

Office of School Finance

Charter School Funding



Legal References

Texas Education Code, §12.106; 19 Texas Administrative Code, §100.1041; TEC, §46.036

Background Information

Open-enrollment charter schools are entitled to Foundation School Program (FSP) state aid. The FSP includes Tier One, Tier Two, and “Other Programs” funding.

Program Description

Tier One

Tier One is the basic tier of state aid funding which constitutes the bulk of the charter school’s overall total FSP state aid and is based primarily on a measure of the number and type of students attending the charter school district. Effective with the implementation of House Bill 3 (HB 3), 86th Texas Legislature, Regular Session, 2019, Tier One uses the state average basic allotment (BA) to calculate the regular basic program allotment and several other Tier One allotments.

The charter school’s regular program average daily attendance multiplied by the state average BA provides the regular basic program allotment.

For students in specific student-based instructional settings, charter school districts receive additional funding to the regular program funding based on the funding weight set forth by the legislature (ex. bilingual/ESL education, special education mainstream, state compensatory education, etc.). However, students in career and technology or special education (other than mainstream) are not included in the regular program count. These program allotments have specific funding weights based on the student in the instructional setting and are funded in place of the regular basic program allotment.

The table below shows the Tier One allotments.

TEC	Tier One Allotments for Charters
48.051	Regular Basic Allotment
48.101	Small and Mid-Sized District Allotment
48.102	Special Education

TEC	Tier One Allotments for Charters
48.103	Allotment for Student with Dyslexia or Related Disorder
48.104	Compensatory Education Allotment
48.105	Bilingual Education Allotment
48.106	Career and Technology Allotment
48.108	Early Education Allotment
48.110	College, Career, or Military Readiness Outcomes Bonus
48.112	Teacher Incentive Allotment
48.114	Mentor Program Allotment
48.151	Transportation Allotment
48.152	New Instructional Facility Allotment
48.153	Dropout Recovery School and Residential Placement Facility Allotment
48.155	College Preparation Assessment Reimbursement
48.156	Certification Examination Reimbursement
42.168	Safety Allotment

Tier Two

Tier Two funding is a supplemental tier and is calculated using and weighted average daily attendance (WADA) and state-wide average district tax rates (DTR) for golden and copper pennies.

Other Programs

In “Other Programs”, charter schools may qualify for the Charter School Facilities Funding (TEC, §12.06d) which is funded on a per student in refined average daily attendance (ADA) basis. This funding was created under House Bill 21,85th Legislature, 1st Called Session, 2017, and uses the state average interest and sinking (I&S) tax rate imposed by school districts to arrive at the amount per ADA. Qualification for the allotment is based on whether the charter school has an overall acceptable academic performance rating.

HB 3 also created a Formula Transition Grant (TEC, §48.277), which establishes and entitles an allotment for each student in ADA based on the funding prior to House Bill 3. The Formula Transition Grant expires September 1, 2025.

Allotment Ineligibility

Charter schools are not entitled to the Instructional Facilities Allotment (IFA) program, the Existing Debt Allotment (EDA), the Tuition Allotment, and the Fast Growth Allotment.



Contact for More Information

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