

## Oregon Legislature Shortchanges Financial Support for Charter Schools

On average, charter schools receive 55% of the revenue per students that districts receive

In 2008-09, charter students accounted for 2.73% of the student population in Oregon, but only 1.51% of the total funding.

West Lane Tech is a hybrid online charter high school. Most charter schools focus their programs for "at-risk" students. Our students come to us one to two years behind in credits needed for graduation. The President of the United States and the Governor of Oregon both expressed concern about the funding for students considered "at-risk." Schools with high numbers of "at-risk" students are not funded nor staffed with the resources that traditional schools enjoy. Nationally, poverty has been identified as a key factor for the lack of academic achievement minority student subgroups attain when compared to more fully funded schools.

The Governor has made it clear that this is not acceptable for the future of Oregon's children. They deserve better. This is precisely why cutting the funding for high school charter students in a virtual school will jeopardize the governor's stated goal of 40-40-20. This will increase failure and dropouts for "at-risk" students.

In my school's case, the state school funding for our online program helps support our auto/electric vehicle programs, which serves students from three different high schools. Cutting the funding, that program will disappear, and along with it, the opportunities in fine arts and vocational-technical education it currently affords.

# Unintended Consequences: An Analysis of Charter School Funding in Oregon

by Vanessa Wilkins, Principal, Seed Strategies, LLC  
Prepared for the Northwest Center for Educational Options  
April 19, 2010



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**Essential Question: How much public funding does a charter school receive per student compared to district schools?**

**Methodology:**

- All data are from Oregon Department of Education financial database for 2008/2009
- Looked at all public revenue streams to districts, no private donations
- Did not include public or private start up funding for charters -only included funds received from district for charters
- Analyzed revenue based on fall enrollment (ADMw data is not available)
- Looked at all 197 districts;(5 districts w/ a total of 5,768 students were removed because of contradictory information)

**Executive Summary**

On average, charters receive 55% of the revenue per student that districts receive

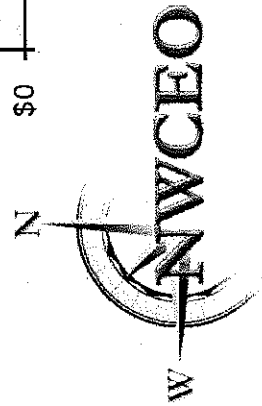
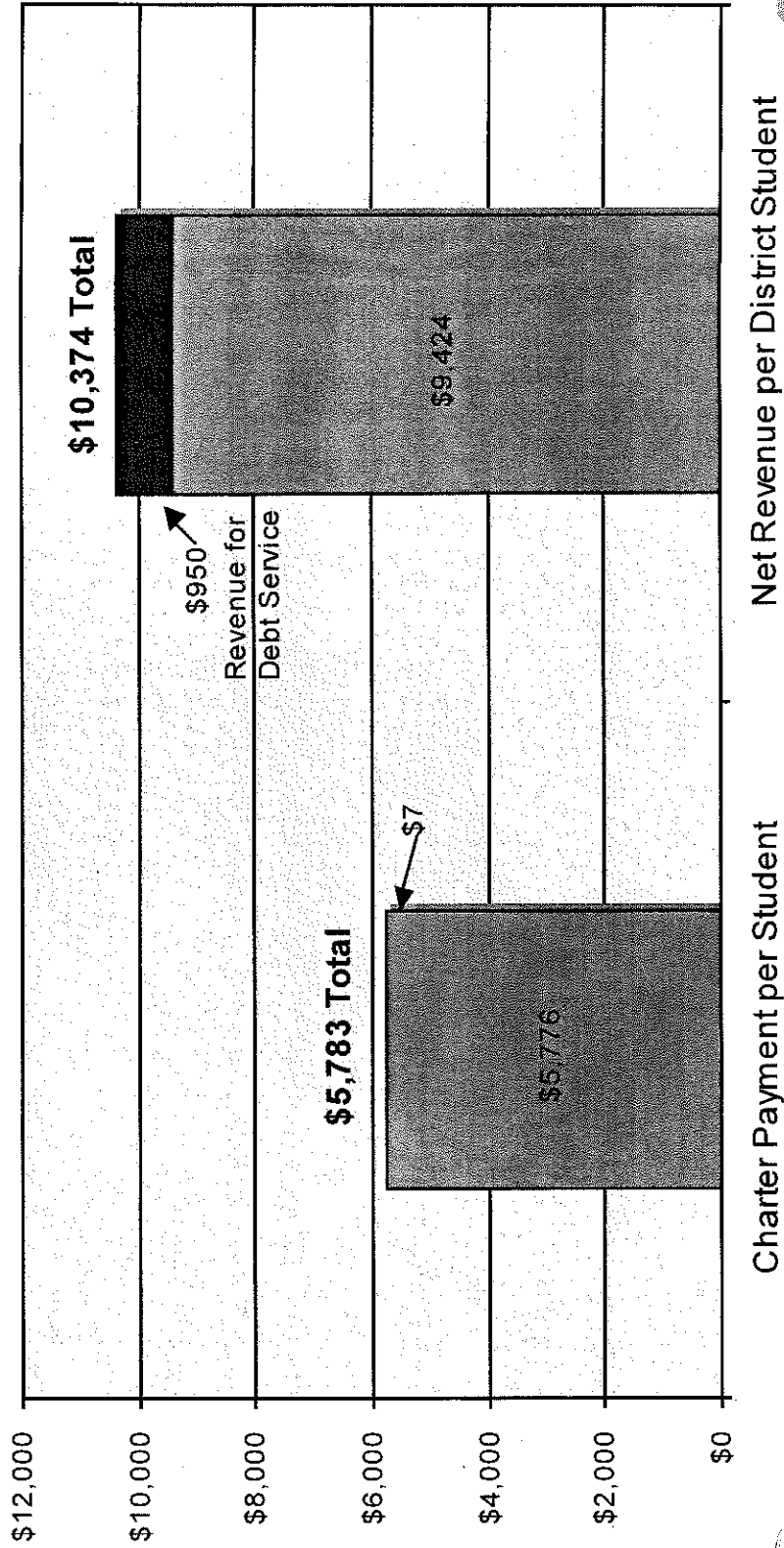
- When small districts operating only a charter school ("single-school-district-charters") are excluded from the equation, this percentage falls to 49%
- Overall, charter students accounted for 2.73% of the student population in Oregon in 2008/2009, but only 1.51% of the total public funding

**Conclusion**

- Because of the patchwork of funding in Oregon, charter schools receive significantly less than intended on a per student basis (55% vs. 80-95%)
- Charter schools don't have access to many federal, state and local resources that districts may receive in addition to the State School Funding Formula
- There is wide variability in funding of charter schools statewide

Charter schools receive 55% of district revenue per student (61.3% when debt service is excluded)

Average Revenue per Student in Oregon



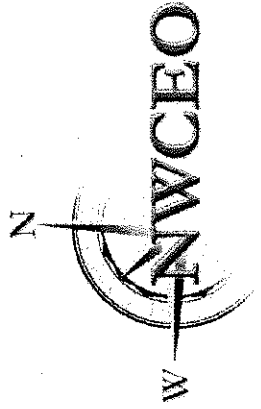
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## Executive Summary

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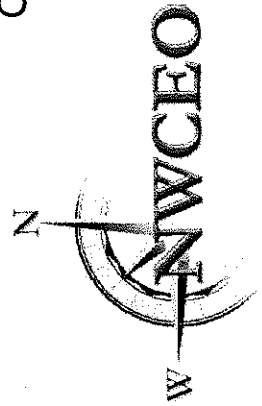
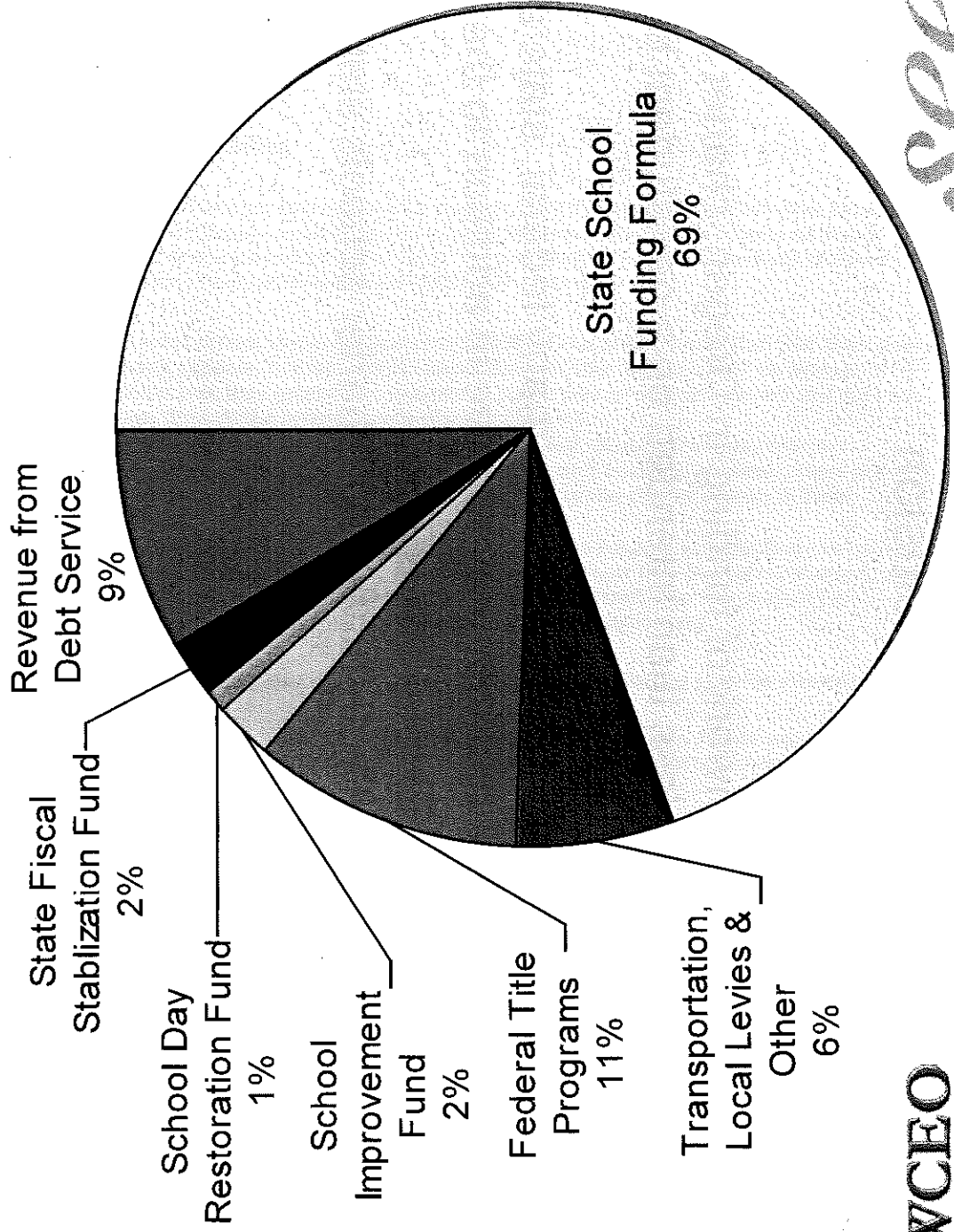
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Charter revenue per student varies significantly by district



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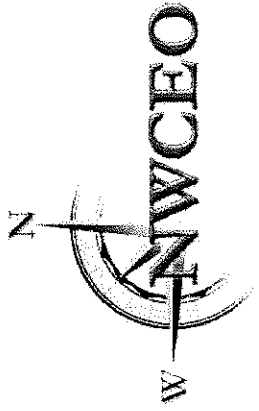
Districts have access to public resources not available to charters (some based on charter headcount)



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(this information and the full report are available from the NWCEO website—  
(<http://www.nwceo.org/data.php>)

## Data:

### 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 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 [here](#).

The report's key findings are also summarized in a [Power Point presentation](#) 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 [here](#) and a one-page table of funding disparity by state (which includes all public funds and excludes private funds) can be viewed [here](#).

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.

NWCEO is leading a coordinated effort to communicate and address this funding disparity. If you are an NWCEO member, please let us know if you would like to be involved in this effort at [info@nwceo.org](mailto:info@nwceo.org).