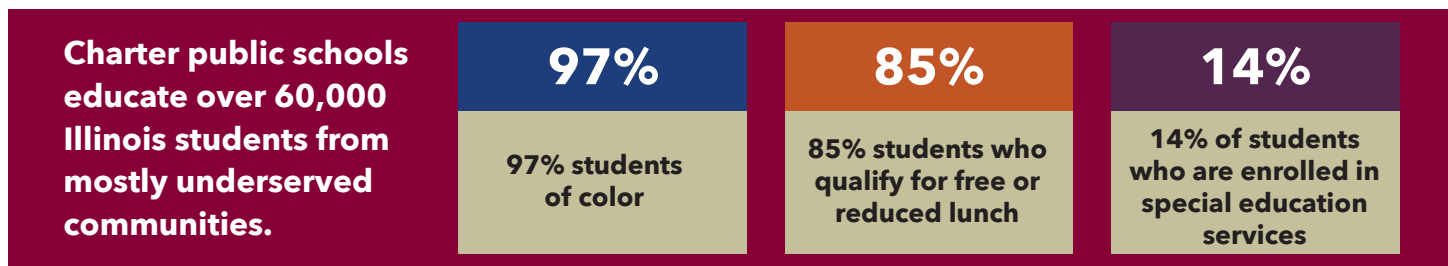


CHARTER SCHOOL FACILITIES: INEQUITIES PERSIST

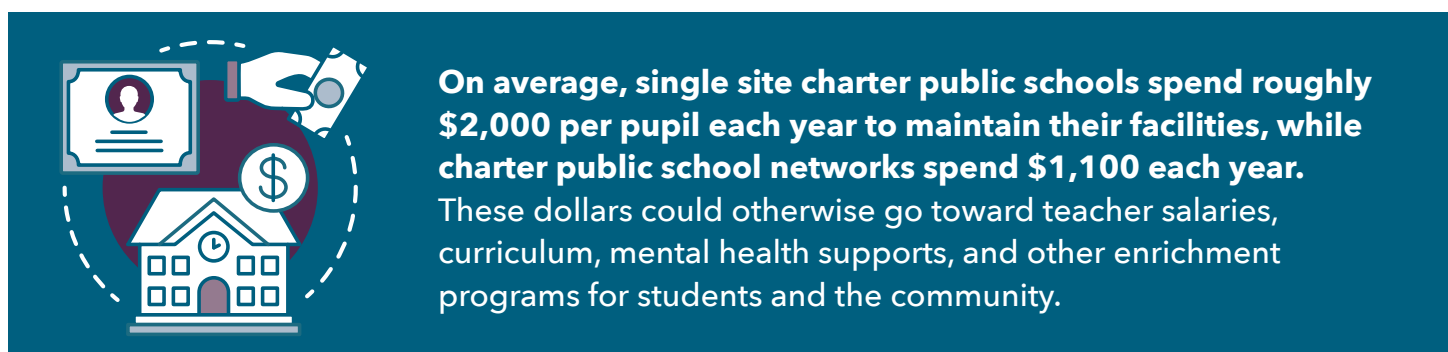


Introduction

One of the leading causes of funding inequity in Illinois' public education system is school facilities. Because school facilities are primarily funded through local property taxes, it is no surprise that property-wealthy communities have more resources and newer, more updated school facilities than their counterparts in lower income communities. Look no further than public school buildings on the south and west sides of Chicago compared to school facilities located in suburban Naperville. Even more troubling is that a subset of our state's public schools is more greatly impacted by this problem than others and it's creating even more educational inequity. Charter public schools in Illinois currently receive no state facilities support.



The facilities funding inequity facing our state puts an undue burden on charter school leaders to find suitable, affordable facilities and affects their ability to make critical investments to aging and outdated buildings.



To better understand the statewide impact of this problem, the Illinois Network of Charter Schools (INCS) completed a comprehensive facilities assessment by administering surveys and conducting one-one-one interviews with charter schools across the state. INCS surveyed 88 charter campuses, representing the majority of charter schools statewide. We also conducted 15 interviews, representing 56 campuses from 7 networks and 8 single site charters. Additionally, we conducted research on how Illinois compares to its peers on policies related to support for charter public school facilities.

This extensive research led to three findings:

- 1** Charter school leaders are forced to divert funds from the classroom toward facilities maintenance, unlike their peers in district-run schools.
- 2** Charter schools face unpredictable facilities upgrade costs.
- 3** Illinois lags behind the rest of the country on policies to support facilities funding equity for charter public schools.

INCS and the more than 60,000 families who choose charter public schools firmly believe that all Illinois public school students should not only have access to safe, warm, and dry school facilities, but also facilities that enhance the learning environment and provide equitable access to future opportunities with investments in state-of-the-art science labs, playgrounds, gymnasiums, auditoriums, and more.

This is a timely issue. Facilities funding challenges have been exacerbated in recent years by the COVID-19 pandemic due to the additional expenses imposed on schools to keep their facilities safe for students and teachers. We need leaders to create long-term, sustainable, and predictable facilities policy solutions that invest in and support the potential of our students and communities.

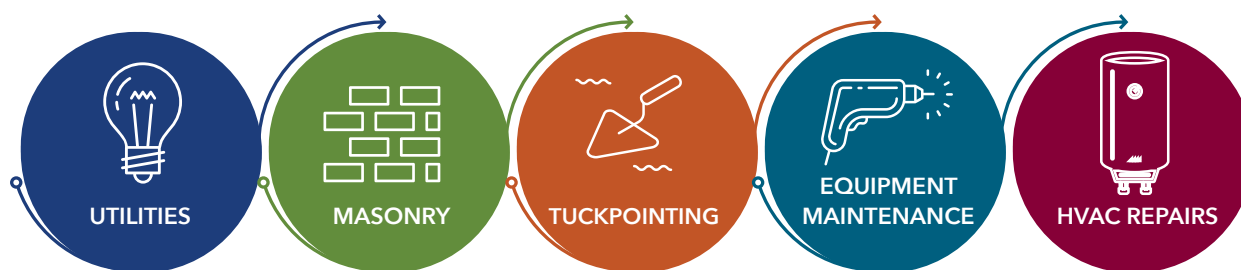
The Illinois charter community urges action from our elected leaders to align with our peer states and adopt an equitable facility funding policy for charter schools that allocates state per-pupil dollars for rent, maintenance, and capital improvement.

Finding 1: Charter school leaders are forced to divert funds from the classroom toward facilities maintenance, unlike their peers in district-run schools.

Like many public schools, most charter public schools are in older, outdated facilities with costly maintenance needs. While principals at district-run schools know they can count on their school districts to make facilities improvements and upgrades, principals at charter public schools are forced to make tough budgetary decisions each year to ensure their facilities remain in good condition.

Currently, 82% of charter public schools in Illinois spend per-pupil operating revenue to cover the cost of facilities.

Examples Of The Costs Charter Public Schools Face:



While day-to-day maintenance of facilities is costly, schools report that capital projects are what take up the largest portion of their operations budgets. As one principal attested, “The biggest issue for our schools are capital expenses over operational expenses because of how old the schools are that we move into. Our network could move into a building from a landlord that has not been taken care of for years, leaving us with a large amount of capital expenses right away.”

Without state assistance or inclusion in district capital budgets, charter schools will continue to fund capital projects that consume large portions of their budget that could otherwise be earmarked for students. Further, if the State of Illinois provided an avenue for facilities assistance, real dollars could remain in the classroom for the benefit and well-being of students and teachers.

Finding 2: Charter schools face unpredictable facilities upgrade costs.

Charter schools undergo facilities inspections from their authorizers as part of the charter renewal process. The findings from these inspections and resulting facilities recommendations can cost hundreds of thousands of dollars in necessary building upgrades. These unexpected and expediated facilities costs are unique to charter schools. There is no equivalent inspection system in place for district-run school facilities. Accordingly, school districts can create their own timelines and funding streams through local property tax dollars to fix similar facility problems in district-run schools. Illinois charter schools currently have no direct access to local or state dollars to fix these immediate building needs.

When recounting their latest renewal process, one single-site charter school noted, "At renewal, we received an overwhelmingly long list of upgrades we needed to make to our building. These conditions were placed in our contract and had to be resolved in one year's time. Our school exhausted every effort possible to meet that deadline."

Charter schools are left to fend for themselves when finding appropriate facilities for their school communities.

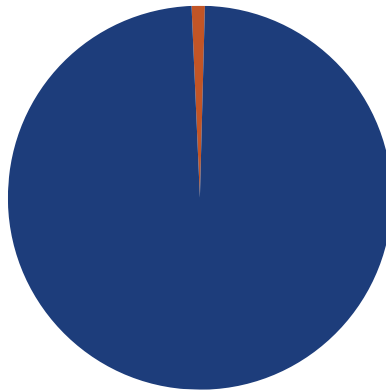


One charter school network cited \$20 million dollars worth of projects that were highlighted in their latest inspection. The school district told them they had 6 months to complete these upgrades. Other schools reported findings from their facilities inspections ranging from \$40,000 to replace a boiler to \$400,000 for a new HVAC system.

Among charter public schools in Illinois, 65% currently rent their facilities, while 35% own the buildings in which they operate. Of the 65% of schools that rent their facilities, 63% do so from non- school district entities, such as the Archdiocese of Chicago. Relationships with landlords can be difficult or unpredictable, but charter schools find renting from a non-district entity allows for more autonomy in securing cost-effective vendors to provide services such as food distribution and custodial maintenance. Working with a non-district landlord also allows for building emergencies to be addressed more quickly than if they were renting a facility owned by their authorizer. Schools in district-owned buildings have reported going years without having their authorizer address necessary capital projects.

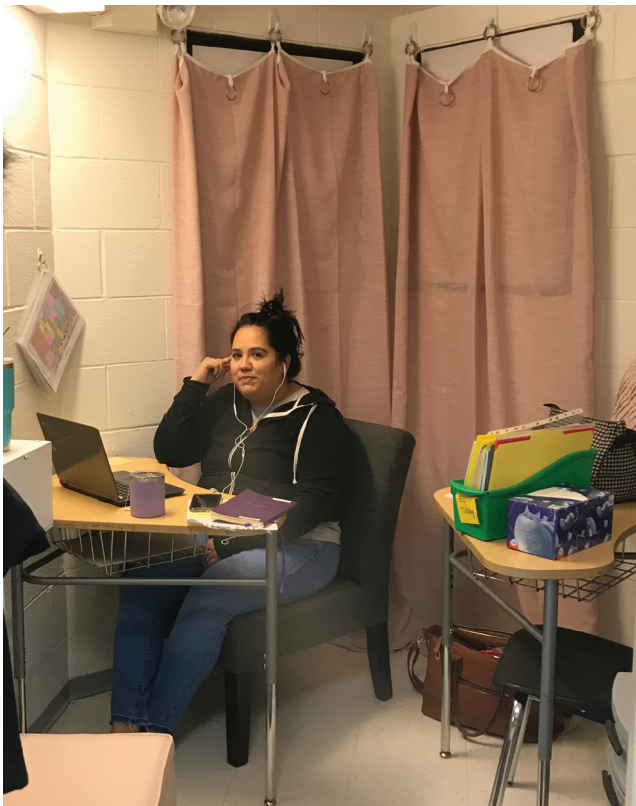
In Chicago, where most Illinois charter school families reside, the disparities are even more stark. In fact, just two charter schools were included in the Chicago Public School's (CPS) FY21 capital budget. Of the \$758 million allocated to CPS' FY21 capital budget, roughly \$6 million, or 0.79% of the total budget, was allocated for charter schools. This is the first time a charter school has been included in the CPS Capital Budget since FY17.

CPS FY21 CAPITAL BUDGET



■ Traditional Public Schools

■ Charter Public Schools



CHARTER SCHOOL NURSE CLOSET

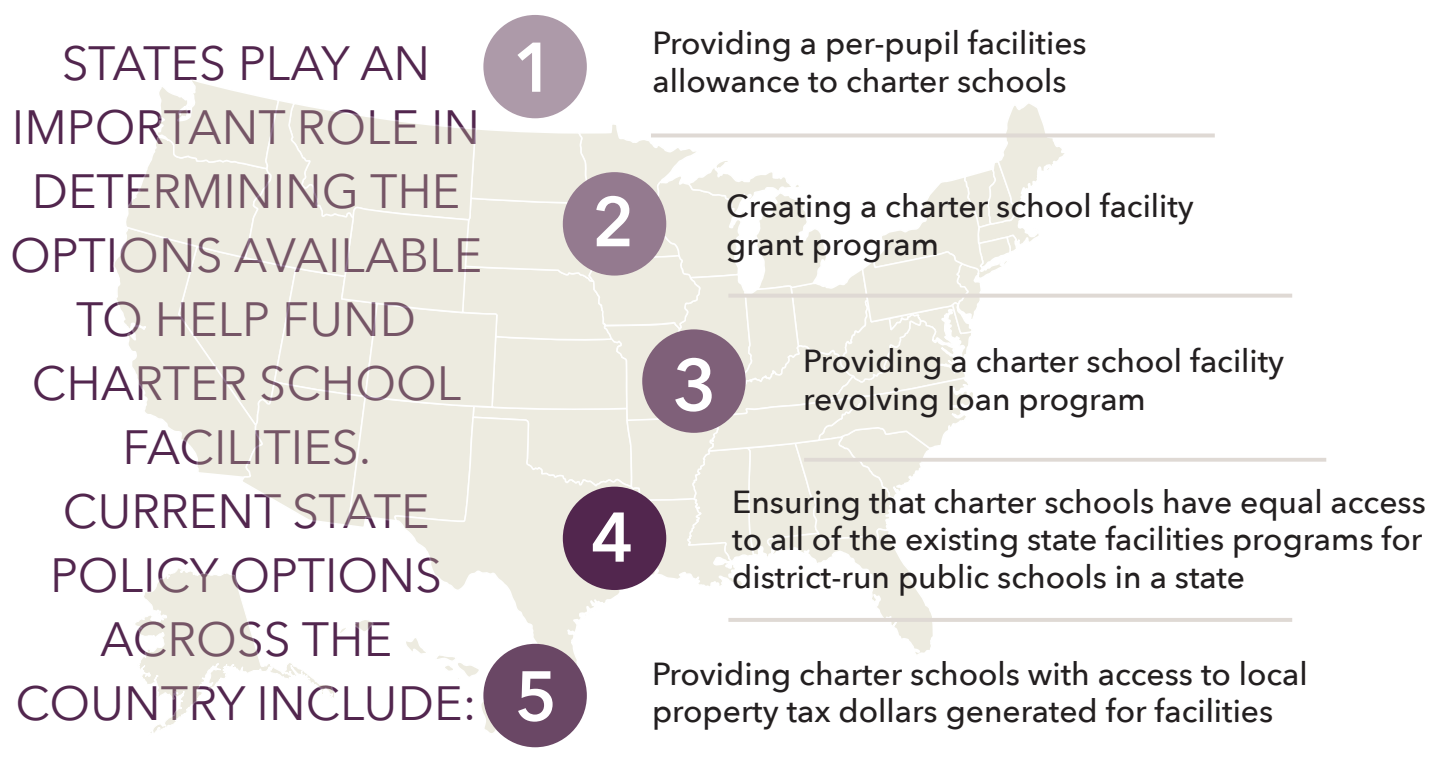
DURING A TIME WHEN
PUBLIC HEALTH
SHOULD BE PRIORITIZED,
NURSES AT CHARTER
SCHOOLS HAVE TO
CREATE OFFICES IN
OLD CLOSET SPACES TO
HELP STUDENTS

This allocation disparity continues a trend. From FY17-FY21, CPS budgeted \$3.64 billion for capital improvements and charters made up \$22 million, or 0.6% of those improvements. As a result of the lack of inclusion in the capital budget, charter schools making facility improvements or capital investments must wait for the district to recognize their needs. There is no formal process to submit requests for capital projects. This leaves charter schools in CPS buildings in the dark on whether they will receive improvements to their buildings to provide students and teachers an equitable learning environment. Charter school students are CPS students, yet they are not receiving the same equitable funding.

Finding 3: Illinois lags behind the rest of the country on policies to support facilities funding equity for charter public schools.

Illinois currently lacks a collection of innovative policy approaches for charter schools to acquire and finance facilities, which limits charter schools' ability to meet demand and pulls resources away from academic programming and student services.

In fact, 31 states in the United States offer some sort of facilities funding policy for charter schools. Of these 31 jurisdictions, 21 have more than one facility funding option in place. Among other states, Illinois has one of the weakest approaches to funding charter school facilities needs as it has only one charter facilities funding policy, the Charter School Revolving Loan Fund, which has been dormant for over ten years. As background, the Charter School Revolving Loan Fund is a special fund in the state treasury that permits only new charter schools in their first contract term to apply for an interest free loan that must be paid back before the end of their first contract term. Because CLRF is only available to new charter schools, 98% of charter schools in the state are ineligible for these funds.



A study published by the Charter School Facilities Center found that the most common facilities funding policy among jurisdictions is the allocation of per-pupil dollars to charter schools, specifically for rent, maintenance, and capital improvement. The states that do this well are the ones that have a fixed formula from year-to-year as opposed to relying on annual budget appropriations. The reliability of a fixed formula makes a key difference in annual school budget planning.

Illinois' Path Forward to Provide Facilities Funding Equity for Charter Public School Students.

INCS and the more than 60,000 families who choose charter public schools firmly believe that all Illinois public school students should have access to facilities that enhance the learning environment and provide equitable access to future opportunities with investments in state-of-the-art science labs, playgrounds, gymnasiums, auditoriums, and more.

The Illinois charter community urges state action to align with our peer states and adopt an equitable funding facilities policy for charter schools that allocates state per-pupil dollars, specifically for rent, maintenance, and capital improvement. The policy should provide a fixed formula from year-to-year as opposed to relying on annual budget appropriations. The reliability of a fixed formula makes a key difference in annual school budget planning and allows schools to make long-term decisions on facilities upgrades and maintenance for our students and communities.



¹ Illinois School Report Card: <https://www.illinoisreportcard.com/State.aspx>

² Article 27A of the Illinois School Code [105 ILCS 5/27A]

³ Overview of State Facility Policies and Other Facility Strategies, National Alliance of Public Charter Schools: [https://facilitycenter.publiccharters.org/resource/overview-state-facility-policies-and\[1\]other-facility-strategy](https://facilitycenter.publiccharters.org/resource/overview-state-facility-policies-and[1]other-facility-strategy)



150 N Michigan Ave
Suite 430
Chicago, IL 60601

P 312.629.2063
F 312.629.2064

www.incschools.org

