



Funding Gap Among Charter School Districts and Independent School Districts Widens

A new independent report finds Texas charter school students receive an average of \$2009 less than traditional public school students

Austin, Texas – February 3, 2011 – A five-year (2005-2009) comparative analysis of revenue differences between charter school districts (CSDs) and independent school districts (ISDs) reveals a persistent gap between the two types of public schools.

An average charter school student in Texas receives \$2009 less per-student than an independent school district student. Furthermore, a review of the TEA data shows that charter schools consistently receive less revenue. [The funding study, <http://www.txcharterschools.org/sites/default/files/resources/funding>](http://www.txcharterschools.org/sites/default/files/resources/funding) conducted Dr. Anthony Rolle of R.C. Wood & Associates found that charter school districts:

- Receive \$601 less per WADA* – and \$1539 less per ADA – than independent school districts when examining general fund state and local revenue.
- Receive \$939 less per WADA* – and \$2009 less per ADA – than independent school districts when examining all funds state and local revenue.

Funding disparities exist even though charters (as a percentage of their total enrollment) educate:

- Equivalent numbers of special needs students.
- 15% more economically disadvantaged students than traditional public school districts.
- 3% more bilingual students than traditional public school districts.

TCSA Executive Director David Dunn said, “This report calls attention to the fact that we’re past due to level the playing field for charter schools. We understand the budget climate we’re in. That’s exactly the right time for legislators to encourage efficient educators. Charters are held to the exact same federal and state accountability standards and deserve equal footing when it comes to student funding.”

According to the report, the reason for the disparity is the fact that charter schools are funded by an average allotment that is not adjusted for school size, location, or other critical cost differentials. The direct result of this averaging is a failure to alleviate negative – or reward positive community characteristics. As a result many charter districts are not well represented by the average and are being underfunded by the state. An additional, and important, element of the disparity is that charter districts don’t have access to local property taxes and receive no direct state aid for their school buildings for construction or renovation.

Dr. Anthony Rolle, the author of the report said, “I believe this report provides useful evidence that can be used to inform school funding formula policy discussions in the State of Texas. And as a result of this evidence, if education finance equity remains a policy goal for Texans, the Foundation School Program – and several of its structural components – needs to be re-examined and re-structured to alleviate fiscal inequities.”

The report also compares charter and independent school districts that have similar student enrollment numbers. When compared for enrollment, the funding gap grows wider. Independent school districts have distinct advantages from their large-scale operations and therefore have a decrease in certain costs and services. Charter school districts:

- Receive \$760 less per WADA* – and \$2241 less per ADA – than independent school districts when examining general fund state and local revenue.
- Receive \$826 less per WADA* and \$2625 less per ADA than independent school districts when examining all fund state and local revenue.

*WADA vs. ADA: School finance calculations are expressed in weighted average daily attendance or WADA. WADA is calculated by complex formula that adjusts for students who are in special programs or who qualify for the federal school lunch program.

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The Texas Charter Schools Association (TCSA) is the leading membership organization of effective charter schools of all types, representing more than 90,000 students in 390 charter schools across Texas.