

# All Rochester-area charter schools got PPP loans

## Justin Murphy

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Rochester-area charter schools got somewhere between \$6 million and \$10 million in federal Payroll Protection Program loans this spring, according to a recently released program database, raising anew questions about the way the schools straddle the line between public and private.

Nearly all local charter schools are listed in the federal database as having received at least \$150,000 through the program, with some receiving up to \$2 million.

Traditional public schools were not eligible for the loans; instead, they received emergency funding through the federal CARES Act. Charter schools got that money as well, and also were able to supplement it with PPP money in a way traditional public schools could not.

This disparity has played out in cities across the country and has rankled defenders of traditional public schools, who see charter schools changing their position on the public/private question depending on the situation.

“They are considered public schools in order to receive taxpayer dollars without direct accountability from those taxpayers, but ... in this instance, they are not considered to be governmental agencies and therefore have

This status made them eligible for the PPP loans, part of the massive federal stimulus response to COVID-19. The loans went to companies and non-profits with fewer than 500 employees and convert to grants if the recipients use the money to keep people on payroll.

Even if schools are required to pay back the money, the interest rate is just 1% .

“We’re never going to borrow money at that rate otherwise,” Vertus Charter School Chief Operating Officer Jason Trzeciak said.

Charter school leaders stressed the value of using the money as a hedge against the uncertain fiscal future — something school districts, too, wish they had. Hall also noted that charter school aid was reduced by 5% in this year’s state budget, though the effect is not felt equally in all regions of the state.

To the extent that federal and state funding for education are maintained, the PPP loans will represent an unlikely additional windfall for the charter schools. Vertus, for instance, is using its loan in part to plug an unrelated and recurring cash flow problem caused by its non-traditional academic calendar.

Charter school officials said they used the money as allowed, to cover payroll and certain expenses, and also as a buffer against uncertainty in the coming school year.

Wanda Perez Brundage, principal at Rochester Academy of Health Sciences, said her school

at least in excess of \$150,000: Genesee Community Charter School and Young Women’s College Prep.

Shannon Hillman, school leader at GCCS, said the board of trustees considered applying but opted against it.

“We decided not to apply since we were still receiving Per Pupil Tuition and we were saving in other operational areas due to our COVID closure,” she wrote in an email. “Therefore, our budget was looking stable and we were able to operate without the extra funding.”

Young Women’s College Prep did not respond to a request for comment; it is possible the school received less than \$150,000, in which case it would not have been identified by name.

Rochester Prep also did not receive a PPP loan directly, but its charter management organization, Uncommon Schools, received between \$2 million and \$5 million. That money supports Rochester Prep but does not go into its budget directly..

Local private and religious K-12 schools received PPP loans as well. Harley, Allendale Columbia, McQuaid Jesuit, Our Lady of Mercy and the School of the Holy Childhood all received loans of \$1 million to \$2 million, while nearly all others accepted lesser amounts.

access to these dollars that public education does not,” said Sherry Johnson, executive director of the Monroe County School Boards Association. “So, as they continue to drain dollars away from public education, they are able to apply these statutory flexibilities to their benefit.”

Anna Hall, CEO of the Northeast Charter Schools Association, said that frustration is misplaced.

“Our perspective is that the federal government created this program and the guidelines and eligibility for it,” Hall said. “Take it up with the federal government, (not) with charter schools. ... If districts had access to this funding, they’d have taken it as well.”

Charter schools in general are publicly funded and privately run. In New York in general they are also registered as, or affiliated with, not-for-profit organizations.

applied for the money as a means of “providing stability for our school and its students.”

“Our expenses could skyrocket due to ongoing and new costs related to distance learning and protective measures needed to reopen safely during the pandemic,” she wrote in an email. “These shifting realities could have a significant impact on our employment of staff needed to support both the educational and crisis needs of our students and families.”

Vertus Chief Operating Officer Jason Trzeciak said his school initially applied for the loan in April in part because, at the time, it was unsure of how traditional public funding would be affected by the pandemic.

“Given that we were legally authorized to apply, given the needs and unknown we had, and we have a total willingness to pay the money back if that’s required – we feel very justified in taking the loan,” he said.

Only two local charter schools appear not to have received PPP money,