A modest federal investment with strong returns for students

The Charter Schools Program (CSP) is the nation’s only source of dedicated federal funding to support the creation and replication 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 more than 25 years, the CSP has provided states with resources to help ensure every child can access a high-quality public education. It forms the backbone of both the public education system and the charter school movement, strengthening their efforts to provide more equitable opportunities for all students.

2021 marks the 30th anniversary of the first charter school law. Since that time, these innovative and student-centered public schools have grown to serve 3.3 million students in 7,500 schools across the country. The CSP has been critically important to the growth of the charter school sector. More than one million students have access to high-quality public schools that would not have existed without the CSP.

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 that there are a number of persistent misconceptions about charter schools, it’s important to start off by clarifying what charter schools are and how they benefit students.
At $440 million, the current appropriation for the CSP amounts to less than 1% of federal spending on K-12 education and current CSP spending doesn’t even begin to fully meet the demand for charter schools among American families. Charter schools currently serve more than 6.5 percent of the 50 million public school students in the United States, and public support for charter schools has never been higher. A February 2021 poll from EdChoice found that 75% of parents and 68% of all adults support charter schools.\(^1\)

Surveys also suggest that there are millions more students who would attend a charter school if one were available to them. Based on surveys by Phi Delta Kappan (September 2017) and EdChoice (November 2018), there are between 3.7 and 5.3 million additional students that would attend a charter school today if they had that option.\(^2,3\) Even taking a conservative estimate of 3.7 million potential additional students, and startup costs of up to $1.5 million per school, it would take $13 billion to open the 8,600 schools needed to serve those students. Further, the COVID-19 pandemic has shown that families want more options to meet the needs of their children. There is evidence of significant charter school enrollment spikes in certain states, including New York, North Carolina, and Idaho. In New York City, total charter school enrollment grew by about 10,000 students this school year, in North Carolina by more than 8,000, and in Idaho by more than 5,000.

For the past three fiscal years, CSP funding has remained flat at $440 million. In FY 2020, there were more applicants than funds available for state grants, and insufficient funds to make CMO awards. Given continued level funding in FY 2021, we anticipate that this year the Department will not be able to make new awards in any of the major programs. Meanwhile, we anticipate 32 states will be eligible to apply for State Entity funding in FY 2022, including 17 states with expiring grants and 15 states with no current funding. To help meet this demand, the National Alliance urges Congress to fund the Charter Schools Program at $500 million—just 4 percent of the estimated amount required to meet demand.

Given the significant learning loss students face due to the COVID-19 pandemic, our nation needs schools that can accelerate learning gains more than ever. Now is not the time to close off or limit our nation’s capacity to give parents options. Increasing the CSP funding level to $500 million would be a small but important step towards a public education system where every student has the opportunity to attend a school that meets their unique needs.
Charter schools are public schools and are therefore tuition-free and open to all students. In exchange for greater accountability, public charter schools receive greater flexibility and autonomy to design classrooms that meet students’ unique needs. The terms of this accountability and autonomy are laid out under an independent contract or “charter” with an authorizing agency or “authorizer.” These authorizers are responsible for approving new charter schools and holding them accountable for meeting the goals, commitments, and responsibilities laid out in their charters or closing them when they do not. Each state decides which entities can become authorizers, which 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.

Charter schools are a critical part of a healthy public school system that gives parents and other caregivers a choice about where to send their child to school. Ultimately, charter schools are accountable to parents who must choose to enroll their children. Charter schools are also accountable to their authorizers who determine whether they are serving students well and can remain open, unlike district-run public schools.

Charter schools offer a wide variety of school models, such as STEM-focused, arts education, environment-focused, Montessori, classical, 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.
Nevertheless, charter schools are also required to meet the same academic testing requirements as other public schools and adhere to all civil rights laws.

The autonomy of the charter school model can also mean charter schools have more flexibility to cultivate a diverse workforce that reflects the students they serve. A Fordham Institute study of schools in North Carolina, for example, found that Black students in charter schools were about 50 percent more likely to have a Black teacher and that, proportionally, charter schools employ about 35 percent more Black teachers.⁴ Research shows that having teachers that reflect their students’ diversity benefits students, including by reducing the probability of dropping out of high school.⁵

Most importantly, high-quality charter schools can deliver life-changing results, especially for students from low-income backgrounds and students of color. Most recently, a 2020 study from the Program on Education Policy and Governance at Harvard University found greater academic gains for students in charter schools, with the difference amounting to almost an additional half year of learning for students in charter schools over the course of the study. Black students and students from low-income backgrounds made the greatest gains. Overall, eighth graders attending charter schools showed learning gains that were three months ahead of their district school peers from 2005 to 2017. Black students, in particular, were an additional six months ahead. Given that one in three charter school students is Black, this is especially noteworthy. Additionally, children from the bottom 25% of the socioeconomic distribution demonstrated nearly twice as much growth as their peers in district schools.⁸

Many charter schools also give teachers the opportunity to work in a school environment that values their contributions and invests in their development. The 2020 Voices from the Classroom survey by Educators for Excellence found that teachers in charter schools are 22 percentage points more likely to report feeling valued than teachers in district schools. They were also more likely to report being included in decisions regarding curriculum. Charter school teachers also reported being better trained and receiving better professional development.⁶ Similarly, a 2020 study from the Fordham Institute on teachers in Pennsylvania found that, on average, teachers in a charter school network improve more rapidly than teachers in other public schools. Charter schools associated with a charter school network are also more likely to promote their most effective teachers to leadership roles.⁷

Similarly, 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. The longer a student attends an urban charter school, the greater the gains: 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 48 additional days in math and 25 additional days in reading. Low-income Black students gained

IT’S CLEAR THAT THE CHARTER SCHOOLS PROGRAM IS MAKING A TANGIBLE DIFFERENCE IN THE LIVES OF STUDENTS
59 additional days in math and 44 additional days in reading per year. Together, Black and Hispanic students account for more than 60 percent of charter school enrollment.

A 2019 study of Newark, New Jersey, 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 attend 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 the 15 schools participating in the study received CSP grants. A more recent study of Newark schools published in 2021 found that Newark charter school students posted stronger learning gains than the statewide average in both math and reading. The difference was particularly significant for Black charter school students, who showed stronger growth than their district peers.

Charter schools often deliver these results despite having fewer resources than district-operated schools. Research published in 2020 by the University of Arkansas highlights these funding inequities. The study shows that in 18 urban school districts, students attending district-operated schools receive about 33% more per-pupil funding than students in charter schools. Lack of access to local funding was the greatest cause of this gap.

These clear results explain why the CSP has earned broad bi-partisan support since its inception. In the following pages, you will learn more about the structure of the program and its impact on students around the country.
2020 was a profoundly challenging year for schools and communities, and around the country, educators and families continue to grapple with the persistent reality of distance and blended learning. Amid these challenges, however, we have seen charter schools leverage their flexibility and autonomy to meet the needs of these extraordinary times. A National Alliance report, released in partnership with Public Impact, examined the practices of 356 small charter school networks and single-site schools—which account for more than 65% of the charter school community—and found that they were able to quickly pivot to meet the needs of their communities. According to the study’s findings, charter schools were more likely than school districts to set expectations with distance learning that teachers would engage directly for real-time instruction, check in regularly with students, and monitor attendance.15

Large charter school networks included in a study from the Fordham Institute also managed to transition quickly and effectively to distance learning. Looking at eight large charter school networks that collectively educate more than 140,000 students, the report concludes that several shared best practices made the transition to virtual learning more manageable for teachers and families. These large networks all established and enforced a predictable school day with clear expectations for educators and students. They also put student well-being front and center, regularly connecting with families to help ensure their basic needs were met. Finally, they embraced common curriculum and instructional practices that supported teachers during the challenging transition.16

As a part of its National Survey of Public Education’s Response to COVID-19, the American Institutes for Research (AIR) conducted a survey of 91 charter management organizations (CMOs). The survey found that most CMOs faced similar barriers to distance learning as other schools did, including lack of access to the internet or appropriate devices, teacher capacity to deliver virtual instruction, and family capacity to support learning in the home. Despite this, most CMOs indicated on the survey that they found a way to provide families with supports such as devices and help with accessing the internet. Most CMOs also reported employing digital resources and real-time instruction as key components of their distance learning programs.17
WHAT IS THE CHARTER SCHOOLS PROGRAM?

While states determine most of the laws and regulations under which charter schools operate, the federal CSP has played a critical role in providing support for new charter schools across the country. Charter schools are public schools that are tuition-free, open to all students, and operate independent of the school district.

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 non-sustained costs, such as purchasing desks and hiring staff, and cannot be used for construction or significant renovations.

In later years, additional funding streams were added to meet the changing needs of the movement. Today, the CSP also includes two funding streams that were created in 2001 to assist with the cost of facilities. Congress also added a separate program to support the expansion and replication of high-performing charter schools that had already begun to replicate their results in new communities, especially in those with poor educational outcomes.

Since its inception, Congress has appropriated some $6.3 billion for the CSP—less than 2% of the federal investment in the Title I program over the same time period. Between school year 2006-07 and school year 2016-17, the CSP funded nearly 45% of operational public charter schools that collectively serve 1.3 million students. Charter schools are more likely than district-run schools to be located in urban areas, and charter schools, on average, serve higher proportions of students who are Black, Hispanic, and from low-income families. A 2020 report from Bellwether Education Partners, “Clearing the Air: An Analysis of the Federal Charter Schools Program,” provides a deeper look at how the program has evolved over the years and its impact on families and communities.

Even as overall federal investment in education has risen in recent years, funding for the CSP has remained flat, limiting the community’s ability to grow and serve more students.

<table>
<thead>
<tr>
<th>GRANTEE</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Entity/Developer</td>
<td>$235,000,000</td>
<td>$225,000,000</td>
<td>$225,000,000</td>
</tr>
<tr>
<td>CMO</td>
<td>$135,000,000</td>
<td>$140,000,000</td>
<td>$140,000,000</td>
</tr>
<tr>
<td>Credit Enhancement</td>
<td>Not Less Than $45,000,000</td>
<td>$60,000,000</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>State Facility Incentive Grant</td>
<td>Not More Than $10,000,000</td>
<td>Not More Than $10,000,000</td>
<td>Not More Than $10,000,000</td>
</tr>
<tr>
<td>Dissemination</td>
<td>$15,000,000</td>
<td>Not More Than $15,000,000</td>
<td>Not More Than $15,000,000</td>
</tr>
<tr>
<td>Total Funding</td>
<td>$440,000,000</td>
<td>$440,000,000</td>
<td>$440,000,000</td>
</tr>
</tbody>
</table>
CHARTER SCHOOLS PROGRAM
CURRENT REACH OF CSP GRANTS (JANUARY 2021)

- 33 states, including D.C., have active SE grants
- 6 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, 1995-2021
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) which, in turn, award subgrants 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** includes the Credit Enhancement for Charter School Facilities Program (CE), which provides support for charter schools to acquire or renovate facilities, and the State Charter School Facilities Incentive Grant, which provides matching funds for states that provide funding for charter school facilities on a per-pupil basis.

4. **Grants to developers**: In states where no state entity has 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.

WHAT DO CSP GRANTS PAY FOR?

CSP startup grants pay for non-sustained 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 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**
Providing one-time startup costs associated with providing transportation to students, such as buying a bus

**OTHER**
Non-sustained costs not met from other funding sources
OVERVIEW OF FY 2020 CSP PROGRAM AWARDS
At the core of the CSP are the SE Grants. The State Entity Program offers competitive grants to states, which then make subgrants within their states to open new charter schools or to replicate or expand existing charter schools. For-profit management companies are not eligible to apply for these grants.

To receive a subgrant, 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 the Every Student Succeeds Act (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. In FY 2020, eight grantees were awarded almost $392 million that will be distributed over the life of the grants. Notably, three of the grantees—New Jersey Public Charter Schools Association, Opportunity 180 (Nevada), and Pennsylvania Coalition of Public Charter Schools—are CSOs.

### FY2020 Grants to State Entities

<table>
<thead>
<tr>
<th>GRANTEE</th>
<th>LENGTH</th>
<th>FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA Department of Education for the State Board of Education (SEA)</td>
<td>3 Years</td>
<td>$41,666,667</td>
</tr>
<tr>
<td>Office of the State Superintendent of Education (DC) (SEA)</td>
<td>5 Years</td>
<td>$24,222,000</td>
</tr>
<tr>
<td>Florida Department of Education (SEA)</td>
<td>5 Years</td>
<td>$78,333,333</td>
</tr>
<tr>
<td>New Jersey Public Charter Schools Association (CSO)</td>
<td>5 Years</td>
<td>$63,232,945</td>
</tr>
<tr>
<td>Opportunity 180 (Nevada) (CSO)</td>
<td>5 Years</td>
<td>$22,755,555</td>
</tr>
<tr>
<td>Pennsylvania Coalition of Public Charter Schools (CSO)</td>
<td>5 Years</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>South Carolina Department of Education (SEA)</td>
<td>5 Years</td>
<td>$31,553,991</td>
</tr>
<tr>
<td>Texas Education Agency (SEA)</td>
<td>5 Years</td>
<td>$100,000,000</td>
</tr>
</tbody>
</table>
Lumen High School opened in the fall of 2020 in Spokane, Washington, to serve the layered needs of teen parents. A dual generational school, Lumen is designed to help young parents achieve their educational goals while caring for their children. Lumen offers childcare and early childhood education on-site and incorporates parenting skills into the curriculum. It also offers other wraparound services and proactively addresses needs that might disrupt a young parent’s schooling, such as a central location near a transit hub, access to medical and dental care, and significant social emotional support services. Lumen’s Executive Director Shauna Edwards opted to open in the midst of the COVID-19 pandemic, despite being offered the opportunity to delay—something that would not have been possible without their CSP grant.

“There’s not another program or school in our county that does what we’re doing for our students. We are the educational opportunity for parenting students.”

— SHAUNA EDWARDS, EXECUTIVE DIRECTOR
LUMEN HIGH SCHOOL
CSP Grant Programs: Developer Grants

Developer Grants for the Opening of New Charter Schools and for the Replication and Expansion of High-Quality Charter Schools

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 only eligible to apply in states without current SE funding. Applicants may apply for funds to open a new charter school or to replicate or expand an existing high-quality school.

In FY 2020, seven grantees were awarded a total of more than $8 million in funding to support the opening of new charter schools, or for the replication and expansion of existing high-quality charter schools.

<table>
<thead>
<tr>
<th>GRANTEE</th>
<th>LOCATION</th>
<th>LENGTH</th>
<th>TOTAL EXPECTED FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Point Alaska, Inc.</td>
<td>Anchorage, AK</td>
<td>5 Years</td>
<td>$1,376,038</td>
</tr>
<tr>
<td>Acadia Academy</td>
<td>Lewiston, ME</td>
<td>1 Year</td>
<td>$299,988</td>
</tr>
<tr>
<td>Kairos Academies</td>
<td>St. Louis, MO</td>
<td>4 Years</td>
<td>$1,495,312</td>
</tr>
<tr>
<td>STEM+E Academy of San Juan Charter School</td>
<td>San Juan, Puerto Rico</td>
<td>2 Years</td>
<td>$1,458,490</td>
</tr>
<tr>
<td>All Football Club Lancaster Lions Academy</td>
<td>Lancaster, PA</td>
<td>5 Years</td>
<td>$1,260,750</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GRANTEE</th>
<th>LOCATION</th>
<th>LENGTH</th>
<th>TOTAL EXPECTED FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>DreamHouse `Ewa Beach Public Charter School</td>
<td>Kapolei, HI</td>
<td>5 Years</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Soaring Heights Charter School</td>
<td>Jersey City, NJ</td>
<td>5 Years</td>
<td>$1,494,981</td>
</tr>
</tbody>
</table>
University Charter School is a rural, place-based school that opened in 2018 as the first integrated school in Alabama’s Sumter County. Prior to opening, the only public school option in the county was a low-performing school serving an almost exclusively Black student population. “We wanted to do something different for the kids,” explained Chief School Financial Officer Ginger Lusty. To build the safe, diverse school that the community needs, University Charter School centers on character education while providing a rigorous, place-based education. University Charter School put its CSP funds to work purchasing technology to support a 1:1 device environment and investing in rigorous training and ongoing professional development for teachers. CSP funds help make it possible for Black and White students to attend school together for the first time in this community.

“Sumter County was still a segregated county and [University Charter School] came in to desegregate... We wanted to bring about something to bring that community together and those kids together.”

– GINGER LUSTY, CHIEF SCHOOL FINANCIAL OFFICER
UNIVERSITY CHARTER SCHOOL
CMO grants support the growth of existing high-quality charter schools. CMO grant funds can be used for replication, by opening new schools based on a high-quality school model, or expansion, such as adding additional grades or classes to an existing school.  

CMO grants are awarded competitively based on the demonstrated quality of the CMO's existing school(s), including a track record of increasing academic success for all students. CMO grants also target high-poverty communities: 81 percent of students in funded schools are from low-income families.  

Stanford's Center for Research on Educational Outcomes (CREDO) study of CMOs funded with CSP 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-run public schools in growth rates for both math and reading scores (not all funded CMOs were included in the study).

In 2020, CMO grants were made using FY 2019 funds. Thirteen CMOs were awarded about $226 million in new funding.

### FY 2019 Grants for Replication and Expansion of High-Quality Charter Schools

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Location</th>
<th>Length</th>
<th>Total Expected Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizens of the World Charter Schools</td>
<td>Los Angeles, CA</td>
<td>5 Years</td>
<td>$4,124,999</td>
</tr>
<tr>
<td>Fortune School of Education</td>
<td>Sacramento, CA</td>
<td>5 Years</td>
<td>$2,898,453</td>
</tr>
<tr>
<td>Grimmway School</td>
<td>Bakersfield, CA</td>
<td>5 Years</td>
<td>$4,068,939</td>
</tr>
<tr>
<td>Achievement First</td>
<td>New Haven, CT</td>
<td>5 Years</td>
<td>$9,411,347</td>
</tr>
<tr>
<td>Mater Academy Inc.</td>
<td>Hialeah Gardens, FL</td>
<td>5 Years</td>
<td>$57,123,615</td>
</tr>
<tr>
<td>Pataula Charter Academy, Inc.</td>
<td>Edison, GA</td>
<td>5 Years</td>
<td>$1,491,609</td>
</tr>
<tr>
<td>Resurgence Hall, Inc.</td>
<td>East Point, GA</td>
<td>5 Years</td>
<td>$2,965,704</td>
</tr>
<tr>
<td>Chicago Charter School Foundation</td>
<td>Chicago, IL</td>
<td>5 Years</td>
<td>$3,764,879</td>
</tr>
<tr>
<td>Pioneer Charter School of Science II</td>
<td>Middlesex, MA</td>
<td>4 Years</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Great Oaks Legacy Charter School</td>
<td>Newark, NJ</td>
<td>5 Years</td>
<td>$4,888,855</td>
</tr>
<tr>
<td>IDEA Public Schools</td>
<td>Weslaco, TX</td>
<td>5 Years</td>
<td>$72,241,152</td>
</tr>
<tr>
<td>Responsive Education Solutions</td>
<td>Lewisville, TX</td>
<td>5 Years</td>
<td>$40,804,633</td>
</tr>
<tr>
<td>YES Prep Public Schools, Inc.</td>
<td>Houston, TX</td>
<td>5 Years</td>
<td>$20,966,911</td>
</tr>
</tbody>
</table>
THE FEDERAL CHARTER SCHOOLS PROGRAM

Resurgence Hall

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

Grant Year
2020 (using FY 2019 funds)

Grant Amount
$2,965,704

Year School Opened
2016

Students Currently Served
320

Free and Reduced Price Lunch Rate
77%

Demographics
98% Black, 1% Hispanic, 1% White

Founded in 2016, the small Resurgence Hall network brings educational opportunity to an Atlanta-area community where few high-quality public schools exist today. In its short history, Resurgence Hall has reached the top 5 percent of all public schools in the state of Georgia and is the only A-rated school in the predominantly Black community south of I-20 in Atlanta. It is also the first public school in Georgia to offer computer science as core curriculum. Funding from its CMO grant will make it possible for Resurgence Hall to grow its impact and bring its world-class education to more families by adding two new schools and expanding capacity at the original campus. By the end of the grant period, Resurgence Hall will grow to serve more than 2,000 students. For Founder and Executive Director Tori Jackson Hines, CSP funds make it possible for schools like Resurgence Hall to give families access to the education they want for their child, regardless of income.

“CSP is not ‘nice’ to have, it’s ‘critical’ to have. ‘Critical’ meaning children need to have appropriate writing and learning surfaces, children need to have appropriate technology, children need to have good old-fashioned paperback books. These things are not “nice” to have—these are critical needs.”

— Tori Jackson Hines, Founder and Executive Director
Resurgence Hall
Charter schools, for the most part, do not have the same free access to public buildings as do district-operated schools and gaining access to an affordable school building is one of the most significant barriers to opening new schools. Two facility-focused programs were added to the CSP to help meet this need: Credit Enhancement and the State Facilities Incentive Grant.

The purpose of the Credit Enhancement for Charter School Facilities Program is to help charter schools address the cost of facilities by funding 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. Public entities, private nonprofit entities, and consortia 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.

As of 2019, Credit Enhancement funds have helped enable approximately $6.7 billion in facilities financing for 766 charter schools.

<table>
<thead>
<tr>
<th>GRANTEE</th>
<th>LOCATION</th>
<th>PROJECT</th>
<th>TOTAL EXPECTED FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raza Development Fund, Inc.</td>
<td>Phoenix, AZ</td>
<td>Raza Development Fund Washington State</td>
<td>$6,750,000</td>
</tr>
<tr>
<td>Equitable Facilities Fund, Inc.</td>
<td>New York, NY</td>
<td>Credit Enhancement Program for Target Markets of California, Florida, Tennessee, and Texas</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Texas Public Finance Authority</td>
<td>Austin, TX</td>
<td>Texas Credit Enhancement Program</td>
<td>$10,000,000</td>
</tr>
</tbody>
</table>
THE FEDERAL CHARTER SCHOOLS PROGRAM

A loan from Civic Builders helped make it possible for Clarksdale Collegiate to open its doors as Mississippi’s first rural charter school. The loan from Civic Builder’s Facilities Investment Fund made it possible for Clarksdale to finance the purchase of a school building to house its founding K-2 classes. Clarksdale will continue to grow, adding a new grade level each year until it reaches full K-8 enrollment with 675 students. Through the loan from Civic Builders, Clarksdale was also recently able to break ground on an expansion that will more than double the school’s capacity and house the growing school community. For Clarksdale’s students, the facility funded through Credit Enhancement is more than just a school building: it represents a commitment to the kind of education that ensures kids can live option-filled lives.

CSP IN ACTION: CREDIT ENHANCEMENT GRANTS
CLARKSDALE COLLEGIATE PUBLIC CHARTER SCHOOL
Clarksdale, Mississippi

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

Grant Funds Committed to Project
$4.8 million senior loan from the Facilities Investment Fund which is partially funded by Credit Enhancement

Total Project Costs
$7.2 million

Year School Opened
2018

Students Currently Served
322

Free and Reduced Price Lunch Rate
100%

Demographics
95% Black, 4% White, <1% Hispanic, <1% Multiracial

“Without CSP funding, I would have spent more time fundraising. Instead, I put that time toward the instructional program to ensure our school got off to a strong start. CSP has been absolutely essential.”

— AMANDA JOHNSON, EXECUTIVE DIRECTOR
CLARKSDALE COLLEGIATE
The second facility-focused program within the CSP is the State Charter School Facilities Incentive Grants Program (SFIG). 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, allowing states to gradually build capacity for a sustainable per-pupil funding stream.

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.

States receiving SFIG are allowed to weight their funding formulas, for example, by assigning greater weight to students with disabilities or those living in 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 low-income students.

The most recent SFIG award was in FY 2019 when the Indiana Department of Education was awarded $20 million over four years to enhance an existing per-pupil facilities aid program.

The U.S. Department of Education uses National Dissemination Grant funds to (a) provide technical assistance to state entities in awarding subgrants and to recipients of facilities grants; (b) disseminate best practices regarding charter schools; and (c) 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, the National Alliance was awarded a $2.4 million three-year grant to establish a National Facilities Center to help charter schools with technical assistance and best practices for facility access and financing. No new grants were awarded in FY 2019 or FY 2020 as funds were used to support existing grants.
Discovery Charter School in Porter, Indiana, offers students a dynamic place-based curriculum in a school community that nurtures the idea of how to think, not what to think. Founded in 2010, Discovery is a recent recipient of two subgrants for mortgage and debt service from the Indiana Department of Education, which was a 2019 SFIG grantee. Discovery put the funds toward monthly mortgage interest payments and freeing up general operating funds to purchase Chromebooks for distance learning and raise teacher salaries. While Discovery initially considered using funds to expand the school’s space, the community’s needs and priorities have shifted during COVID-19. School leader Ernesto Martinez explains, “Now our goal is to continue to be able to provide for our kids, our community, and our staff during these challenging times until we can get back to normality. These funds help...Discovery focus on what’s important: serving the school community.”

“Our staff, our school, our parents have a done a good job of connecting with each other and supporting each other. It’s not just the teachers supporting the kids in school, but also the parents supporting what the teachers are doing.”

— ERNESTO MARTINEZ, SUPERINTENDENT
DISCOVERY CHARTER SCHOOL
A DYNAMIC, STUDENT-CENTERED RESPONSE TO COVID-19

HENDERSON COLLEGIATE
Henderson, North Carolina
Like schools around the country, Henderson Collegiate in Henderson, North Carolina, was forced to rapidly pivot and reimagine school when the COVID-19 pandemic hit—something that might have taken years under different circumstances. During the initial spring closures, Henderson responded rapidly, sending home thousands of devices and quickly developing a workable remote learning program. By summer, however, school leaders knew that their community needed something more. For families navigating distance learning in isolation, everything from WiFi access to distractions at home affects students’ ability to engage.

School leaders looked at student data since the start of the pandemic and identified about 20% of students that were really struggling. “We were going to lose them,” explains Executive Director Eric Sanchez. “They were going to lose the school year. Shortly after [we realized] that, we got 20% of our kids by invite only to come to the school. That 20% has been the real focus of our in-school experience.” Since that shift, Henderson has worked to balance COVID-related precautions with meeting the needs of all students, inside the building and out. All learning is live with no modules or self-pacing components.

What made the difference for Henderson’s student-centered response? As a charter school, school leaders had the flexibility to make those tough decisions. The autonomy of the charter school model means freedom from much of the red tape that slows decision-making in district-run public schools, allowing Henderson Collegiate to quickly and responsively build a program to meet student needs. “We were able to iterate in a really different way and then create a program that we felt adhered to our students in a way that gave us autonomy and flexibility in order to be most effective.”

As with so many other charter schools, CSP funding helped make this high-performing rural school possible and put it on strong footing to respond to changing community needs during the pandemic. An initial start-up grant helped Henderson Collegiate open its doors to its first class of 4th graders and give this rural North Carolina community another public school option. Over the years, Henderson grew and built a strong reputation in the local community, achieving high ratings on the NC School Report Card and earning recognition as a Title I Reward School. In 2018, Henderson received a second CSP grant to expand to offer primary grades, making it possible for students to attend this high-performing school from kindergarten through high school graduation. Offering a full K-12 academic program makes it possible to deliver on Henderson’s mission: “to empower students with the character traits, academic skills, social experiences, and love of learning necessary for them to shape their own destinies, attend and graduate from the college of their choice and become world-changing problem solvers.”
COVID-19 RESPONSE

Looking at eight leading charter school networks, the Fordham Institute found that during the initial pandemic-related school closures, these networks established typical school days that maintained structure for students and prioritized student health and wellbeing through family outreach and support.32

In partnership, Public Impact and the National Alliance explored how more than 350 single-site and small-network charter schools leveraged their independence to swiftly meet students’ educational needs and ensure they had access to critical services. The report found that charter schools were more likely to set expectations that teachers provide real-time instruction, check in regularly with students, and monitor attendance.33

ACADEMIC PERFORMANCE AND COLLEGE COMPLETION

A 2021 meta-analysis of research on charter school effects and competitive influence by the National Bureau of Economic Research (NBER) highlighted trends from three decades of research. Top findings include that charters located in urban areas boost student test scores, particularly for Black, Latinx, and low-income students; that attending some urban charter schools increases college enrollment and voting; and that the competitive impact of charter schools on traditional public schools suggests a small beneficial influence on neighboring schools’ student achievement.34

A 2021 study from Stanford University’s Center for Research on Education Outcomes (CREDO) found that charter school students in Newark, New Jersey, made stronger gains in both reading and math than the state average. The difference was particularly significant for Black charter school students who showed stronger growth than their district peers. Charter schools affiliated with a CMO also showed greater progress than state averages.35

A 2020 study from the Program on Education Policy and Governance at Harvard University found that students attending charter schools made greater academic gains from 2005 to 2017 than students attending district-operated schools, with the most significant gains for Black students and low-income students. This is the first nationwide study to compare student achievement trends over time between sectors rather than effectiveness at a single point in time.36

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 exit 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 doubles the likelihood that English language learners enroll in four-year colleges and quadruples the likelihood that special education students graduate from a two-year college.37

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.38

A 2009 study found that, across all grade levels and subjects, 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.39
OTHER STUDENT OUTCOMES
A rigorous 2019 study finds that students who enrolled in public charter high schools in North Carolina were about 10 percent less likely to be chronically absent, about 50 percent less likely to be suspended, almost 40 percent less likely to be convicted of a felony or misdemeanor, 9 percent more likely to vote, and 2 percent more likely to register to vote. Economically disadvantaged students accounted for most of the results, and Black students experienced the largest reduction in the likelihood of being suspended.40

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.41

A 2016 study found that attending a public charter high school in Florida resulted in a 6 percent increase in the probability of earning a standard high school diploma within five years, a 9 percent increase in the probability of attending college, a 12 percent increase in college persistence, and more than $2,300 in increased annual earnings by age 25.42

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 much more likely to attend a four-year institution after high school than their district school peers.43

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.44

A 2015 study found that families were willing to pay roughly 8 to 10 percent 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.45

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.46

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.47

Authors: Christy Wolfe, Fiona Sheridan-McIver, Jessica Morffi with contributions from Brittnee Exum
ENDNOTES


5 Ibid, p. 11.


9 Center for Research on Education Outcomes.


17 Hodgman, Sarah, and Megan Austin. 2021.


19 Ibid, slide 8.


23 Ibid.


31 Ibid.


