

Charter School Facilities Funding

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Oklahoma Senate Committee on Education

Interim Study 19-67, State Public Common School Building Equalization
Fund

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Who we are.

The essential, indispensable member of any team addressing education policy.



What we do.

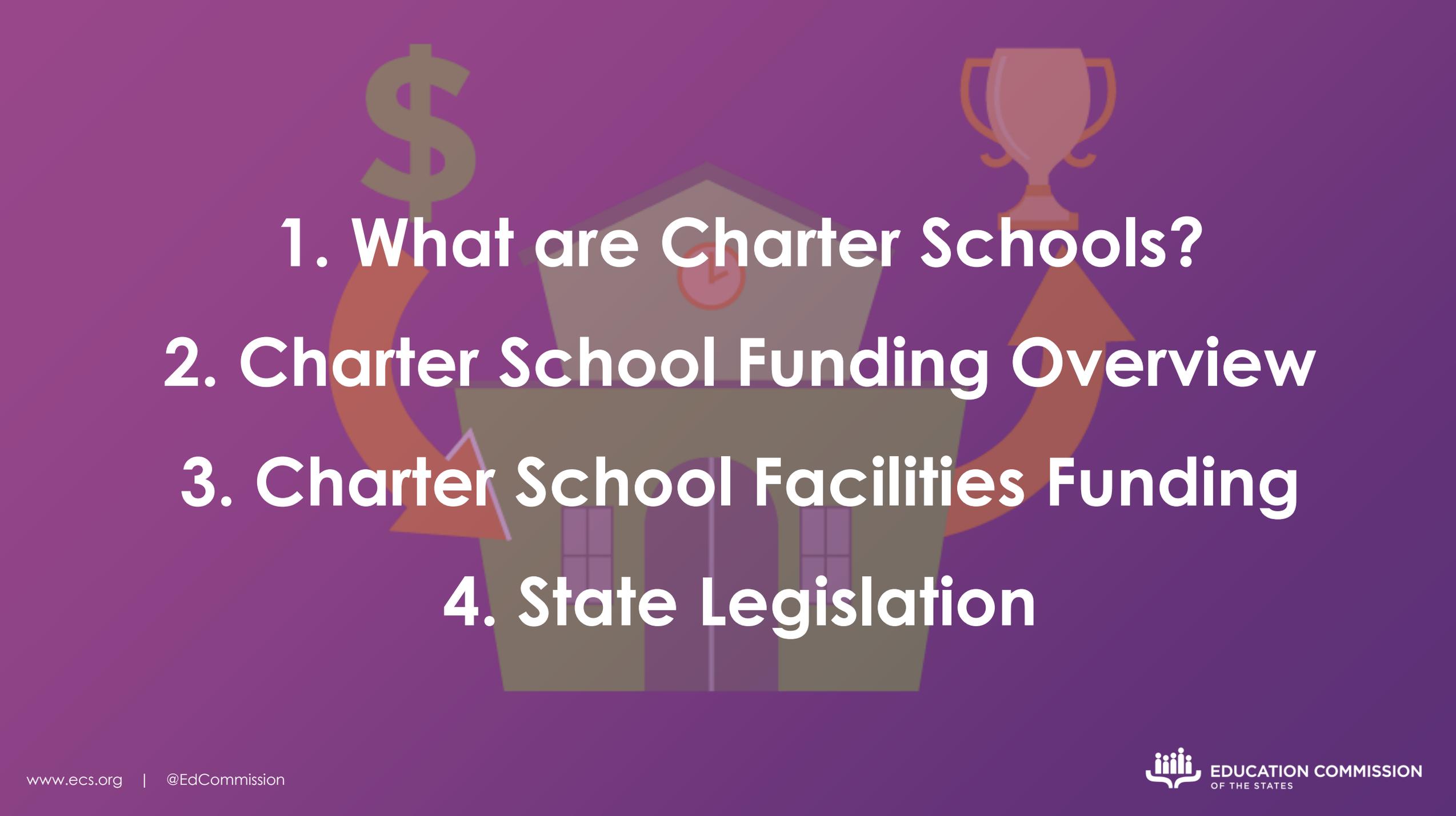
We believe in the power of learning from experience and we know informed policymakers create better education policy.



How we do it.

We research, report,
convene and counsel.

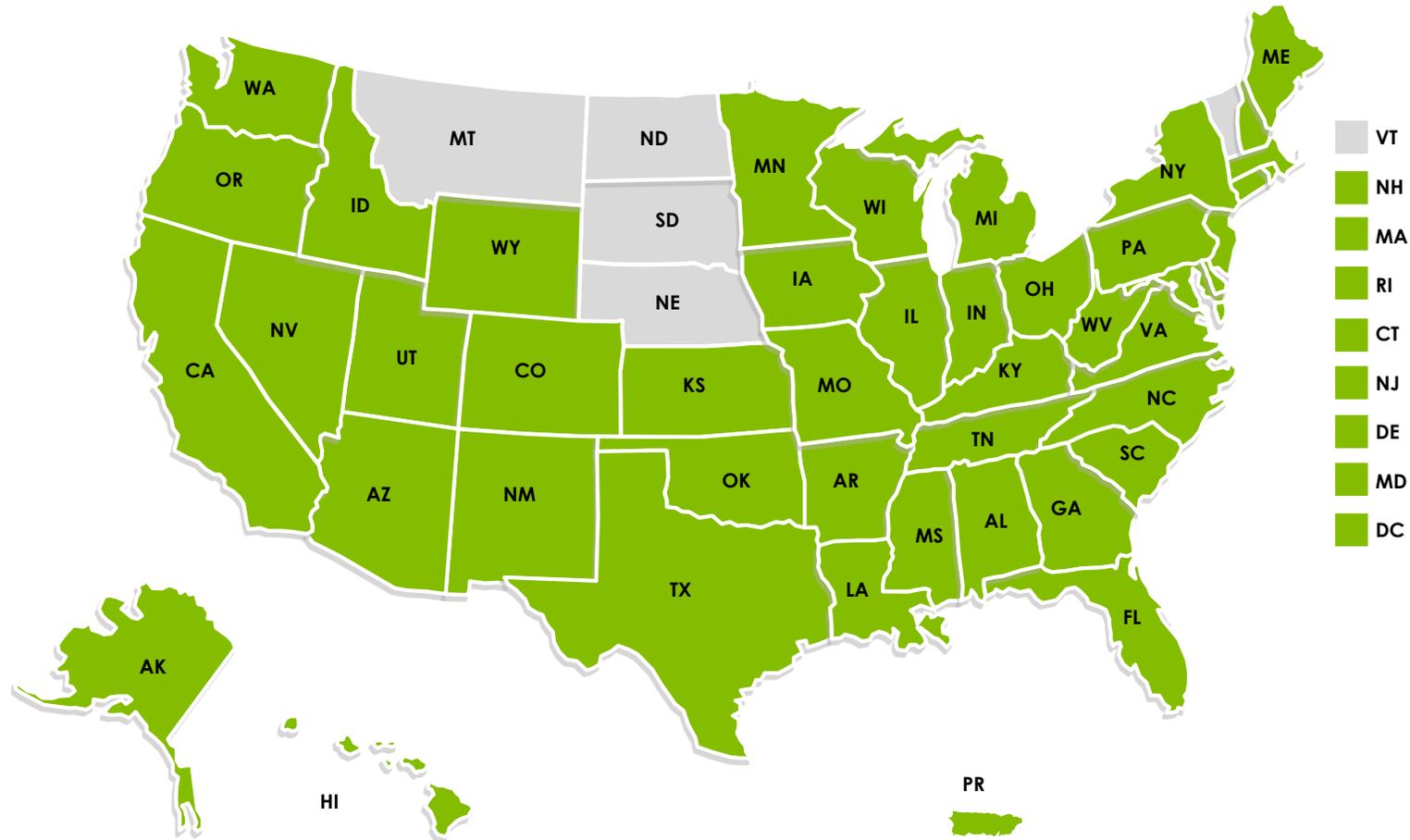


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 2. Charter School Funding Overview
 3. Charter School Facilities Funding
 4. State Legislation

What are charter schools?



States with Charter School Laws

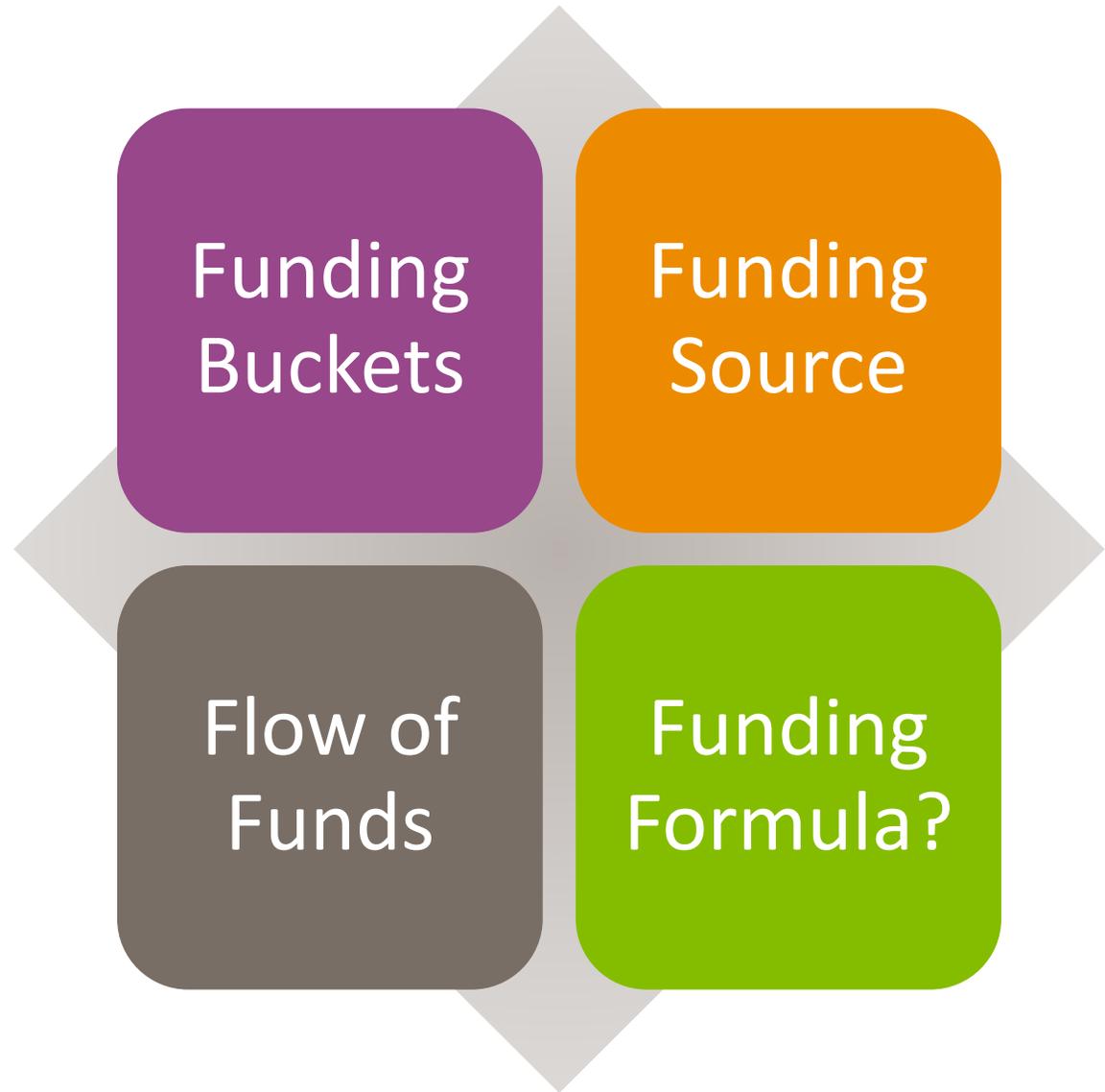


Charter School Funding





Charter School Funding

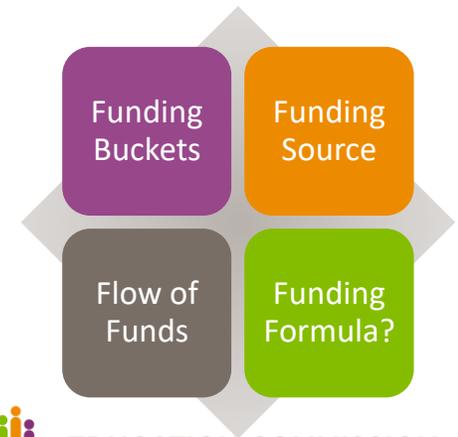




Charter School Funding

Funding Buckets

1. Operational funding
2. Categorical funding
3. Facilities funding

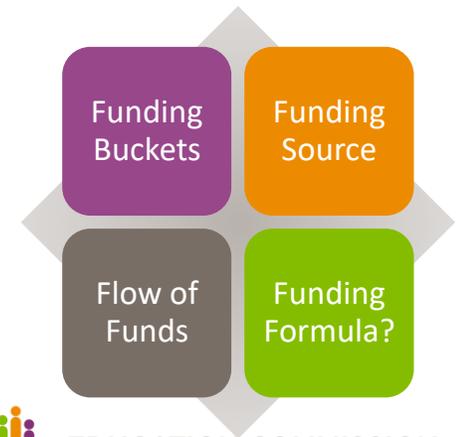




Charter School Funding

Funding Source

1. State entirely
2. State + District
3. Hybrid funding. State funding initially but district funding increases over time.

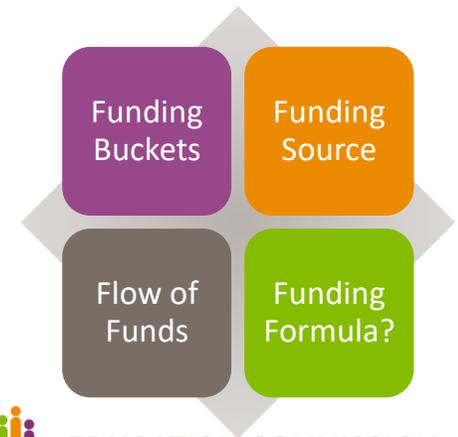




Charter School Funding

Flow of Funds

1. State – District – Charter School
2. State – Charter School
3. State – Authorizer – Charter School

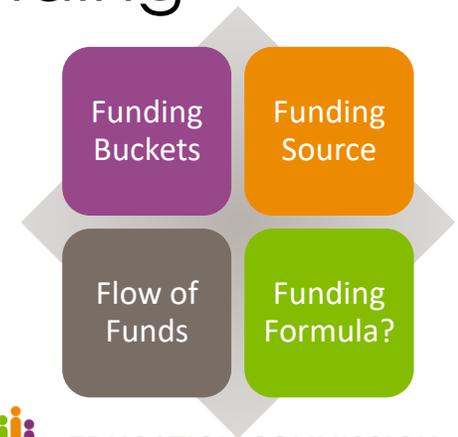




Charter School Funding

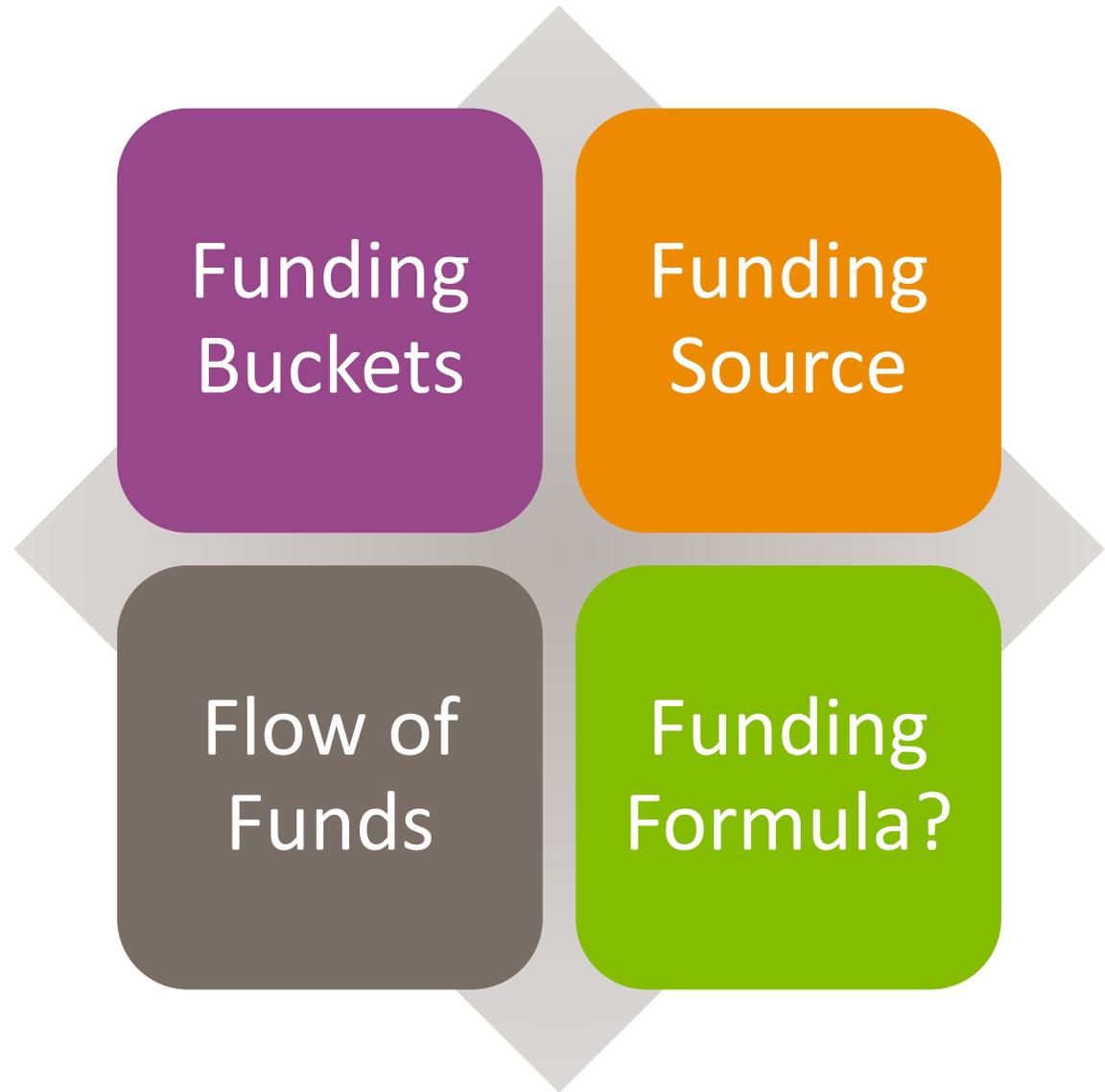
Are charter schools part of the funding formula?

- Most states: Yes.
- Limited number of states: charter schools funded through appropriation outside of funding formula.





Charter School Funding

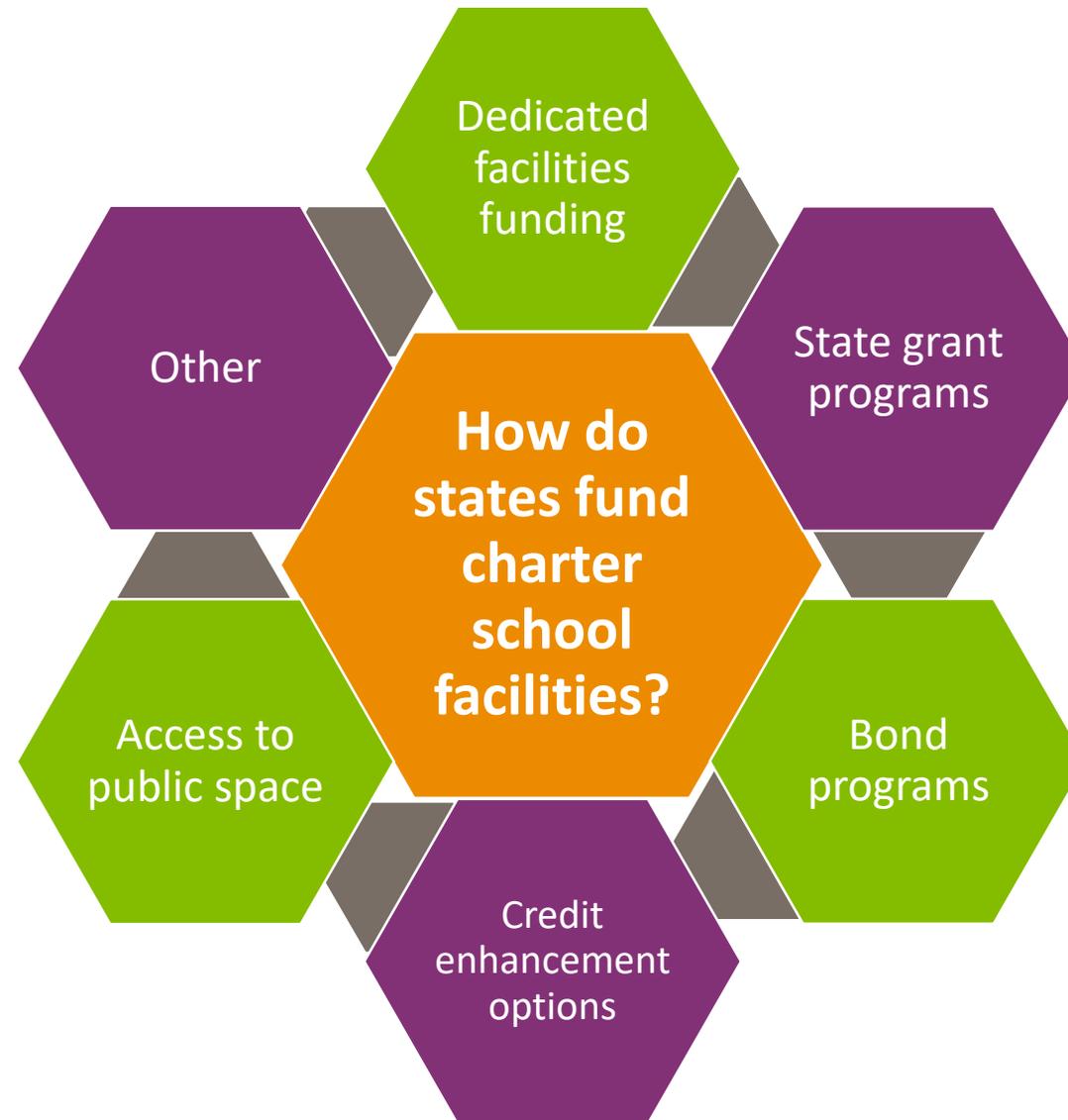


Funding Charter School Facilities





Funding Charter School Facilities





Funding Charter School Facilities

Dedicated
facilities
funding

Funds set aside by the state for charter school facilities.

State grant
programs

Grant programs, often competitive, for established charter schools.

Bond
programs

Allow charter schools to access tax-exempt bonds for facilities costs.



Funding Charter School Facilities

Credit
enhancement
options

Tools to make financing more affordable for charter schools.

Access to
public space

Programs that make public facilities and space more accessible.

Other

Property tax exemptions, revenue sharing, etc.



Funding Charter School Facilities

	Dedicated Funding	Grant Programs	Tax-exempt Bonds	Credit Enhancement	Access to Public Space	Other
Alabama	No	No	Yes	No	Yes	No
Arizona	Yes	Yes	Yes	Limited	Limited	Yes
Colorado	Yes	Yes	Yes	Yes	Yes	Yes
Florida	Yes	No	Yes	No	Limited	Yes
Indiana	Yes	Yes	Yes	No	Yes	No
Missouri	No	No	Yes	No	No	No
Texas	Yes	No	Yes*	Yes	Yes	No
Utah	Yes	No	Yes	Yes	No	Yes

Alabama



Funding Charter School Facilities

Dedicated Funding	No
State Grants	No
Bond Programs	Access to the Alabama Public School College Authority (new facilities and renovations)
Credit Enhancement	No
Access to Public Space	Right of first refusal to purchase or lease at or below fair-market value a closed public school facility in a district from which the charter schools draws students.
Other	No



Funding Charter School Facilities

Colorado

Dedicated Funding

Yes. Charters located in a district facility get reduced funding.

State Grants

Yes. Building Excellent Schools Today program.

Bond Programs

Yes. Colorado Educational and Cultural Facility Authority issues tax-exempt bonds for charter schools.

Credit Enhancement

Yes. Moral obligation, charter school debt reserve fund.

Access to Public Space

Yes. If space is available in a district facility, charter school may locate there without charge (operations and maintenance negotiated).

Other

1. Districts must invite charters to talk about facilities needs prior to issuing a bond, but not required to act.
2. Local revenue sharing.



Funding Charter School Facilities

Texas

Dedicated Funding Yes. ~\$60 million annually for selected schools.

State Grants No

Bond Programs Yes. Texas Credit Enhancement Program.

Credit Enhancement Yes.

1. Credit enhancement program, Public Finance Authority.
2. Texas Credit Enhancement Program.
3. Some charter schools may have bonds guaranteed by Permanent School Fund guarantee.

Access to Public Space Yes. School districts must give charter schools in the district right of first refusal.

Other No.



Funding Charter School Facilities



Dedicated Funding

Yes. Charter Additional Assistance may be used for facilities funding.

State Grants

Yes. Charter school stimulus fund provides assistance to applicants, including facilities-related costs.

Bond Programs

Yes. Schools operated by a nonprofit organization may receive tax-exempt bond financing through Industrial Development Authorities.

Credit Enhancement

Yes, but limited to high-performing charter schools in the Achievement District. These schools may access the Credit Enhancement Program to reduce borrowing costs.

Access to Public Space

List of state vacant properties made publicly available. Owners of vacant properties may not withdraw property from lease or sale because the applicant is a charter school.

Other

Charter school facilities exempt from taxes and other fees not applicable to other schools.

State Legislation





State Legislation

Idaho [SB 1180](#), 2019

Extends the state's moral obligation to charter schools.

Provides limited credit enhancement for some bond transactions for charter schools, making funding tools more affordable.



State Legislation

Texas SB [1454](#), 2019

Requirements for managing assets during charter school closures. Gives TEA oversight in acquiring and disposing of a charter school's property.

- Charter school property is public.
- Upon closure, charter holder must:
 - Retain property, reimburse state
 - Transfer title to TEA, another public school
 - Liquidate property
- Provisions when property of a closing charter school has creditors.



State Legislation

Texas [HB 21](#), 2017

Appropriated around \$60 million annually to eligible charter schools for facilities costs, began in FY 2019.



State Legislation

Colorado [HB 17-1375](#), 2017

Milly Levy Equalization

Directs school districts to equitably share with charter schools the local tax revenue raised for district operations.

1. Share 95%+ of mills with charter schools.
2. Develop a district-wide plan for equitable sharing.

Milly Levy Equalization – State Context



State Legislation

Colorado

- 255 charter schools, 125,000 students, 14% of enrollment, 180+ districts
- Mostly district-level authorizing
- 1 statewide authorizer (few schools)

Oklahoma

- ~30 charter schools, 29,000 students, 4% of enrollment, 500+ districts
- Multiple authorizer types (districts, virtual authorizer, tribes, etc.)
- 10 active authorizers, variety of types



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