



## Gap persists on charter funding

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Researchers at the University of Arkansas quantified the funding for both traditional and charter schools in 14 U.S. cities.

Charter schools have become a popular choice for families seeking alternative ways to educate their children. In 2017-18, more than 7,000 charter schools in the United States enrolled nearly 3.2 million students, an increase of 5 percent over the previous year.

Even though charters are public schools, they have been consistently underfunded compared to their traditional public school counterparts. A new study released this week offers a fresh look at this ongoing – and in some cases, increasing – inequity.

Researchers at the University of Arkansas, led by Corey A. DeAngelis of the Cato Institute and Patrick J. Wolf of the university's Department of Education Reform, quantified the funding for traditional schools and charters schools in 14 U.S. cities: Atlanta, Boston, Camden, Denver, Houston, Indianapolis, Little Rock, Los Angeles, Memphis, New York City, Oakland, San Antonio, Tulsa, and Washington, D.C. (The authors also studied New Orleans but disaggregated it because of its unique situation. After Hurricane Katrina devastated the city in 2005, most of its public schools were turned into charters and were funded in part by federal emergency aid, making New Orleans an extreme outlier.)

Using figures from 2015-16, the school year with the most recent and reliable data, they found that on average, students in charter schools obtained about \$8,000 less in local public funding per pupil than those in traditional public schools, a discrepancy of 74 percent. Charters in six cities – Boston, Houston, Indianapolis, Little Rock, San Antonio, and Tulsa – received not one cent from their local districts.

Only some states were willing to make up the difference. On average, traditional schools received \$385, or about 4 percent, more state-level per-pupil funding than charter schools in the same location. Funding gaps were diminished substantially, but not eliminated, by state funding in Houston, Boston, and Denver, where charters received over twice as much state funding per pupil as traditional schools. Meanwhile, state-level education funding actually *expanded* the charter school funding gap in seven of the cities analyzed.

The funding gap may ebb and flow, but it persists.

A common complaint about such comparisons is that they don't account for the fact that traditional public schools usually have a higher number of special education students requiring additional dollars. However, the Arkansas study addressed that, and found that differences in the rates of enrolling students with special needs fully explained the charter school funding gap in only one city: Boston, where charters gained a modest per-pupil advantage after accounting for special ed expenditures.

For the other 13 cities analyzed, accounting for the differences in funding for students with special educational needs still left unexplained gaps that favor traditional schools.

The solution is obvious: Equalize funding. The study's authors recommend that states adopt weighted funding formulas that account for student characteristics, such as special needs, low-income, English Language Learner, and rural location, "and then funnel 100 percent of public school funding through that formula, regardless of whether the school the student is attending is a public charter or a traditional public school."

All that requires is political will, which is like saying all you must do to fit into your old pair of pants is to lose weight. Funding gaps are nothing compared to the Grand Canyon that is the political divide on education choice.

And yet, a couple of states have made progress in balancing the scales.

Florida boasts the nation's third-largest charter sector, with nearly 300,000 students enrolled in more than 650 charter schools. Nevertheless, they have suffered from the same funding inequities. Taxpayers spent \$10,308 per pupil in traditional district schools in 2015-16, according to a 2017 report by Florida Tax Watch. By contrast, charter schools received only \$7,307 per pupil, or 71 percent of district spending.

In 2017, the Legislature sought to narrow that gap by passing HB 7069, which requires school districts to share a portion of their capital dollars with charters.

The same year, Colorado similarly passed a law that requires districts to share certain property tax revenues with charter schools.

Studies such as the latest one from DeAngelis, Wolf, et al. should make it harder for public officials to ignore the funding inequities in the public education system. Their constituents who embrace charter schools should demand they pay attention – and restore a proper balance.