

Charter School Funding

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

TEC, §12.106; 19 TAC §100.1041; TEC, §46.036

History/Relevant Background Information

The primary source of funding sent to the charter schools comes from the Foundation School Program (FSP). The FSP consists of two Tiers, Tier I and Tier II. Tier I is the basic tier which determines the bulk of the charter school's FSP and is based on a measure of the number and type of students attending school. It is calculated by taking the average daily attendance (ADA) and adjusting 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. A charter school's Tier I allotment is based on a state-wide average adjusted allotment (AA) and is entirely state funded since charter schools do not have local tax revenue.

While charter schools do not collect local taxes, they also receive a Tier II entitlement, a supplemental tier, which is based on state-wide average district tax rates (DTR) and weighted average daily attendance (WADA). Charter schools may also receive funds if they choose to provide transportation to students or participate in health insurance for their employees through Teacher Retirement System (TRS) ActiveCare.

Effective for the 2018–2019 school year, HB21 (85th Legislature, 1st Called Session) created a new funding per student in average daily attendance, known as the Charter School Facilities Entitlement (TEC 12.06(d)), which is based on the state average interest and sinking (I&S) tax rate imposed by school districts. The TEA will distribute funds from that new allotment along with all the other state aid paid to charter schools with an acceptable overall performance rating.

Charter schools are not entitled to participate in the Instructional Facilities Allotment (IFA) program.

School Year (SY)	Final Foundation School Program (FSP) State Aid	Increase in FSP State Aid from previous SY	Percentage of Texas Students in Charter Schools
2005–2006	\$416,922,899		1.57%
2006–2007	\$543,404,716	\$126,481,817	1.77%
2007–2008	\$645,980,086	\$102,575,370	1.94%
2008–2009	\$757,942,158	\$111,962,072	2.17%
2009–2010	\$932,033,962	\$174,091,804	2.47%
2010–2011	\$1,059,492,496	\$127,458,534	2.72%
2011–2012	\$1,169,972,245	\$110,479,749	3.09%
2012–2013	\$1,330,671,948	\$160,699,703	3.53%
2013–2014	\$1,560,290,922	\$229,618,974	3.95%
2014–2015	\$1,804,860,026	\$244,569,104	4.36%
2015–2016	\$2,031,716,468	\$226,856,442	4.68%
2016–2017	\$2,259,700,232	\$227,983,764	5.10%
2017–2018*	\$2,552,798,175 *near final	\$293,097,943	5.50%
2018–2019**	\$2,835,423,182 **legislative payment estimate	\$282,625,007	5.85%

Contact for More Information

Dina Black, Charter Schools Program Administrator
(512) 463-9531 or dina.black@tea.texas.gov