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New Mexico legislators look to curb charter school costs

By Ben Wieder, Stateline Staff Writer

One of Albuquerque's charter schools, Academia de Lengua Y Cultura, offers a dual-language middle-school curriculum, with teachers in some classes giving lessons in English and Spanish on alternating days. Across town, the Cottonwood Classical Preparatory School, which takes students from sixth grade through high school, emphasizes seminar discussions and offers advanced international diplomas. The Southwest Secondary Learning Center, meanwhile, reinforces math, science and engineering lessons by allowing students to maintain and fly real airplanes.



Southwest Learning Centers photo
 Students at the Southwest Learning Centers charter school in Albuquerque, New Mexico. Some lawmakers in New Mexico say publicly-funded, privately-run schools are taking advantage of the state's rules to get more than their fair share of education funding.

They represent three of New Mexico's more than 80 charter schools. While some of those schools look and act like private institutions — their leaders have freedom to run them as they see fit as long as students meet state standards — they are part of the public school system, charge no tuition and receive nearly all of their funding from state monies.

But unlike other states, where average per-student funding for charters is typically lower than it is for other public schools, **a legislative report released last month found that charters in New Mexico receive an average of 26 percent more funding per student than traditional public schools.** The report suggested that lawmakers change how schools are funded to address that.

New Mexico is unique in that the vast majority of school funding for all public schools comes from the state. These payments can be increased based on 24 various factors. The report says that some of those criteria, such as per-pupil funding increases based on the percentage of enrollment growth and a school's small size, benefit charters disproportionately. The state's funding formula has been adjusted more than 80 times since it was first created in 1973. The report recommends a complete overhaul of the formula to remove or give different weight to some of those factors.

Rick Miera, chair of the legislative education study committee, says the goal isn't to reduce the level of funding for the schools, but rather make sure that adjustments are serving the purpose they're intended to serve. "We have all these little factors that have come in over the years," the Democratic representative says. "These schools qualify for small schools, but are they small schools?"

How New Mexico compares

Nationally, there are now [more than 2 million students](#) seeking alternative education programs who are enrolled in charter schools, thanks, in part, to recent legislation in several states that lifted caps on the number of charters and made it easier for successful charters to expand. Typically, charters are funded by states in one of three ways, according to Josh Cunningham, a research analyst at the National Conference of State Legislatures.

The most common is for states to give charters the same money for each student as they give traditional public schools in the same district. In other states, funding "follows" students, meaning that they are assigned the same funding as every other student in their home district, even if they choose to attend a charter in another district. Finally, a handful of states give the same level of per-pupil funding to each charter school in the state.

Cunningham says typical per-student funding for charters is lower than at traditional public schools, because many regular public schools make up a big part of their budgets from local property taxes and federal dollars that are harder for charters to obtain. Traditional public schools also generally have more options for raising money to build and maintain facilities. There are some federal funds set aside for charters, and some charters also seek private support, but Cunningham says that normally doesn't make up the differences in funding between charters and their traditional peers.

In Minnesota, where the first charter schools in the country appeared, the funding structure for charters has remained fairly constant since they were first allowed in 1991, says Tom Melcher, the state's school finance director. Charters are funded the same across the state, he says, with adjustments made to match local property taxes that other public schools receive.

Florida is among the states with the biggest jump in charter enrollment in the past year, after it passed a law allowing high-performing charter schools to more easily expand. The state now has more than 500 charter schools serving more than 150,000 students, but funding isn't quite as equitable as in Minnesota. State money for charters flows through the school district in which a charter is located. The district can take out a small percentage of that money for administrative costs and can choose how much of its local property tax revenue to share with charters.

"There's only a few districts that do share that revenue with charter schools," says Cheryl Eppers, a spokeswoman for the Florida Department of Education.

In Colorado, which functions similarly to Florida, districts can take up to 5 percent in administrative fees and choose how much or little of local property tax funds to share with

charter schools. But Amy Anderson of the state Department of Education, says that most districts don't take out the full 5 percent fee and that districts now give charters a more equal share of federal and local funds. "With time, more and more districts have become better at recognizing that the kids in the charter schools are kids in their district," she says.

Are funding differences fair?

Charter school advocates argue that funding discrepancies between traditional public schools and charters are unfair, but NCSL's Cunningham says that doing more with less is what charters are all about. "Part of the concept of charter schools is doing things more efficiently," he says.

That's the view taken by Steve Mancini, a spokesman for the Knowledge Is Power Program, or KIPP, which operates a network of 109 charters in 20 states and Washington, D.C. "We're leaner," he says. "We don't have the director of right brain instruction and the director of left-brain instruction."

Still, funding differences in each of the 20 states mean that different KIPP schools have to operate differently. KIPP schools in Newark, New Jersey, he says, receive two-and-a-half times the level of funding per student as KIPP schools in San Francisco. That means the California schools need to raise more money through donations to provide a comparable education.

On average, KIPP's schools across the country receive 85 percent of their funding from public sources and make up the difference with donations and other sources of private income, he says. The goal, though, is to increase the share of public money.

In New Mexico, some of the charter schools with the highest costs say the greater share they receive is justified. Leaders at the dual language Academia de Lengua Y Cultura say their higher costs can be attributed to the school's high percentage of bilingual students and special education students, whose education costs are eligible for higher funding in the formula.

The Southwest Learning Centers are mentioned in the report as an example of potential misapplication of the small-school label. They have students from fourth grade through high school who share the same building and the same upper-level administration, but are considered three separate charters, each of which qualifies as a small school better positioned for higher state funding.

Robert Pasztor, the schools' director of academic support, says the schools would not be able to offer the same technology-rich curriculum — with every student given access to laptops — and support a brand new gym if not for the benefits from the small-school adjustment, particularly since charter schools are on the hook for more of their facility costs. He thinks other schools in the state should follow their model, which yielded better state test results across the board last year than state and city averages.

"We in a sense have created this sort of 21st-century school house," he says. "No single school could afford this facility."

But John Arthur Smith, chair of the state legislative finance committee, says that isn't the intention of the small school adjustment. It was originally designed for small, rural districts, the Democratic senator says. "The bottom line is they're still gaming the formula."

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