

# FundEd: Charters

## Charter School Policies in Each State



## Withholdings

In some states, a share of funding for charter schools may be withheld by the charter school's authorizer or some other entity charged with overseeing or providing services to the charter school. This report shows which states allow state agencies or local school districts to withhold a share of funding from charter schools.

<b>Alabama</b>	<p>Charter schools in Alabama will have a share of their funding withheld, with the maximum set by state law.</p> <p>Local school boards that authorize charter schools may withhold a share of charter school funding to cover the costs of overseeing and authorizing charter school. The percentage they may withhold varies between 1% and 3% percent depending on the number of charter schools that the local school board oversees.</p> <p>State law does not specify if the Alabama Charter School Commission, a state authorizing body, may also withhold a share of charter school funding.</p>
<b>Alaska</b>	<p>Charter schools in Alaska will have a share of their funding withheld, with the maximum set by state law.</p> <p>Local school districts in Alaska that authorize charter schools may withhold up to 4% of charter funding to cover administrative costs.</p>
<b>Arizona</b>	<p>State law in Arizona does not specify that a share of charter funding is withheld.</p>
<b>Arkansas</b>	<p>State law in Arkansas does not specify that a share of charter funding is withheld.</p>
<b>California</b>	<p>Charter schools in California will have a share of their funding withheld, with the maximum set by state law.</p> <p>Entities that authorize charter schools may charge for the costs of overseeing the charter school. The oversight charge may not exceed 1% of the revenue of the charter school, or 3%, if the charter school is able to obtain facilities from the authorizer. Local school districts that are tasked with overseeing a charter school may charge for the actual oversight and administrative costs but are not subject to the limits that apply to authorizers.</p>
<b>Colorado</b>	<p>Charter schools in Colorado will have a share of their funding withheld, with the maximum set by state law.</p> <p>The statewide charter school authorizer may withhold up to 3% of funding from the schools they authorize to cover the cost of operation. The Colorado Department of Education may further withhold 1% from these schools. Any funding that is unused by the authorizer is returned to the charter. Local school districts that authorize charter schools may withhold up to 5% of charter funding for administrative services.</p>
<b>Connecticut</b>	<p>State law in Connecticut does not specify that a share of charter funding is withheld.</p>
<b>Delaware</b>	<p>State law in Delaware does not specify that a share of charter funding is withheld.</p>
<b>District of Columbia</b>	
<b>Florida</b>	<p>Charter schools in Florida will have a share of their funding withheld, with the maximum set by state law.</p> <p>The entity overseeing the charter school may withhold an administrative fee. The administrative fee is limited at 5% of the funding generated by up to 250 students for most charter schools, at 5% of the funding generated by up to 500 students for some charter systems, and at 2% of the funding generated by up to 250 students for some high-performing charter schools. If more than 75% of students in the charter school are students with disabilities and/or gifted and talented students, the fee is calculated based on the charter's unweighted per student funding level.</p>

<b>Georgia</b>	<p>Charter schools in Georgia will have a share of their funding withheld, with the maximum set by state law.</p> <p>The Department of Education may withhold 3% of funding from charter schools authorized by the State Charter Schools Commission. Moreover, local school boards that authorize charter schools may withhold up to 3% of funding from newly approved or renewed charter schools.</p>
<b>Hawaii</b>	<p>Charter schools in Hawaii will have a share of their funding withheld, with the maximum set by state law.</p> <p>Entities that authorized charter schools may retain up to 10% of charter schools' funding as a contingency balance to ensure fiscal accountability and compliance.</p>
<b>Idaho</b>	<p>Charter schools in Idaho will have a share of their funding withheld, with the maximum set by state law.</p> <p>Entities that authorize charter schools, including local school districts, the Public Charter School Commission, and institutions of higher education may charge charter school a fee to defray the cost of monitoring, evaluation, and oversight.</p>
<b>Illinois</b>	<p>Charter schools in Illinois will have a share of their funding withheld, with the maximum set by state law.</p> <p>Charter schools that are authorized by the State Charter School Commission will be charged up to 3% of their revenue for administrative costs. Charter schools that are authorized by local school districts may negotiate with their authorizing districts to receive between 97% and 103% of their allotted funding.</p>
<b>Indiana</b>	<p>Charter schools in Indiana will have a share of their funding withheld, with the maximum set by state law.</p> <p>Certain entities that authorize charter schools, including the Indiana Charter School Board state or nonprofit entities of higher education, and executives of consolidated cities, may impose on the charter an administrative fee of up to 3% of the charter's funding.</p>
<b>Iowa</b>	<p>State law in Iowa does not specify that a share of charter funding is withheld.</p>
<b>Kansas</b>	<p>State law in Kansas does not specify that a share of charter funding is withheld.</p>
<b>Kentucky</b>	<p>Kentucky does not currently have any charter schools and its previous policy on charter funding ended in 2018.</p>
<b>Louisiana</b>	<p>Charter schools in Louisiana will have a share of their funding withheld, with the maximum set by state law.</p> <p>Entities that authorize charter schools, including the State Board of Education and local school districts, may charge the schools they authorize a fee of 2% of their total funding for administrative costs. The state Department of Education may additionally withhold 0.25% of the 2% fee from charter schools acting as their own local education agencies.</p>
<b>Maine</b>	<p>Charter schools in Maine will have a share of their funding withheld, with the maximum set by state law.</p> <p>Entities that authorize charter schools in Maine may charge up to 3% of the charter's funding to cover the costs of authorizing and overseeing charter schools. For charter schools that are authorized by local school districts, the students' district(s) of residence may additionally retain 1% of the charter's funding for administrative costs.</p>
<b>Maryland</b>	<p>Charter schools in Maryland will have a share of their funding withheld, with the maximum set by state guidance.</p> <p>The State Board allows the local district to withhold up to 2% of the per pupil amount for administrative costs.</p>
<b>Massachusetts</b>	<p>State law in Massachusetts does not specify that a share of charter funding is withheld.</p> <p>However, state law sets limits on the share of school district spending that may go towards charter school funding.</p>
<b>Michigan</b>	<p>Charter schools in Michigan will have a share of their funding withheld, with the maximum set by state law.</p> <p>Entities that authorize charter schools, which include local school districts, intermediate school districts, community colleges, and state public universities, may withhold up to 3% of charter funding for oversight costs.</p>

<b>Minnesota</b>	State law in Minnesota does not specify that a share of charter funding is withheld.
<b>Mississippi</b>	<p>Charter schools in Mississippi will have a share of their funding withheld, with the maximum set by state law.</p> <p>The Mississippi Charter School Authorizer Board, the sole charter authorizer, may withhold 3% of charter schools' funding to cover oversight costs.</p>
<b>Missouri</b>	<p>Charter schools in Missouri will have a share of their funding withheld, with the maximum set by state law.</p> <p>The Missouri Department of Elementary and Secondary Education will retain 1.5% of total charter school funding, not to exceed \$125,000, and remit it to the charter school's sponsor to defray the costs of sponsorship. State law also places restrictions on how the sponsor may spend these funds.</p>
<b>Montana</b>	<p>Montana does not have a law establishing charter schools.</p> <p>The State Board of Public Education in Montana has established a process whereby school districts may apply to have one of their schools designated a charter. However, Montana has no state law pertaining to charter schools or charter school funding. Schools designated as a charter continue to be funded in the same way as traditional public schools.</p>
<b>Nebraska</b>	Nebraska does not have a law establishing charter schools.
<b>Nevada</b>	<p>Charter schools in Nevada will have a share of their funding withheld, with the maximum set by state law.</p> <p>The state Superintendent of Public Instruction may deduct a sponsorship fee of up to 2% of the charter school's total funding and pay the fee to the charter's sponsor. However, the governing body of a charter school may request a reduction of the sponsorship fee down to as low as 1% if the charter has met various financial and achievement targets, and there has been a decrease in the duties of the sponsor.</p>
<b>New Hampshire</b>	<p>Charter schools in New Hampshire will have a share of their funding withheld, with the maximum set by state law.</p> <p>Though state law does not specify a fee, charter schools that are authorized by local school district may receive as little as 80% of the average per student cost in that district.</p>
<b>New Jersey</b>	<p>Charter schools in New Jersey will have a share of their funding withheld, with the maximum set by state law.</p> <p>The school district(s) where charter students reside may withhold up to 10% of the state funding allotted to charter schools.</p>
<b>New Mexico</b>	<p>Charter schools in New Mexico will have a share of their funding withheld, with the maximum set by state law.</p> <p>Entities that authorize charter schools may withhold up to 2% of charter funding for administrative purposes.</p>
<b>New York</b>	State law in New York does not specify that a share of charter funding is withheld.
<b>North Carolina</b>	State law in North Carolina does not specify that a share of charter funding is withheld.
<b>North Dakota</b>	North Dakota does not have a law establishing charter schools.
<b>Ohio</b>	<p>Charter schools in Ohio will have a share of their funding withheld, with the maximum set by state law.</p> <p>The sponsor of a charter school may withhold an oversight fee of up to 3% of the charter's total state funding, for the cost of monitoring the school.</p>
<b>Oklahoma</b>	<p>Charter schools in Oklahoma will have a share of their funding withheld, with the maximum set by state law.</p> <p>Entities that sponsor school districts may withhold up to 5% of the charter school's funding for administrative services rendered. In Oklahoma, these entities may include local school districts, the State Board of Education, the Statewide Virtual Charter School Board, a higher education institution, a technology center school district, or a federally recognized Indian tribe.</p>

<b>Oregon</b>	<p>Charter schools in Oregon will have a share of their funding withheld, with the maximum set by state law.</p> <p>Local school districts may withhold between 5% and 20% percent of the school districts funding per student for administrative and fixed costs associated with having a charter in their district.</p>
<b>Pennsylvania</b>	<p>State law in Pennsylvania does not specify that a share of charter funding is withheld.</p>
<b>Rhode Island</b>	<p>Charter schools in Rhode Island will have a share of their funding withheld, with the maximum set by state law.</p> <p>The state will deduct 5% from the per pupil cost used to calculate funding for charter schools. This amount is used to support the sending district for any indirect costs associated with having resident students attending charter schools.</p>
<b>South Carolina</b>	<p>Charter schools in South Carolina will have a share of their funding withheld, with the maximum set by state law.</p> <p>The statewide sponsoring agency, the South Carolina Public Charter School District, and a higher education charter sponsor may retain up to 2% of charter funding to cover the costs of overseeing charter schools. State law in South Carolina does not specify that a share of charter funding is withheld from charter schools authorized by local school districts.</p>
<b>South Dakota</b>	<p>South Dakota does not have a law establishing charter schools.</p>
<b>Tennessee</b>	<p>Charter schools in Tennessee will have a share of their funding withheld, with the maximum set by state law.</p> <p>Beginning in FY2018-19, school districts that authorize charter schools may withhold from charter schools the lesser of 3% of the amount distributed to the charter school or \$35,000 to offset expenses incurred by the school district in overseeing the charter school.</p>
<b>Texas</b>	<p>State law in Texas does not specify that a share of charter funding is withheld.</p>
<b>Utah</b>	<p>State law in Utah does not specify that a share of charter funding is withheld.</p>
<b>Vermont</b>	<p>Vermont does not have a law establishing charter schools.</p>
<b>Virginia</b>	<p>State law in Virginia does not specify that a share of charter funding is withheld.</p>
<b>Washington</b>	<p>Charter schools in Washington will have a share of their funding withheld, with the maximum set by state law.</p> <p>Entities that authorize charter schools, including local school districts and the Washington State Charter School Commission may receive an oversight fee of no more than four percent of each charter's funding. The State Board of Education will establish a formula with which to calculate the fee, and the Office of the Superintendent of Public Instruction will deduct the fee from each charter school's distribution and transmit the fee to the appropriate authorizer.</p>
<b>West Virginia</b>	<p>West Virginia does not have a law establishing charter schools.</p>
<b>Wisconsin</b>	<p>State law in Wisconsin does not specify that a share of charter funding is withheld.</p>
<b>Wyoming</b>	<p>State law in Wyoming does not specify that a share of charter funding is withheld.</p>

For a complete list of primary sources, please see the appropriate state page at [charters.funded.edbuild.org](http://charters.funded.edbuild.org)

