



National Alliance for Public Charter Schools

Federal Charter School Programs

There are three federal programs that support public charter schools: the Charter Schools Program; the State Charter School Facilities Incentive Grant Program; and the Credit Enhancement for Charter School Facilities Program.

Charter Schools Program

Created in 1994, the Charter Schools Program (CSP) provides financial assistance to help cover charter school start-up costs. Through a competitive process, the U.S. Department of Education (DOE) awards grants to state education agencies (SEAs). In turn, SEAs make subgrants to charter schools. If an SEA doesn't apply for funding or if its application for funding is not approved, the DOE can make grants directly to charter school developers.

Since its creation, the CSP has received more than \$2 billion in funding. The CSP has been a tremendous success, helping create more than 4,600 public charter schools serving more than 1.4 million students in 40 states and the District of Columbia.

State Charter School Facilities Incentive Grant Program

Created via the No Child Left Behind Act, the State Charter School Facilities Incentive Grant Program provides federal funds on a competitive basis to states to help cover charter school facility costs. The program is intended to encourage states to develop and expand per-pupil facilities aid programs and to share in the costs associated with charter schools facilities funding.

Over the past seven years, the program has received over \$90 million in funding and has leveraged over \$1 billion dollars on the behalf of charter schools, serving over 472 schools (as of 2008). With those funds, it has made grants to four jurisdictions: California, the District of Columbia, Minnesota, and Utah.

Credit Enhancement for Charter School Facilities Program

The Credit Enhancement for Charter School Facilities Program provides grants on a competitive basis to public and nonprofit entities that enhance the ability of public charter schools to raise private capital to acquire, construct, renovate, or lease academic facilities. On behalf of charter schools, grantees use the monies to guarantee loans, reduce interest rates, and encourage other lenders to participate in charter facilities lending.

Since 2002, the program has received over \$213 million in funding helping over 265 charter schools finance facilities. It has done an exceptional job of using those funds to leverage private investment in charter facilities. In fact, more than \$8 private sector dollars have been raised for every \$1 dollar in federal funds.