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## New Charter School Funding Studies

The Northwest Center for Educational Options commissioned a study to identify the funding differential between charter schools and district schools in Oregon. In other words, exactly how much do charter schools receive in public funds per student compared to their district counterparts? The key findings - based on analysis of data from the Oregon Department of Education's financial database for 2008-2009 - include:

**On average, Oregon charter school students receive only 55% of the public funds that their peers in district public schools receive.** In other words, school districts only "pass through" an average of 55 cents of the public dollar that they receive for students in public charter schools. Current law does not require districts to pass through the proportionate share to charters.

**Not only is charter funding inequitable, it is highly variable as well.** Most districts pay charters somewhere between 40% and 60% of the revenue received for district students. However, there are many districts that pass on significantly less or significantly more to the charter schools in their districts.

**Oregon's system is inequitable to charter schools.** Key factors in this inequity include: Oregon's current patchwork of funding, lack of legislative clarity around which funds must flow through to charters, and lack of recourse for charters mired in poor relationships with their district. The vast majority of students in charter schools receive less than their fair share of education dollars.

The full report - **Unintended Consequences: An Analysis of Charter School Funding in Oregon** - can be viewed at

[http://www.nwceo.org/pdf/NWCEO\\_Charter\\_School\\_Funding\\_Study\\_May\\_2010.pdf](http://www.nwceo.org/pdf/NWCEO_Charter_School_Funding_Study_May_2010.pdf)

The report's key findings are also summarized in a Power Point presentation

([http://www.nwceo.org/pdf/NWCEO\\_Charter\\_School\\_Funding\\_Study\\_PPT.pdf](http://www.nwceo.org/pdf/NWCEO_Charter_School_Funding_Study_PPT.pdf)) which Kaaren Heikes and Vanessa Wilkins presented to the Oregon School Board's committee that is reviewing Oregon's charter school law.

Oregon charter school students are not unique in being short-changed. Oregon has one of the most severe charter school funding disparities in the nation. Ball State University recently released a report which analyzes charter school funding disparity in 24 states and Washington, D.C.. Oregon is not included in this study, however Oregon's charter school funding disparity is worse than all 24 states included in this study, and only marginally better than Washington, D.C. The Ball State University's report can be viewed [at:](http://www.nwceo.org/pdf/Charter_Funding_Report_National_Ball%20State_May_2010.pdf) [http://www.nwceo.org/pdf/Charter\\_Funding\\_Report\\_National\\_Ball%20State\\_May\\_2010.pdf](http://www.nwceo.org/pdf/Charter_Funding_Report_National_Ball%20State_May_2010.pdf) and a one-page table of funding disparity by state (which includes all public funds and excludes private funds) is included below.

All Oregon public schools suffer from inadequate and unstable funding. Since Oregon public charter schools receive approximately half of the public funds as compared to other public schools in our state, their funding challenges are much greater. Repairing the current inequity is an important step in improving educational options for all Oregonians.

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CHARTER SCHOOL

## Public Funding Disparities Between Charters and Districts, 2006-07

Disparity	State	District PPR		Funding Disparity as a Percent of	
		Weighted for Charter Enrollment*	Charter PPR	State Disparity	District PPR
Moderate	New Mexico	\$9,628	\$9,084	(\$544)	-5.7%
	South Carolina (est.***)	\$9,164	\$8,396	(\$768)	-8.4%
	Minnesota	\$12,185	\$10,953	(\$1,232)	-10.1%
	Texas	\$9,432	\$8,423	(\$1,009)	-10.7%
	North Carolina	\$8,452	\$7,520	(\$932)	-11.0%
	Indiana	\$8,644	\$7,662	(\$982)	-11.4%
	Wisconsin (est.***)	\$12,901	\$10,422	(\$2,479)	-19.2%
	Illinois	\$11,121	\$8,974	(\$2,147)	-19.3%
	Idaho	\$10,780	\$8,653	(\$2,127)	-19.7%
	Pennsylvania	\$12,405	\$9,864	(\$2,541)	-20.5%
Large	Connecticut	\$16,477	\$12,631	(\$3,846)	-23.3%
	Ohio	\$10,421	\$7,914	(\$2,507)	-24.1%
	Colorado	\$9,576	\$7,117	(\$2,459)	-25.7%
	Idaho	\$7,672	\$5,693	(\$1,979)	-25.8%
	Florida	\$10,320	\$7,637	(\$2,683)	-26.0%
	Arizona	\$9,572	\$7,060	(\$2,512)	-26.2%
	Massachusetts	\$15,349	\$11,292	(\$4,057)	-26.4%
	Georgia	\$11,487	\$8,293	(\$3,194)	-27.8%
	Missouri**	\$13,389	\$9,601	(\$3,788)	-28.3%
	Delaware	\$13,293	\$8,705	(\$4,588)	-34.5%
Severe	New Jersey	\$19,056	\$12,379	(\$6,677)	-35.0%
	California	\$9,614	\$6,114	(\$3,500)	-36.4%
	New York	\$19,694	\$11,917	(\$7,777)	-39.5%
	Washington, D.C.	\$29,259	\$15,785	(\$13,474)	-46.1%
	Louisiana****	\$29,489	\$9,305	(\$20,184)	-68.4%
<b>Average*</b>					
<b>(Weighted for Charter Enrollment)</b>		<b>\$11,097</b>	<b>\$8,171</b>	<b>(\$2,927)</b>	<b>-26.4%</b>

\* Since the data do not allow us to identify the district of residence for every charter school, it was not possible to weight every district by its charter enrollment. We therefore weighted the district PPR by charter enrollment only in focus districts and "all other districts." Full details on this calculation appear in the methodology.

\*\* In South Carolina and Wisconsin, we were unable to obtain statewide data on charter and / or district revenues. In those states, we used data from large districts as a proxy. Full details on this calculation appear in the methodology and that state chapters..

\*\*\* Includes just Kansas City and St. Louis

\*\*\*\* Louisiana is a poor point of comparison for the rest of the country with respect to school funding in 2006-07 because that was the first year the state re-opened schools after Hurricane Katrina. We therefore excluded Louisiana from the national average.

\*\*\*\*\* Data for Connecticut did not change. Indeterminate dollars for charter schools in Connecticut represents a combination of Other revenue and in-kind services from school districts. We could not verify how much of Indeterminate represented in-kind, therefore, all the dollars remained in the analysis.