

THE FEDERAL CHARTER SCHOOLS PROGRAM

2020 ANNUAL REPORT



NATIONAL ALLIANCE FOR
**PUBLIC
CHARTER
SCHOOLS**





A modest federal investment with strong returns for students

The **Charter Schools Program (CSP)** is the nation's only source of dedicated federal funding for the creation of public charter schools. At its current funding level of \$440 million, the CSP amounts to less than 1% of federal spending on K-12 education.

For 25 years, the CSP has provided states with resources to help ensure that every child can access a high-quality education at a public school. It forms a backbone of both the public education system and the charter school movement to provide more equitable opportunities for all students.

This report explains the charter school model, offers a brief history of the CSP, provides information about grantees in the past fiscal year, and summarizes its impact. Given the misconceptions that surround charter schools, it's important to start off by clarifying what charter schools are and how they benefit students.



Nina Rees / PRESIDENT AND CEO



WHY CHARTER SCHOOLS?

Charter schools are public schools, supported by taxpayers and open to all students without any entrance requirements. Each state decides which entities can become authorizers. These authorizers are responsible for approving new charter schools and holding them accountable for meeting the goals, commitments, and responsibilities laid out in their agreements or closing them when they don't. Authorizers typically include school districts, higher education institutions, nonprofit groups with a focus on children and families, and statewide departments of education or offices established specifically to oversee charter schools.

Where charter schools exist, parents and other caregivers have a choice about where to send their child to school. Ultimately, charter schools are accountable to parents. If parents don't see their value, they will send a clear message by not selecting these schools. Charter schools are also accountable to authorizers who determine whether they are serving students well and can remain open, unlike with district-run public schools. Charter schools operate under a variety of school models, such as STEM-focused, arts-focused, Montessori, classical-education, culturally-affirming, and college- or career-prep schools. By operating independently of school districts, charter schools can set their own curriculum, hire their own teachers, determine their own school calendar, and adapt to the needs of their students without having to run every decision through a school district bureaucracy. However, charter schools are required to meet the same academic testing requirements as other public schools and adhere to all civil rights laws.

Most importantly, high-quality charter schools are delivering life-changing results, especially for students from low-income backgrounds and students of color. The widely cited 2015 Urban Charter School Study, published by the Center for Research on Education Outcomes (CREDO) at Stanford University, found that students in urban charter schools gained an average 40 additional days of learning in math and 28 additional days of learning in reading per year as compared to their district public school peers. In general, the longer a student attends an urban charter, the greater the gains: on average, four or more years of enrollment in an urban charter school led to the equivalent of 108 additional days of learning in math and 72 additional days of learning in reading per year. In urban charter schools, low-income Hispanic students gained an average of 48 additional days in math and 25 additional days in reading. On average, black students from low-income families gained 59 additional days in math and 44 additional days in reading per year.¹ Together, black and Hispanic students account for more than 60% of charter school enrollment.

A 2019 study of Newark, N.J. charter schools found that students attending schools that participated in the city's common enrollment system saw large improvements in math and reading scores, and these effects are consistent across traditionally underserved populations. The effects are especially large for students who attended a charter school run by either the KIPP or Uncommon Schools networks, both of which used CSP startup grants to open schools. Overall, 12 of 15 schools participating in the study received CSP grants.²

It's clear that the Charter Schools Program is making a tangible difference in the lives of students. **That's why the CSP has earned broad bi-partisan support since its inception.** Please read further to learn more about the program's structure, as well as about grant awards and activities from recent years that help to illustrate what the CSP has accomplished.

IT'S CLEAR THAT THE CHARTER SCHOOLS PROGRAM IS MAKING A TANGIBLE DIFFERENCE IN THE LIVES OF STUDENTS

Opposite: Students from Neighborhood Charter School, recipients of a \$3.6 Million CSP Credit Enhancement Grant

THE CHARTER SCHOOLS PROGRAM

While states determine most of the laws and regulations under which charter schools operate, the federal CSP plays a critical role providing support for new charter schools across the country. **Charter schools are independent public schools that are open to all students, free of charge.**

The first charter school opened in 1991 in Minnesota, with additional charter schools opening the following year in California. Because charter schools cannot access per-pupil funding until students enroll, Congress and President Bill Clinton worked together to enact the Charter Schools Program in 1994 to provide operators with short-term funding to cover school startup costs. The CSP underwrites only nonsustained costs, such as purchasing desks and hiring staff, and it can't be used for construction or significant renovations. Today, the CSP also includes two funding streams that were created in 2001 to assist with the cost of facilities. In addition, as networks of charter schools began to replicate their results across different communities, especially in communities with poor educational outcomes, Congress added a separate program to support the expansion and replication of high-performing charter schools.

Since its inception in 1995, the CSP has awarded \$3.9 billion for the creation of charter schools—about 1% of the federal investment in the Title I program over the same time period. Between school year 2006-07 and school year 2016-17, CSP funded nearly 45% of operational public charter schools that serve 1.3 million students.³ Charter schools are more likely than district-run schools to be located in urban areas, and charter schools serve higher proportions of students who are black, Hispanic, and from low-income families.

“The CSP is extremely important because it is a stream of revenue that allows for you to push on innovation and to serve more children that need additional quality school options. It’s important for charter school leaders, and especially for leaders of color, because they may have less access to private philanthropic funding.

— DOMINIQUE LEE, FOUNDER & CEO
BRICK EDUCATION NETWORK

FY2019-2020 CHARTER SCHOOLS PROGRAM FUNDING		
GRANTEE	FY2019	FY2020
State Entity/Developer	\$235,000,000	\$225,000,000
CMO	\$135,000,000	\$140,000,000
Credit Enhancement	Not Less Than \$45,000,000	\$60,000,000
State Facility Incentive Grant	Not More Than \$10,000,000	Not More Than \$10,000,000
Dissemination	\$15,000,000	Not More Than \$15,000,000
Total Funding	\$440,000,000	\$440,000,000

PROGRAM STRUCTURE

The CSP has five key grant competitions, each of which supports activities important to the success of charter schools.

- 1. Grants to state entities (SE Grants)** make up the largest CSP grant component. These grants can be awarded to state education agencies (SEAs), governors, state charter school boards, or state charter school support organizations (CSOs) for the planning and initial operation of new charter schools.
- 2. Grants for replication and expansion of high-quality schools (CMO Grants)** are awarded to nonprofit charter management organizations (CMOs) that have shown evidence of success, to help them open new schools or expand existing schools to serve more students.
- 3. Facilities financing assistance**, including the **Credit Enhancement for Charter School Facilities Program (CE)**, which provides support for charter schools to acquire or renovate facilities. The **State Charter School Facilities Incentive Grant (SFIG)** provides matching funds for states that provide funding for charter school facilities on a per-pupil basis.
- 4. Grants to Developers:** If a state entity does not have an active CSP grant, individual schools and CMOs may apply directly to the U.S. Department of Education for funds to support opening a new school or to replicate or expand a high-quality school.
- 5. National Dissemination Grants:** The key purpose of these grants is to increase quality throughout the sector by disseminating best practices related to charter school operations and management.

RECENT CHANGES

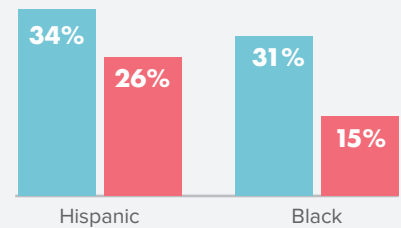
With bipartisan support, Congress updated the CSP through 2015's *Every Student Succeeds Act* (ESSA). Significant changes include:

- Dedicated funding is now allocated to support the replication and expansion of high-performing charter schools by CMOs. SE and Developer Grants can also be used for this purpose.
- The SE Grant program can now be administered by governors, CSOs, and statewide charter school authorizers in addition to SEAs.
- The SE Grant program provides schools with additional spending flexibility in using startup funds. For example, they may now use CSP funds to purchase a school bus or to make minor facility improvements.
- CSP recipients are permitted to use a weighted lottery to increase access to charter schools for educationally underserved students.
- State entities must allocate 7% of the grant to authorizer quality and technical assistance.

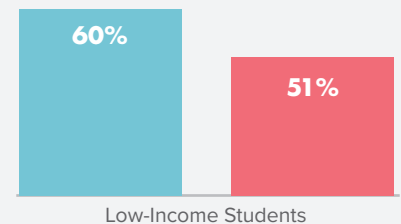
CSP FUNDING IMPACT ON STUDENTS

Charter Schools District Schools

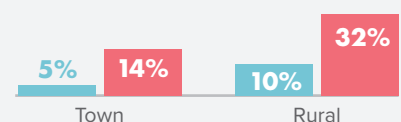
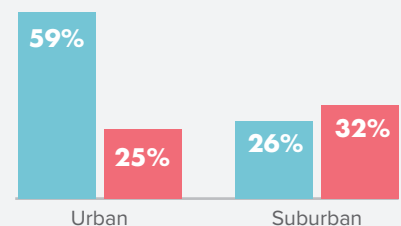
CSP-Funded Schools Served Higher Percentages of Black and Hispanic Students than District Schools



CSP-Funded Schools Served Higher Percentages of Low-Income Students



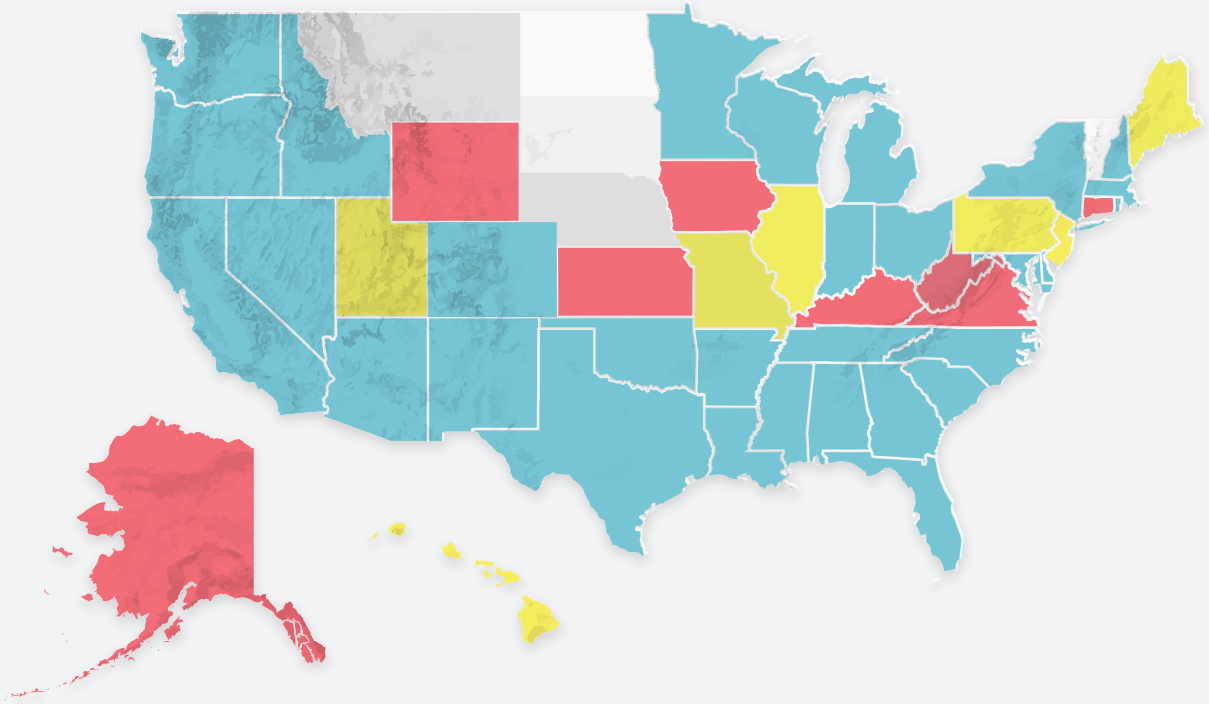
A Higher Percentage of CSP-Funded Charter Schools are in cities versus District Schools



WestEd, 2019. The U.S. Department of Education's Charter Schools Program Overview. Washington, D.C.: U.S. Department of Education. Slides 8, 11, 12, 15

CHARTER SCHOOLS PROGRAM

CURRENT REACH OF CSP GRANTS (MAY 2020)

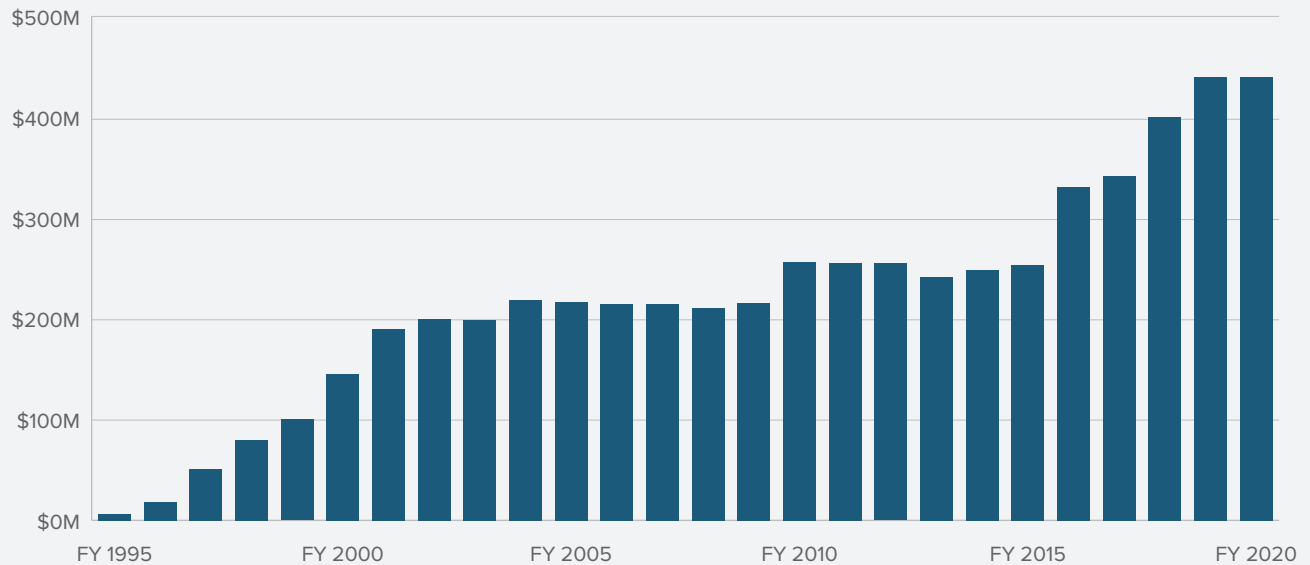


31 states, including DC, have active SE grants

8 have only a Developer Grant, including Puerto Rico

9 with charter school laws, including Guam, do not have a CSP grant

CHARTER SCHOOLS PROGRAM FUNDING, 1995 - 2020





WHAT DO CSP GRANTS PAY FOR?

CSP startup grants pay for nonsustained costs associated with starting a new charter school, not for ongoing costs associated with operating the schools.

Major categories of allowable CSP expenditures include:

PROFESSIONAL DEVELOPMENT AND RECRUITMENT

Preparing teachers, school leaders, and specialized instructional support personnel, including by providing professional development; and hiring and compensating teachers, school leaders, and specialized instructional support personnel during the implementation phase of the grant.

SUPPLIES

Acquiring supplies, training, equipment (including technology), and educational materials (including developing and acquiring instructional materials).

MINOR RENOVATIONS

Carrying out minor necessary renovations to ensure that a new school building complies with applicable statutes and regulations, as well as making minor facility repairs.

COMMUNITY ENGAGEMENT

Carrying out community engagement activities, which may include student and staff recruitment (because students and teachers are not assigned to charter schools).

TRANSPORTATION STARTUP COSTS

Providing one-time startup costs associated with providing transportation to students, such as buying a bus.

“In terms of opening a high-quality charter school, you have to have early funding. Unless you have access to donors, it’s not possible to do this without startup funding. If you don’t have funding, it’s almost like trying to open a school with one hand tied behind your back.”

– KATHERINE RUCKER, HEAD OF SCHOOL
MOORE MONTESSORI COMMUNITY SCHOOL

OVERVIEW OF FY2019 PROGRAM AWARDS

GRANTS TO STATE ENTITIES

At the core of the Charter Schools Program are the Grants to State Entities (SE Grants). The State Entity program offers competitive grants to states, which then make subgrants within their states to open new charter schools and replicate or expand existing charter schools. For-profit management companies are not eligible to apply for these grants. In order to receive funding, a school must meet state law requirements for schools, as well as meet the definition of a charter school in federal law. The federal definition includes the requirement that schools have open enrollment and conduct a lottery if they are oversubscribed. Under ESSA, both SEAs and other state entities, including CSOs, are eligible to apply for and administer SE Grants. Grant funds may also be used to provide technical assistance to applicants and to authorizers to help improve the quality of authorizing in the state.⁴

In FY 2019, three grantees received about \$91 million in new grants that will be distributed over five years. Notably, two of the grantees—the Alabama Coalition for Public Charter Schools and the Washington State Charter Schools Association—are CSOs.

FY2019 GRANTS TO STATE ENTITIES

GRANTEE (TYPE)	FUNDING
Alabama Coalition for Public Charter Schools (CSO)	\$25,000,000
The New Hampshire Department of Education (SEA)	\$46,000,000
Washington State Charter Schools Association (CSO)	\$19,960,625



CSP IN ACTION: STATE ENTITY GRANTS SOVEREIGN COMMUNITY SCHOOL Oklahoma City, OK

Opened in the fall of 2019, the Sovereign Community School brings a new, Native American-focused school option to Oklahoma City. Sovereign Community School was founded by Phil Gover, a member of the Pauite, Pawnee, and Comanche Nations. Gover was inspired by the Native American Community Academy (NACA) in New Mexico and a broader movement within the American Indian community to take control of how Native American students are educated.⁵ The charter school model lends itself to this movement because it provides greater autonomy to school leaders in controlling curriculum, staffing, school practices, and more. The SE subgrant that the Sovereign Community School received from its state CSO, the Oklahoma Public School Resource Center (OPSRC), helped make it possible for the school to meet the many expenses and challenges of opening.

Type of Grant: State Entity Subgrant from Oklahoma Public School Resource Center (a CSO and 2017 SE Grant recipient)

Subgrant Year: 2019

Grant Amount: \$600,000

Year School Opened: 2019

Students Currently Served: around 60

Free and Reduced Price Lunch Rate: no data for schools opened during 2019-2020 school year

Demographics: no data for schools opened during 2019-2020 school year

DEVELOPER GRANTS

Developer Grants provide funds directly to charter school operators in states without a current SE Grant and fund the same activities as would an SE grant. Developers are eligible to apply only in states without current SE funding.⁶ Applicants may apply for funds to open a new charter school or to replicate or expand an existing high-quality school.⁷

In FY 2019, eight grantees were awarded a total of about \$10 million in funding.

FY2019 DEVELOPER GRANTS FOR REPLICATION AND EXPANSION

GRANTEE	FUNDING
Academie Lafayette Kansas City, MO	\$1,341,461
City Garden Montessori School St. Louis, MO	\$1,470,000
John P. Holland Charter School Paterson, NJ	\$872,711
Mathematics, Science and Technology Charter School (MaST) Philadelphia, PA	\$1,345,000

FY2019 DEVELOPER GRANTS FOR THE OPENING OF NEW CHARTER SCHOOLS

GRANTEE	FUNDING
Boys & Girls Clubs of Puerto Rico Inc. Carolina, PR	\$1,218,169
Catalyst Academy Charter School Pittsburgh, PA	\$1,356,324
Middlesex County STEM Charter School Perth Amboy, NJ	\$1,200,000
Quant Academy Pearl City, HI	\$1,217,160



CSP IN ACTION: DEVELOPER GRANTS MOORE MONTESSORI COMMUNITY SCHOOL

Southern Pines, NC

Moore Montessori Community School (MMCS) opened in 2018 in rural Moore County, North Carolina, where many students lack high-quality school options. MMCS aims to provide a high-quality, equitable Montessori education to disadvantaged students in an area where 80% of graduates are not career- or college-ready and 60% of upper elementary students don't read at grade level.⁸ As in other rural areas, there is limited educational choice in Moore County, and many students still attend school in segregation-era facilities. MMCS is building a diverse-by-design community by conducting broad outreach to ensure that the school community reflects the area's demographics, including by providing additional consideration in its enrollment lottery for children whose families are economically underserved.⁹

Type of Grant: Developer Grants for the Opening of New Charter Schools

Grant Year: FY 2018

Grant Amount: \$734,000

Year School Opened: 2018

Students Currently Served: 118

Free and Reduced Price Lunch Rate: estimated 30-40%

Demographics: about 30% students of color

CSP IN ACTION: STATE ENTITY SUBGRANT

A CHALLENGING, HANDS-ON LIBERAL ARTS EXPERIENCE... MADE POSSIBLE BY A CSP GRANT



CSP IN ACTION: ESTABLISHED SCHOOLS PROGRAM ACADEMY OF THE CITY Queens, NY

Type of Grant: State Entity Subgrant from New York State Education Department

Subgrant Year: FY 2011

Grant Amount: \$599,998 over two years

Year School Opened: 2011

Number of Schools: 4

Students Currently Served: 530

Free and Reduced-Price Lunch Rate: 74%

Demographics: 54% Hispanic, 19% Asian, 9% Black, 14% White

In 2011, the Academy of the City Charter School in Queens, N.Y. opened its doors to 100 students in kindergarten and first grade with a mission to build a challenging, hands-on liberal arts experience for children of all backgrounds. For the Academy of the City, a well-rounded education meant music classes, two teachers in every classroom, a full-time parent coordinator, and more.

Academy of the City received a CSP grant to provide start-up funding before they received any state funds to jump start the programs that help make the school a well-rounded community-asset. Over the two-year life of the grant, the school's CSP funds paid for critical one-time purchases of materials and helped fund other priorities, such as having two teachers in every classroom, that might not otherwise have been possible on day one.

Today, the Academy of the City Charter School is making a difference in the lives of more than 500 students and was named a Reward School by the NYS Education Department in 2017, 2018, and 2019. CSP funds were critical to operating a well-running school with a dedicated music program and a fulltime parent coordinator from day one.

A modest investment from the Charter Schools Program helped build the inspiring community at Academy of the City, where students are empowered to “embrace their proficiencies, skills, and interests, and to eventually take their place as citizens of today’s increasingly global world.”¹⁰



WHAT DID ACADEMY OF THE CITY'S CSP GRANT MAKE POSSIBLE?

A FULL-TIME PARENT COORDINATOR

From the beginning, the founders of Academy of the City knew a full-time parent coordinator was critical to building a strong home-school partnership. The parent coordinator serves as a member of the senior leadership team, representing family interests in decision-making at the school. The parent coordinator position was funded for two years by the CSP grant. In addition to supporting families during recruitment and the initial weeks in school, the parent coordinator hosts parent meetings and a workshops, including computer literacy, cooking, English language, and planning for college. As a critical part of the school community, this role has been funded through per-pupil allocation since the end of the CSP grant.

MUSICAL INSTRUMENTS

Educating the whole child is at the heart of what the Academy does and CSP funding helped make that possible from the outset. Students at the Academy take music two times a week, including choral and instrumental classes. Any robust music program needs instruments, so school leaders invested CSP funds in instruments to enrich the music program for years to come. The Academy was able to buy xylophones, glockenspiels, percussion instruments, drums, and more.

TECHNOLOGY

Without CSP funding, obtaining the technology necessary for 21st century teaching and learning would have been a significant barrier for the Academy. CSP funds made it possible to upgrade the IT system, phone system, and wireless hotspots. The school also purchased projectors and whiteboard skins for technology friendly classrooms. Finally, the Academy used CSP funds to purchase computers for every teacher to use in planning, teaching, grading, and communicating with families.

CMO GRANTS

The Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools (CMO Competition), provide funding to grow the reach of existing high-quality charter schools. The CMO competition enables CMOs to expand enrollment in an existing high-quality school, such as by adding additional grades, or to open new schools based on a high-quality school model (replication).¹¹ CMO grants are awarded competitively based on the demonstrated quality of the CMO's existing schools, including demonstrated success in increasing academic success for all students. They are also targeted to high-poverty locations: 81% of students in funded schools are from low-income families.¹²

Stanford's Center for Research on Educational Outcomes (CREDO) study of CMOs found that CMOs funded with replication and expansion funds are making impressive growth in reading and math scores. In addition, the study found that more than half of the CMO Grants have been awarded to CMOs that outpaced district public schools in growth rates for both math and reading scores (not all funded CMOs were included in the study).¹³

FY2018 GRANTS FOR REPLICATION AND EXPANSION OF HIGH-QUALITY CHARTER SCHOOLS

GRANTEE	FUNDING
Alpha Public Schools San Jose, CA	\$3,701,636
AppleTree Institute for Education Innovation Washington, DC	\$6,514,480
Aspire Public Schools Oakland, CA	\$9,035,000
ASU Preparatory Academy Tempe, AZ	\$1,500,000
Building the Future Education Collaborative Philadelphia, PA	\$3,750,000
Building Responsible Intelligent Creative Kids Newark, NJ	\$10,497,190
Collegiate Academics New Orleans, LA	\$4,726,170
Crescent City Schools New Orleans, LA	\$2,150,863
Ednovate, Inc. Los Angeles, CA	\$9,798,522
Responsive Education Solutions Lewisville, TX	\$14,945,568
Scholarship Prep Santa Ana, CA	\$12,000,000
Success Academy Charter Schools, Inc. New York, NY	\$9,842,050



CSP IN ACTION: CMO GRANTS BRICK EDUCATION NETWORK Newark, NJ

BRICK (Building Resilient Intelligent Creative Kids) Education Network is a unique charter management organization that operates both startup and turnaround schools. BRICK was founded in 2010 as a partnership with Newark Public Schools to turn around two underperforming district schools. In 2017, the network launched its first open-enrollment public charter school, BRICK Achieve Community Charter School. In 2019 it received a CMO Grant that will fund the turnaround of four existing Newark charter schools that will join the network and the opening of three new schools in Buffalo and the Bronx. In addition to its schools, the BRICK network is building innovative family and community partnerships to support its students, including the BRICK Family Allies and the South Ward Children's Alliance.

Type of Grant: Grants for Replication and Expansion of High-Quality Charter Schools (CMO Grants)

Grant Year: FY 2018

Grant Amount: \$10,497,190

Year School Opened: 2010

Number of Schools: 4

Students Currently Served: 1,700

Free and Reduced-Price Lunch Rate: about 90%

Demographics: about 80% black and 20% Hispanic

CREDIT ENHANCEMENT

Charter schools, for the most part, are not given free access to public buildings like other public schools. Gaining access to a building is therefore a significant hurdle to clear before a school can open. That is why two facility-focused programs were added to the CSP.

The purpose of the Credit Enhancement for Charter School Facilities Program is to fund eligible entities that in turn enhance the credit of charter schools so they can access private and non-federal capital to finance facilities projects and pay affordable interest rates. Credit Enhancement funds may be used to assist charter schools in accessing funding to acquire a facility by purchase or lease, to construct or renovate facilities, or to finance predevelopment site assessment costs.¹⁴ Public entities, private nonprofit entities, and consortiums comprising them are eligible to apply for Credit Enhancement grants. Grantees are required to deposit funds received in a reserve account invested in low-risk obligations such as those guaranteed by the U.S. or a state. Grant funds held in the reserve funds may be used for several purposes, including: guaranteeing and insuring bonds or leases; facilitating financing by identifying lenders and encouraging private lenders to lend to charter schools; and providing technical assistance to help facilitate the issuance of bonds by charter schools or other entities on behalf of charter schools. Funds may not be used to directly pay for a school's construction, renovation, or acquisition or to provide a down payment for a charter school seeking a loan.¹⁵

FY2019 CREDIT ENHANCEMENT FOR CHARTER FACILITIES GRANTS

GRANTEE	FUNDING
California School Finance Authority Los Angeles, CA	\$20,000,000
Charter Schools Development Corporation Hanover, MD	\$4,521,385
Civic Builders, Inc. Jackson, MS	\$4,000,000
Massachusetts Development Finance Agency Boston, MA	\$5,000,000



CSP IN ACTION: CREDIT ENHANCEMENT GRANTS NEIGHBORHOOD CHARTER SCHOOL

Bronx, NY

Originally opened in 2012 in Harlem, the Neighborhood Charter School (NCS) is a high-performing charter school that features a special program for students with Autism Spectrum Disorder. When NCS sought to open a second school in the Bronx, it financed the new school facility through Civic Builders, an FY 2019 Credit Enhancement recipient. Civic Builders helped NCS renovate a warehouse and build a new gymnasium in an adjacent vacant lot. In addition to leveraging the Credit Enhancement Grant, this project combines funding from New Market Tax Credits (NMTC) and term debt from three Community Development Financial Institutions (CDFIs). NCS-Bronx opened in the fall of 2019, serving kindergarten and first grade, and will grow to serve all elementary and middle school grades. Until NCS grows to occupy the entire space, the unused space will be leased to short-term charter school tenants as incubation space, which is lacking in the community.

Type of Grant: Credit Enhancement through Civic Builders (FY 2019 Credit Enhancement Grantee)

Grant Funds Committed to Project: \$3.6 million

Total Project Costs: \$29 million

Total Leverage: approximately 8.1x

Year School Opened: 2019

Number of Students Served At Capacity: 620

Free and Reduced-Price Lunch Rate: no data for schools opened during 2019-2020 school year

Demographics: no data for schools opened during 2019-2020 school year

STATE FACILITIES INCENTIVE GRANT

The State Charter School Facilities Incentive Grants Program (SFIG) exists to help states establish or improve per-pupil facilities aid for charter schools. Because charter schools in most states lack access to traditional funding mechanisms for school facilities (such as tax-supported bonds), per-pupil facilities aid is a critical tool to help charter schools access facilities. SFIG incentivizes states to invest in per-pupil facilities funding by providing federal matching dollars for nonfederal funds. The federal share of funding decreases over the life of the grant, from 90% in year one to 20% in the final year, so that states can gradually build capacity for a sustainable per-pupil funding stream.¹⁵ To be eligible, states must have enacted a law to provide per-pupil facilities aid by formula and have funded the nonfederal share of the program. Qualifying matching funds include regular state appropriations, funds from a state bonding agency, surplus from previous years, or foundation (philanthropic) funds.¹⁷ States receiving SFIG are allowed to weight their funding formulas, for example by assigning greater weight to students with disabilities or those experiencing poverty. States are also not required to ensure that every charter school is eligible for a grant and can choose, for example, to prioritize schools serving high numbers of students experiencing poverty.¹⁸

For FY 2019, the Indiana Department of Education was awarded \$20 million over four years to enhance an existing per-pupil facilities aid program.

“I previously led [traditional] public schools and in those schools, I didn’t have to worry about paying the mortgage—the budget I received went straight to children...Facilities funding for charter schools helps to ensure that funds that normally go to programming for students actually go to programs for students. It helps to balance the scales.”

— MAYA WOODS-CADIZ, SUPERINTENDENT
AIMS K-12



CSP IN ACTION: SFIG PROGRAM AIMS K-12 COLLEGE PREP Oakland, CA

SFIG grants have been awarded four times since FY 2009, including twice to California in 2009 and 2014. Since receiving the 2014 award, California has made subgrants to nearly 200 charter schools for such purposes as mortgage and debt service, rent and lease, new construction, renovation, and access to district facilities through Proposition 39.¹⁹

One small charter school network in California, AIMS K-12 College Prep, has received five SFIG subgrants since 2015 for mortgage and debt service.²⁰ Originally founded as a middle school in 1996 by Native American families to create a culturally affirming learning space, AIMS has since expanded to include all grade levels and to serve a much more diverse student population, with 75% of its students qualifying for free- or reduced-price meals. In 2006, AIMS was recognized as a National Blue Ribbon School—the first public school in Oakland to receive such an award. Totalling almost \$1.9 million over the lives of the grants,²¹ the five SFIG subgrants the AIMS K-12 network has received have helped make it possible for the network to expand and serve more students.

Type of Grant: Five SFIG subgrants for mortgage and debt service

Grant Years: 2019, 2018, 2015 (three awards)

Grant Amount: \$1,882,265 (across 5 grants)

Year Network Founded: 1996

Number of Schools: 3

Students Currently Served: 1,300

Free and Reduced-Price Lunch Rate: 70%

Demographics: 56% Asian, 25% Black, 14% Hispanic, 3% White, 1% Other



NATIONAL DISSEMINATION GRANTS

The U.S. Department of Education uses National Dissemination Grant funds to provide technical assistance to state entities in awarding subgrants and to recipients of facilities grants; disseminate best practices regarding charter schools; and evaluate the impact of CSP grants, including on student achievement. Consistent with this authority, the department currently uses national dissemination funds to, among other things, support a National Charter School Resource Center and administer National Dissemination Grants, through which state entities, charter school authorizers, and nonprofit organizations that operate, manage, or support charter schools can receive funds to disseminate information on issues of national significance. Currently the priorities for dissemination funds include providing information on accessing charter school facilities and authorizer quality. In 2018, there were eight grantees, including the National Alliance which was awarded a \$2.4 million three-year grant to establish a Charter School Facility Center to help charter schools with technical assistance and best practices for facility access and financing. No new grants were awarded in FY 2019; funds were used to support existing grants.

CSP GRANTS AND SCHOOL CLOSURES

Some critics of charter schools have pointed out that charter schools receiving CSP funds sometimes close or fail to open. They present this as evidence of waste in the CSP and advocate for the program's elimination. However, while it is absolutely essential to continue to improve the success rate of all schools, charter school critics miss an important point when it comes to assessing the CSP's effectiveness: school closures indicate that state charter school laws are working and that authorizers are doing their job by closing schools that aren't meeting their accountability agreements. This feature distinguishes charter schools from district-run schools, which can continue to remain open and spend taxpayer dollars even when they demonstrate poor outcomes and fail to provide a quality education for students. Furthermore, our review of publicly available data finds that, on average, only 4% of charter schools close each year. Any CSP funds that may have been spent on closed schools aren't necessarily wasted. The school's teachers and staff carry their training with them to other jobs, and hard assets can be transferred to other schools. It's also important to note that when a CSP award is made, funding is not provided in its entirety up front. Schools are reimbursed with grant funds as they accrue expenses, so a school that never opens doesn't receive its full CSP award. According to U.S. Department of Education's analysis, only 1.7% of grantees closed before their second year of operation.



INVESTING IN THE CSP HELPS TO MEET THE DEMAND FOR A HIGH-QUALITY PUBLIC EDUCATION

Compared to the \$56 billion spent on K-12 education at the federal level, spending on CSP is extremely modest. Current CSP spending is also a fraction of what would be needed to fully meet the demand for charter schools among American families. Charter schools currently serve 6% of the 50 million public school students in the United States. However, in September 2017, Phi Delta Kappan (PDK) found that as many as 17% of parents would choose a public charter school for their child if location and capacity were not an issue. And in November 2018, EdChoice found that 13% of parents would like to send their child to a public charter school—which is up six percentage points since 2013. Together, these two surveys indicate that there are between 3.7 and 5.3 million additional students that would attend a charter school today if they had the option. Even taking a conservative estimate of 3.7 million potential students, and startup costs of up to \$1.5 million per school, it would take \$13 billion to open 8,600 schools to serve those students. The National Alliance’s request to Congress to fund the Charter Schools Program at \$500 million in FY 2021 is only 4% of this amount. Yet it would be an important down payment on the promise of giving every student access to a high-quality public school. The CSP’s demonstrated track record of providing students with access to a high quality education that meets their own unique needs makes it a worthy investment.

“Through any metric that you measure the school by, it’s very successful and a lot of that is due to this initial [CSP] money that was given to the school in order to start strong programs that have carried through and still exist in the school.”

**– RICHARD LEE, EXECUTIVE DIRECTOR
ACADEMY OF THE CITY CHARTER SCHOOL**

ADDENDUM: ADDITIONAL STUDIES OF CHARTER SCHOOL STUDENT OUTCOMES

ACADEMIC PERFORMANCE AND COLLEGE COMPLETION

- A 2019 study found that Boston public charter schools have significant impact on the achievement and college graduation of special education and English language learner students. Enrolling in a Boston charter school doubles the likelihood that students lose their special education or English language learner status as they gain exposure to a high-performing general education program that includes high-intensity tutoring, data-driven instruction, and increased instructional time. The positive effects extend to college: **attending a public charter school nearly doubled the likelihood that English language learners enroll in four-year colleges and quadrupled the likelihood that special education students graduate from a two-year college.**²²
- A 2014 study found that **being admitted to a high-quality public charter school in Los Angeles led to statistically significant increases in math and reading scores** and a decreased propensity to engage in very risky behaviors.²³
- A 2009 study found that, **across all grade levels and subjects, public charter school students in New York City demonstrated statistically significant achievement gains when compared with their district school peers** who had entered charter school lotteries but hadn't been chosen for a seat in a charter school, and these gains were compounded the longer a student spent in a charter school.²⁴

OTHER STUDENT OUTCOMES

- A rigorous 2019 study finds that **students who enrolled in public charter high schools in North Carolina were about 10% less likely to be chronically absent, about 50% less likely to be suspended, almost 40% less likely to be convicted of a felony or misdemeanor, 9% more likely to vote, and 2% more likely to register to vote.** Economically underserved students accounted for most of the results, and black students experienced the largest reduction in the likelihood of being suspended.²⁵

- A 2018 study found that **students in startup public charter high schools in Georgia significantly outperformed their district school peers** in college enrollment, college persistence, and post-secondary degree attainment.²⁶
- A 2016 study found that attending a **public charter high school in Florida resulted in a 6% increase in the probability of earning a standard high school diploma within five years, a 9% increase in the probability of attending college, a 12% increase in college persistence, and more than \$2,300 in increased annual earnings by age 25.**²⁷
- A 2013 study found that **Boston-area public charter school students were better prepared for college, had higher SAT scores, were more likely to take and pass AP exams,** and they were much more likely to attend a four-year institution after high school than their district school peers.²⁸

COMMUNITY IMPACT

- A 2016 study found that **New York City public charter schools exerted significant and positive competitive effects on district schools in both math and reading,** with the largest gains enjoyed by students who attended a district school co-located with a competing charter school.²⁹
- A 2015 study found that **families were willing to pay roughly 8-10% more for homes in public charter school priority zones in metropolitan Atlanta,** indicating the positive impact of charter schools on residential property values in that area.³⁰
- A 2014 study found that **North Carolina public charter schools produced significant and positive effects when they were compared with district schools with similar grade configurations.**³¹
- A 2008 study found that public **charter school growth in Texas had a positive and significant effect on the outcomes** of students attending traditional public schools.³²

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