

Invest in brick-and-mortar charter schools

Proposal: Provide brick-and-mortar charters with additional operational and facilities support. There are several ways to bolster operational funding, including adding a multiplier to their base funding amounts, tying their state funding to the state and local per-pupil funding of the nearest district, or requiring districts to share locally generated funds with charters. As for facilities, Ohio should boost the state reimbursement from the current \$200 to \$1,000 per pupil, an amount that more accurately reflects schools' average facilities costs. This proposal does not pertain to online charter schools, which are and should be funded slightly differently than site-based charters.

Background: Most brick-and-mortar charters are located in high-poverty communities and educate primarily low-income and minority students. Despite teaching significant numbers of Ohio's disadvantaged children, charters remain severely underfunded. Under state law, they cannot levy local taxes (unless it occurs in conjunction with the local district), which denies them a major source of public funding that all districts can and do access. Only a few Cleveland charters receive even a small share of local taxpayer support via a unique agreement with the district. Charters instead rely on state revenues and, to a lesser extent, federal and philanthropic dollars. Together, these funding sources do not fully compensate for the absence of local funds that provide billions for districts. Making matters worse is that the state provides little to help charters cover capital expenses—\$200 per student for facilities although the average facility costs for charters and districts are close to \$1,000 per pupil per year. The overall result is an unequal system in which charters receive less in total funding than nearby districts, even though they educate pupils with similar needs. An analysis led by University of Arkansas researchers found that, on average, Ohio charters receive 27 percent less than districts in overall funding—a disparity of \$3,184 per student. This analysis uncovered even wider disparities in Cleveland and Dayton, the two cities in which a closer analysis was undertaken.

Proposal rationale: Ohio's brick-and-mortar charters have long been forced to make do with insufficient resources. Though some schools are able to overcome such obstacles, there are systematic consequences to underfunding charters: They have to pay their teachers less than those working in districts, creating barriers to attracting and retaining talented educators. Inadequate operational and facilities support also makes Ohio a poor location for topnotch national charter organizations looking to expand, and it fails to encourage excellent home-grown charters to replicate. Lastly—and most troublingly—underfunding charters shortchanges tens of thousands of low-income children of the resources needed to gain a world-class education.

Cost: Increasing funding for brick-and-mortar charters would require additional state investments. For example, adding a multiplier of 1.10 to the base amount for charters would increase state funding by approximately \$60 million per year. An increase from the current \$200 per student for facilities to \$1,000 would cost an additional \$80 million per year.

Resources: For a detailed analysis of charter funding in Ohio, see [Charter School Funding: Inequity Expands \(Ohio Profile\)](#), written by Larry Maloney and published by the University of Arkansas (2014); for information on teacher salaries, see the 2013 report [Teacher Supply and Demand in Ohio](#) by Jay Zagorsky, et al., published by the Ohio Education Research Center; for data on charter facilities, see the 2017 report [An Analysis of the Charter School Facility Landscape in Ohio](#) by Kevin Hesla and colleagues, published by the U.S. Department of Education; and for examples of states that have recently boosted charter funding significantly, see Parker Baxter, Todd L. Ely, and Paul Teske's article "[A bigger slice of the money pie](#)" in *Education Next* (2018) and Andrew Broy's article "[Illinois funding reform: Transformative policy in an unlikely state](#)" in *Flypaper* (2017).