grade levels served

• Demographic background of the students enrolled in the individual school, including ethnicity (for districts only)

• Selected staffing characteristics of the school or charter school (e.g., years of experience)
Section 2 – Total Per Pupil Expenditures

• Total expenditures of the school per-pupil, compared to the district, county, and Statewide per-pupil expenditures among similar grade levels.
Section 3 – Report View One

- School expenditures and central district costs per-pupil for instruction (including professional development), administration, and all other expenses
Section 4 – Report View Two

• Total expenditures of the school per-pupil, including central district costs, by local/state federal funding source
Section 5 – Program Area Detail

• School and central district costs of selected program areas, as already included in Report Views One and Two, and possibly reported in multiple program detail areas
Section 6 – Total Expenditures, Exclusions, and Fringe Rate Calculator

• Total expenditures and exclusions by exclusion type.

• For LEAs utilizing the fringe benefit methodology (rather than reporting actuals), the calculation behind personnel costs and benefits.
Frequently Asked Question (the #1 question so it’s the only one we included!)

Q: Our financial system is not aligned to ST-3 standards or categories. Won’t our transition to this new system be time consuming and onerous?

A: Charter schools are already reporting much of this fiscal data in the categories required under ESSA. In addition, NYSED will be working with charter schools to create strong guidance documents and will be conducting follow-up professional development for charter school fiscal staff.
For more information

http://www.nysed.gov/essa/financial-transparency

Including:

• NYSED Draft Guidance (not the charter specific guidance document since we are in the process of creating it and hope you will assist us in doing so)
• Accounting Crosswalk Spreadsheet
• USDOE Guidance
We want to hear from you…

What information should we include in the ESSA Fiscal Reporting?

What charter specific considerations should be contemplated?

Questions?
Follow-up Reminder
NYSED will be seeking volunteers to participate in a charter school ESSA fiscal transparency guidance steering committee.

If you or anyone on your fiscal team is interested, email David.Frank@nysed.gov

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