



Highlights of [GAO-03-899](#), a report to congressional requesters

CHARTER SCHOOLS

New Charter Schools across the Country and in the District of Columbia Face Similar Start-Up Challenges

Why GAO Did This Study

As of the 2002-2003 school year, nearly 2,700 charter schools operated in 36 states, the District of Columbia, and Puerto Rico. Charter schools are public schools that are exempt from certain state and local regulations in exchange for agreeing to certain student performance goals.

To increase their understanding of problems faced during the start-up process, Congress included a provision in the Omnibus Appropriations Bill for Fiscal Year 2003 (P.L. 108-7), which required GAO to report on charter school start-ups, including a comparison with charter schools in the District of Columbia. This report examines (1) the challenges faced by charter school start-ups across the nation and the resources available in various states to address these challenges and (2) how the District of Columbia compares in terms of charter school challenges and resources. To address these objectives, GAO analyzed federal, state, and D.C. charter school laws and interviewed Education and District officials, including representatives of the D.C. charter school authorizing boards, the D.C. public school system, and various city offices. GAO also conducted a discussion group consisting of District charter school experts and D.C. charter school founders.

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To view the full product, including the scope and methodology, click on the link above. For more information, contact Marnie Shaul, (202) 512-7215 or shaulm@gao.gov.

What GAO Found

Securing a facility, obtaining start-up funding, and, to a lesser extent, acquiring the expertise necessary to run a charter school are the three greatest challenges facing new charter school founders nationwide, although the extent of the challenges varied from state to state. Charter school advocates report that charter schools need buildings that allow them to grow as their enrollment grows and that they have limited access to financing for facilities—both of which make securing facilities one of the most difficult aspects of opening a new charter school. Additionally, charter schools report that obtaining start-up money, particularly early in the charter application and planning periods, is difficult. In gaining approval for charters, they may incur significant expenses, such as hiring experts to review charters, purchasing curriculum programs, and placing down payments on facilities, before becoming eligible to receive most forms of public funding. Another challenge facing new charter school founders is acquiring the expertise—business, legal, managerial—necessary to open and run a charter school.

Several federal, state, and local programs are available to help charter schools address these challenges across the country and in the District of Columbia. At the federal level, the Public Charter Schools Program has awarded about \$1 billion in grants since 1994 to charter schools to help offset their start up costs. The program has also provided additional funding for a limited number of grants to organizations to increase charter schools' access to facilities financing. Some states also provide assistance to charter schools to address these challenges as shown in the following table.

Type of assistance	Number of states
Funding assistance for facilities	11 and D.C.
Access to vacant public buildings	18 and D.C.
Provide start-up grants or low or no interest loans	9 and D.C.
Technical assistance programs	28 and Puerto Rico

Source: GAO analysis of state charter school laws and Education Commission of the States.

The challenges facing D.C. charter schools are similar to those around the country; however, obtaining facilities is particularly difficult in D.C. due to the cost of real estate and poor condition of available buildings. To offset this challenge, the District provides charter schools with various forms of assistance, including a limited preference to buy or lease surplus public school buildings and a per-pupil allotment for the cost of facilities. To address challenges associated with start-up funding, the District provides charter schools with some funding prior to schools' opening. Although the District chartering authorities provide some guidance to charter applicants, they do not provide them with general technical assistance.