

Close the Gap: Fair Facilities Funding For Public Charter Schools

All public school students deserve safe and secure school facilities designed for teaching and learning, but students in public charter schools are being left behind.

The Problem

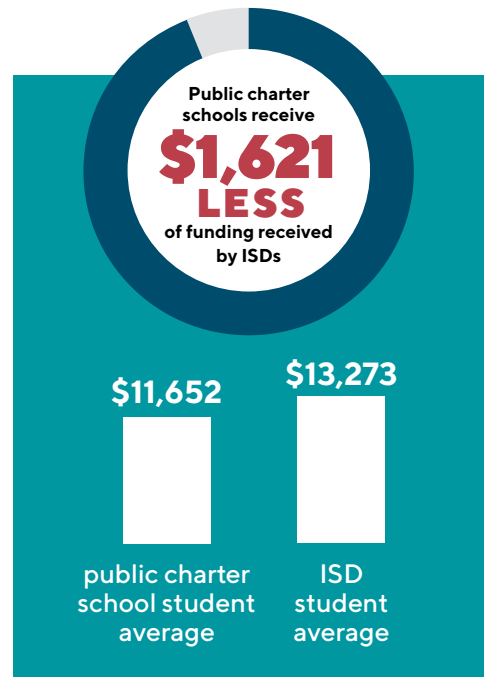
Texas public charter schools receive an average of **\$1,621 less** than ISDs in per pupil funding. Unequal facilities funding drives the difference:

Most ISD facilities funding is from local property taxes, but public charter schools do not and cannot levy property taxes.

In 2017, HB 21 funded public charter school facilities for the very first time, using a carefully crafted formula calculated with the average district tax rate to pay for bond debt for facilities construction.

HOWEVER, the law also **capped this facilities formula at \$60 million**. This **limits public charter schools to just one-sixth of the funding** they'd otherwise receive.

Since 2017, increasing enrollment and inflation have deeply eroded per pupil facilities funding. They now receive just \$73 per student, adjusted for inflation.



The Solution

Update public charter school facilities funding to increase the 2017 cap.

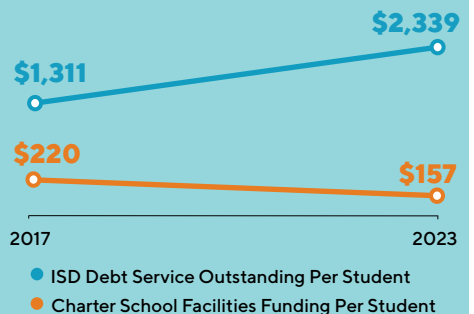
This will help public charter schools with the effects of inflation on security upgrades, maintenance, leases, and property taxes.

Other Provisions

- Require certification that board members & employees do not personally financially benefit from real estate transactions
- Provide funding for new-start schools
- Prohibit schools with 2 years of failing academic AND/OR financial accountability from receiving funding
- Match allowable uses to current law for ISD's I&S

Decline in Facilities Funding Drives the Gap

Facilities funding per ADA for public charter schools has declined as enrollment and inflation have increased, while ISD debt service has increased almost 50%.



Questions? Contact research@txcharterschools.org.

Public Charter School Facilities Funding: Then and Now

	2017	2025
Number of Public Charter School Districts	180	190
Number of Public Charter School Campuses	675	916 (+36%)
Statewide Public Charter School Enrollment	272,685	422,925 (+55%)
Facilities Funding per pupil with \$60M cap (accounting for charter enrollment and ADA growth)	\$220	\$157
Facilities Funding per pupil with \$60M cap (adjusted w/ PPI for non-residential construction, 53% since 7/2017)		\$73
Funding Gap per ADA between ISDs & Public Charter Schools (TEA Rider 59)	(\$799)	(\$1,621) (+102%)
Facilities Funding per pupil without \$60M cap		\$947

Current Law	Proposed Law
To access the same municipal rules as ISDs, schools must certify that board members & employees do not personally financially benefit from real estate transactions.	To access facilities funding , schools must certify that board members & employees do not personally financially benefit from real estate transactions. This is a stronger protection for taxpayers.
Only schools rated “academically acceptable” receive facilities funding, so: <ul style="list-style-type: none"> • Schools rated academically acceptable but failing financial accountability do qualify for funding, but • New schools without their first accountability rating do not qualify for funding 	Schools rated for two consecutive years as “academically unacceptable” AND/OR failing financial accountability indicators (i.e. two “strikes”) do not qualify for facilities funding. This increases financial accountability.
Facilities funding may be used to buy, lease, maintain, and pay property taxes and debt service on a facility.	Facilities funding matches the allowable uses for ISD’s I&S funds: <ul style="list-style-type: none"> • Buses • Technology • Safety & Security • Athletic & Arts facilities, excluding large stadiums

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