

Charter School Funding

Texas Education Code (TEC) and Texas Administrative Code (TAC)

TEC, §12.106; 19 TAC §100.1041

History/Relevant Background Information

The primary source of funding for charter schools comes from the Foundation School Program (FSP) and is based on weighted average daily attendance (WADA), a measure of the number and type of students attending school. It is calculated by taking the average daily attendance (ADA) and making adjustments based on the number of students participating in special education, career and technology education, bilingual/ESL education, state compensatory education, and gifted/talented education programs.

Because charter schools do not collect local taxes, they do not directly receive Tier II funding or Additional State Aid for Tax Relief (ASATR). However, they do receive an entitlement for Tier II that is based on state average district tax rates and ASATR that is based on the state average ASATR amount. Charter schools may also receive funds if they choose to provide transportation to students, build a new campus, or participate in health insurance for their employees through TRS ActiveCare. Charter schools are not entitled to participate in the Instructional Facilities Allotment program or the Existing Debt Allotment program (TEC, §46.036).

Year	Funding
2005-2006	416,922,899
2006-2007	543,404,716
2007-2008	645,980,086
2008-2009	757,942,158
2009-2010	932,033,962
2010-2011*	1,051,817,130

*Legislative Planning Estimate

Description of Funding

Per HB3646, the funding of charter schools is based on the greater of 1) the funding per WADA (excluding enrichment) calculated based on the law as it existed on January 1, 2009 plus an additional \$120 per WADA, or 2) funding based entirely on the state wide average formula.

The funding of charter schools as the law existed on January 1, 2009, depends on the first day of operations of the charter. Charter schools that were in operation on or before September 1, 2001, are referred to as "resident district" charter schools. For the school year 2009–2010, 30 percent of the funding for resident district charters was based on the amount of state aid the

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sending district would have earned for each student (calculated using the sending district's adjusted allotment and enrichment tax rate). If the sending district is one that does not receive FSP state aid, the state aid to the charter school may be based on the sending district's average maintenance and operations (M&O) tax collections per ADA if this method is more beneficial to the charter school. The additional 70 percent of state funding for a resident district charter school is based on the state average formula, which uses a state average adjusted allotment and a state average enrichment tax rate. This is the resident district dependent formula.

Charter schools that began operations after September 1, 2001, are referred to as "statewide average" charter schools. The funding system for state wide average charter schools is based entirely on the statewide average funding per weighted student (calculated using the state average adjusted allotment and state average enrichment tax rate). This is the state average formula.

Contact for More Information

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