



BUILDING FOR SUCCESS

HOW STATES CAN ADDRESS CHARTER SCHOOL FACILITY NEEDS

Policy Summary

The Charter Facility Index allows states to determine how well charter school facility needs are being met with existing state policies. The index also helps states identify areas where changes can be made to better address current and future needs of charter school students and families in their state. See ExcelinEd's full brief [Building for Success: How States Can Address Charter School Facility Needs](#) for complete details on the Charter Facility Index.

WHY CHARTER FACILITY ACCESS MATTERS

Nationwide, over 3 million students are enrolled in public charter schools, and an additional 2 million students want to attend a charter school but cannot access one. Despite their obvious success, **public charter schools often lack access to affordable facilities.**

Traditional public schools can raise local funding specifically for facilities. Charter schools cannot. Instead, they generally must pay for facilities with their school operating revenue—which is intended to pay for student instruction *and* is already significantly lower than what traditional public schools receive.

Public Charter Schools Need Access to Affordable Facilities



77%

of public charter schools do not own their own facilities.

Most public charter schools do not own their school buildings because they lack access to affordable facility funding.

HOW THE CHARTER FACILITY INDEX CAN HELP

ExcelinEd has developed a methodology called the [Charter Facility Index](#) by which states can assess whether they are addressing the full facility needs of charter schools.

What the Charter Facility Index Does

- **Quantifies** today's charter school facility funding needs based on current state policy.
- **Estimates** future charter school facility funding needs based on current state policy and projected charter school growth.
- **Outlines** impacts state policy changes would have on improving, or worsening, charter school facility funding needs.

The Charter Facility Index quantifies *how much* of facility needs the state is meeting, both now and projected into the future. For example, if a state is meeting only 50 percent of current need, it clarifies that charter schools must therefore use their regular operating funds, to pay for the remaining 50 percent. These funds could instead pay for instruction, if more facility funding was provided. It also means that charter schools will have difficulty growing and that fewer new charter schools can open.

It also estimates likely growth in charter school enrollment and the number of charter schools in a state. If a state's policies will provide 30 percent of charter facility needs in five years, down from 50 percent, this important information means that charter schools will have to spend even more of their operating funds on facilities, and they will face even greater limitations on their ability to meet growing demand from parents and students.

In addition, the Charter Facility Index equips policymakers to outline likely impacts of any proposed changes in state policies. By using this method, policymakers can determine how to use a suite of policies—including funding, facilities and financing—to meet the facility needs of charter schools in their states.



WHAT POLICY AREAS CAN STATES LEVERAGE

Currently no state provides adequate funding or access to free facilities to address the full need for charter schools in their state. This reality can stifle the growth of existing charter schools and limit the expansion of new quality public school options for our nation’s families.

It takes a combination of tools to fully address the facility needs of charter schools in a state. There are three policy areas a state can leverage to address charter school facility needs:

1. **Funding** - States can provide direct funding to charter schools to pay for facilities. Charter schools can use this funding to pay monthly rent or mortgage payments if they own their buildings. States typically provide facility funding on a per-student basis, and states often make restrictions on which charter schools are eligible and types of facility expenses allowed.
2. **Facilities** - States can provide charter schools with no-cost access to public facilities. Typically, these facilities are owned by traditional school districts, which must identify the buildings as no longer need. Charter schools have to go through a process to qualify for these surplus facilities, and it can be difficult for charter schools to actually gain access.
3. **Financing** - States can provide affordable financing so that each charter school can buy its own building by guaranteeing tax-exempt bonds issued for charter schools and subsidizing the financing fees. States typically place requirements on which charter schools are eligible for this type of financing. Without state support, financing for charter school facilities may be cost prohibitive. *See the full brief [Building for Success: How States Can Address Charter School Facility Needs](#) for more on financing.*

With any of these policies, magnitude matters. A major investment in one tool may reduce the need for another. If many charter schools can access free facilities, fewer charter schools need funding for rent.

LEARN MORE

Check out the full brief [Building for Success: How States Can Address Charter School Facility Needs](#) for calculations, example state analysis and a tool prototype. Interested in a customized analysis for your state? Contact Matthewj@ExcelinEd.org or Sam@ExcelinEd.org.

