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PRESS RELEASE

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Report finds co-located charter schools cannot afford to pay rent

NEW YORK, NY: A [new analysis](#) conducted by Manhattan Institute senior fellow [Stephen Eide](#) examines the potential impact of requiring co-located charter schools to pay rent and finds that a pending government proposal would have **forced 71 percent of co-located charters into deficit in 2011-2 school year**. Recently the NYC Independent Budget Office's fair rent estimate noted that charging co-located charters rent would have raised about \$92 million in FY 2013. Through analysis of school budget data, available through 990 forms, Eide finds that charging rent in line with the IBO's recommendation would have **triggered an average budget deficit of 10.7 percent at these schools**.

Given that personnel costs compose, on average, 70 percent of co-located charter school budgets, teacher layoffs would likely have been required to offset the cost of rent. Assuming an average teacher compensation (salary and benefits) package of \$71,000, the collective \$41 million deficit would mean **a potential 577 teacher layoffs at the 60 co-located charter schools**.

The NYC charter school sector has bright prospects for growth. Demand continues to rise: there are now 54,000 students on waiting lists, but much depends on the De Blasio administration's policy choices. Paying rent could cripple the co-located charters' growth.

To read the full report click [here](#), and to schedule an interview with the author, please call Ray Niemiec at (646) 839-3335.

Stephen Eide is a senior fellow at the [Manhattan Institute's Center for State and Local Leadership](#). He edits [PublicSectorInc.org \(@PubSectorInc\)](#), a project of the Manhattan Institute, and is also a contributor to the site.

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