

## **Charter School Rental Assistance Procedure<sup>1</sup>**

August 23, 2024

### **Policy Overview**

This document comprises the New York City Department of Education’s (DOE) procedure for evaluating claims by New York City charter schools for rental assistance pursuant to a decision issued by the New York State Commissioner of Education, binding arbitration, or an Article 78 proceeding (a “Decision”). This procedure applies to all charter schools, regardless of authorizer. The framework for the process is based upon § 2853(3)(e) of the New York State Education Law (“Educ. L.”).

Questions regarding this policy can be directed to the DOE Charter Schools Office by submitting a ticket at [charterschools.mojohelpdesk.com](https://charterschools.mojohelpdesk.com).

### **Policy in Detail**

#### **Step 1: Submission of Decision, Lease, and Lease Assistance Request Form**

Charter schools seeking rental assistance must complete the [2024-2025 Lease Assistance Request Form \(the “Form”\)](#) and upload all supporting documentation, including but not limited to, the Decision and the signed and dated lease (master lease, sublease, all addenda, amendments, appendices, and exhibits to the lease(s) or sublease(s)) relevant to the property occupied by the charter school for which rental assistance is requested (the “Building”) for the relevant period(s).

#### **Step 2: Lease Review**

Upon receipt of the Form and supporting documents, DOE will review them to ensure that the charter school has provided all required information and documentation, and that the lease is in full force and effect for the relevant school year. DOE will notify the charter school whether the submission is complete, or whether additional information or documentation is needed. Delays or refusal to provide missing or additional information may defer the payment of rental assistance or result in a denial.

In determining the amount of rental assistance to be paid, DOE will calculate:

1. The “actual rental cost” of the alternative privately owned site(s) selected by the charter school in accordance with Educ. L. § 2853(3). “Actual rental cost” may include the base rent amount payable to the landlord specified in the lease, as well as expenses designated under the lease as additional rent that are directly and necessarily related to the school’s rental of space for providing (and actually used to provide) educational services to authorized, enrolled, eligible students (such as utilities, custodial services, property taxes, and/or extermination services) during a school year in the Building (as long as the Building

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<sup>1</sup> Effective beginning with FY25 rental assistance requests.

can be lawfully occupied for that purpose during the period for which rental assistance is sought). “Actual rental cost” does not include late fees, attorneys’ fees, expenses resulting from a breach of the tenant’s lease obligation (such as late rent payments, repairs caused by negligence, penalties), staff other than that directly and necessarily related to the school’s rental of space, costs for buildings not occupied by authorized, enrolled, eligible students, or other costs that are not directly and necessarily resulting from the rental of space in the manner described in the preceding sentence.

2. Per Pupil Funding: Thirty percent of the product of the charter school’s basic tuition for the relevant school year(s) and the number of students authorized for payment by the Decision for the relevant school year(s).<sup>2</sup>

The DOE will pay rental assistance equal to the lesser of the school’s documented “actual rental cost” for the Building, or thirty percent of the product of the charter school’s basic tuition for the relevant school year(s) for the number of students in grades served by the charter school in the Building that are eligible for reimbursement.

**Step 3: Issuance of Determination Letter**

After reviewing the Form and supporting documents, DOE will send a Determination Letter to the charter school that includes:

1. Estimated total rental assistance to be paid during the school year; and
2. A projected payment schedule.

**Step 4: Payment Disbursement**

The DOE disburses projected rental assistance in six equal installments throughout the school year as follows:

<b>Payment #</b>	<b>Target Disbursement Date</b>
1	July 1
2	September 1
3	November 1
4	January 1
5	March 1
6	May 1

The Determination Letter will specify when rental assistance payments will begin, and for which school year(s). The Form and complete supporting documents must be received by DOE no later than the published deadline each year to be eligible for disbursement in the subsequent Payment 1.

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<sup>2</sup> For a newly authorized charter school, the rental assistance calculation will reference the projected enrollment invoice submitted by June 1 prior to the charter school’s opening.

Prior to each payment disbursement, DOE will re-calculate the Per-Pupil Funding amount based on actual student enrollment. If this calculation alters the amount of rental assistance, the charter school will receive an updated Determination Letter.

**Step 5: End-of-Year Reconciliation**

A charter school's final "actual rental cost" in each fiscal year will be determined through review of proof of payment made during that fiscal year through a reconciliation process. To ensure timely and accurate final determinations of "actual rental cost", charter schools must submit proof of payment and other documentation by published deadlines. Proof of payment must clearly identify the entity receiving the rent payments from the charter school, and confirm that the purpose of the payments is solely for rent of the Building. Unclear or incomplete proof of payment submissions could impact the timing and amount of rental assistance installments. Following the reconciliation process, adjustments may be necessary to make an additional payment to the school or recoup overpayment of funds. Charter schools that do not submit acceptable proof of payment are subject to a full recoupment of projected rental assistance payments made. Any adjustments will be made in the following school year beginning with Payment #3.