



Charter Schools Frequently Asked Questions

HOW DO CHARTER SCHOOLS IMPACT FUNDING TO DISTRICT SCHOOLS?

State funding follows students to whatever public school they attend. Districts received a pot of money from the state for each student enrolled. If a student leaves a school district for any reason, including moving out of state, enrolling in another school district, public charter school, deciding to home school or attend private school, the original school district would no longer incur the costs of educating that student and state funding would be reduced for the cost of that student.

Districts receive the bulk of their funding from local property tax revenue (60%). Local tax money **does not follow students** but remains with the local district regardless of where the student is enrolled. Charter schools do not receive any local tax money.

DO CHARTER SCHOOLS INCREASE THE COST TO TAXPAYERS?

Charter schools do not increase the cost to taxpayers for public schools. Charter schools receive less taxpayer funding than district schools—approximately \$2,000 less—so the cost to taxpayers for educating students at a charter school is less than if all currently enrolled charter school students were attending district schools.

ARE TAXPAYERS ON THE HOOK FOR CHARTER SCHOOL DEBT?

Taxpayers will not be held liable if a charter school defaults on its debt. A very small number of charter schools qualify for Public School Fund bonds. In fact, only 10% of all PSF-guaranteed debt is held by charter schools. Unlike district schools, charter schools that receive PSF-backed bonds are required to fund their own loan guarantee through a 15% assessment on their savings. Charter schools are held to the same stringent state financial accountability standards as district schools, including provisions that monitor bonded indebtedness. As a result, no charter school in Texas has ever defaulted on PSF-backed debt. But if one ever did, it would be covered by the special assessment charters are required to self-fund, not taxpayers.

ARE CHARTER SCHOOLS RESEGREGATING OUR SCHOOL SYSTEM?

Charter schools throughout Texas serve a diverse student population, including students identified as economically disadvantaged. Both the state of Texas and the federal government incentivize charter schools to locate in neighborhoods where children are underserved by current schools. In Texas, this is generally in urban, low-income neighborhoods, where charter schools serve more students identified as economically disadvantaged, English Language Learners, and Latino. Just like the existing district schools, students at each charter school campus will likely reflect the neighborhood, community, and attendance boundary where the charter school is located.