

NEW HAMPSHIRE CHARTER SCHOOL FUNDING

Charter schools are an exciting addition to our public education system. Charter schools allow students the opportunity to choose the public program that best serves their needs even if the school is located outside the student's resident district. While there are many challenges to operating a successful charter school in New Hampshire one of the most significant is obtaining suitable funding.

According to a 2014 report by the Center for Education Reform¹, public charter schools receive on average about "64% of the funding per student" that traditional public schools receive. The majority of New Hampshire's charter schools are state authorized and most do not receive financial support from the student's resident district when a student enrolls at a charter school. These state authorized charter schools receive approximately \$7,100 per pupil directly from the state or about 45% of the State Average Cost Per Pupil². All of the costs associated with operating a charter school (except special education & in-district transportation) are born directly by the per pupil allocation and school fundraising efforts.

Funding for New Hampshire charter schools remained flat from 2009 to 2015. This put significant pressure on New Hampshire charter schools putting them at risk for closure. The state legislature took action in the last two budget periods increasing funding for charter schools. This has stabilized many of the charter schools but the funding formula remains "static" and future increases will require monumental effort from the state legislature.

All public schools (including charter schools) receive a small CPI adjustment once each biennium. This results in an increase of about \$30 per pupil but unlike traditional public schools, charter schools cannot request additional money from the local district when costs rise. Over time this "static" funding formula will weaken charter school programs as more resources are diverted towards operating costs and away from instructional needs.

The long-term sustainability of public charter schools can be improved significantly if the state develops a formula that will automatically update the per pupil allocation at the beginning of each biennium. This could be achieved by using the State Average Cost Per Pupil as the base and then multiplying the base by a percentage amount to arrive at reasonable per pupil allocation.

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¹ T. Rebarber, A. Zgainer (2014), "Survey of America's Charter Schools 2014". Center for Education Reform

² STATE AVERAGE COST PER PUPIL AND TOTAL EXPENDITURES 2015-2016, State Average Cost Per Pupil is computed on an annual basis by dividing the Total Sum of all Operating Expenses for all Districts (minus tuition & transportation), by the Total Number of Public School Pupils within the state.