

# STATE POLICY ANALYSIS:

PER-PUPIL FACILITY FUNDING

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**JIM GRIFFIN**

MOMENTUM STRATEGY & RESEARCH

**BROOKE QUISENBERRY**

MOMENTUM STRATEGY & RESEARCH



## KEY FINDINGS

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The National Alliance for Public Charter Schools released State Policy Snapshot: Facilities Funding for Public Charter Schools in September 2019. It identified and documented all the state aid programs for public charter schools, including per-pupil facilities funding. It also listed the state regulations for the 18 states that allocate facilities funds on a per-pupil basis.<sup>1</sup> This paper expands on the policy snapshot and provides an analysis of those state programs.

**Florida almost tripled funding to the charter per-pupil facilities program.**

The absence of dedicated facilities funding has been a shortcoming of charter school statutes since their advent in the early 1990s. By the end of the '90s and into the first two decades of this century, however, states have begun adopting mechanisms to help charter schools with their facilities costs. These mechanisms are relatively small compared to the overall facilities funding needs, but they are a start. This paper summarizes those statutes and their operations and funding.

### **A. Total state appropriations and per-pupil allocations remain small but are increasing.**

The overall amount of per-pupil facilities funding going to charter schools has increased steadily over time. Regardless of the funding mechanism (whether as part of their base per-pupil funding or supplemental), states have increased total appropriations from 1998 to 2019, with California, Florida, Minnesota, and Washington D.C. exponentially increasing total appropriations to these programs. This past year, 2018-19, marked the highest total appropriation across a majority of 18 states that have per-pupil facilities funding,<sup>2</sup> with at least \$600 million in appropriations. For comparison purposes, traditional school districts have received more than \$55 billion in taxpayer funds for school construction in 2018-2019. Overall funding for charter schools should continue to increase into 2019-20.

In addition to overall appropriations increases, per-pupil levels have also increased over the years, both in terms of the amount specified by statute and as the average per-pupil amount charter schools receive. In many states, the average per-pupil amount received by schools has increased while the statutory

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1 In September 2019, New Hampshire funded a charter lease aid mechanism for the first time.

2 Total amounts appropriated in Arkansas and Indiana are moving into their highest ever in 2019-20, while California, D.C., Florida, Idaho, Minnesota, and New Mexico had their highest total appropriations in 2018-19. Based on these trends, total appropriations should continue to increase into 2019-20. Colorado, Ohio, and Pennsylvania have had relatively level appropriations from 2017 to 2019, suggesting that overall funding should remain constant into 2019-20.

levels remained stagnant. These averages trended upward from 2017 to 2018, suggesting continued increases or leveling into 2019-20.

Texas is the newest state providing per-pupil facilities aid since Arkansas in 2016.

**B. School eligibility and use restrictions have shifted over the years.**

Statutes that provide per-pupil facilities funding separate from the base per-pupil funding have changed over the years, depending on when the initial program was put into place. There are 12 such states (see section below for full description). Statutes enacted between 1997 and 2005 are more restrictive

in their per-pupil facilities funding (for example, four of the seven are lease-reimbursement-only), while also having fewer and/or less stringent eligibility restrictions. Florida is the one exception to this finding—they have the most eligibility restrictions of all the statutes; however, they also have more permissive use for the funding.

Newer statutes are more permissive in terms of use (e.g., none of the five statutes since 2005 are lease-reimbursement-only); however, they tend to have more eligibility restrictions that are also more stringent, as four out of five limit eligibility based on academic performance of the school in an apparent elevation of school quality over equitable distribution of funds.

**TABLE 1: TOTAL APPROPRIATIONS FOR 2017-18 AND 2018-19**

STATE	2017-18	2018-19
Arizona	\$350.3 million*	\$360.4 million*
Arkansas	\$5 million	\$6.5 million
California	\$118 million	\$137 million
Colorado	\$25 million	\$25 million
District of Columbia	\$140.2 million*	\$145.1 million*
Florida	\$50 million	\$145.2 million
Georgia	\$77.6 million	\$81.4 million*
Idaho	\$7.2 million	\$7.9 million
Indiana	\$15 million	\$15 million
Massachusetts	\$36.8 million	\$38.6 million
Minnesota	\$74 million	\$79.3 million
New Mexico	\$15.4 million	\$15.8 million
New York	NA	NA
Ohio	\$16.6 million	\$16.6 million
Pennsylvania	\$10.5 million*	\$10.5 million
Tennessee	\$9.3 million*	\$10.1 million*
Texas	-	\$60 million
Utah	\$17 million	\$17.6 million
<b>Total</b>	<b>At least \$967 million</b>	<b>At least \$1.17 billion</b>

\*Data was not readily available; values are based on educated estimates.  
 NA – due to New York’s unique system, estimates are not available

## T TYPOLOGY AND DEFINITIONS

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The eighteen per-pupil facilities funding structures are organized below by funding structure and eligibility criteria. These 18 states are divided into three different types of funding structures, including supplemental, embedded, and hybrid formulas, all of which are described below. At this time, the hybrid formula is unique to New York and provides additional local facilities funding to charter schools given certain circumstances. While it is clear the supplemental formula adds funding to the base per-pupil amount, it is not clear that the embedded formula provides the same additional resources. For this reason, the analysis and results of these two funding structures are handled differently throughout the remainder of the report.

### Funding Structure

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**Supplemental Formula:** Supplemental per-pupil facilities funding is above and beyond the basic per-pupil aid program and is funded through a specific, separate appropriation for charter facilities costs. The base per-pupil funding is calculated under its own formula and distributed through its own process, while the per-pupil facilities aid involves an independent calculation, appropriation, and distribution mechanism.

Supplemental aid is far more likely to involve eligibility and use restrictions than the embedded formula.

Currently, Arkansas, California, Colorado, Florida, Idaho, Indiana, Minnesota, New Mexico, Ohio, Pennsylvania, Texas, and Washington, D.C., use a form of supplemental aid for facilities funding, with varying means of calculating or determining the supplemental facilities per-pupil amount.

In Arkansas, Florida, and Texas, the legislature appropriates a specific total annual amount for supplemental facilities funding. That allocation is divided by the average daily attendance (ADA) to determine the per-pupil amount for that year. How the legislature determines the total appropriation is not specified.

$$\frac{\textit{Total Annual Appropriations}}{\textit{Eligible ADA}} = \textit{Per-pupil amount}$$

The legislatures in Colorado and Ohio specify the supplemental per-pupil allowance; however, if the state does not appropriate sufficient funds for supplemental facilities funding, schools receive a prorated per-pupil allowance. The statutes do not specify how the total amount is determined nor how the per-pupil allowances are calculated.

The legislatures in California, Idaho, Indiana, Minnesota<sup>3</sup>, Pennsylvania, and Washington, D.C., set a specific per-pupil amount for the facilities funding in statute. State appropriations increase in conjunction with charter school enrollment growth because the per-pupil amount is multiplied by the ADA of eligible schools.

- ▶ In Idaho, the supplemental facilities per-pupil amount is a percentage of the statewide bond and levies total per-pupil average. The percentage is dependent on changes to the overall appropriations for educational support programs.
- ▶ In New Mexico the legislature set the supplemental facilities per-pupil amount at \$700 in 2009 and then stated that the amount would adjust each year based on changes to the consumer price index for the United States; however, since 2016, the per-pupil allowance has remained the same.
- ▶ In Washington, D.C., charter facilities funding was originally set at the D.C. Public Schools (DCPS) per-pupil facilities cost from the prior year. Then from 2004 to 2008, the five-year DCPS per-pupil facilities cost average was used. However, in 2009 that direct comparison to DCPS facilities costs was severed when the City Council set the supplemental facility per-pupil level to a flat \$3,000 per student. Since 2009, the per-pupil level is set in statute for the upcoming two or three school years by the City Council, with no rationale provided.
- ▶ The values in California, Indiana, Minnesota, and Pennsylvania do not seem to be tied to anything and the rationale for choosing the amount is not specified.
- ▶ In California, Minnesota, New Mexico, and Pennsylvania, charter schools can receive less than the per-pupil amount specified by statute. Each state's statute mentions that charter schools will receive the lesser of a percentage of the rent or the ADA times the supplemental facilities per-pupil amount. For California, it has historically been 75 percent of annual rent<sup>4</sup>, and in Minnesota it is the lesser of 90 percent of the lease amount, 90 percent of audited expenditures, or the FTE times the supplement facilities per-pupil amount in statute. In New Mexico and Pennsylvania, charter schools receive

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<sup>3</sup> Lease Assistance in New Mexico is not specific to charter schools. Any public school in New Mexico that has a lease can apply for the assistance. However, it is predominantly charter schools that use the program and, based on initial analysis, fewer and fewer non-charters are using this program.

<sup>4</sup> In California, starting in 2018-19, reimbursable costs cannot exceed prior year costs adjusted for cost of living, and new facility agreements must be at or below market rate.

the lesser of the total annual lease or the per-pupil amount times the ADA.

As a special note, New Hampshire statute allows charter schools to access the lease aid grants provided for districts, where 30 percent of the lease is reimbursed for eligible schools. Unlike the four lease aid programs listed above, New Hampshire does not provide a specific per-pupil amount as part of the lease aid process. Thus, it is not an obvious per-pupil facilities funding mechanism. Also complicating matters is that while the mechanism has been in statute since 2003, and charter schools have been included since at least 2010, the program was not funded until late September 2019. Since New Hampshire does not have the history of the other states, it remains to be seen if this funding level continues or if it was a one-time appropriation.

As of 2018-19, 12 states have a supplemental aid funding structure, providing per-pupil funding between \$25 and \$3,263, with many states in the \$500 range. For comparison purposes, charter schools are estimated to spend between \$1,000 and \$4,000 for facilities-related expenses, with many schools in the \$2,000 range.

**Embedded Formula:** Embedded per-pupil facilities aid is included as a portion of the schools’ overall per-pupil funding formula. This type of funding formula is based on specified component parts that, when added up, create an overall per-pupil amount. The specific component parts are identified by source or function (including facilities) but are not restricted to that use. Thus, there are no eligibility requirements or use restrictions, nor annual appropriation; a set amount is simply provided for each student based on the per-pupil formula and is part of the same overall per-pupil funding source.

To some degree, it appears states may include this facilities tag to provide a superficial comparability to the facilities funding districts receive. It is unclear if this facilities tag used in the embedded formula per-pupil funding structure truly provides an additional aid to charter schools. If the net per-pupil funding for charter schools is still less than, or even level with, that of district schools, charter schools are still receiving less funding because district schools have access to local tax dollars for facilities funding.

**TABLE 2: PER-PUPIL LEVELS FOR STATES WITH SUPPLEMENTAL AID, 2018-19**

STATE	STATUTORY PER-PUPIL AMOUNT	APPROPRIATED AVERAGE PER-PUPIL ESTIMATE (FUNDING / ELIGIBLE FTE)
Arkansas	\$473.57	\$473.57
California	\$1147.00	\$558.36
Colorado	\$450 (School Owned) \$300 (School Leased) \$100 (District Owned)	\$256.30
District of Columbia	\$3,263.00	*
Florida	\$510.20	\$510.20
Idaho	\$335.00	\$328.82
Indiana	\$500.00	\$500.00
Minnesota	\$1,314.00	\$1,232.94
New Mexico	\$736.00	\$616.46
Ohio	\$200.00 (Brick & Mortar) \$25.00 (E-Schools)	*
Pennsylvania	\$160.00 (K-6) \$220.00 (7-12) \$270.00 (Tech)	\$206.89
Texas	\$200.00	\$206.89
* Data needed to calculate estimate was not available		

Currently, Arizona, Georgia, Massachusetts, Tennessee, and Utah have a form of embedded formula per-pupil facilities funding. Determining the per-pupil facilities amount within the embedded formula is slightly different for each state.

The legislatures in Arizona and Massachusetts set a specific per-pupil amount for the facilities-tagged funding. How the legislatures determine these set amounts is not specified.

Georgia statute specifies the level of per-pupil facilities funding by calculating the average local, state, and federal district revenue that is not part of the base state aid and dividing it by the ADA. Georgia also provides an add-on to this per-pupil amount for schools in “high-rent” districts.

In Tennessee, per-pupil funding for both charter schools and district schools, is determined using the Basic Education Program (BEP), which is a complicated funding formula including 43 indicators. A portion of the BEP is tagged as facilities funding for charter schools.

Utah charter schools receive part of their basic per-pupil funding through the Local Replacement Funding (LRF), with 10 percent of the LRF tagged as facilities funding. The LRF is the sum of the average local district revenue per student and the average debt service revenue per student. Essentially, the LRF is the average local revenue for all districts in the state, representing symbolic parity with the districts.

As of 2018-19, five states use an embedded per-pupil facilities funding structure providing per-pupil funding between \$215.00 and \$2,106.03. It is not always clear the extent to which these funding figures represent additional revenue that would not be otherwise available.

**Hybrid Formula:** New York state has a unique model that is a combination of supplemental funding and other incentives (see box for more detail).

**TABLE 3: LEVELS FROM STATES WITH EMBEDDED FORMULA, 2018-19**

STATE	STATUTORY PER-PUPIL AMOUNT
Arizona	\$1,807.00 (K-8) \$2,106.03 (9-12)
Georgia	\$1,100.00
Massachusetts	\$893.00
Tennessee	\$215.00 - \$315.00
Utah	\$224.00

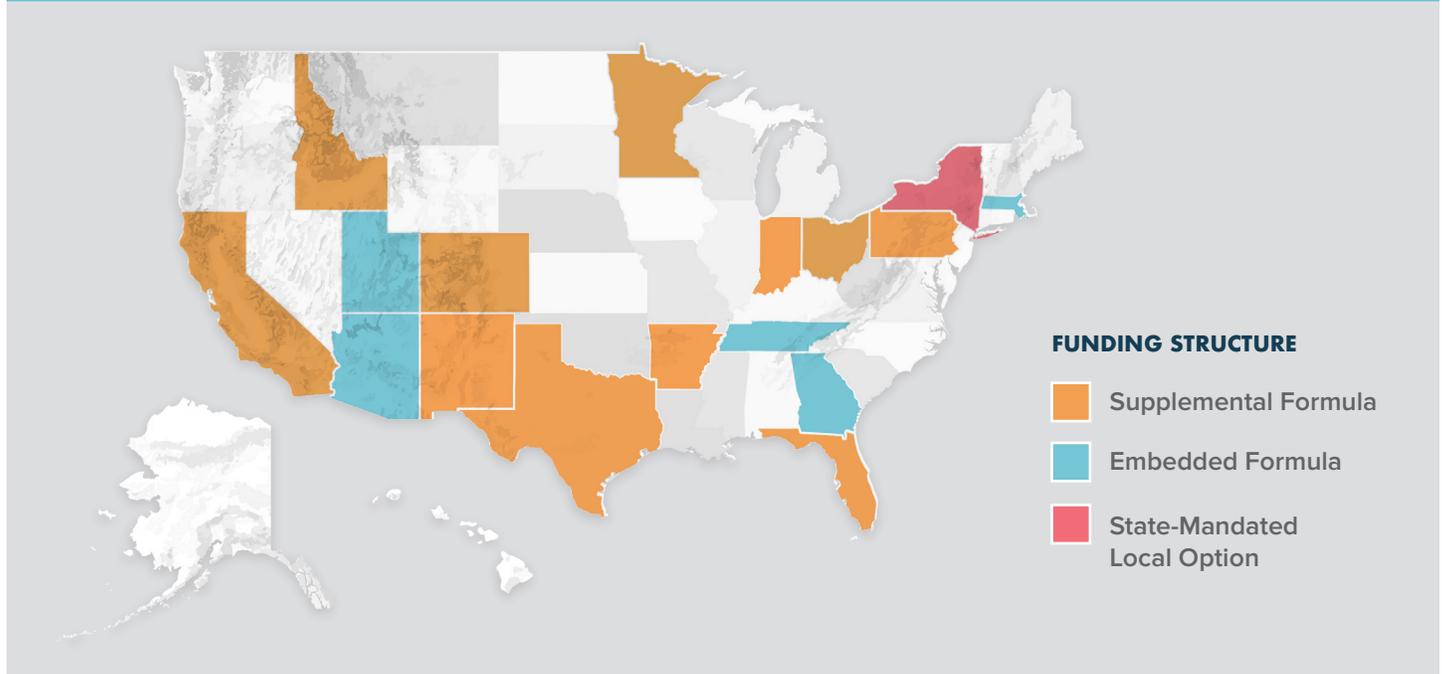
**State-mandated Local Option**

New York has chosen a novel approach to charter school facilities needs that may be based on requirements that local districts (specifically New York City) supply available space but ends up involving per-pupil facilities payments as well. While New York is the only state to take this approach, it does seem to be the most direct way to address the charter facility needs.

Essentially, New York law requires the New York City Department of Education (DOE) to provide charter schools in need of facility space with either: 1) no-cost district space, which may include a co-location site; or 2) payment for their rented space in a non-city-owned building. The charter schools can appeal the DOE’s offer, or failure to offer, through the state commissioner of education. If the appeal rules in the DOE’s favor, the offer is final, or the charter school must find a different facility at their own expense. If, however, the appeal rules in the charter school’s favor, DOE must pay the lesser of the actual rental cost of the alternative privately-owned facility or 20 percent of the charter school’s per-pupil funding. This approach translates to approximately \$4,500 per-pupil.

Because of the unique nature of the New York model, data was unavailable. Thus New York will not be included in the summaries or graphs in this report.

**FIGURE 1: TYPES OF FACILITY FUNDING STRUCTURES**



## Eligibility Criteria and Use Restrictions

The 12 states providing supplemental facilities aid are more likely to apply eligibility criteria and/or use restrictions to their per-pupil facilities funding. Eligibility criteria are different factors or characteristics of charter schools listed within statute that either allow or do not allow a school to receive the additional per-pupil facilities funding. Use restrictions, on the other hand, are guidelines in statute that describe how a charter school may spend the funds provided through the supplemental funding.

### Eligibility Criteria

Three states—Idaho, New Mexico and Washington, D.C.—do not have any eligibility criteria and simply provide the funding based on the average daily attendance.

For the remaining 9 states that have supplemental facilities aid, per-pupil facilities funding depends on eligibility criteria reflecting state charter related priorities and/or strategic or political considerations.

### School Composition

**Grades served:** In Pennsylvania and Minnesota, the level of funding a school is

eligible to receive is determined based on the grades it serves (i.e., elementary, high school, or vocational).

**Virtual School:** Ohio differentiates funding level based on whether the charter is a brick-and-mortar or virtual school. Four additional states (Arkansas, Colorado, Indiana, and Pennsylvania) specifically preclude facilities funding for virtual schools in statute. Other states have not addressed virtual school eligibility explicitly in statute, although they may do so through implementation.

**Facilities Ownership:** Colorado differentiates their funding level by the type of facilities the charter uses (i.e., school-owned, school-leased, or district-owned). Similarly, California charter schools do not receive funding if the facilities are district, state, or federally owned, and Florida charter schools do not receive funding for facilities provided by their authorizer.

**Charter Type:** In Arkansas and Texas, only open-enrollment charter schools are eligible for facilities funding. Similarly, in Florida, conversion charter schools are not eligible.

### Age of Charter

Florida requires charter schools to be in their second year of operation before being eligible for funding, although there are a few exceptions. In the past, Florida required charter schools to be in their third year.

### Student Demographics

California restricts funding to schools that have at least 55 percent (previously 70 percent) of the student population qualifying for free or reduced-price lunch (FRL) or if the charter school is located near a school serving at least 55 percent FRL and the charter school gives admissions preference to those pupils. Florida provides additional facilities funding for schools serving a population at least 75 percent FRL, or at least 25 percent identified as special ed under Individuals with Disabilities Education Act. If an eligible school has only one of these specified populations, it receives 125 percent of the facilities funding, and if the school meets both population thresholds, it receives 150 percent of the funding level.

### School Performance

**Academic Strength:** Arkansas, Florida, Indiana, Ohio, and Texas connect eligibility for funding to academic performance. Either the overall funding is restricted based on poor academic performance or more money is provided for schools with better academic performance.

**Financial Strength:** In Arkansas and Florida, charter schools in financial distress or emergency are not eligible for per-pupil facilities funding.

3,790

Number of schools not receiving per-pupil funding in 2018-19

**TABLE 4: ELIGIBILITY CRITERIA AND USE RESTRICTIONS SUMMARY BY STATE**

STATE	MN	DC	FL	CA	CO	PA	NM	ID	OH	IN	AR	TX
LAW ENACTED	1997	1998	1998	2001	2001	2001	2005	2013	2013	2015	2016	2019
<i>Eligibility Criteria</i>												
No Restrictions - ADA Only		✓					✓	✓				
Grades Served	✓					✓						
Virtual School					✓	✓			✓	✓	✓	
Facilities Ownership			✓	✓	✓							
Charter Type			✓								✓	✓
Age of Charter			✓									
Student Demographics			✓	✓								
Academic Strength			✓						✓	✓	✓	✓
Financial Strength			✓								✓	
Charter in Good Standing			✓								✓	
<b>Total Criteria Used</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>2</b>
<i>Use Restrictions</i>												
No Restrictions		✓							✓			
Lease Reimbursement Only	✓			✓		✓	✓					
Capital Only					✓			✓			✓	✓
Capital Plus Transportation			✓							✓		
*For the 12 States that provide supplemental state per-pupil facility funding												

**Charter in Good Standing:** In Arkansas, charter schools that are placed on probationary status by their authorizer are not eligible for the facilities funding. Florida also requires charter schools to have received final approval from their authorizer to be eligible for per-pupil facilities funding.

## Use Restrictions

### No Restrictions

Ohio and Washington, D.C., do not specify use restrictions in their statutes.

### Lease Reimbursement Only

Funding in California, Minnesota, New Mexico, and Pennsylvania is available only for lease reimbursement. If the lease includes maintenance or utilities, California will cover that as well; however, Minnesota and Pennsylvania reimbursements are strictly for lease of the building. In Pennsylvania, the funds cannot be used for renting land or for relocatable structures (e.g., trailers or modularized structures).

### Capital Only

Arkansas, Colorado, Idaho, and Texas allow charter schools to use this funding for lease reimbursement, mortgage payments, or any kind of facilities maintenance.

### Capital Plus Transportation

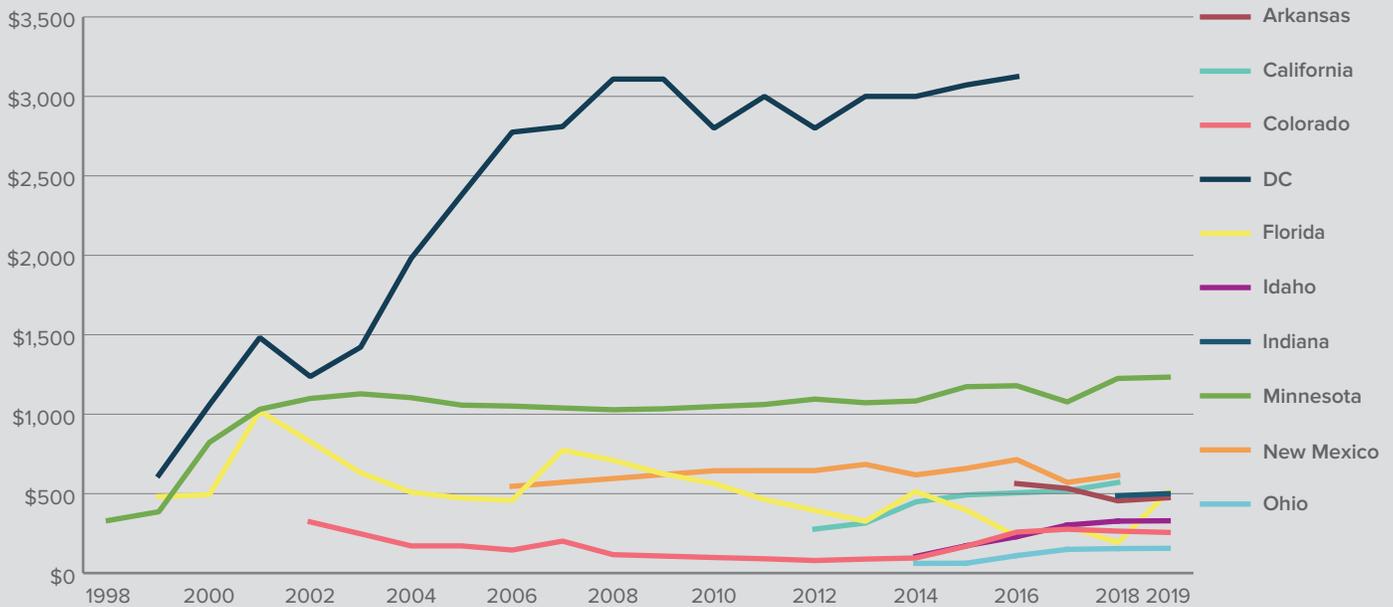
Florida and Indiana allow charter schools to use this funding for transportation costs in addition to lease reimbursement, mortgage payments, or any kind of facilities maintenance. Transportation use in Florida is more restrictive than in Indiana.

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**1,611,231**

**Estimated number of charter school students not benefitting from per-pupil facilities funding in 2018-19**

**GRAPH 1: AVERAGE PER-PUPIL LEVELS**



## Total Funding Levels

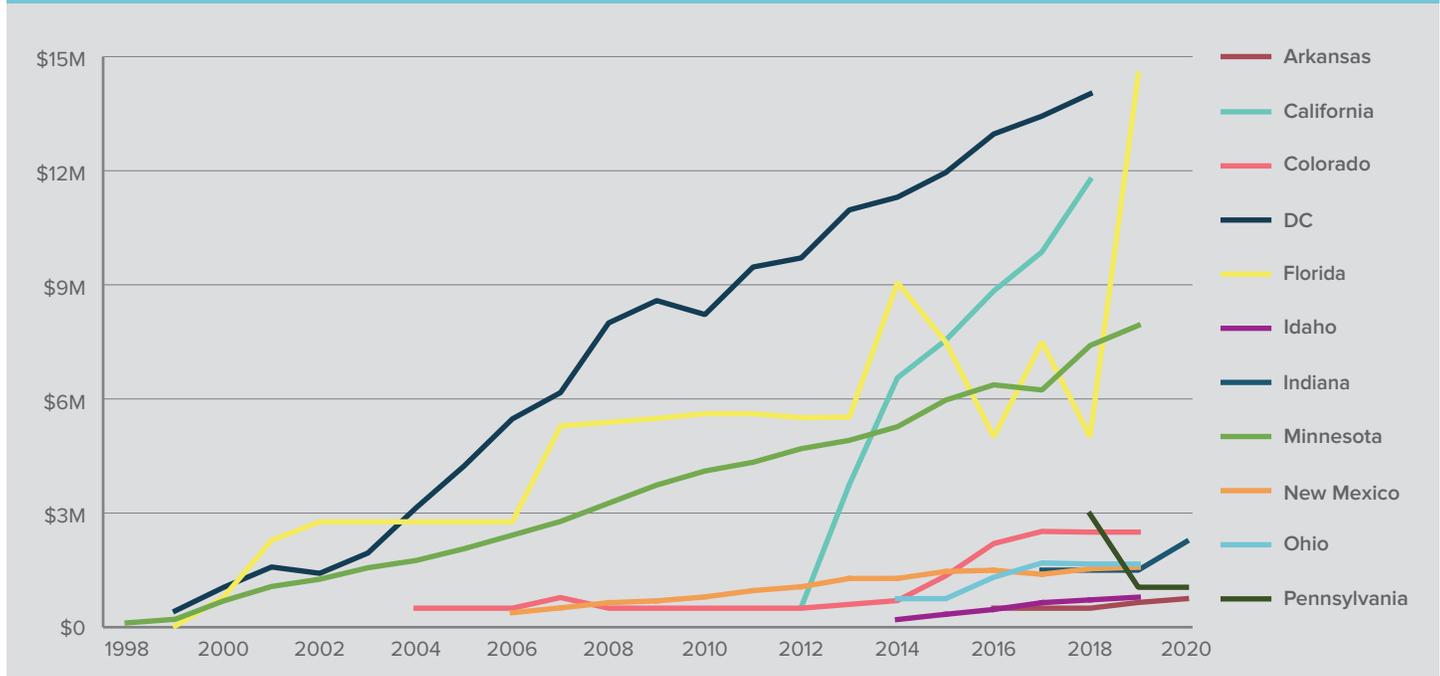
Every one of the supplemental aid states has increased its total appropriation in the years since adopting a per-pupil aid program. As shown in Graph 2, California, Florida, Minnesota, and Washington, D.C., experienced the most dramatic increases in total funding over the years. Each state except Florida has experienced relatively stable increases every year, with only occasional decreases. As noted above in the per-pupil trends, Florida experienced extreme fluctuations in total funding over a four-year period, affecting both the overall funding trend and the average per-pupil funding trend.

Arkansas, Colorado, Idaho, Indiana, New Mexico, and Ohio have experienced overall upward trends in terms of overall spending; however, the overall increase is less drastic compared to the four states listed above.

## Funding Over the Years – States with Supplemental Formulas

From the first year to 2018-19, the change in supplemental formula per-pupil funding amounts ranges from 84 percent to 314 percent. A few states have experienced decreases over the years, others have remained level, and half have experienced growth. As of the end of 2018-19, Texas was finishing its first year of

**GRAPH 2: TOTAL AMOUNT APPROPRIATED FOR SUPPLEMENTAL AID**



the per-pupil facilities program, so there are no trends as of now.

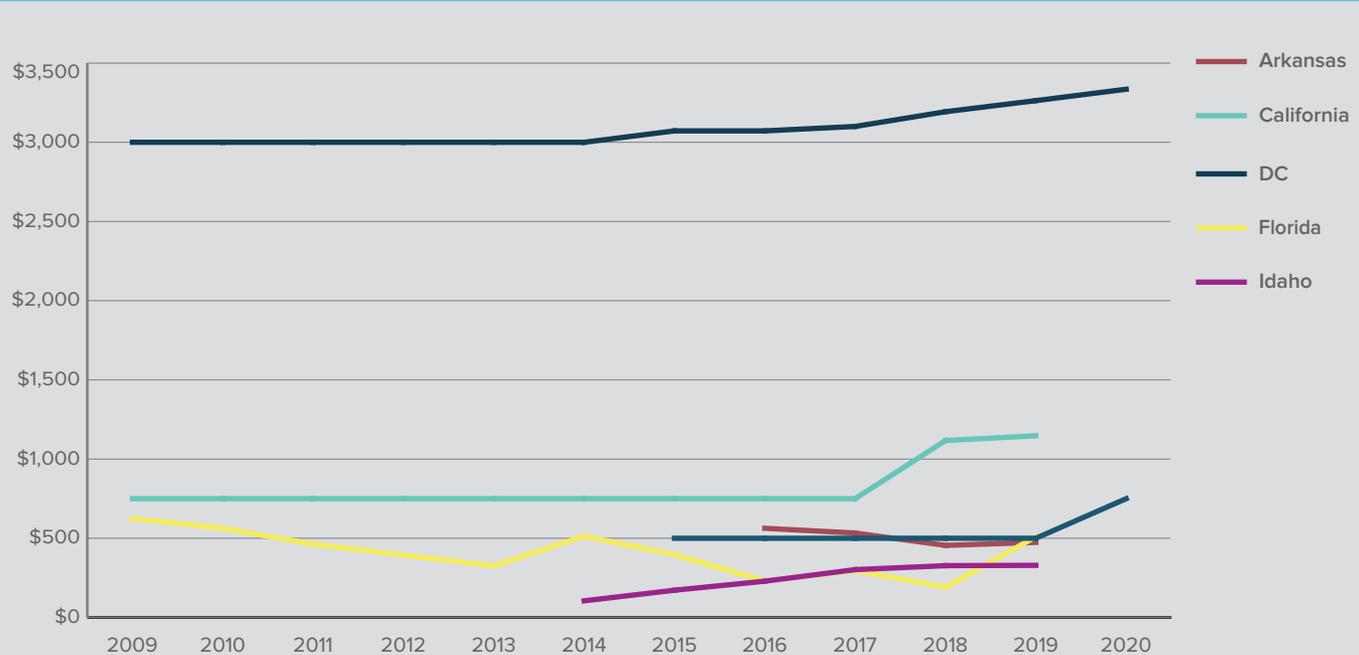
**Level Funding:** Colorado, Minnesota, New Mexico, Ohio, and Pennsylvania have maintained their per-pupil facilities funding level for at least three years in a row. Pennsylvania has had the same per-pupil amount for the entirety of its lease assistance program, while the other states have increased funding occasionally though not consistently from year to year.

**Recent Increases:** As shown in Graph 2, six states have experienced a recent increase in funding. The Arkansas statute appropriates an overall amount and then divides that by the eligible ADA. In the first three years, the program had the same total funding, and with increasing enrollment, the per-pupil amount started decreasing. In 2018-19, an increased appropriation raised the per-pupil amount. That per-pupil increase is projected into 2019-20 as the total appropriation continues to increase.

Similarly, California and Indiana had stagnant per-pupil funding when they first provided funding. They recently increased their funding levels. For California, the increase began in 2017-18 and has continued, while Indiana had an increase in 2019-20.

Washington, D.C. funding was also initially static, but increased in 2014-15, remained stagnant in 2015-16, and then has increased each year. That trend is projected to continue into 2020-21. Idaho has steadily increased its per pupil facility funding amount since it started the program.

**GRAPH 3: PER-PUPIL AMOUNT FOR SUPPLEMENTAL FORMULAS**



Florida’s per-pupil facilities funding has experienced the most fluctuation of all the states. Completely dependent on the overall amount appropriated, stagnant total funding mixed with increasing enrollment has resulted in several downward trends over the years, with the lowest supplemental per-pupil funding in 2017-18 at \$190.65. After a significant increase in total appropriations, the per-pupil funding was back up to \$510 in 2018-19, which is about \$30 more than the original amount in 1999.

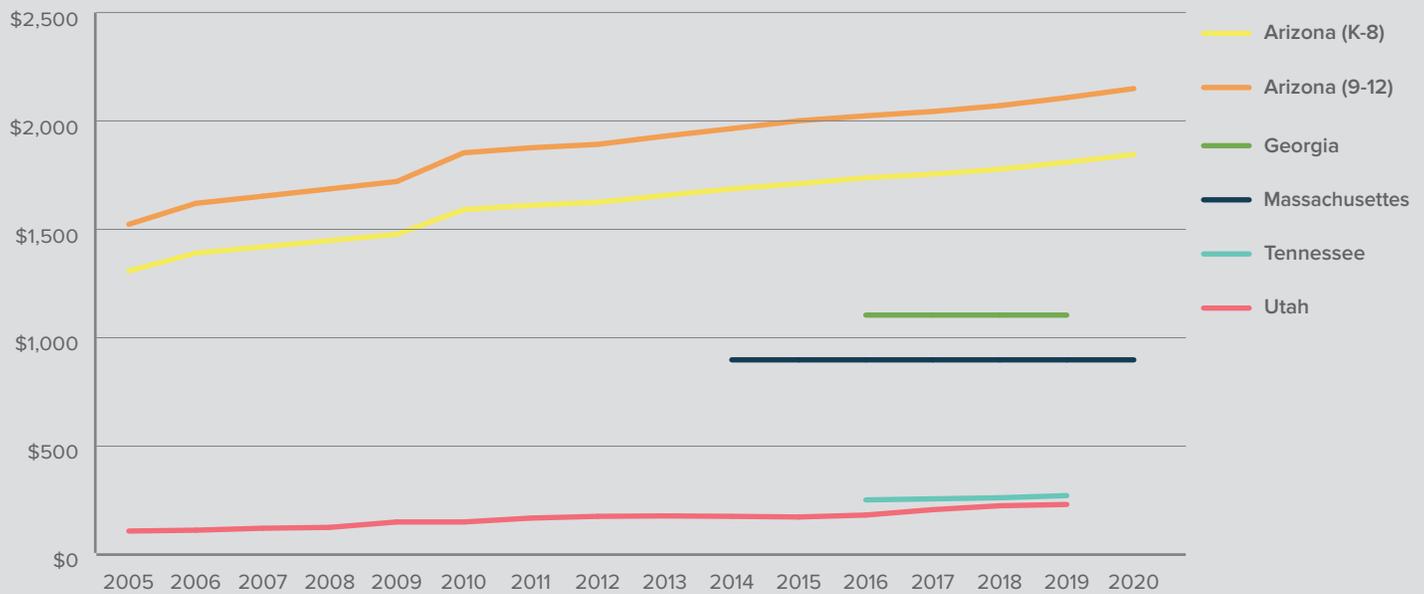
### Funding Over the Years — States with Embedded Formulas

In the past decade, Arizona’s and Utah’s facilities per-pupil funding level grew by 123 percent and 157 percent, respectively, while Georgia and Massachusetts have remained level.

As shown in Graph 1<sup>5</sup>, Utah has had slight increases from 2004-05 to present, from \$100 to \$224 over 15 years. Arizona differentiates funding based on the grade structure of the school, either K-8 or 9-12, with both steadily increasing over the years. The K-8 allocation has increased by an average of \$37 each year since 2004-05, while the high school allocation increased by an average of \$43 each year since 2004-05. Similarly, Tennessee has had a small increase from 2016 to 2019 of \$20 per student.

<sup>5</sup> Full data unavailable for all three states (Massachusetts and Georgia started earlier than is represented) and Tennessee data was unavailable.

**GRAPH 4: PER PUPIL AMOUNTS FOR EMBEDDED FORMULAS**



## Per-pupil Funding Trends by Funding Formula

Charter schools in states with an embedded formula have the most consistent or stable funding levels, as the per-pupil rates have either stayed level or have consistently increased over the years. In comparison, charter schools in states with a supplemental formula may have more uncertainty regarding the level of funding they will receive in a given year.

States that use a straight formula of the total appropriation divided by ADA do not have differences between what is statutory versus what is appropriated; however, the levels are dependent on the amount appropriated. If that amount does not increase with growing enrollment, then per-pupil funding levels vary greatly, as seen in Florida and to some extent Arkansas in the graphs below. Texas may, we hope, learn from these two states as their program grows.

Similarly, while Colorado and Ohio statutes specify per-pupil levels, they also say that if the state's total funding is not sufficient for those levels, schools will receive a prorated amount based on the total funding. Funding levels in both states have not typically been enough to provide the statutory per-pupil funding levels, so in practice, their funding structure is a straight formula of the total appropriation divided by ADA, which deviates from the statutory levels and results in inconsistent levels from year to year. The average funding levels in Colorado have decreased over time, with increases from 2013-14 to 2016-17 and

a slight decrease in the last two school years. Ohio has experienced a slight upward trend.

Of the states that have a specified per-pupil funding level in statute, Idaho seems to have the most consistent growth; it has had no decreases and is the only one dependent on a formula. Many of these states had stagnant statutory per-pupil funding; however, there has been an increase in the average per-pupil amount received by schools, as shown in the graph below. Washington, D.C., experienced the largest growth; it experienced some inconsistency from 2009 to 2013, followed by growth. Minnesota and New Mexico have been relatively stable, with some inconsistency from 2016 to 2019. California has had an upward trend since 2012.

## Views from the Field

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This report on Per-pupil Facilities Funding is part of a series called Public Assets, which documents state programs that provide charter schools with per-pupil funding for their facilities' needs. In addition to exploring the various state statutes and their impact, the series includes carefully gathered views from the field, featuring the opinions and perspectives of practitioners, advocates, and national experts. The views from the field found the following.

1. There is a ceiling to per-pupil facilities funding. As the number of charter students increases, total funding will continue to increase and will max out at some point; defining that point is less certain. Several experts noted that if states were to provide equitable funding, the funded amount could range as high as half a billion dollars per year in some states (e.g. California, Arizona, Florida). Without solid evidence, this area is ripe for further research. At some point, there may need to be a shift from looking at this as per-pupil funding to viewing it as a per campus funding or total facilities funding to charter schools. With this potential ceiling in mind, it may be wise to consider a more diversified set of facilities funding streams including local tax revenue and state programmatic funding, or other ways to offset facility costs without direct payments (such as sharing existing underutilized facilities)
2. A number of different challenges prevent adoption of per-pupil facilities aid in additional states. New Jersey charter advocates are working towards creating a per-pupil facilities aid program and are finding primary challenges in the current state funding formula and political opposition, including administration changes. In other states where there is no state facilities aid to districts, adopting charter per-pupil facilities funding would create an entirely new role for the state. Geography also plays a role. In many southern states with large rural populations, there is less support overall. In other states, a supportive administration may be hesitant to start a new program for charter schools, only have future administrations that are not as supportive

cut funding several years later. Some states may be friendly and supportive of charter schools but also fiscally conservative and unwilling to increase funding in the state budget.

3. Adopting an embedded or supplemental formula depends on a state's dynamics. Embedded formulas may not work well in some states because of their authorizer types or their funding formulas in general. There seems to be a sense that it would be easier to increase funding over time through embedded formulas, but the data does not necessarily show that, and if there is a push for equitable per-pupil funding overall, this additional funding could make it look like charter schools are getting more.
4. Limited funding leads to discussion about smarter allocation, to a point. Strategically, using eligibility or use restrictions seems to be a smart move. In New Jersey, advocates say that the conversation would not even begin without including some sort of eligibility criteria. Florida, however, has the most eligibility criteria of all the states, and feedback from the Florida perspective is that the workload these criteria create far outweighs the value of including them. Thus, while some eligibility criteria may be wise, there is a line where they create more problems or challenges than they address.
5. Finding creative solutions is worth pursuing. It would be worth exploring the impact of combining different facilities funding programs to determine the best ways to enhance the funding already available.



NATIONAL ALLIANCE FOR  
**PUBLIC  
CHARTER  
SCHOOLS**

**National Alliance for Public Charter Schools**

1425 K Street, NW Suite 900  
Washington, DC, 20005  
202.289.2700

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