



**Charter School Finance 101:  
Comparing Charter Spending to Host Districts**  
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When New Jersey first authorized charter public schools in the 1990's, the public was told the charters would operate at 90% of the cost of the host district, saving taxpayer dollars with each family that freely chose this newly-available public education option. Nearly 20 years into this grand experiment, it is clear that the advertised figure is bogus, but not in a way charter critics can use.

In 2010, there were 66 charter schools operating in New Jersey, with many of them operating more than three years. Although the press has covered various aspects of charter school facts, the research comparing charter-per-pupil-expenditure in relation to their host district(s) is lacking.

By statute, charter schools receive funding at 90% of the foundation aid of their host district(s), a percent level that has long been disputed by charter school operators as insufficient and unfair. Recently, the New Jersey Department of Education has been including charter school expenditures in their Taxpayer Guide to Education Spending (formerly Comparative Spending Guide), which forms the financial basis for this simple analysis.

Below is a simple analysis of charter school 'Total Spending' and comparative 'Budget Cost' data. The 'Total Spending' variable, as computed by the New Jersey Department of Education, for the first time includes all expenditures paid by both the school district and the state, including costly pension and health care contributions. Meanwhile, the Budget Cost' variable includes only those expenditures common to all districts, excluding items such as debt, transportation and other non-comparative expenditures.

At question is whether the charter schools 'Total Spending' is much less than their host regular public school districts? Taxpayers and policy makers should consider this analysis as the charter experiment expands. The program is expected to add an additional 15+ schools already approved but not opened, and many more in the review pipeline.

From the 2011 Taxpayers Guide to Education Spending, utilizing the 2010 actual numbers for Total Spending and Budgetary Cost, the chart below compares individual charter schools spending levels to their host district. Some charter schools receive a majority of their funding from multiple districts, making a direct comparison impossible.

### **Key Findings**

This analysis is not intended to be comprehensive, but it raises serious questions regarding the range of charter school spending, and the reasons they almost universally receive less than the statute-guaranteed funding levels. The key findings of the analysis are:

- For the former Abbott districts, charter schools receive approximately 65% ‘Total Spending’ funding level compared to their host district, much less than the 90% ‘foundation aid’ level;
- For non-Abbott districts, the funding level range is 56% to 89%, a significant difference in funding level, which reflects large expenditure differences due to student weighting factors and local contribution variation;
- The range of charter per-pupil expenditures for the former Abbott districts range from \$10,244 (Camden Institute of Excellence) to \$22,222(Camden Promise), requiring further investigation into reasons for large variation across former-Abbott districts;
- The variation of charter school funding within a host district can be significant, requiring further investigation into reasons for large variation;

The analysis for the selected districts is intended to identify basic funding levels, and does not identify productivity, performance or even reasons for funding variation in- and between-districts.

### **Camden**

Camden had eight charter schools in 2010, with Total Spending ranging from \$10,244 to \$22,222, a difference of \$11,978 per pupil. In comparison, the Camden Public School District had a Total Spending of \$23,770, with a charter school funding level range of 43% to 93%. The large variation in Camden’s charter school spending is significant, and requires further investigation.

### **Jersey City**

Jersey City identified nine charter schools in operation in 2010, with a Total Spending range of \$11,525 to \$18,818, a difference of \$7,293 per pupil. In comparison, the Jersey City School District had a Total Spending of \$21,824, with a charter school funding level range of 53% to 86%. The large variation in Jersey City’s charter school spending is significant, and requires further investigation

### **Newark**

Newark had 13 charter schools operating in 2010,with a Total Spending range of \$12,423 to \$17,915, a difference of \$5,492 per pupil. In comparison, the Newark Public Schools had a Total Spending of \$22,992, with a charter school funding level range of 54%to 78%. Although Newark’s variation was less than other former-Abbott districts, it still is significant to require further investigation.

### **Paterson**

Paterson’s two charter schools in 2010 had a Total Spending range of \$12,606 to \$13,031, a difference of only \$425 per pupil. In comparison, the Paterson School District had a Total

Spending of \$20,229, with a charter school funding level range of 62% to 64%. Paterson funds their charter schools at similar levels.

### **Plainfield**

Plainfield's three charter schools in 2010 had a Total Spending range of \$13,039 to \$13,620, a difference of only \$581 per pupil. In comparison, the Plainfield School District had a Total Spending of \$19,572, with a charter school funding level range of 67% to 70%. Plainfield funds their charter schools at similar levels.

### **Trenton**

There were six charter schools operating in Trenton in 2010, which had a Total Spending range of \$13,559 to \$18,674, a difference of \$5,115 per pupil. In comparison, the Trenton Public School District had a Total Spending of \$21,038, with a charter school funding level range of 64% to 89%. The large variation in Trenton's charter school spending is significant, and requires further investigation

### **Conclusion**

There is still much more we need to learn about charter schools, and this quick analysis highlights the large range of funding levels between charter schools and their host districts. Although all charter schools have a Total Spending less than their host districts, there are still many questions on whether this constitutes actual taxpayer savings (since former-Abbott districts receive a SFRA-language 2% annual increase in funding) and whether the addition of 100 new charter schools on an already large fragmented system will have long term consequences.

But on the surface, many charter schools spend only 65% of what it costs for the public schools, making this education option taxpayer-friendly.

	<b>Charter Public Schools</b>				<b>Host Regular Public</b>	
					<b>School Districts</b>	
<b>Municipality</b>	<b>Charter School Name</b>	<b>Total</b>	<b>Budgeted</b>	<b>Total</b>	<b>Budgeted</b>	<b>Charter</b>
		<b>Spending</b>	<b>Costs</b>	<b>Spending</b>	<b>Costs</b>	<b>Fundng %</b>
Asbury Park	Hope Academy CS	\$16,546	\$11,743	\$29,819	22,090	55%
Atlantic City	Oceanside CS	n/a		\$24,142	18,248	n/a
Blairstown	Ridge and Valley CS	\$14,774	\$11,821	multiple districts		
Camden	Camden Academy Charter HS	\$19,724	\$12,388	\$23,770	19,118	83%
Camden	Camden's Pride Charter School	\$11,784	\$8,846			50%
Camden	Camden's Promise CS	\$22,222	\$14,142			93%
Camden	D.U.E. Season CS	\$13,990	\$10,759			59%
Camden	Environment Community CS	\$12,525	\$9,243			53%
Camden	Freedom Academy CS	\$18,173	\$15,402			76%

Camden	Institute of Excellence Charter	\$10,244	\$9,139			43%
Camden	LEAP Academy University CS	\$15,884	\$11,153			67%
Clifton	Classical Academy CS of Clifton	\$8,383	\$7,213	\$15,007	11,417	56%
East Orange	East Orange Community CS	\$14,885	\$12,197	\$23,811	18,358	63%
East Orange	Pride Academy Charter School	\$15,322	\$11,649			64%
Englewood	Englewood on the Palisades CS	\$16,096	\$14,072	\$22,435	16,197	72%
Galloway	Galloway Community CS	\$15,080	\$12,113	\$17,037	12,834	89%
Garfield	Bergen Arts and Sciences CS	\$11,184	\$9,895	\$18,629	13,706	86%
Hamilton	Pace CS of Hamilton	\$12,763	\$10,219	\$14,777	9,898	86%
Hoboken	Elysian CS of Hoboken	\$15,721	\$13,750	\$24,092	15,586	65%
Hoboken	Hoboken CS	\$17,118	\$15,293	\$24,092	15,586	71%
Irvington	Burch Charter School of Excellence	\$14,213	\$11,806	\$22,855	17,337	62%
Jersey City	C.R.E.A.T.E. CS	n/a		\$21,824	17,303	n/a
Jersey City	Jersey City Comm. CS	\$14,287	\$11,025			65%
Jersey City	Jersey City Golden Door CS	\$13,018	\$10,061			60%
Jersey City	Learning Community CS	\$11,525	\$8,294			53%
Jersey City	Liberty Academy CS	\$16,453	\$13,466			75%
Jersey City	Schomburg CS	\$18,818	\$11,957			86%
Jersey City	Soaring Heights CS	\$14,029	\$10,042			64%
Jersey City	The Ethical Community Charter	n/a				n/a
Jersey City	University Academy HS CS	\$13,260	\$11,046			61%
Lake Como	Academy Charter High School	\$18,691	\$16,461	multiple districts		
Morris Twp	Unity CS	\$15,979	\$13,236	multiple districts		
New Brunswick	Greater Brunswick CS	\$14,831	\$11,491	\$21,076	15,719	70%
Newark	Adelaide L. Sandford CS	\$13,795	\$11,689	\$22,992	18,088	60%
Newark	Discovery CS	\$14,745	\$11,583			64%
Newark	Gray CS	\$15,995	\$13,651			70%
Newark	Greater Newark CS	\$16,072	\$12,761			70%
Newark	Lady Liberty Academy CS	\$16,747	\$12,783			73%
Newark	Maria L. Varisco-Rogers CS	\$12,423	\$10,655			54%
Newark	Marion P. Thomas CS	\$16,098	\$13,522			70%
Newark	New Horizons Comm. CS	\$14,489	\$10,909			63%
Newark	Newark Educators Charter School	n/a				n/a
Newark	North Star Acad. CS of Newark	\$16,723	\$13,310			73%
Newark	Robert Treat Academy CS	\$16,193	\$13,306			70%

Newark	TEAM Academy Charter School	\$17,915	\$14,987			78%
Newark	University Heights CS	\$17,240	\$13,620			75%
Paterson	Community Charter School of Paterson	\$12,606	\$10,124	\$20,229	15,409	62%
Paterson	Paterson CS for Sci/Tech	\$13,031	\$11,654			64%
Plainfield	Central Jersey Arts CS	\$13,039	\$11,336	\$19,572	16,155	67%
Plainfield	Queen City Academy CS	\$13,480	\$11,474			69%
Plainfield	Union County TEAMS CS	\$13,620	\$11,426			70%
Pleasantville	PleasantTech Academy CS	\$14,732	\$11,569	\$20,753	16,100	71%
Princeton	Princeton CS	\$14,396	\$11,843	\$22,536	16,865	64%
Red Bank	The Red Bank CS	\$15,911	\$12,487	\$19,934	14,214	80%
Roebing	Riverbank Charter School of Ex	\$14,146	\$9,500	multiple districts		
Somers Point	chARTer~TECH HIGH SCHOOL	\$16,594	\$14,324	multiple districts		
Somerset	Central Jersey College Prep CS	\$15,762	\$13,629	multiple districts		
Sparta	Sussex County CS for Technology	\$13,848	\$12,526	multiple districts		
Teaneck	Teaneck Community CS	\$16,614	\$14,138	\$22,942	17,325	72%
Trenton	Emily Fisher CS of Adv. Studies	\$18,674	\$15,215	\$21,038	16,259	89%
Trenton	Foundation Academy CS	\$14,424	\$12,113			69%
Trenton	International CS of Trenton	\$17,391	\$14,088			83%
Trenton	Paul Robeson Humanities CS	\$13,559	\$11,161			64%
Trenton	Trenton Community CS	\$16,502	\$13,257			78%
Trenton	Village CS	\$15,754	\$12,756			75%
Vineland	Vineland Public Charter School	\$10,710	\$7,386	\$17,843	14,014	60%

Source: New Jersey Department of Education Taxpayers' Guide to Education Spending, 2011.

**About the Author**

Mark 'Jay' Williams is the Economics Fellow for the Common Sense Institute of New Jersey, where he writes on public productivity and performance topics covering K12 education, higher education, health and security/policing sectors.