

**QUESTIONS AND ANSWERS REGARDING THE FINANCING OF CHARTER
SCHOOLS PURSUANT TO SECTION 2856 OF THE EDUCATION LAW AND PART
119 OF THE REGULATIONS OF THE COMMISSIONER OF EDUCATION**

1. What basic payments must a school district make to a charter school for resident pupils of the school district who are enrolled in the charter school?
 - The statute requires that the school district pay an amount to the charter school for each resident pupil so enrolled that is equal to the approved operating expense per pupil of the public school district. The exact amount payable for each pupil equals the product of the approved operating expense per pupil and the full-time-equivalent enrollment of the student in the charter school. For the most up-to-date information on the definition of charter school data and calculations please visit our website at <http://stateaid.nysed.gov>.
 - The statute also requires that the school district pay to the charter school any state or federal aid that is attributable to students with disabilities receiving special education services from the charter school to the extent that such aid is based on the enrollment of such students in the charter school and the special education services provided.

2. What is the approved operating expense per pupil value to be used by my school district in paying charter schools for the current school year?
 - The approved operating expense per pupil value to be used by each district may be found on the New York State Education Department's State Aid internet site at: <http://stateaid.nysed.gov>, under topics "Charter Schools."

3. What is the value per pupil of state aid that may be attributable to a pupil with a disability enrolled in special education programs of a charter school?
 - This aid is called Public Excess Cost Aid and is calculated based on the category of special education services provided to the student with a disability. The following weightings are provided for the listed categories for the 2004-05 and 2005-06 aid years:
 - 1.65** for approved special services or programs that are provided to the student for 60% or more of the school day.
 - 0.90** for approved special services or programs that are provided to the student for 20% or more of the school week or for approved special education services provided to the student by a special education consultant teacher.

The Public Excess Cost Aid payable for each student equals the product of:

 - ✓ the pupil's full-time-equivalent enrollment in the charter school;
 - ✓ the assigned weighting for the category of service provided;

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- ✓ the approved operating expense per pupil of the public school district (but not more than \$8,500 for the 2005-06 school year); and
 - ✓ the public excess cost state sharing ratio of the public school district which is based on the district's taxable property wealth and resident income wealth per pupil relative to the statewide average. (For the current school year, this ratio appears at item #5 on each district's Public Excess Cost Aid output report, accessible via the State Aid Homepage at <http://stateaid.nysed.gov>)
- In addition, if the annual cost of the special education services provided to the student exceeds an amount equal to three times the approved operating expense per pupil of the public school district a High Cost Aid is payable. The High Cost Aid payable for each high cost student equals the product of:
- ✓ the amount of the excess;
 - ✓ the pupils full-time-equivalent enrollment in the charter school; and
 - ✓ the public excess cost state sharing ratio of the public school district.
4. What is the federal per pupil allocation that may be attributable to a pupil with a disability enrolled in a special education program of a charter school?
- The per pupil allocations under the Individuals with Disabilities Education Act (IDEA), Sections 611 and 619 are available for special education programs and services. Section 611 funds are available for students ages 3 - 21 and Section 619 funds are available for children ages 3 - 5. Therefore, children ages 3 - 5 are eligible to receive funds under both Sections. The per pupil allocation is determined for both Section 611 and Section 619 by each local education agency (local school district).
5. What is "full-time-equivalent enrollment" (FTE)?
- FTE is the decimal expression of the enrollment of a student in the charter school compared to the length of the annual session of the charter school. A student who is enrolled for the full school year has an FTE of 1.000, while a student who is only enrolled half of the school year has an FTE of 0.500. The length of the school year and each student's period of enrollment are measured in weeks for this purpose. To assist in the calculation of FTEs for charter school pupils, an "FTE Calculator" is available in the Charter School Information section of the State Aid web site at <http://stateaid.nysed.gov>.

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6. Will the public school district receive any State Aid to offset its expenditures for resident students enrolled in charter schools?
- The statute and regulations provide that the enrollment of students attending charter schools shall be included in the enrollment, attendance and, if applicable, count of students with disabilities of the school district in which the pupil resides for the purposes of claiming State Aid. The full-time-equivalent enrollment of such pupils will be added to total adjusted average daily attendance and to the total aidable pupil units used to claim General Aids and, if applicable, be appropriately weighted and added to the weighted resident students with disabilities used to claim Public Excess Cost Aids.
7. How will the public school district report the full-time-equivalent enrollment of district resident pupils enrolled in charter schools, including reports of the level of special programs or services provided directly or indirectly to pupils with disabilities by charter schools and the estimated annual cost of such special programs or services, to the Education Department in order to claim State Aid?
- The State Aid Data Entry Assistant (DEA) claim form, which public school districts must submit to the Education Department by September 1, includes a Schedule U (appended to Form A of the DEA) that requests information regarding enrollment and the full-time-equivalent enrollment of district resident pupils enrolled in charter schools, including reports of the level of special programs or services provided directly or indirectly to pupils with disabilities by charter schools. Multiple copies of the schedule are included in the Data Entry Assistant, and public school districts with resident pupils attending more than one charter school are required to report data for each charter school separately. Based on the data reported on Schedule U, the Data Entry Assistant will include the enrollment of students attending the charter schools in the enrollment, attendance and, if applicable, count of students with disabilities of the public school district. Schedule U help screens provide detailed instructions for updating resident charter school enrollments and FTEs. The DEA will be replaced by a web based application State Aid Management System (SAMS) in the Fall of 2005.
 - If the annual cost of the special education services provided to a district resident student with a disability by a charter school exceeds an amount equal to three times the approved operating expense per pupil of the public school district, the public school district should submit the necessary STAC (System to Account for Children) forms to the Program Services Reimbursement Unit of the State Education Department so that the student's full-time-equivalent enrollment and annual program cost can be included in the school district's future Public Excess Cost-High Cost Aid claim.

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8. Are students attending a charter school entitled to textbooks, computer software, library materials and transportation services at public expense?
- For the purposes of the Textbook Loan Program defined in Section 701 of the Education Law, the Library Materials Loan Program defined in Section 711 of the Education Law and the Computer Software Loan Program defined in Section 751 of the Education Law, students attending a charter school have the same access to textbooks, software and library materials loaned by the public school district as if enrolled in a nonpublic school. Within available school district inventory and budgetary appropriations for purchase of such materials, the public school district is required to provide such materials on an equitable basis to all public school pupils and to all nonpublic and charter school pupils who are residents of the district (Textbook Loan Program) or who attend a nonpublic or charter school in the school district (Software and Library Materials Loan Programs). The base year enrollment of students in a charter school may be claimed by the public school district for the purposes of Textbook, Software and Library Materials Aids in the same manner as nonpublic school enrollments are claimed.
 - The statute provides that transportation services shall be provided by the public school district to resident pupils attending a charter school in the same manner as such services are provided to resident pupils attending a nonpublic school. All public, nonpublic and charter school pupils who are in like circumstances in terms of distance from home to the school legally attended and other factors, must be provided the same transportation services consistent with the district's approved transportation policy and State law.
9. When must the public school district pay the required basic payments to a charter school?
- The statute requires that the basic payments be made by the school district in six substantially equal installments on the first business day of the months of July, September, November, January, March and May. Since the statute also requires the Commissioner to certify the amount of any payments for which a school district is delinquent, the regulations provide for the following reporting, payment and certification process:
 - ✓ Thirty days before each scheduled payment date the charter school should provide to each public school district with resident pupils enrolled in the charter school an updated estimate of the full-time-equivalent enrollment of district resident pupils so enrolled for the current school year. For each pupil with a disability so enrolled, the report should indicate the level of special programs or services to be provided directly or indirectly to such pupil by the charter school and the

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estimated annual cost to be incurred by the charter school in providing such special programs or services.

- ✓ The approved charter of a charter school may provide for a lesser charge per pupil than otherwise authorized by the statute. Such lesser charge must be based on an agreement between the charter school and the entity that is approving the charter (i.e., a public school district's board of education, the Board of Trustees of the State University of New York, or the Board of Regents). If such a reduced per pupil charge has been established pursuant to an agreement between the charter school and the charter school entity that approved the charter, the charter school should report the amount of such reduced charge to each public school district with resident pupils enrolled in the charter school thirty days before each scheduled payment.
- ✓ On each scheduled payment date, based on reports received from charter schools, a public school district with resident pupils enrolled in a charter school must pay directly to the charter school the appropriate payment amounts attributable to the enrollment of such resident pupils.

10. How will the total annual payment due to a charter school by a public school district for resident pupils enrolled in the charter school be determined?

- The total estimated annual payment due will equal the sum of:
 - (1) the product of the total reported FTE for the school year multiplied by the basic charge;
 - (2) the product of the reported weighted FTE of pupils with disabilities multiplied by the public school district's calculated public excess cost aid per pupil;
 - (3) the product of any high cost for individual pupils with disabilities (the reported estimate of annual cost minus three times the public school district's approved operating expense per pupil) multiplied by the individual pupil's FTE and by the public school district's public excess cost aid ratio; and
 - (4) with regard to payment of Sections 611 and 619 IDEA funds:
 - a) **Charter Schools Opening Or Significantly Expanding Enrollment On Or Before Nov. 1st Of An Academic Year**

Charter schools which open or significantly expand their enrollment on or before November 1st of an academic year will report their December 1st child

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counts of resident pupils with disabilities enrolled in the charter school to the student's school district of residence as well as the State Education Department. The school district of residence will include the count given to them by the charter school as part of their PD count submitted to the State Education Department for students who are in programs on December 1st of a given school year. The school district of residence will calculate the amount due to the charter school by taking the number of students reported as of December 1st, who were in the charter school and receiving special education services in a charter school, and multiply that by the per pupil amount calculated under both Section 611 and Section 619 of IDEA as appropriate by each local school district of residence. The charter school must receive the full amount of funds due within five months of the date the charter school opens or significantly expands its enrollment. The district will need to determine the portion of services delivered by the district of residence and the portion delivered by the charter school. The charter school will get a pro-rated amount based upon the portion of services the child receives from the charter school and full-time equivalent enrollment.

b) For Charter Schools Opening Or Significantly Expanding Enrollment After Nov. 1st But Before Feb. 1st Of An Academic Year

For charter schools opening or significantly expanding enrollment after Nov. 1st but before Feb. 1st of an academic year, the charter school must receive a pro-rata portion of the funds for which the charter school is eligible within five months of the date the charter school opens or significantly expands its enrollment. If the charter school opens after Nov. 1st and before Dec. 1st, it should report the Dec. 1st child counts to the students' school districts of residence as described above, and districts will need to allocate monies as described above. However, for charter schools that open after Dec. 1st or that significantly expand their enrollment for the time period Dec. 2nd – Jan. 31st, charter schools must report these enrollment figures to the students' school districts of residence and receive a pro-rata portion of funds within five months of the date the charter school opens or significantly expands its enrollment. The district, in calculating the amount due the charter school, will need to consider the FTE for the child for that year, and the portion of the special education services delivered by the charter school and by the district of residence. The charter school would only be entitled to the per child amount pro-rated based upon the portion of special education services delivered by the charter school, and pro-rated based upon FTE enrollment.

School districts should note that when calculating the amount for charter schools (as in the prior two paragraphs) and determining the amount based

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upon the amount of services received in the charter schools, this is the only time school districts allocate federal funds based upon the amount of services delivered. Districts do not pro-rate federal funds based upon the amount of services delivered, pursuant to Chapter 6, as amended by Chapter 254 relating to disbursement of federal dollars to approved Special Education Programs.

c) For Charter Schools That Open Or Significantly Expand Enrollment After Feb. 1st Of An Academic Year

The students' district of residence may, at its discretion, provide the charter school with a pro-rata share portion of funds, based upon the FTE enrollment and portion of special education services delivered by the charter school.

11. What type of notice must charter schools provide local education agencies (LEAs) in order to qualify to receive federal funds?

- In accordance with federal regulations, at least 120 days before the date a charter school is scheduled to open or significantly expand its enrollment, the charter school must provide the LEA's with notice to that effect.

12. How will each of the six scheduled payments due to a charter school by a public school district for resident pupils enrolled in the charter school be determined?

- Each scheduled payment will be calculated as follows on the first business day of each of the months of July, September, November, January, March and May, based on updated estimates of FTE enrollments, as specified in item #9 above, provided by the charter school to the public school district 30 days before each scheduled payment date.

- ❖ First business day of July:

Payment = The Total Annual Payment Due Multiplied By One Sixth.

- ❖ First business day of September:

Payment = [The Total Annual Payment Due Multiplied By Two Sixths] Minus the July Payment Amount.

- ❖ First business day of November:

Payment = [The Total Annual Payment Due Multiplied By Three Sixths] Minus the July and Sept Payment Amounts.

- ❖ First business day of January:

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Payment = [The Total Annual Payment Due Multiplied By Four
Sixths] Minus the July, Sept and Nov Payment Amounts.

❖ First business day of March:

Payment = [The Total Annual Payment Due Multiplied By Five
Sixths] Minus the July, Sept, Nov and Jan Payment Amounts.

❖ First business day of May:

Payment = [The Total Annual Payment Due Minus the July, Sept,
Nov, Jan and Mar Payment Amounts.

13. Will there be any adjustment in the aids paid to a charter school by a public school district after the close of the school year?

- No later than July 31 after the close of the school year, the charter school must provide a final report to each public school district with resident pupils enrolled in the charter school of the actual full-time-equivalent enrollment of district resident pupils so enrolled for the completed school year. For each pupil with a disability so enrolled, the report should indicate the level of special programs or services actually provided directly or indirectly to such pupil by the charter school and the annual cost actually incurred by the charter school in providing such special programs or services. Based on this report and the total payments made by the public school district to the charter school for the completed school year, any adjustments in payments due to the charter school for the completed year will be determined and will be applied to the total annual payment due to the charter school from the public school district in the next school year.

14. What happens if a public school district with resident pupils enrolled in a charter school refuses or fails to make the payments required?

- If the charter school has provided the required documented reports to the district, and the district refuses or fails to make the payments required, the charter school should notify the Charter School Unit of the State Education Department in writing. Upon written notification to the Education Department by a charter school of the failure of a public school district to make any of the required payments based on the charter school's documented reports of the full-time-equivalent enrollment of district resident pupils enrolled in the charter school, including reports of the level of special programs or services provided directly or indirectly to pupils with disabilities and the estimated annual cost of such special programs or services, the Education Department will calculate the amount of any delinquent payments due and owing to the charter school and certify such amount to the State Comptroller. Upon such certification, the State Comptroller will

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deduct the certified amount from State Aid payments otherwise due to the public school district and pay the amount of State Aid withheld directly to the charter school.

15. How will the public school district record and report required payments to a charter school under the Uniform System of Accounts?

- The public school district will record and report appropriations and expenditures of the basic charter school tuition amount for resident pupils enrolled in charter schools in the General Fund appropriation/expenditure account "A2110.473: Payments to Charter Schools for Regular Instruction," (Schedule A4 of the Annual Financial Report Form ST-3).
- Payments to charter schools that represent State Aid attributable to school aged pupils with disabilities should be recorded and reported in the General Fund appropriation/expenditure account "A2250.473: Payments to Charter Schools for Special Education," (Schedule A4 of the Annual Financial Report Form ST-3).
- Payments to charter schools that represent Federal Aid attributable to school aged pupils with disabilities should be recorded and reported in the Special Aid Fund appropriation/expenditure account "F2250.473: Payments to Charter Schools for Special Education," (Schedule B3 of the Annual Financial Report Form ST-3).