The Charter Schools Program (CSP) is the nation’s only source of dedicated federal funding to support the creation, expansion, and replication of public charter schools. At its fiscal year (FY) 2022 funding level of $440 million, the CSP amounts to less than 1% of federal spending on K–12 education but has a significant impact on the communities that charter schools serve. 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 the charter school movement, strengthening efforts to provide more equitable opportunities for all students.

Since the first charter school law was passed in 1991, these innovative and student-centered public schools have grown to serve 3.6 million students—7.2% of America’s public school students—in 7,700 schools across the country. During the first full school year of the pandemic, approximately 240,000 additional students enrolled in charter schools, representing 7% growth in one school year—the largest increase in half a decade. Charter schools were the only sector of public education to grow during the 2020–2021 school year. The CSP has been critically important to the growth of the charter school community. More than one million students have access to high-quality public schools that would not have existed without the CSP.

Despite this incredible impact and growing community demand, funding for the CSP has been flat for the past four fiscal years, limiting the charter school community’s ability to grow and serve more students. Flat funding of the CSP is even more remarkable given the substantial and historic increase in federal funding for nearly every other aspect of K–12 education from 2020 to 2022.

Rather than increased funding, the CSP faced unprecedented threats to even accessing current funding in 2022. Proposed rules would have made it more difficult for applicants to qualify for funding. Although these proposed rules were softened due to public outcry, it still created unnecessary administrative hurdles and forced applicants to submit grant requests in a significantly shorter timeframe. CSP funds are critical to meet the demands of families who want more, not fewer, choices in public education.

This report explores the impact of the CSP on communities around the country and makes the case for increased funding for the program. In these pages, we explain the charter school model, offer a brief history of the CSP, profile inspiring grantees, and address persistent misconceptions. Charter schools are a vital part of the public school ecosystem, and by advocating for the CSP, we can help more students have access to a public school that meets their unique needs.

Nina Rees
President and CEO
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 7.2% of the 50 million public school students in the United States, and public support for charter schools is strong: a June 2022 poll from EdChoice found that 73% of parents and 64% of all adults support charter schools. Even more striking, a 2022 national survey conducted by The Harris Poll found that 81% of parents support expanding the number of slots in existing public charter schools in their area and 78% want more public charter school offerings in their area. Even among parents who might not choose to enroll their own children in a charter school, 84% agree that charter schools should be available to the families who would choose them.

Polling also suggests that millions more students would attend a charter school if one were accessible: the same 2022 survey conducted by The Harris Poll found that 74% of parents would consider sending their child to a public charter school if one were available to them. Further, the COVID-19 pandemic has shown that families want more options to meet the needs of their children. During the 2020–2021 school year, nearly 240,000 additional students enrolled in charter schools, representing nearly 7 percent growth in one school year, the largest increase in half a decade, making charter schools the only sector of public education to grow during the pandemic. Additional funds for the CSP are critical to meet this growing community need.

For the past four fiscal years, CSP funding has remained flat at $440 million. In FY 2020, there were more applicants than funds available for state grants, and there were insufficient funds to make CMO awards. In 2021, the Department of Education (ED) did not receive sufficient funds to make new awards in any of the major programs except Credit Enhancement. We anticipate that demand will continue to outstrip available funds. To help meet this need, the National Alliance urges the U.S. Congress to fund the Charter Schools Program at $500 million—just a fraction of the estimated amount required to meet demand.

Given the ongoing challenges students face due to the COVID-19 pandemic, our nation needs schools that can accelerate learning gains, and families need educational options now more than ever. In fact, the 2022 Harris Poll survey found that parents believe quality of instruction, individualized support, teachers’ flexibility and adaptability, and academic rigor are absolutely essential to them when it comes to their children’s education, and these factors became even more important in the pandemic. Increasing the CSP funding level to $500 million would be a small but important step towards a public education system in which 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. Unlike district-operated schools, charter schools are also accountable to their authorizers, who determine whether the schools are serving students well and can remain open.

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% more likely to have a Black teacher and that, proportionally, charter schools employ about 35% more Black teachers than district-operated schools. Research shows that having teachers that reflect students’ diversity benefits students, including by reducing the probability of dropping out of high school.

Many charter schools also give teachers the opportunity to work in a school environment that values their contributions and invests in their development. For example, a 2020 study from the Fordham Institute on teachers in Pennsylvania found that, on average, teachers in a charter school network improve their performance 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.

Most importantly, high-quality charter schools can deliver life-changing results, especially for students from low-income backgrounds and students of color. A 2020 study from the Program on Education Policy and Governance at Harvard University found greater academic gains for students in charter schools than students in district-operated schools, with the difference amounting to almost an additional half year of learning for charter school students 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.

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 of 40 additional days of learning in math and 28 additional days of learning in reading per year 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 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.12 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.13

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 around the country, students attending district-operated schools receive about 33% more per-pupil funding than students in charter schools.14 Lack of access to local funding was the greatest cause of this gap.

These clear results explain why the CSP has earned broad bipartisan 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.

CENTERING COMMUNITY NEEDS

Charter Schools and Community Engagement

As schools of choice, charter schools are uniquely accountable for meeting the needs of the communities they serve; in order for a charter school to stay open, families must choose to send their children there. This unique accountability to families means charter schools around the country must understand the communities they serve and actively respond to their needs. Casey Taylor, Executive Director of Achieve Charter Schools in California, explained, “Our bread and butter is being responsive to our community. Our families are coming to us because they felt like they weren’t being heard, and that’s what we do.”

In addition to the family and community accountability inherent in the charter school model, CSP statutory and regulatory language places considerable emphasis on family and community involvement. When applying for a subgrant from a state entity, for example, applicants must include descriptions of how they will solicit and consider input from parents and members of the community on the operation of the school15 and how they will use effective parent, family, and community engagement strategies during ongoing operations.16 State entity subgrantees can also use CSP funds to carry out direct community engagement activities.17 The CMO competition similarly requires applicants to describe how they will gather and consider parent and community impact on each proposed new school, including in the area of school governance.
Around the country, countless charter schools demonstrate the value of deep community engagement. The Gestalt Community Schools in Memphis, Tennessee, for example, are a striking example of community-centered development. Opened in 2008 with community voice at the table, Gestalt seeks not just to provide educational opportunities but to revitalize the entire community, leveraging resources and partnerships with FEMA, CSP Credit Enhancement, Habitat for Humanity, and more. Family and community engagement is built into the Gestalt model. A fully parent-led parent advisory council helps guide school leaders in changing and developing policies in response to family needs, on everything from discipline practices to the traffic pattern at the elementary school. When opening the two most recent schools, parents served on the design team to ensure that new schools addressed community needs around location, cultural elements of the schools, electives, and more.

For new families just joining the Gestalt community, Gestalt hosts a parent academy. The parent academy at each Gestalt school is a little different, tailored to meet that community’s specific needs. Generally, the parent academy includes summer welcome sessions, with family barbecues and orientations, and call-a-thons where teachers contact every parent to learn more about their child and what the parents want to get out of the school year. “The one thing that the parents say that we always try to replicate,” explained school leader Yetta Lewis, “is that personal touch. You don’t just get automated emails, you get personal phone calls and you don’t just get calls when a child has a behavior issue or academics are going down.”

On the other side of the country, the concept for Whatcom Intergenerational High School emerged from a year of focus groups, including in a community with strong Native ties, and observation of multidisciplinary and phenomenon-based curriculum. The focus groups were a vital opportunity for young people, elders, and parents to talk about their educational experiences and what they would want out of a new school. School leader Cindy Reuther worked with local organizations, middle schools, and community leaders to bring the community members to the table who would most benefit from her school, and she made sure at least one meeting took place on the Lummi Nation. This commitment to community engagement continues to show up daily in Whatcom operations. The school emphasizes intergenerational learning through its Allies and Elders program, which brings community members into the school every day. Allies and Elders regularly engage in activities, field trips, and mentoring. Whatcom is also designed to meet students’ social emotional and cultural needs through such diverse opportunities as equine therapy at a local farm, access to a makerspace, meal prep and menu planning, and extensive community partnerships. This small school has leveraged community engagement from the earliest planning phases to ongoing community partnerships that meet students’ diverse needs.
Some charter school critics assert that CSP can waste funds because they sometimes go to a small number of schools that close or fail to open. It is true that the nature of making grants to schools after they have applied for a charter but before they open means funds will sometimes go to schools that do not ultimately succeed. Improving school performance and educational outcomes for students, however, is central to the mission of the charter school movement, and effective accountability is vital to school improvement across the sector. School closures indicate that state charter school laws are working and that authorizers are doing their job by closing schools that don’t meet their accountability agreements.

In reality, school closures are a feature of the charter school model, not a flaw. **Closing low-performing schools distinguishes charter schools from district-run schools, which can continue to spend taxpayer dollars and systematically underserve students for years.** From 2010 to 2017, nearly $7 billion was spent on 1,250 public schools, each of which was eligible based on their performance to receive up to $2 million, in the federal School Improvement Grant program. Results were mixed at best, but none of those schools plans to return its funding, and none of the students at those schools can get back wasted years of learning. Furthermore, our review of publicly available data finds that, on average, only 4% of charter schools close each year.

Moreover, while any school closure can be disruptive to students, CSP funds that went to schools that ultimately closed have not gone to waste. Teachers and staff carry their professional learning and experience with them to other jobs, just as they would leaving a district-run school, and hard assets can be transferred to other schools or sold. It is also important to note that schools do not receive their full grant funding upfront, meaning a school that never opens, or that closes before the end of its grant period, doesn’t receive its full CSP award. According to the U.S. Department of Education’s analysis, only 1.7 percent of grantees closed before their second year of operation.
Around the country, schools and communities continue to grapple with the persistent impacts of the COVID-19 pandemic. Amid these ongoing challenges, however, we have seen charter schools leverage their flexibility and autonomy to meet the needs of their students and communities.

Several reports examining schools’ initial response to the pandemic suggest that charter schools were able to quickly pivot to meet the immediate needs of their communities during the initial COVID-19 school closures. A 2022 Stanford University CREDO report found that, by the end of the spring 2020 semester, charter schools surveyed in California, New York, and Washington had secured devices and internet connections for nearly all of their students and teachers. Of all the charter schools surveyed, 97% provided remote professional development resources to their teachers, compared to fewer than 50% of the district schools.20

Other studies also found that charter schools were quick to pivot. According to a National Alliance report released in partnership with Public Impact, small charter school networks and single-site schools—which together account for more than 65% of the charter school community—were more likely than school districts to set expectations for distance learning that teachers would engage directly for real-time instruction, check in regularly with students, and monitor attendance. A study of large charter school networks from the Fordham Institute similarly found that these networks also managed to quickly and effectively transition to distance learning. These large networks all established predictable schedules and clear expectations for students and teachers, centered student well-being, regularly connected with families to help ensure their basic needs were met, and embraced common curriculum and instructional practices that supported teachers in the virtual environment.22

Both charter and district schools leveraged federal coronavirus relief funds to address a wide range of challenges posed by the pandemic. According to an analysis by Bellwether Education Partners of data on local education agencies’ (LEAs) planned Elementary and Secondary School Emergency Relief (ESSER) funds, both charter and district schools reported they would use ESSER funds for a range of categories, including for academic interventions, staffing, and technology. Notably, charter schools were more likely to report using ESSER funds to support mental and physical health. One driver of this difference was wraparound services, which charter LEAs were twice as likely to use ESSER funds to provide.
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 school districts.

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, the U.S. 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, which most charter schools—unlike other public schools—are forced to pay for on their own. 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 $6.6 billion for the CSP—less than 2% of the federal investment in the Title I program, which provides financial assistance to schools that serve children from low-income backgrounds, over the same time period. This comparison is relevant because more than 60% of charter school students come from low-income families. Between school year 2006–2007 and school year 2016–2017, 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 backgrounds. 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.

<table>
<thead>
<tr>
<th>Fiscal 2019–2022 Charter Schools Program Funding</th>
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</thead>
<tbody>
<tr>
<td><strong>Grantee</strong></td>
</tr>
<tr>
<td>State Entity/Developer</td>
</tr>
<tr>
<td>CMO</td>
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<tr>
<td>Credit Enhancement</td>
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<tr>
<td>State Facility Incentive Grant</td>
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<tr>
<td>Dissemination</td>
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<tr>
<td>Total Funding</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>CSP-funded Schools</th>
<th>District Schools</th>
<th>R&amp;E-funded Charter Schools</th>
<th>Charter Sector Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSP-funded schools served higher percentages of Black and Hispanic students in 2016-17 than did district-operated schools.²⁶</td>
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<tr>
<td>33.9%</td>
<td>26%</td>
<td></td>
<td></td>
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<tr>
<td>30.5%</td>
<td>14.2%</td>
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<tr>
<td>CSP-funded schools served higher percentages of low-income students in 2016-2017 than did district-operated schools.²⁷</td>
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<td></td>
<td></td>
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<tr>
<td>60%</td>
<td>51%</td>
<td></td>
<td></td>
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<tr>
<td>The Replication and Expansion (R&amp;E) Program supports CMOs serving students from low-income families.</td>
<td></td>
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<tr>
<td>81%</td>
<td>58%</td>
<td>51%</td>
<td></td>
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<tr>
<td>A higher percentage of CSP-funded schools are in cities than are district schools.²⁸</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>59%</td>
<td>25%</td>
<td>26%</td>
<td>32%</td>
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<tr>
<td>5%</td>
<td>14%</td>
<td>10%</td>
<td>29%</td>
</tr>
</tbody>
</table>

**Program Structure**

The CSP has five key grant competitions. Each 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.

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**What Do CSP Startup 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**
  Other non-sustained costs not met from other funding sources
Reach of CSP Grants through FY 2021 *

- **28** states have active SE grants
- **7** states, including Puerto Rico, have only a developer grant
- **7** states have SE and developer grants**
- **13** states with charter school laws, including Guam, do not have a CSP grant

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*Puerto Rico, Guam, and the District of Columbia are considered states for the purposes of this document.

**States can have both developer and state entity grants when there are developer grantees that received their awards before the state entity received its grant.
After years of flat funding for the CSP, in fiscal 2021 the Department of Education did not receive sufficient funds to make new awards in any of the major programs except Credit Enhancement. In this overview, we will explore the impact of past years’ grants and profile inspiring schools that were made possible by the CSP, highlighting the critical importance of increased funding for the program.
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. 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.29

In fiscal 2021, the CSP did not have sufficient funds for the Department of Education to make new awards in the SE program; available funds were used to support continuation of existing grants.
In the fall of 2021, Whatcom Intergenerational High School opened in a community where there are plenty of good schools, but vulnerable students still slip through the cracks. Whatcom’s mission is to center the most underserved and marginalized young people in the community and capitalize on their strengths by codesigning learning with students. Whatcom is the product of deep community engagement and collaboration. In the process of designing the school, Whatcom’s founder created space for young people, elders, and parents to talk about their educational experiences and goals, hosting focus groups in town, out in the country, and on the Lummi Nation. Community engagement and intergenerational learning continue in the day-to-day at Whatcom, ranging from an Allies and Elders program to a parent resource room to a partnership with a local farm for equine experiential learning and social-emotional healing. This transformative educational environment was all made possible by a modest CSP grant.

“The CSP funding has been critical: we wouldn’t be here without it. Our whole entire kitchen, all of our desks, all of our student chairs, all of our curriculum, all of those kind of expenses were paid for with CSP funds.”

—CINDY REUTHER, CHIEF EXECUTIVE OFFICER
WHATCOM INTERGENERATIONAL HIGH SCHOOL
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 fiscal 2021, there were insufficient funds to make new Developer awards.
The vision driving DreamHouse ‘Ewa Beach Public Charter School is to empower homegrown leaders for the island community through values-driven leadership development, skill building, and commitment to the community. Launched in 2019, after nearly seven years of community conversation and planning, DreamHouse received an initial Developer startup grant in 2018 and second Developer grant for expansion in 2020. Together, these Developer grants gave DreamHouse the resources to start strong and grow to meet community demand. As the only non-district public school option in the community, DreamHouse offers the opportunity for students to learn in a smaller, more intimate school that is constantly iterating to meet changing community needs. This approach focused on leadership and identity development is an option that families never had before DreamHouse and is in high demand: DreamHouse has a waiting list for every grade level for the 2022–2023 school year.

“CSP is the grant that really helps a school start before anyone else is willing to jump in. I do not think our school would have started without it and I certainly don’t think our school would have been able to grow and thrive as we have without this funding—especially with Covid.”

— ALEX TEECE, CHIEF EDUCATION OFFICER
DREAMHOUSE ‘EWA BEACH PUBLIC 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% of students in funded schools are from low-income families.

Stanford’s Center for Research on Educational Outcomes (CREDO) 2017 study of CMOs found that 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.)

As for other programs within the CSP, in 2021, there were not sufficient CSP funds to make new CMO grants.
Pioneer Charter School of Science (PCSS) is a small network of high-performing charter schools in Middlesex County, Mass., dedicated to preparing students from all backgrounds for a competitive world. At PCSS, a rigorous curriculum with a focus on math and science is coupled with character education designed to prepare students to be responsible members of their community. As a result, PCSS students regularly outperform their peers in their sending districts as well as across the state. As a regional school drawing from multiple traditional school districts, PCSS accomplishes all this while maintaining a racially balanced student body and serving a relatively high proportion of students from low-income backgrounds. To maintain this diversity, PCSS proactively recruits students from diverse backgrounds, using targeted advertisements, mailers in multiple languages, and word of mouth from the already diverse student body. Replication and Expansion funds from the CSP will help PCSS to grow to two schools with four campuses, bringing academic opportunity to 1,700 students in multiple communities.

“"We do not have any other specific funding other than the CSP to start the [second] school. In terms of all those start-up costs—whether it’s the technology, the infrastructure, the furniture, the instructional materials—for all that, without CSP we would either have to borrow money or hope we had enough funds. In the end it will enable us to start strong as opposed to trying to figure out where the funding will come from.”

— Barish Icin, Executive Director
Pioneer Charter School of Science
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 nonfederal 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 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.

In fiscal 2021, four grantees received $42 million in CE grants to help charter schools meet the cost of financing facilities.

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Location</th>
<th>Project</th>
<th>Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equitable Facilities Fund, Inc.</td>
<td>New York, NY</td>
<td>Equitable Facilities Fund 2022 Credit Enhancement Program</td>
<td>$12,000,000</td>
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<tr>
<td>BlueHub Loan Fund, Inc.</td>
<td>Boston, MA</td>
<td>Expanding Educational Opportunities Project</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Massachusetts Development Finance Agency</td>
<td>Boston, MA</td>
<td>Charter School Credit Enhancement Program</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>California School Finance Authority</td>
<td>Los Angeles, CA</td>
<td>Charter Financing Enhancement Program</td>
<td>$10,000,000</td>
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</tbody>
</table>

As of 2019, Credit Enhancement funds have helped enable approximately $6.7 billion in facilities financing for 766 charter schools.
CSP IN ACTION: CREDIT ENHANCEMENT GRANTS

Gestalt Community Schools
Memphis, Tennessee

The small Gestalt Community Schools network is a particularly inspiring example of CSP Credit Enhancement funds being used not just to support a school but to lift up a whole community. Credit Enhancement funds helped the network grow to five schools to serve more students and grow their impact in the community. From the outset, the Gestalt schools were built with community voices at the table and anchored in revitalization of a community plagued by blight. As the small network has grown, its leaders have leveraged diverse partnerships and funding sources to support the entire community. In addition to CSP Credit Enhancement funds, Gestalt has partnered with Habitat for Humanity to build homes and with FEMA to build a community storm shelter that doubles as an auditorium and community venue. Gestalt schools also focus on centering families and being truly parent-led. A parent advisory council provides a platform to discuss and change how things are done, and new parents are invited to a Parent Academy, which is individually tailored to community needs at each school. By leveraging diverse funding sources and partnerships—including CSP Credit Enhancement funds—Gestalt Community Schools are making a difference in their communities every day.

“For a new charter school that is growing, if we don’t have the funding, we’re not able to provide the initial foundation and footing to launch quality schools...But it’s not just about the money. Being a part of the CSP allowed us to learn best practices from across the nation. Those annual meetings where you could hear and share best practices were some of the best meetings for us to grow our systems and processes for sustainability.”

— YETTA LEWIS, CEO
GESTALT COMMUNITY SCHOOLS

TYPE OF GRANT
Credit Enhancement for the Power Center Middle School project through BlueHub Capital and Hope Credit Union Enterprise Corporation

GRANT FUNDS COMMITTED TO PROJECT
$1,500,000 through BlueHub and $250,000 through Hope

TOTAL PROJECT COSTS
$8,911,671

YEAR SCHOOL OPENED
2008

STUDENTS CURRENTLY SERVED
2460

FREE AND REDUCED PRICE LUNCH RATE
84%

DEMOGRAPHICS
72% Black, 26% Hispanic, 2% White
State Facilities Incentive Grant

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.

National Dissemination Grants

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, FY 2020, or FY 2021; funds were used to support existing grants.
Before converting to a charter school in 1997 to address academic performance and programming, Mae L. Feaster was the lowest achieving school in the Chula Vista school district in California. Today, after more than two decades as a charter school, Feaster continues to serve a predominantly low-income community but achieves higher academic growth for students than neighboring schools by investing in programming, training and collaboration time for teachers, and specialty classes that have since spread to other schools in the district. In 2019, Feaster received a subgrant from the California State Facilities Incentive Grant to renovate an athletic field. Acquired in the late 1990s, the original field was once a used car store that was cleaned up and converted into something usable by the former finance director himself, using a tractor. The original dirt track used to cause asthma flare-ups and small injuries in students. The SFIG subgrant allowed the school to completely overhaul the space and deal with structural issues in the land. In a school and community with limited access to green space, the newly renovated field is a valuable resource: it changes the way the community interacts with the school and how students themselves view their school. Feaster students are proud of their school, and the SFIG-funded state-of-the-art field makes them feel like they deserve a high-quality educational environment.

“We’re very grateful to the grant and to the state and the federal government for providing these types of funds. But we are just one school of many throughout the United States that could benefit from this funding. My only wish is that there would be more funds available because there are probably schools in worse shape than we were in. But it does change the dynamics of the community and how students look at their school. The students are very proud of their school.”

— REGINALD DEPASS, FORMER FINANCE DIRECTOR
MAE L. FEASTER CHARTER SCHOOL
Leveraging the 7% Set-aside for Technical Assistance to Strengthen State Charter Sectors

Technical assistance—both for grantees and authorizers—is a critical way to strengthen state charter sectors. The State Entity (SE) program within the CSP provides funds to support this vital work at the state level. When a state educational agency (SEA) or charter support organization (CSO) receives an SE grant, funds are split among three activities: at least 90% for subgrants to charter school developers, no more than 3% for administrative costs, and at least 7% for technical assistance (TA) for subgrant applicants and to support quality authorizing in the state.

How are states leveraging these TA funds? A new report from the National Charter School Resource Center at the Department of Education looked at the 19 state entity grantees from 2017-2019 and found that most grantees committed more of the TA set-aside funds to TA for applicants. Many, but not all, grantees specifically used funds to help subgrantees meet the needs of students with disabilities and English learners. Authorizer TA included direct TA to authorizers as well as other activities that would improve the state authorizing environment. Many states contracted with organizations like the National Association of Charter School Authorizers (NACSA) to support quality authorizing, conducted ongoing analysis of current practices, provided individualized TA or professional development for authorizers, and disseminated promising practices. For TA to applicants, the most common practices included pre-award trainings, dissemination of resources, and TA during the application process. See below for more of the most common reported TA activities.

Many states have put these funds to work in innovative and impactful ways. A few examples:

**COLORADO**
In addition to ongoing TA on serving students with disabilities and English learners, Colorado is using a combination of funds (including CSP TA set-aside funds and administrative funds) to disseminate information about supporting students with disabilities during the pandemic through state equity convenings. During these convenings, participants work to identify potential barriers that could perpetuate inequities and also share best practices.

**MISSISSIPPI**
Among other activities, Mississippi is leveraging TA funds to recruit potential charter school applicants from both Mississippi and other parts of the country. The efforts will include marketing, education, and meeting with potential applicants.

**NORTH CAROLINA**
The North Carolina Department of Public Instruction (NCDPI) is launching a program for subgrantees and other charter school leaders focused on leadership development. This program also includes specific support for school leaders of color and for developing a pipeline of diverse leaders.

**TEXAS**
The Texas Education Agency has put TA funds to work with the Texas Authorizing Leadership Academy, which is designed to help more school districts engage in the authorizing process. The Academy provides TA to help improve authorizing practices and is based on NACSA's best practices and standards.

**WASHINGTON**
To support students with disabilities and English learners in charter schools, the Washington State Charter School Association operates the True Measure Collaborative for subgrantees. The collaborative provides TA and professional development on a range of critical topics, including on serving students with disabilities and English learners, and connects subgrantees to field experts to help them provide compliant, high-quality programming to all students.
### Top TA Activities for Authorizers*  # SEs

<table>
<thead>
<tr>
<th>Activity</th>
<th>SEs</th>
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</thead>
<tbody>
<tr>
<td>Contract Provider to Support Quality Authorizing</td>
<td>16</td>
</tr>
<tr>
<td>Evaluate/Analyze Current Authorizing Practices</td>
<td>15</td>
</tr>
<tr>
<td>Provide Individualized TA for Authorizers</td>
<td>13</td>
</tr>
<tr>
<td>Provide Professional Development for Authorizers</td>
<td>13</td>
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<tr>
<td>Share Promising Practices via Meetings</td>
<td>11</td>
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<tr>
<td>Fund Authorizers to Attend Trainings</td>
<td>10</td>
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<tr>
<td>Share Promising Practices Electronically</td>
<td>10</td>
</tr>
<tr>
<td>Develop/Implement Authorizer Improvement Plans</td>
<td>7</td>
</tr>
<tr>
<td>Identify And/or Recruit Potential Authorizers</td>
<td>6</td>
</tr>
<tr>
<td>Provide Training to Reach the Educationally Disadvantaged</td>
<td>5</td>
</tr>
<tr>
<td>Purchase Software to Support Authorizing</td>
<td>4</td>
</tr>
<tr>
<td>Create an Authorizer Evaluation System</td>
<td>3</td>
</tr>
<tr>
<td>Develop an Authorizer Renewal Process</td>
<td>1</td>
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### Top TA Activities for Applicants  # SEs

<table>
<thead>
<tr>
<th>Activity</th>
<th>SEs</th>
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<tbody>
<tr>
<td>Provide Pre-Award Workshops/Webinars</td>
<td>17</td>
</tr>
<tr>
<td>Share Resources on Grants Management</td>
<td>15</td>
</tr>
<tr>
<td>Share Resources for Grant Applicants</td>
<td>15</td>
</tr>
<tr>
<td>Provide Post-Award Grants Management Training</td>
<td>15</td>
</tr>
<tr>
<td>Share Resources on Operating/Opening a School</td>
<td>14</td>
</tr>
<tr>
<td>Provide TA for the Application Process</td>
<td>14</td>
</tr>
<tr>
<td>Contract with a Vendor to Work with Subgrantees</td>
<td>13</td>
</tr>
<tr>
<td>Host a Subgrantees Learning Community</td>
<td>11</td>
</tr>
<tr>
<td>Provide Governing Board Training</td>
<td>10</td>
</tr>
<tr>
<td>Identify/Recruit Potential Applicants</td>
<td>9</td>
</tr>
<tr>
<td>Contract with a Vendor to Work with Applicants</td>
<td>8</td>
</tr>
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</table>

CSP IN ACTION: A SMALL NETWORK WEATHERS CRISIS

A TRAUMA-INFORMED RESPONSE TO WILDFIRES AND COVID

Achieve Charter Schools
Paradise and Chico, California
When Achieve Charter Schools received notice in March 2020 that schools would close for in-person instruction the following Monday, staff quickly got to work and launched a rigorous distance learning program the very next week. While many schools around the country struggled to reach students virtually, Achieve quickly pivoted to provide the academic and social-emotional supports their students and families needed. But the Achieve community is no stranger to unprecedented times: in November 2018, just a few months after expanding to open the Achieve Charter High School, the Paradise Camp Fire destroyed the high school building and forced all the schools in the area to relocate. The experience of surviving the Camp Fire as a school community, Executive Director Casey Taylor explained, made it easier to adapt to the unprecedented shutdown of public life in 2020.

Achieve Charter School first opened in the fall of 2005 in Paradise, Calif., with a mission to address the discrepancy between the quality of education available in district and private schools in the community. After battling the local district to get the initial charter approved, Achieve opened with just 100 students and scrappy finances: Taylor secured a small loan from a community bank contingent on enrollment targets and refinanced her own house to pay teacher salaries during the initial months of operation. Achieve received a CSP implementation grant the following year, which helped solidify its standing. The initial grant paid for everything needed to run a really high-quality program: a library and kitchen, music and art supplies, technology, ADA upgrades, teacher raises, and more. Without the CSP implementation grant, there is no way Achieve could have grown the way it has, Taylor explained. “We were running a budget in the red and only buying things on credit.” Achieve received a second CSP grant in 2017 to open a high school in Paradise (prior to this, many students had to travel to other towns for high school options). Achieve Charter High School opened in 2018 in a newly renovated facility where deeply invested future students had the opportunity to contribute to the painting and gardening.

But just months after launching the new high school, life in Paradise was upended by the Camp Fire, the most destructive fire in California history. The brand new high school burned down, families and staff lost their homes, and all schools in the area were forced to relocate, and the realization set in that the entire community—students, staff, board members—were homeless. In the face of these incredible challenges, the Achieve

“I don’t know how you start a school up without [CSP]… unless you refinance your house. You can’t do it.”

– CASEY TAYLOR, EXECUTIVE DIRECTOR
ACHIEVE CHARTER SCHOOLS
community persevered. Just three weeks later, the elementary school relaunched in Chico in temporary spaces hosted by local churches, using supplies provided by other charter schools, and eventually broke ground on a new campus. During this incredibly challenging time, Achieve implemented extensive new supports for students and families, connecting them with needed resources and providing extensive social emotional and mental health supports to help students recover from the trauma of the fire.

The 2019–2020 school year started off hopeful on a newly completed campus in Chico. But, like the rest of the world, Achieve was forced to close its doors once again in March 2020 due to the COVID-19 pandemic. “When COVID hit in March 2020, everyone was freaking out” except for Achieve teachers, explained Taylor. Surviving fire and homelessness and educating students through trauma had galvanized the Achieve community so, in a way, COVID seemed less stressful. Achieve was able to leverage systems of support already in place after the fire to support students and families—including a tiered system of crisis counseling and regular wellness surveys—as well as launch new ones to respond to the community’s changing needs through school closures and reopening. Across these incredibly challenging years, Achieve was able to leverage the flexibility of the charter school model to remain nimble and respond to constantly changing dynamics.

After fire and pandemic, Achieve is poised to come back even stronger, relaunching the Paradise elementary campus, maintaining the Chico campus, and eventually growing back to the full K-12 range. Years of struggle and adversity have only strengthened Taylor’s belief in her school community. “Our school is like a living, breathing, growing thing. It’s not the building, it’s the people. It really is our school community and our staff and our families and everything that we believe. You grow to a high school, and it still feels like Achieve. You move to a whole new community, and it still feels like Achieve.”

“Our bread and butter is being responsive to our community. Our families are coming to us because they felt like they weren’t being heard, and that’s what we do. We’re a tightknit community, and being small allows us to be nimble...During COVID, when school districts were losing students or couldn’t keep track of them, we knew where every single one of our kids were. Kids not showing up for Zoom classes never happened for us.”

— CASEY TAYLOR, EXECUTIVE DIRECTOR
ACHIEVE CHARTER SCHOOLS

NATIONAL ALLIANCE FOR PUBLIC CHARTER SCHOOLS
COVID-19 Response

A 2022 study from Stanford University’s Center for Research on Education Outcomes (CREDO) found that, by the end of the Spring 2020 semester, charter schools surveyed in California, New York, and Washington had secured devices and internet connections for nearly all of their students and teachers. In fact, 97% of all charter schools surveyed provided remote professional development resources to their teachers, compared to less than 50% of the district schools.42

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.43

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.44

Academic performance and college completion

A 2022 study published in the journal of Educational Evaluation and Policy Analysis found that enrolling in a Newark charter school led to both math and ELA score improvement (0.262 and 0.238 standard deviations respectively) and those students maintained the improvement in their later school years.45

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.46

Florida Department of Education’s 2021 charter school student achievement report found that “in 61 of the 77 (79%) comparisons, students enrolled in charter schools demonstrated higher rates of grade level performance” than their peers in district schools.47

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 school peers. Charter schools affiliated with a CMO also showed greater progress than state averages.48

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.49

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.50

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.51

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.52

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.53

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 25.54

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.55

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.56

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.57

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.58


3. Ibid.


7. Ibid, p. 11.


17. Elementary and Secondary Education Act (ESEA), as amended, Section 4303(h)(5).


24. Ibid, slide 8.


27. Ibid., slide 12.

28. Ibid., slide 15.


31. Ibid.


39. Ibid.


41. Ibid., pp. 11–25.


