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## **LAUSD Loses More Than Half a Billion Dollars to Charter School Growth**

**Los Angeles, CA** – A special report is being released today by MGT of America, titled the “Fiscal Impact of Charter Schools on Los Angeles Unified School District,” showing for the first time that an already financially strained school district lost more **than \$591 million dollars** to unmitigated charter school growth this year alone. A presentation from MGT is set to be given today at the Board of Education meeting at 1 PM.

“The figure is staggering, and while specific to LAUSD, the findings beg for a hard look at how charter schools interact with school districts throughout California as well as the nation,” said **Donald Cohen, the Executive Director of In the Public Interest**, a research and public policy center, specializing in privatization, based in Washington, DC. “When there is escalating competition for students and funding, both charter and district schools are faced with creating a situation where, if changes are not enacted immediately, the entire educational system in Los Angeles will be in a financial crisis.”

The number of charter schools in LA has more than tripled since 2005, when there were 58 charter schools in the district, now there are 221 — a 287% growth in 10 years.

Charter schools currently enroll 16% of all students in the district. Per Prop. 39, there are also 56 charter schools that are operating rent-free on district campuses. LAUSD has more charter schools than any other school district nationwide.

**MGT’s Susan Zoller, a veteran public school educator and administrator, will be giving a presentation of findings from the economic impact report.** MGT conducts research with clients including school districts, municipalities and other public agencies. The research was conducted over several months, and analyzed information from LAUSD and other sources. The purpose of the report was to examine the current fiscal impact of charter schools on LAUSD.

“LAUSD is the largest school district in California and has more charter schools than any other

district in the country, making it imperative to review the financial impact of charters and if there are impacts to educational opportunities for students,” Zoller said.

The report was commissioned by United Teachers Los Angeles, a 35,000-member teacher union that represents educators in both district-run as well as independent charter schools in Los Angeles.

ITPI co-authored the policy brief with UTLA. The brief examines and offers some possible solutions to the problems identified in the MGT report.

Media interviews will be made available at today’s Board of Education hearing in English and Spanish to discuss the report findings, and will include: **Cohen from ITPI, Zoller from MGT, Alex Caputo-Pearl, President of UTLA, and Juan Ramirez, Vice President of UTLA**, and others.

“This report is a first step in a necessary process to understand what it would take to have a sustainable system for all students, both in charters and in district schools,” said **Alex Caputo-Pearl, president of UTLA**. “It took over 12 years of declining enrollment at LAUSD to get an accounting of the financial strain of charter school growth. We cannot wait another 12 years to address the consequences it is having on public education and our students.”

Last year, an aggressive charter school expansion plan, backed by the Broad Foundation as well as Walmart’s Walton family, was leaked to the LA Times and called for raising \$490 million in private money with the goal to take away half the students in the [L.A. Unified School District](#) over the next eight years and put them in Charter schools.

“UTLA educators are here to make sure that students are successful everywhere, no matter if it’s a district school or a charter school,” said **Gregory Basile, a teacher at Birmingham Community charter school in LAUSD**. “We need to think outside the box and make sure that both remain financially viable. If privatization continues, there will be a tipping point where the district and charter schools may become economically disadvantaged: What if the district was composed of only charter schools — would LAUSD have the income to provide the oversight and services needed at charter schools?”

Here is a breakdown of the current funds lost to charter schools in 2014-15:

\$508,280,866 loss of student enrollment to charter schools  
\$15,353,468 in oversight costs not paid by charter schools  
\$2,062,517 in oversight costs for co-located schools  
\$55,619,684 in inconsistently applied ‘soft landing protections’  
\$10,356,338 in additional special education costs  
\$86,132 to in-lieu property taxes  
**TOTAL: \$591,759,005**

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WHAT: Presentation on “The Cost of Charter Schools to LAUSD”

WHEN: 1 PM

WHERE: Board of Education meeting @ 333 S. Beaudry Avenue, Los Angeles  
90017.