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Purpose

CFDA Number: 84.282D

Program Type: Discretionary/Competitive Grants

Also Known As: Per-Pupil Facilities Aid Program

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PROGRAM DESCRIPTION

This program provides grants to eligible states to help them establish or enhance, and administer, per-pupil facilities aid programs for charter schools.

States eligible for these grants are those with per-pupil aid programs to assist charter schools with their school facility costs. Federal funds are used to match programs funded with nonfederal dollars that make payments, on a per-pupil basis, to provide charter schools with facilities financing. States pay an increasing share of the cost of the program.

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ADDITIONAL INFORMATION

The purpose of the State Charter School Facilities Incentive Grants program is to assist charter schools with school facility costs by providing Federal funds to states to establish or enhance and administer per-pupil facilities aid programs. 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. The program was created under section 5205 (b) of the Elementary and Secondary Education Act as amended by the No Child Left Behind Act of 2001.

Charter Schools often have a difficult time financing charter school facilities. A 2000 National Study of Charter Schools found that inadequate facilities are one of the major obstacles to implementation. Charter schools, unlike traditional public schools, do not typically receive facilities funding and generally cannot raise funds through taxes. Furthermore, charter schools have difficulty securing funding because they are considered risky by conventional lenders.

Some states have established per-pupil facilities aid programs that provide charter schools with facilities funding based on a per-pupil basis. These programs have the potential to help eliminate the facility problems charter schools typically face.

Under the State Charter School Facilities Incentive Grants program, the Department can award competitive grants of up to 5-years to states. States can use these funds to establish or enhance and administer per-pupil facilities aid programs for charter schools.

The term "per-pupil facilities aid program" refers to a program in which a state makes payments, on a formula basis that takes into account the number of pupils, to charter schools to provide the schools with financing that must include, or be dedicated solely for, the funding of facilities. For a state to be eligible to receive a grant, the state's program must be specified in state law and provide annual funding on a per-pupil basis for charter school facilities.

The maximum Federal share of funds decreases each year (from 90 percent in the first year to 20 percent in year 5) and phases out entirely after 5 years. The state may reserve up to 5 percent of its grant to carry out evaluations, to provide technical assistance, and to disseminate information.

Priority is given to states that meet the criteria in section 5202(e) which include states that provide for a periodic review and evaluation by the authorized public chartering agency, at least once every 5 years and do all of the following: demonstrate progress in increasing the number of high-quality charter schools; provide for an authorized public chartering agency that is not a local educational agency or, if local educational agencies are the only authorized public chartering agencies, allow for an appeals process; and ensure that charter schools have a high

degree of autonomy over the charter school's budget and expenditures.

Funding for this program is made available when the total appropriation for the Public Charter Schools program exceeds \$200,000,000. When the program receives more than \$200,000,000 but less than \$300,000,000, all funds over \$200,000,000 support the per-pupil facilities financing program. Of funds appropriated in excess of \$300 million, 50 percent must be used for the State Charter School Facilities Incentive Grants program and 50 percent for other authorized activities.

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