



**State of New Mexico
Public School Facilities Authority**

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**Charter School Funding Informational Series
by
New Mexico Public Schools Facilities Authority
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Colorado model for funding charter schools**

Summary:

- **Colorado's CSCC program available to all Charter Schools in the state**
- **Colorado's BEST program – a competitive grant program**

Pursuant to C.R.S. 22-54-124, each year Colorado's State Education Fund and a percentage of the marijuana excise tax provides an appropriation for Charter School and Institute Charter School Capital Construction. The purpose of this funding is to promote a safe and healthy learning environment for all Colorado students.

The Division of Capital Construction houses two separate grant programs: Building Excellent Schools Today (BEST) grant and the Charter School Capital Construction (CSCC) grant.

The CSCC grant program is available to all charter schools and may be used for any of their facility needs – construction, demolition, remodeling, maintenance, financing, purchasing, and leasing – so it is not restricted to lease payments only. The amount each school receives is calculated based on Student Count multiplied by a certain dollar amount per student (\$291.79 in FY18-19). However, whether the school is operating in a district-owned facility or non-district-owned facility impacts the calculation.

- Schools which operate in 3rd party facilities or which have purchased their own facilities get full funding based on their FTE.
- Colorado requires that if a district has a building which is not in use or has space to accommodate a charter school, they must allow the charter school to use the facility and may not charge the school for lease payments. Because of this, to make the funding as equitable as possible, schools which operate in district-owned facilities (no rent payment) only get ½ FTE funding. There are 64 schools which utilize district-owned facilities, and 2 which are in facilities listed on the state inventory (schools which are operating out of classrooms in a higher education facility). Some districts, such as Denver Public Schools run their program a little bit differently. They do not charge lease payments, but they do charge a facility fee because the district handles the maintenance of their facilities.

Colorado has 240 charter schools in the CSCC grant program, but this does not include online charter schools. There are 255 charter schools in Colorado with the inclusion of online charters.

The BEST grant program is a competitive grant program; schools must apply for this funding. It is available to all public schools which have been in operation for at least 3 years at the time in which their application is submitted. The location of the charter school does matter for this program; if the school is leasing a 3rd party owned facility, meaning a non-charter school affiliated owner, it is not eligible for funds, as the state cannot invest dollars into a facility that ultimately reverts back to a private owner. There are exceptions to this: if the school is in a 3rd party owned facility but is also in a lease-to-own agreement with the owner, the facility is eligible. Additionally, if the school has a building corporation established by the charter school to purchase the facility, that is not considered a 3rd party ownership and the facility would still be eligible for funding.

Denver Public Schools has two instances where charter schools and district schools are operating in the same facility or on the same campus. The funding for a charter school in this type of shared space is still based on the ½ FTE calculation for being in a district-owned facility.

For the 2018-2019 school year \$29.25 million is appropriated: \$20 million in funding for Charter Schools comes from the State Education fund, and is currently the statutory maximum which the program can receive from the fund. In addition to this, the Charter School Capital Construction grant program receives 12.5% of marijuana excise tax revenues which the BEST grant program receives. For the FY18-19 cycle, this 12.5% includes: \$5 million from \$40 million in excise tax revenues received by the BEST program in FY17-18 plus \$4.25 million from an additional one-time appropriation of \$34 million to the BEST program. BEST awarded \$35,929,797 to charter schools in FY17-18 for a total project cost (including the schools' matching funds) of \$37,741,046.

Thank you to Anna Fitzer, Colorado DOE Capital Construction Regional Program Manager

More info on Colorado Charter Facilities from:

https://charterschoolcenter.ed.gov/sites/default/files/files/field_publication_attachment/Analysis%20of%20the%20Facilities%20Landscape%20in%20Colorado.pdf

Colorado charter schools spend operating dollars on facilities and this spending varies across different ownership situations.

- ♣ In 2016-17, charter schools in the state spent an average of \$725 per pupil, or 9.8 percent of pupil funding.
- ♣ Charter schools that owned their buildings (43 percent) paid an average of \$835 per pupil, or 11.3 percent of per pupil funding.
 - ♣ Charter schools that occupied district facilities (26 percent) paid an average of \$489 per pupil, or 6.6 percent of per pupil funding.
 - ♣ Charter schools that rented from for-profit organizations (12 percent) paid an average of \$760 per pupil, or 10.2 percent of per pupil funding.
 - ♣ Charter schools that rented from non-profit organizations (14 percent) paid an average of \$908 per pupil, or 12.2 percent of per pupil funding.
- ♣ The remaining schools (5 percent) occupied other governmental facilities not owned by school districts or were in facilities with mixed ownership structures. Colorado charter schools spend operating dollars on facilities and this spending varies across different ownership situations.

More districts in Colorado are sharing bond revenue with their authorized charter schools, but charter schools continue to lack access to state grant funding.

- ♣ 46 percent of charter schools have received bond revenue from district bond elections over the past five years, up from 19 percent in 2007-08.

- ♣ Of the 54 percent of charter schools that did not receive bond revenue, 71 percent were in districts that have not passed a bond over the past five years.

- ♣ While charter schools account for nearly 13 percent of statewide enrollment, they have received only 1.6 percent of Building Excellent Schools Today (BEST) facilities grants over the past five grant cycles.