



October 2024

Study of Oregon Charter School Funding 2024

Oregon Coalition of Community Charter Schools

Prepared for the Oregon Coalition of Community Charter Schools

ECONorthwest

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Executive Summary

KEY FINDINGS

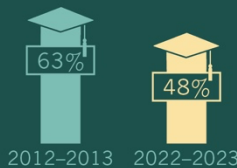
Over the last ten years, charter school enrollment has gone up, but **funding relative to enrollment has decreased**.

Total Schools

115–120 in-person charter schools
(no significant change since 2013)

Total Students

25,000 students in 2023,
up from **20,000** in 2013.



In 2023, charter schools within districts received only 48% of the per-student funding that district-run schools in the same district received, down from 63% in 2013.



In 2023, charter schools received \$6,000 less per student compared to their district-run counterparts.

In 2023, charter school teachers were compensated 21% less than district teachers, a 6% wider compensation gap compared to 2013.



In Oregon, charter schools comprise a steadily increasing slice of the public education landscape. Charter schools, which are independently operated public schools, provide options for parents and families seeking alternative or specific educational programs that may not be offered at school district-run public schools. Most charter schools operate under a local school district, which allocates funding to charter schools and shares some responsibility in school operations.

This study updates a 2015 study of the funding disparities between charter schools and district-run schools across the state in 2022-2023 academic year by providing an in-depth analysis public school funding mechanisms and staffing characteristics. The results of this analysis demonstrate a persistent gap in financial and staffing resources available to charter schools.

Key Findings:

Charter schools have seen steady growth in enrollment and number of schools, but face disparities in school funding and staff compensation. In the 2023-2024 academic year, Oregon had 133 charter schools. Since the 2013-2014 school year, charter school enrollment has grown by 47 percent. Despite currently enrolling 4.5 percent of all students in Oregon, charter schools only receive 2.9 percent of public funding. Similarly, despite employing 4.7 percent of staff, they only account for 3.9 percent of total staff compensation. These schools must provide comprehensive education under tighter budget constraints, leading to differences in staffing, compensation, and available resources.

School districts receive varying amounts of state funding per student. Public school funding in Oregon is driven largely by State School Fund (SSF) grants, comprising about 67 percent of total funding for Oregon public schools. School districts typically receive between 75-90% of the funding originally allocated through the state's formula due to alternate local and federal revenue sources. The largest of the SSF grants is the General Purpose (GP) grant, comprising about 95% of total SSF funds.¹ The GP

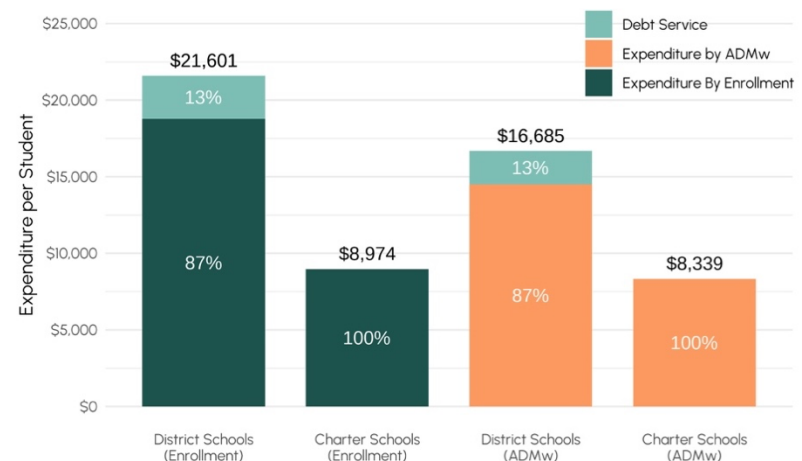
¹ Oregon Department of Education, Overview of the School State Fund.
<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/CommitteeMeetingDocument/231335>



grant allocation method begins with a fixed amount per student. This fixed amount is then adjusted that varies across districts, such as the average experience level of the district's teachers and characteristics of the district's students. Newer state policy achievements in school finance, such as Student Investment Accounts (SIAs) and Summer Learning Grants (SLGs) are also now available to charter schools but do not contribute meaningfully to closing the funding gap between charter and district-run schools.

Charter schools in Oregon receive considerably less funding than district run schools when considering enrollment numbers and weighted per-student averages. On average, charter schools in Oregon receive just 67 percent of the funds that district-run schools receive per student based on enrollment. For charter schools located within districts, the gap is even larger: they receive only 48 percent of the funding per student that district-run schools in the same district receive. By law, districts are required to allocate only 80%-95% of their GP grant per student to charter schools, and most do not provide more than this minimum amount. Moreover, many state, federal, and local funds that district-run schools can access are not available to charter schools.

Per Student Expenditures of Charter Schools and their Host Districts



Charter schools in Oregon employ more staff per student than district-run schools, but their staff are generally less experienced and receive lower salaries. Teachers in charter schools average 8.1 years of experience, compared to 12.2 years for district-run school teachers. Additionally, charter school teachers are paid 21% less than their district counterparts, which hinders charter schools' ability to attract and retain qualified educators.

The findings from this study suggest that there are significant state policy issues surrounding charter school funding. Despite their status as public schools, charter schools face a persistent funding disadvantage that may limit their ability to provide robust educational services. The structure of Oregon's funding system, which mandates lower per-student payments to charter schools, inherently disadvantages charter schools in their ability to offer equivalent educational opportunities. The funding gap also contributes to differences in staffing, with charter schools employing less experienced and lower-paid teachers. Although the state's legislative initiatives, such as the Student Success Act, have increased overall funding for public education, they have not addressed the fundamental inequities faced by charter schools.

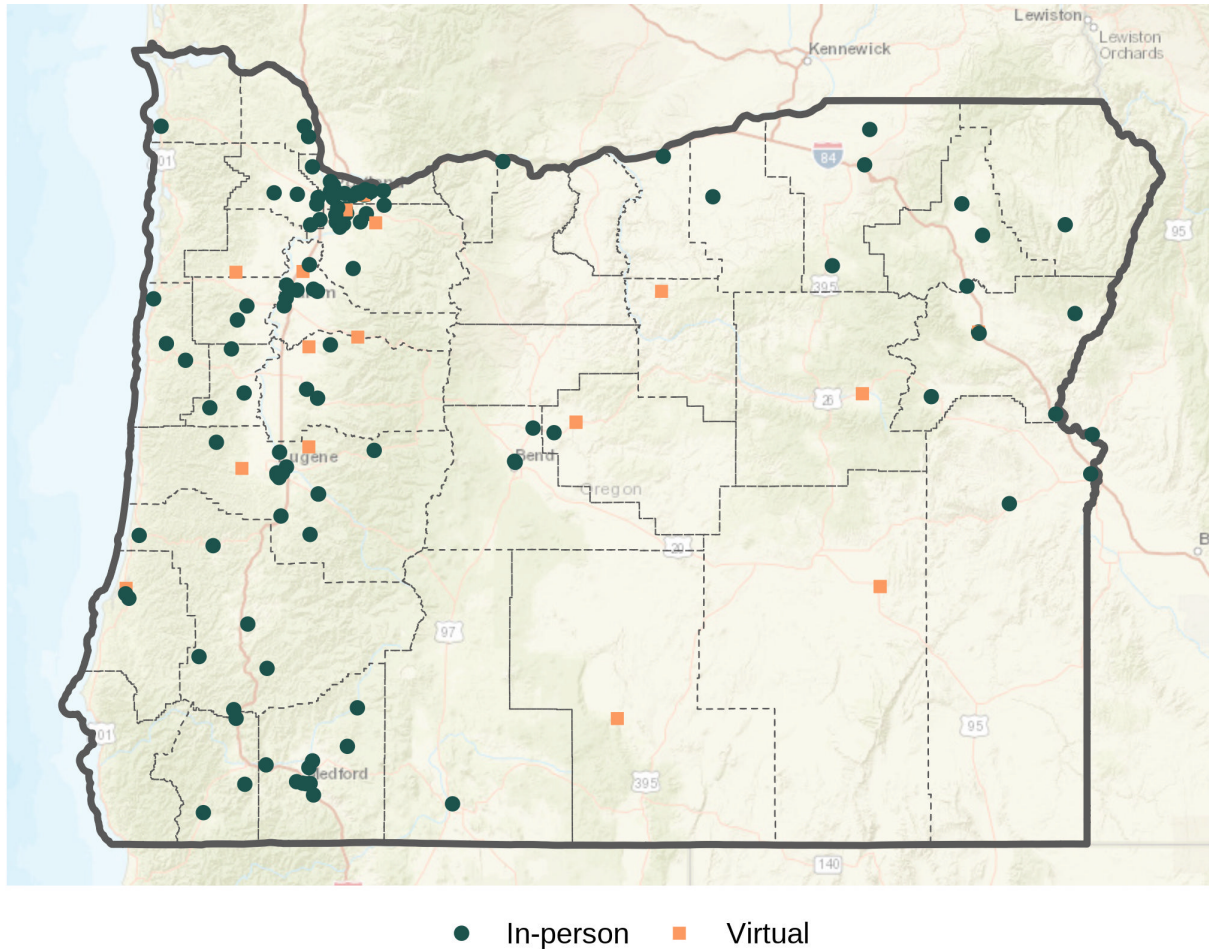
1. Charter Schools in Oregon

Charter schools are independently operated, comprehensive public schools that are established through an authorizing agreement and under contract with local boards of education. Public charter schools have been part of the educational landscape in Oregon since authorizing legislation passed in 1999. As in other states, Oregon charter schools operate under a charter agreement with an authorizing agency and are exempt from some of the state laws governing public education. The charter agreements provide charter schools with more autonomy with respect to matters of school operations including budget, staffing, and curriculum. In return, charters are held accountable for meeting performance objectives that are set out in the charter agreement. Failing to meet performance standards set out in the school charter can, depending on specific terms of the contract and state law governing charter school operations, lead to sanctions and ultimately the closing of a school. The intent of the enabling legislation was to create “a legitimate avenue for parents, educators and community members to take responsible risks to create new, innovative and more flexible ways of educating children within the public school system.” (ORS 338.015)

Charter schools can operate under the jurisdiction of a local school district or the State Board of Education, but they can also exist independently as a single charter school district, where the charter school is the only school in the district. Single charter school districts are allocated funding in the same way as other school districts. Exhibit 1 shows the location of Oregon charter schools during the 2023-24 academic year. Not surprisingly, many charter schools are concentrated in population centers such as the Portland metropolitan area and the Willamette Valley.



Exhibit 1. Location of Oregon Charter Schools (2023-24)



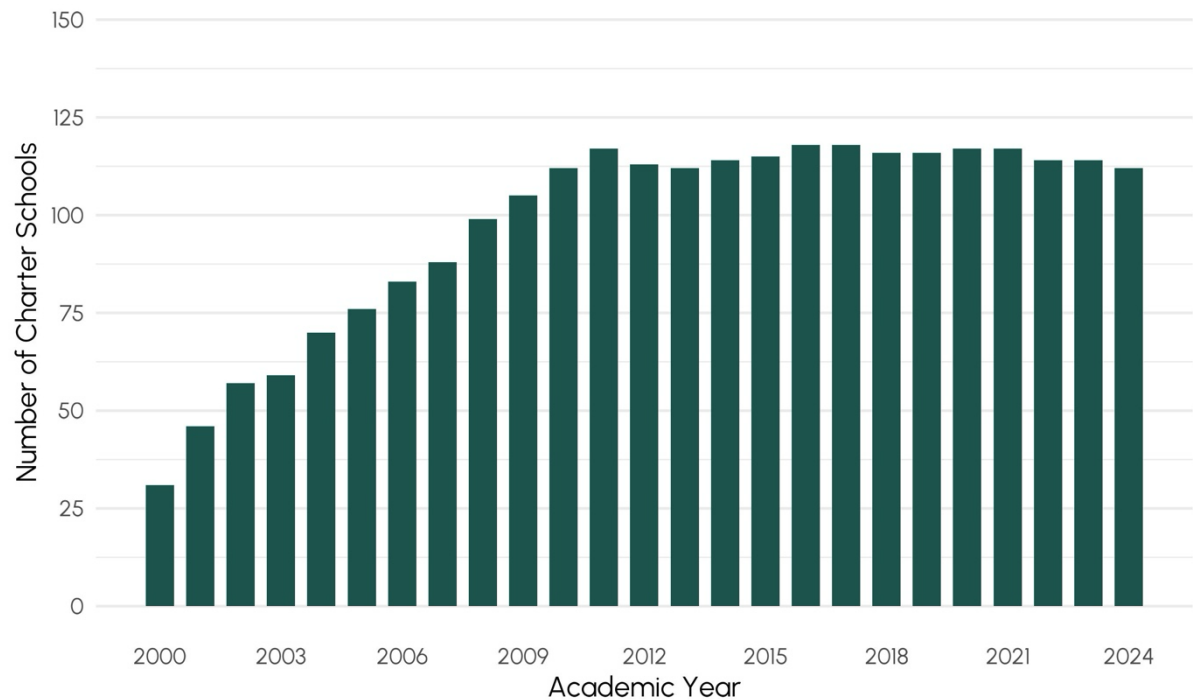
Source: ECONorthwest and Oregon Department of Education.

Oregon Charter Schools Over Time

After a rapid proliferation of charter schools in the early 2000s, the number of charter schools in Oregon remained relatively constant through the 2010s. Exhibit 2 shows the total number of charter schools operating in Oregon over time. The state had 133 charter schools operating in academic year 2023-24, slightly below the peak of 137 schools in 2020-21. Several charter schools also provide primarily virtual education rather than in-person education. Overall, the share of Oregon charter schools with exclusively virtual instruction increased from 14 schools in 2013-14 to 21 schools in 2023-24.²

² Virtual Charter schools are identified as those which report their “Virtual School Status” as either “Full Virtual” or “Focus Virtual” in the Oregon Department of Education Institutional Database. Schools that are coded “Supplemental Virtual” or “Not Virtual” are assumed to be primarily in person instruction programs.

Exhibit 2: Number of In-Person Charter Schools in Oregon (2000-2024)



Source: ECONorthwest and Oregon Department of Education.

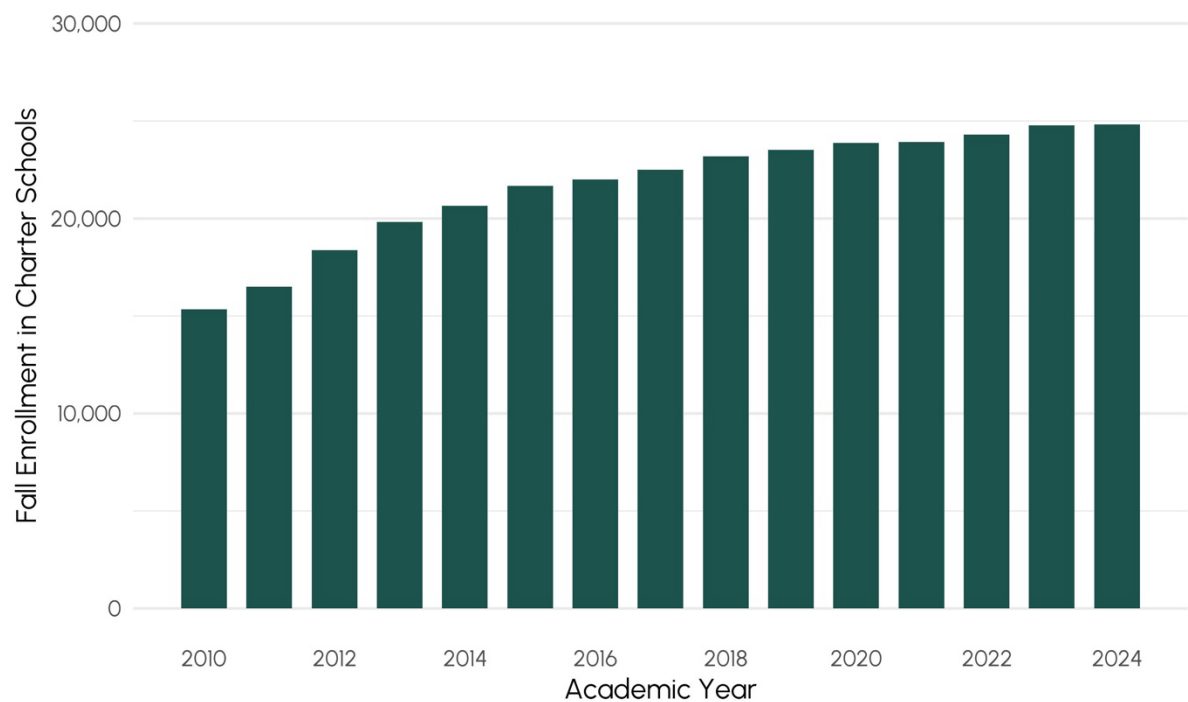
Enrollment in charter schools has increased steadily over the last decade. Between school year 2013-14 and 2023-24, the total number of students served by virtual and in-person charter schools grew from 29,186 to 42,875, a 47 percent growth in total students. At the same time, enrollment in virtual charter schools has accounted for a growing share of all charter school enrollments. While virtual charter schools only accounted for 15 percent of all charter schools in 2023-24, they enrolled 41 percent of all charter school students in Oregon.

The remainder of this analysis focuses specifically on charter schools with in-person instruction. Unless specified, “charter schools” refers to Oregon charter schools operational between academic years 2000 and 2024 that delivered in-person instruction. Further, the comparative analysis below focuses on charter schools and district-run schools and excludes schools affiliated with education service districts or state programs.

Exhibit 3 shows the enrollment over time for in-person charter schools in Oregon. In academic year 2023-24, these schools enrolled 24,821 students, accounting for 4.5 percent of all students enrolled in public education across the state. Charter schools have seen relatively steady enrollment growth in recent years, even as the number of in-person charter schools has fallen slightly.



Exhibit 3: Enrollment in In-Person Oregon Charter Schools (2010-2024)



Source: Oregon Department of Education, EConorthwest.

In aggregate, staff compensation and the share of public funds allocated to charter schools lagged behind the share of students they enrolled and staff they employed in academic year 2022-23. Charter schools employed 4.7 percent of the education staff (FTE) assigned to Oregon public schools in academic year 2022-23, slightly higher than charter schools’ share of enrollment. But charter school staff received only 3.9 percent of total compensation paid to staff assigned to public schools, and charter schools overall received only 2.9 percent of public K-12 funds distributed in the state (see Exhibit 4). Enrollment, staffing, and funding pattern is similar after removing single charter school districts.

Exhibit 4: Charter Schools as a Share of Public Enrollments, Staffing and Funds in 2022-23³

	ENROLLMENT	STAFF	STAFF COMPENSATION	PUBLIC FUNDS
All Charter Schools	4.5%	4.7%	3.9%	2.9%
Charter Schools (less Single Charter School Districts)	3.5%	3.5%	3.0 %	2.0%

Source: EConorthwest and Oregon Department of Education.

³ Note: staff compensation is limited to salaried employees and does not include hourly workers.

2. State Funding of Public Schools

State Policy on Charter School Funding

Rules governing the funding of charter schools are set out in state statute. The district in which the charter school has been established must transfer state funding to the charter school for each attending student. A minimum payment per student is set at a percent of the host district's per student General Purpose (GP) grant.

(2) A school district shall contractually establish, with any public charter school that is sponsored by the board of the school district, payment for provision of educational services to the public charter school's students. The payment shall equal an amount per weighted average daily membership (ADMw) of the public charter school that is at least equal to:

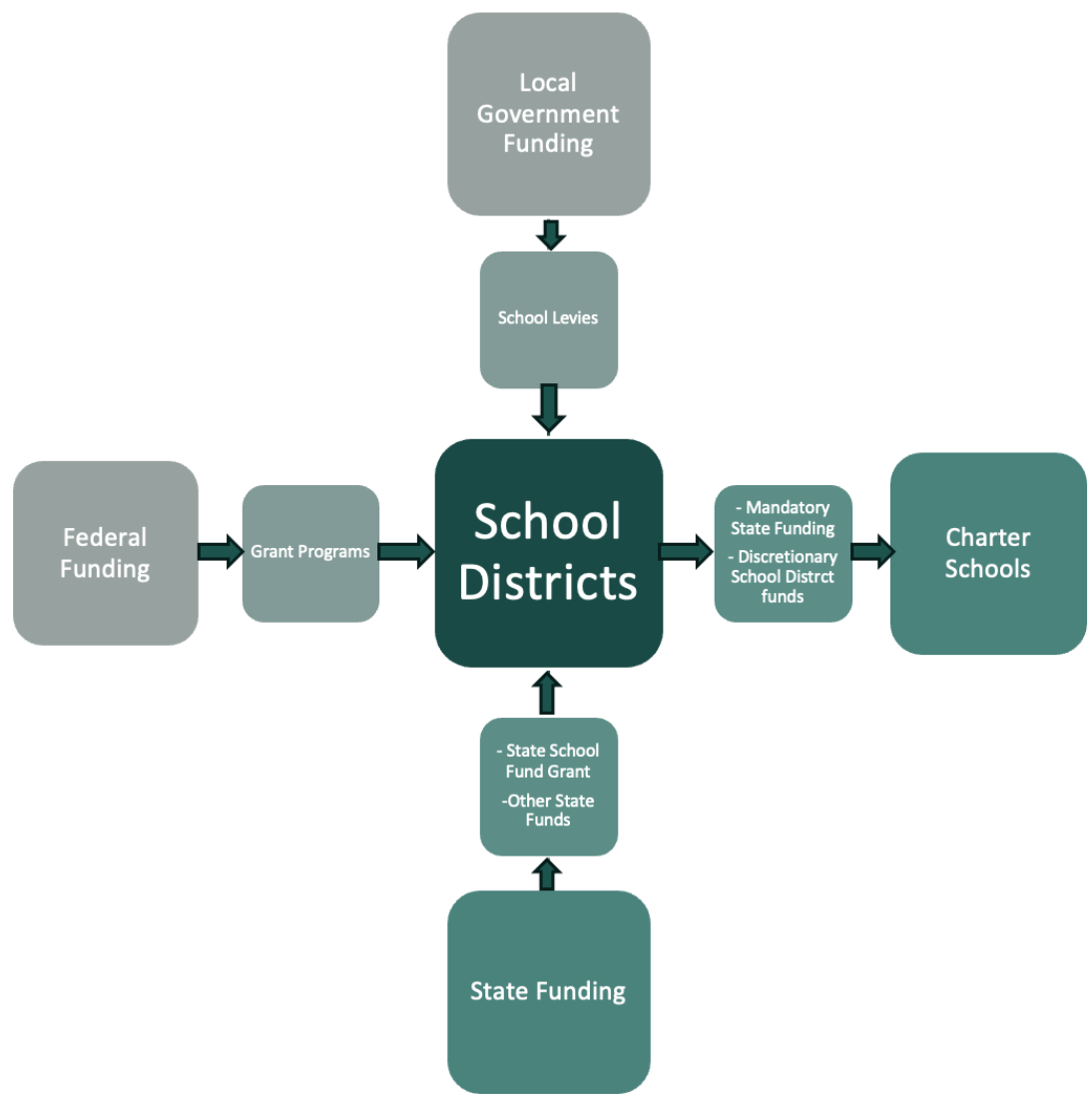
(a) **Eighty percent** of the amount of the school district's GP grant per ADMw as calculated under ORS 327.013 for students who are enrolled in kindergarten through grade eight; and

(b) **Ninety-five percent** of the amount of the school district's GP grant per ADMw as calculated under ORS 327.013 for students who are enrolled in grades 9 through 12. (ORS 338.015)

Exhibit 5 displays the central “pass-through” role of districts in the funding of charter school in Oregon.



Exhibit 5. Districts Pass Funds Through To Charter Schools



Source: ECONorthwest.

State School Fund and School Financing

Public school funding in Oregon involves an array of specific grants and reimbursements combined with a variety of state, local, and federal funds. The primary state payments to districts are grants from the State School Fund (SSF). SSF grants include several funding streams that are adjusted for the availability of local revenue for schools. The largest of these is the GP grant, comprising about 95% of total SSF funds.⁴ The GP grant allocation method begins with a fixed amount per student. This fixed amount is then adjusted based on several local factors that vary across districts, such as the average experience level of the district’s teachers and characteristics of the district’s students. Such factors are then used to

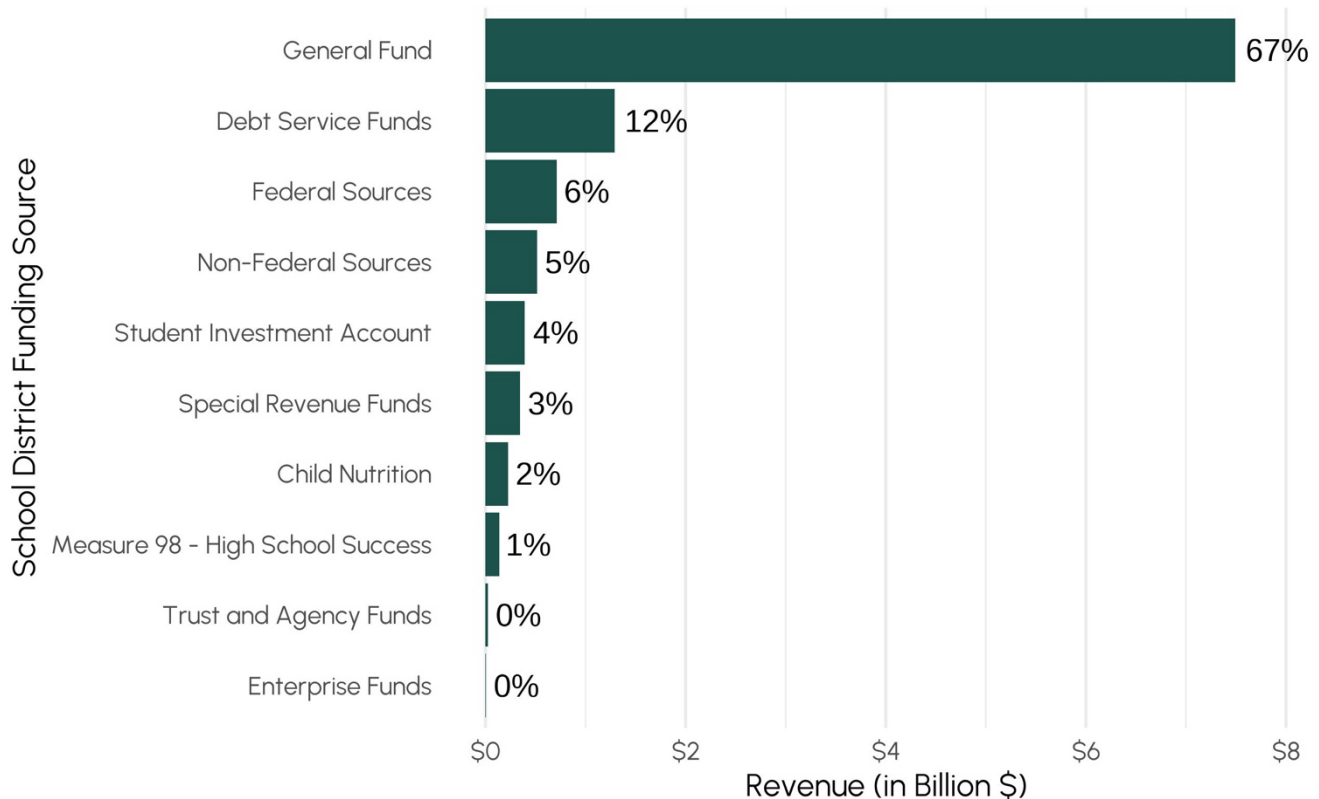
⁴ Oregon Department of Education, Overview of the School State Fund.
<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/CommitteeMeetingDocument/231335>



determine each district's Weighted Average Daily Membership (ADMw).⁵ The district's GP grant is determined using ADMw.

Exhibit 6 shows the average distribution of funding for Oregon school districts. The General Fund, which includes the State School Fund and other state resources, accounts for roughly two-thirds of total revenue—over \$7 billion worth of revenue—while other sources, including debt service funds, federal funds, and special revenue funds, make up the remaining funds.

Exhibit 6. Total Revenue by Source (Funds) for School Districts (AY2022-23)



Source: ECONorthwest and Oregon Department of Education.

The SSF grant includes other funds beyond GP grants: transportation grants, high-cost disability grants, and facilities grants. Local revenue and federal dollars are subtracted from the amount of each of these grants.

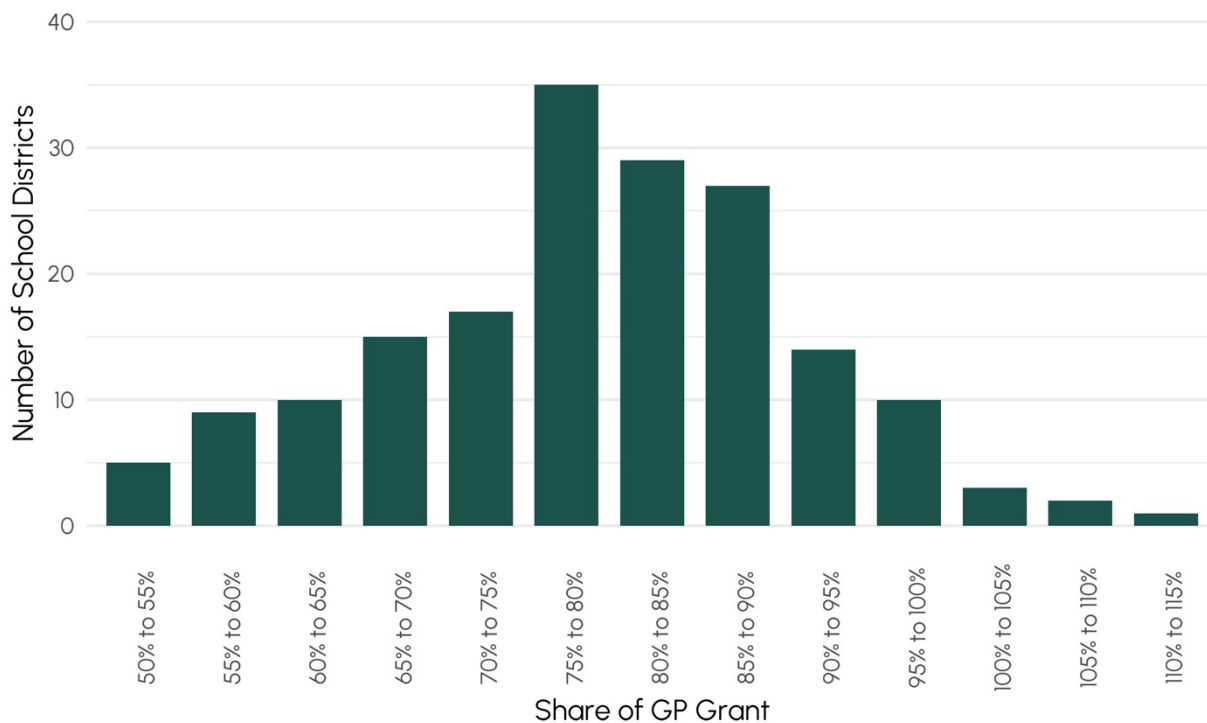
“2) There shall be apportioned from the State School Fund to each school district a State School Fund grant, consisting of the positive amount equal to a GP grant and a facility grant and a transportation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.011 (Description of Local Revenues for purpose of State School Fund distributions) and 327.013 (State School Fund distribution computations for school districts). (ORS 327)”

⁵ For example all students have a base weight of 1.0 in the ADMw, while students in poverty receive an additional 0.25 weights. Districts with a higher ADMw relative to Average Daily Membership enrollment have relatively more disadvantaged students and also receive relatively more state funding, all else equal.

As a result of combining the various grant programs and the netting out some local dollars, the amount of funding received by school districts from the SSF on a per student basis can vary dramatically when compared with their initial per student GP grant. Some districts receive a per student SSF grant that is roughly equal to their per student GP grant value, while others receive considerably lower amounts.⁶ This is demonstrated by the fact that while the GP grant per enrolled student ranged from \$10,101 to \$135,305 in academic year 2022-23, the SSF grant distributed to school districts ranged from \$0 to \$109,079 per enrolled student.

Exhibit 7 shows the distribution of the share of GP grant value that is received by school districts from SSF after local and federal dollars are subtracted out. Most school districts in Oregon receive between \$1,335 and \$3,263 less per student from the SSF than is the base per student value of their GP grant. Some districts receive considerably lower per-student distributions. A large share of school districts receives between 75-90% of the GP grant value from SSF grants. Very few school districts receive an equivalent amount or more than initially allocated through GP grants from SSF grants.

Exhibit 7. District SSF Grants as a Share of District GP Grant (2022-23)



Source: ECONorthwest and Oregon Department of Education.

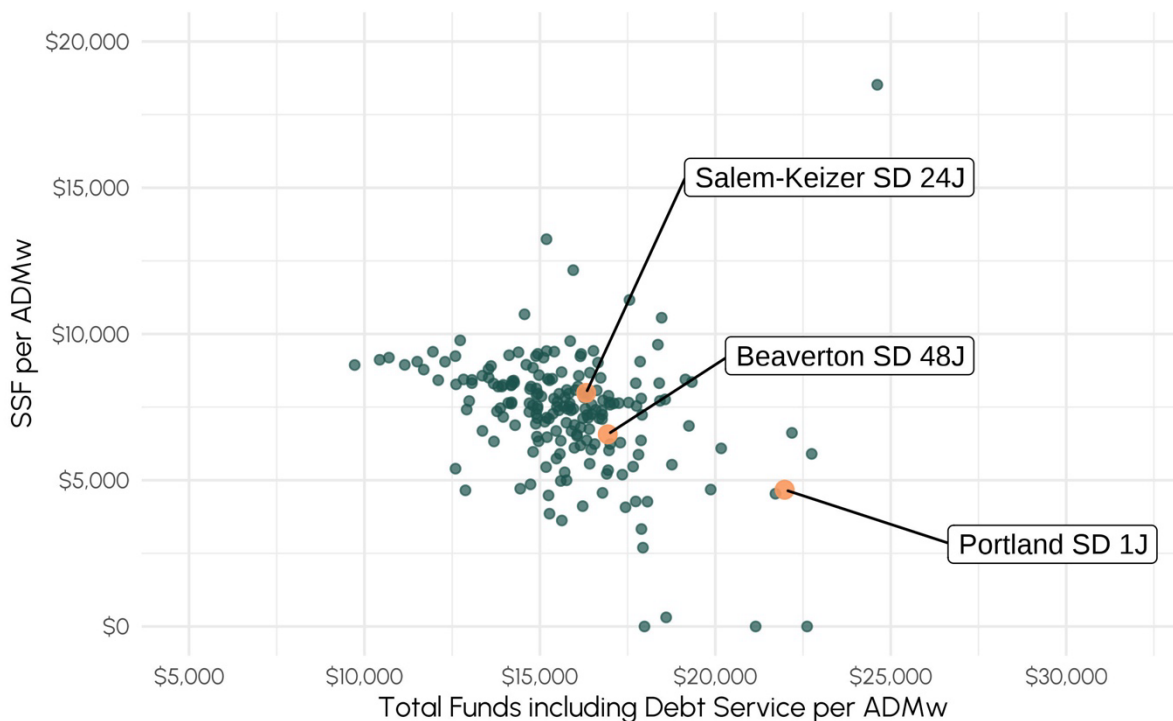
⁶ Note that in many cases outliers in funding on a per student basis are associated with small districts with very small number of students being served. These outliers have a very modest influence on the overall picture of school finance in Oregon.



The amount of funding available to school districts from the SSF varies based on the amount of other local, state, and federal dollars available to them. Some of these additional funds may not be available to charter schools and can only be used for district-run schools, which may exacerbate the disparity in funding that is already instituted from the lower percentage of ADMw per student value that districts are required to allocate to charter schools.

Exhibit 8 shows the distribution of school districts with their per-student SSF grant amounts compared to their total per student funding per ADMw. Districts are for the most part concentrated in similar levels of SSF funding per total funds. Some of the larger districts are highlighted, including Portland SD, Beaverton SD, and Salem-Keizer SD. There are also a few notable outliers. Four school districts received zero SSF grant, likely due to very low ADMw or significantly higher sources of alternate local or state revenue: Jewel SD 8 and Seaside SD 10 in Clatsop County, and Neah-Kah-Nie SD 56 and Nestucca Valley SD 101J in Tillamook county. The ADMw for these districts are 257, 1791, 927 and 719, and their GP grant was 2.6, 16.9, 8.9 and 6.9 million dollars respectively.

Exhibit 8. District Per Student SSF Grants Compared with Total Per Student Funding (2022-23)



Source: ECONorthwest and Oregon Department of Education.

State Innovations in School Funding

Since 2013, the Oregon State Legislature has added additional funding mechanisms that affect all schools in Oregon, including charter schools. These include Student Investment Accounts (SIAs) and Summer Learning Grants (SLGs).

Student Investment Accounts



Oregon's 2019 legislative session saw the passage of the historic Student Success Act, a law intended to provide critical funding to schools to improve graduation rates, attendance, early childhood education, and career technical programs (among other initiatives). The law was estimated to generate an additional \$1 billion in annual funding for schools through a commercial activities tax levied at 0.57 percent of business revenue above \$1 million. Half the money or \$500 million per year, was dedicated to school district SIAs and select charter schools which can be spent for two purposes: (1) mental/behavioral health needs, and (2) closing the achievement gap for students of color, students with disabilities, bilingual students, and poor/homeless/foster care students. Due to the Covid-19 pandemic, the business activities tax only generated about a third of the revenue that was projected in its first year. The funds are allocated in two-year increments based on applications submitted by individual school districts.

Charter schools can qualify for SIA funds, either through their host districts or independently if greater than 35 percent of their student population are economically disadvantaged, racial/ethnic minorities, or disabled.⁷ Based on Oregon Department of Education (ODE) estimates for the most recent tranche of SIA funding, charter schools (including those independently applying charters along with charter schools applying with a district) received approximately \$34 million (~4 percent) while district-run schools received approximately \$888 million (~96 percent). The funds are apportioned using weighted average daily membership (ADMw), meaning districts with more (weighted) students receive a larger amount of funding – the same mechanism by which GP grants are apportioned from the State School Fund.

The Student Success Act was passed to provide additional funding to Oregon schools, but has no direct role in closing the gap between charter schools and district-run schools. It apportions money to schools using a mechanism similar to the State School Fund, and therefore will not necessarily produce a different result.

Summer Learning Grants

By contrast with Student Investment Accounts, for which the State of Oregon established a permanent revenue stream for, Summer Learning Grants must be approved annually by the Oregon legislature. Following the Covid-19 pandemic, record funding was provided for summer learning programs to help students catch up from school missed during quarantine. School districts and youth organizations such as the YMCA and the Boys & Girls Club were allocated \$150 million in 2021 and 2022.⁸ However, no funding was allocated in 2023 and only \$30 million was allocated in 2024.⁹ Per ODE, charter schools are eligible to receive summer learning grant money.¹⁰ As with SIA funds, there is no necessary connection between Summer Learning Grants and the funding gap described in this report.

⁷ https://www.oregon.gov/ode/StudentSuccess/Documents/Charter_Guidance.pdf

⁸ <https://www.salemreporter.com/2024/01/30/lawmakers-propose-temporary-summer-school-funding-while-pursuing-long-term-fix/>

⁹ <https://www.opb.org/article/2024/03/06/oregon-legislature-passes-funding-summer-school/>

¹⁰ <https://www.oregon.gov/ode/schools-and-districts/grants/pages/summer%20learning/state-summer-learning-grants.aspx>



Summer Learning Grants are additive and do not apply to the normal K-12 school year. The grants do however provide an additional (though irregular) revenue stream to school districts and youth organizations. The role these grants have on charter school funding is likely negligible in the overall funding received by charter schools, given that only a small number of schools receive these grants. In 2024, 10 charter schools independently received Summer Learning Grants out of 66 total districts and organizations. Some districts may have allocated a portion of the funds they received to charter schools under their jurisdiction.



3. Charter School Funding Analysis

The primary question of this analysis is whether charter schools in Oregon receive similar levels of funding per student as their district-run counterparts. Charter schools are comprehensive public schools, and as such, provide education services that are commensurate with district-run schools. This updated study seeks to determine whether state funding for charter schools has changed since the release of our 2015 study, considering new educational policies at the state level and increasing in-person charter school enrollment across Oregon.

Similar to our prior report, we examine both school-level funding data and data on school staffing and compensation. The latter data illustrate how charter schools employ a substantially different staffing models from district-run schools. Staff costs are the main school operating expense, and as such it is likely that differences in charter school funding will also be reflected in how charter schools are staffed.

Approach

Our approach in this update generally adheres to the methods employed for the 2015 study. We relied upon revenue, expenditure, enrollment, and staffing data provided by the Oregon Department of Education for all 197 Oregon school districts. We rely primarily on data for the 2022-23 academic year, the most recent year for which comprehensive data is available.

We assess per-student funding levels using both fall enrollment (the number of students enrolled as of the first school day in October) and ADMw (the weighted student membership used in the SSF formula) as measures of student population. Fall enrollment is a reasonable denominator as schools must serve all students regardless of weights applied in the funding formula. ADMw largely determines the amount of state revenue flowing to school districts and sets a floor on district funding of charter schools. Although both denominators produce qualitatively similar conclusions, each provides a different perspective on charter school funding relative to that of other schools.

In summary, our approach included the following:

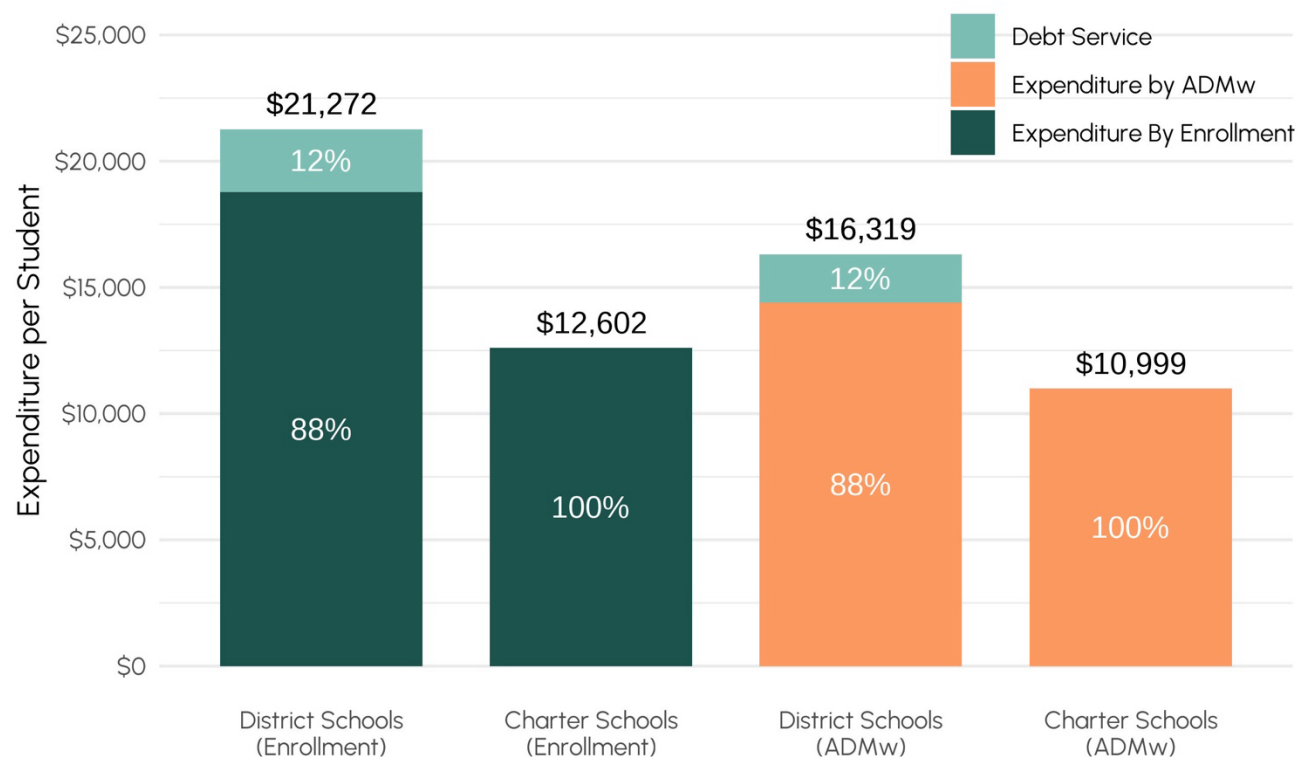
- ◆ An examination of funding data for charter schools that are part of larger districts and a comparison of this data with the same data for their host district counterparts.
- ◆ An examination of single school charter districts in comparison with small non-charter districts (less than 250 students).
- ◆ An analysis of staff-level data regarding years of experience and salaries for staff in charter schools and district-run schools.



Charter School Funding Disparities

As was the case in our prior report, in 2022-23, charter schools received less public funding per student than their district-run counterparts using both fall enrollment and ADMw as the per-student measure, as shown in Exhibit 9. On average, charter schools¹¹ only have access to 67 percent of the funds available to district-run schools per fall enrollment (76 percent per ADMw). This reflects an increase in charter funding relative to 2013-14, when charter schools received 61 percent of the funding available to district-run schools per fall enrollment (69 percent per ADMw). The disparity nonetheless remains large.

Exhibit 9. Per Student Expenditure for Charter Schools and All School Districts



Source: ECONorthwest and Oregon Department of Education.

If we compare the funding between charter schools and district-run schools with at least one charter school (see Exhibit 10) the funding disparity is even larger.¹² This is an important distinction because it reflects how the school districts that actually have charter schools are funding to their charter schools in practice. For this subset, charter schools receive 48 percent of the funds available to district run schools per fall enrollment (57 percent per ADMw), a decline compared to our findings from the 2013-14 academic year, when charter

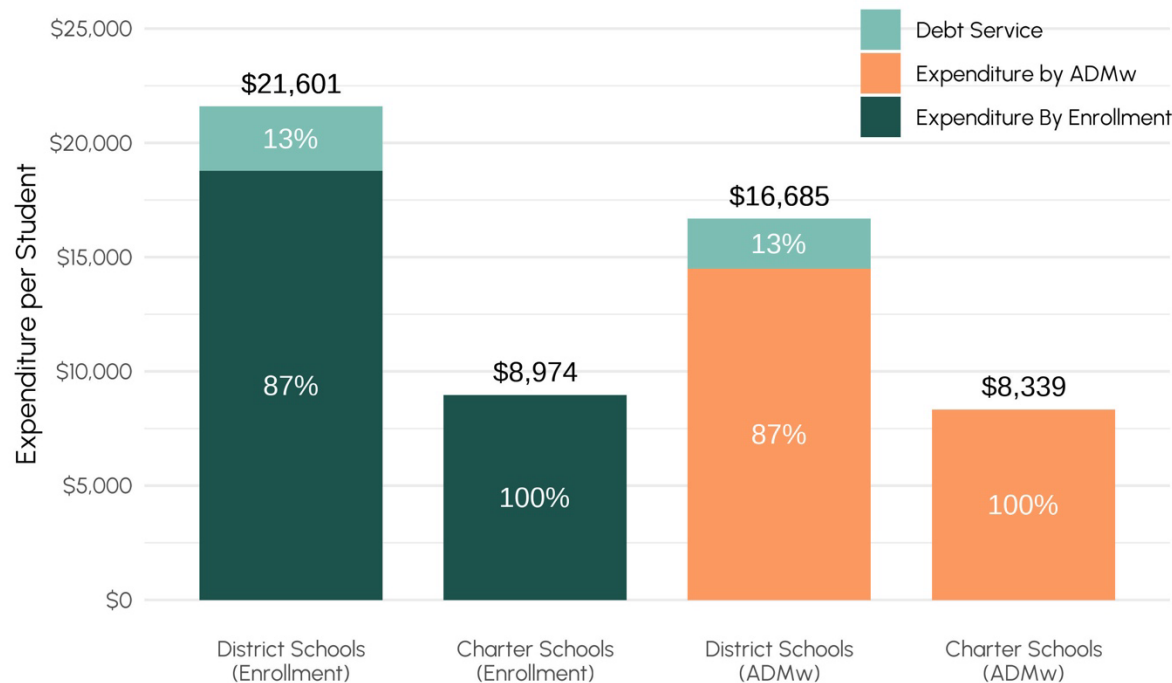
¹¹ Charter schools include conversions from district-run public schools.

¹² In other words, we exclude district-run schools in districts with no charter schools. We also exclude charter-only districts.



schools received 63 percent of the funds available to district-run schools per fall enrollment (58 percent per ADMw).

Exhibit 10. Per Student Expenditures of Charter Schools and their Host Districts

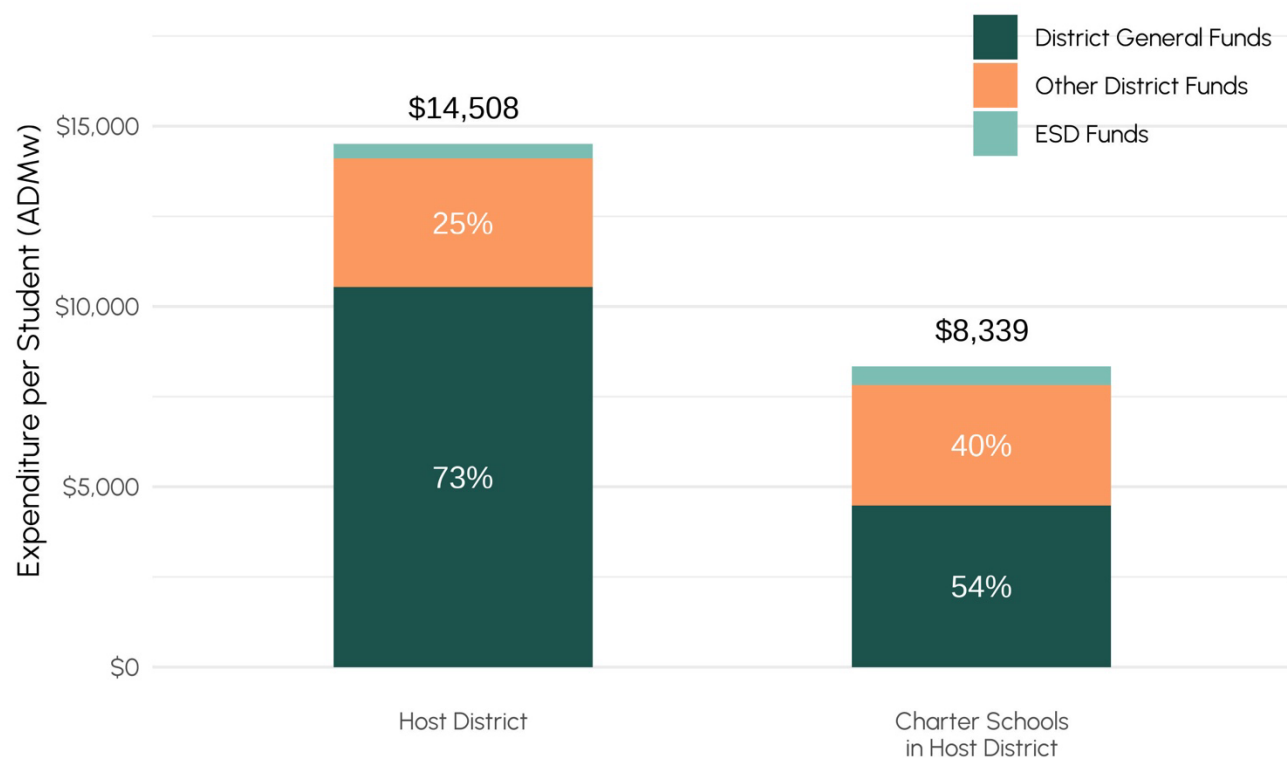


Source: ECONorthwest and Oregon Department of Education.

All school districts receive various forms of funding that supplement the general revenue allocations they receive. These funds include special revenue funds and enterprise funds. The enterprise funds can be further broken down into trust and agency funds, ESD funds, and internals service funds. Within host districts, the allocation of funding to charter schools from each of these funds differs substantially compared to district-run schools. District-run schools receive roughly two thirds of their total funding from district general funds, with special revenue funds contributing about another third and the last three funds making up a small fraction of the total allocation. For charter schools, funding is distributed more evenly among the funding sources: about of half the total funds received by charter schools come from funds other than district general funds. Special revenue funds account for about a third of the total funding for charter schools, like their host districts, while enterprise funds (trust and agency, internal service, and ESD) makeup the last 20 or so percent of funds (see Exhibit 11).



Exhibit 11. Per Student Expenditures (by ADMw) classified by Source Fund for District Schools and Charter Schools¹³



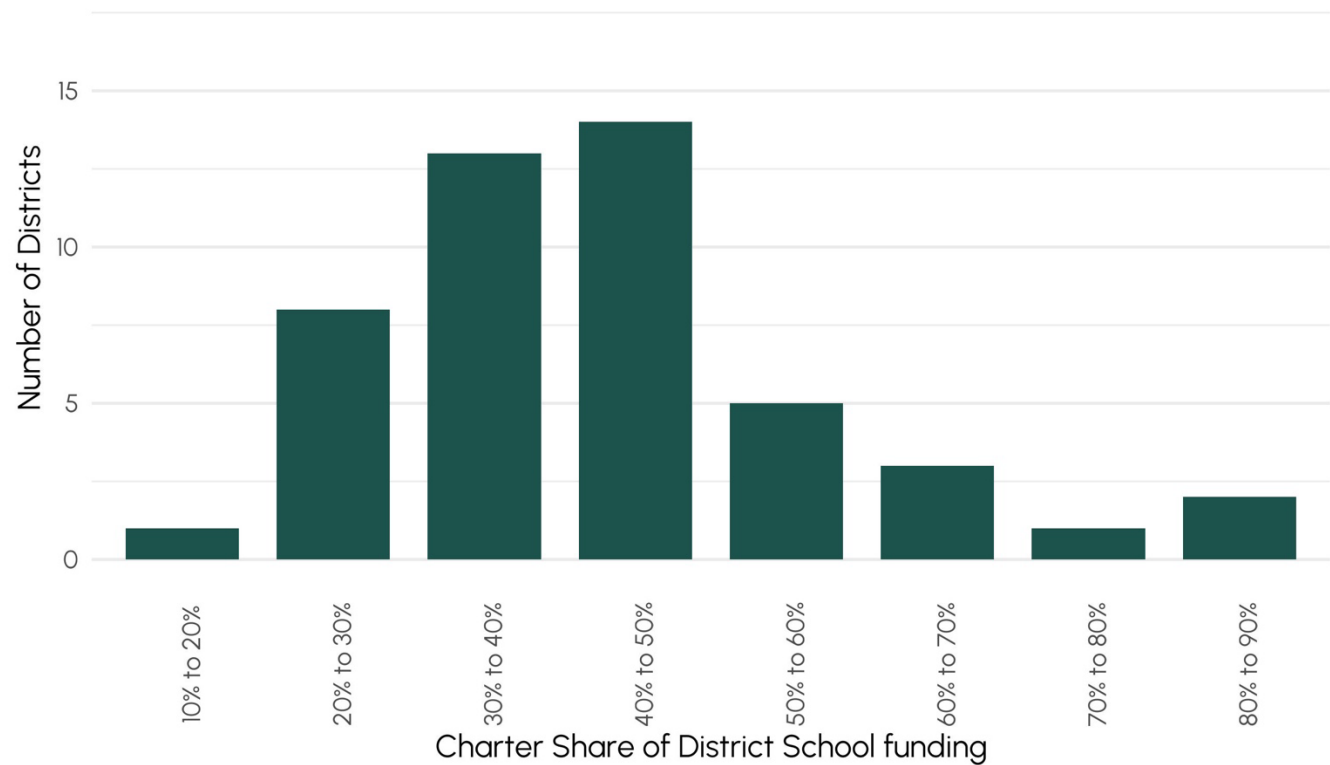
Source: ECOnorthwest and Oregon Department of Education.

On a per-enrollment basis, charter schools receive a significantly smaller share of funding compared to district-runs schools. Most districts allocate between 30-50% of the share of funding they receive to charter schools as compared to their district schools, as shown in Exhibit 12.

¹³ “Other district funds” include special revenue funds, enterprise funds and internal service funds at the school level.



Exhibit 12. Charter School Expenditures as a Share of District-Run Schools Expenditures per Enrollment



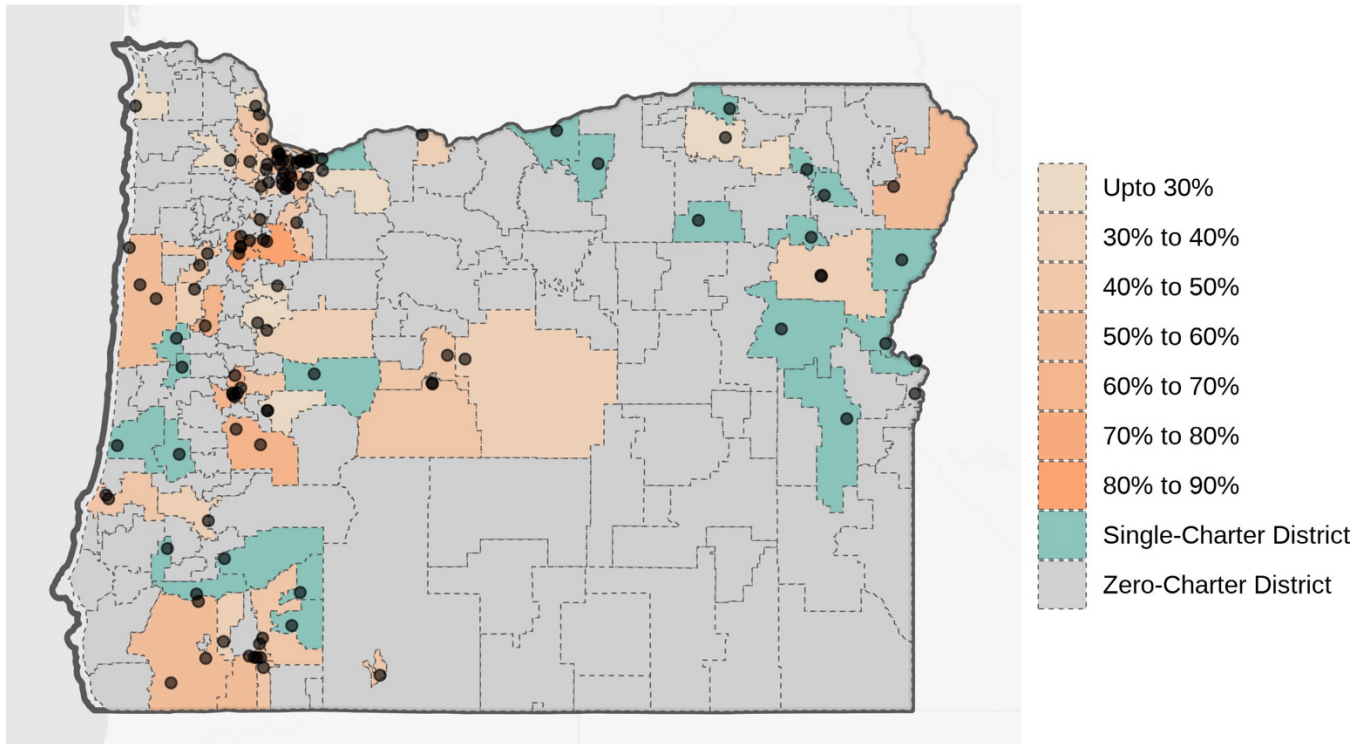
Source: ECONorthwest and Oregon Department of Education

The variation in the share of district funds that are made available to charter schools on a per student basis can also be seen in the map in Exhibit 13.

The funding disparities experienced by charter schools are enshrined in statute, as districts are required to allocate only 80% of the value of their GP grant per ADMw. Districts have the option to allocate more than this amount to charter schools but have little incentive to do so. Compounding these disparities are state, local, and federal dollars outside of the GP grant that may apply to district-run schools but not charter schools. Despite their status as public schools, state policy inherently disadvantages charter schools to be funded at equal levels to district-run public schools.



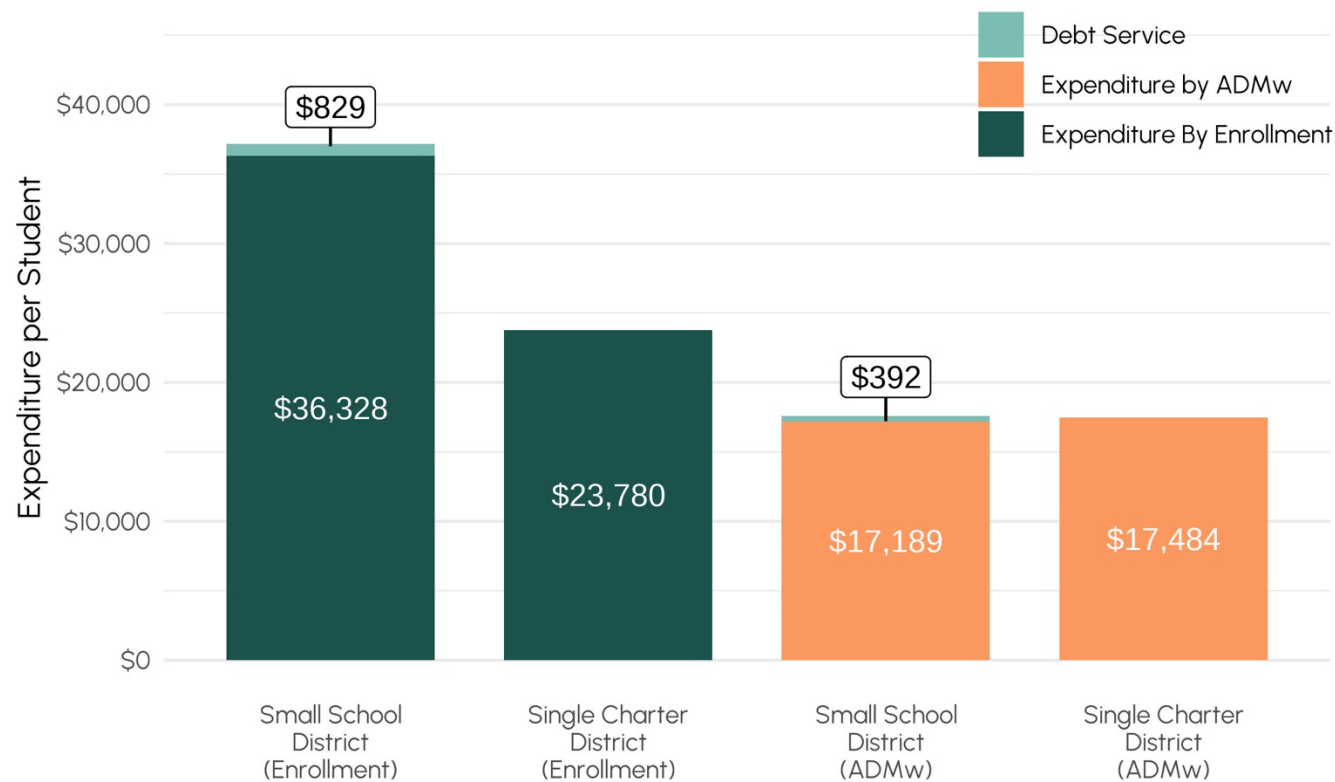
Exhibit 13: Charter School Expenditure per Enrollment as a Share of District Expenditure per Enrollment



Source: ECONorthwest and Oregon Department of Education.

A few charter schools in Oregon avoid the complications that arise because of ambiguity over shared responsibilities with a public school district. As of 2012-13, there are 17 single charter school districts. These single charter school districts are unique when compared with other charter schools in Oregon since all the services and funds available to the district are used in support of the charter school operations, including all state and federal grants and local revenues. These single charter school districts are similar in most respects to other small non-charter districts (small districts are defined as districts with 250 students or less). Single charter school districts may have characteristics that contribute to higher weights for its students as compared to small districts; this leads to a slightly higher per-student expenditure based on ADMw. Exhibit 14 displays the difference in funding between small districts and single charter districts based on fall enrollment and ADMw. Based on ADMw, single charter district are funded almost equally, although they receive substantially less based on enrollment.

Exhibit 14. Expenditure per Student in Single Charter Districts Versus Small Districts



Source: ECONorthwest and Oregon Department of Education.



4. Charter Schools Staffing

Staffing represents a large fraction of school budgets. The disparity in funding between charter and district-run schools likely has an impact on their staffing models by limiting their ability to compensate staff on par with their district-run counterparts. Our findings suggest that charter schools have, on average, less-experienced and lower-compensated staff. Charter schools also employ more staff per student than district-run schools, suggesting they adjust to their relatively lower funding by employing a different mix of positions than district-run schools. In Oregon, charter schools are only required to have fifty percent of their FTE be licensed teachers, which provides charter schools with some degree of flexibility in organizing staff resources.¹⁴

We examined staff level data for staff assigned to charter schools and district-run schools (excluding staff not assigned to any school) for the year 2022-2023. The data included information on position, school assignment, full-time equivalency (FTE), years of experience and salaries. For the exhibits below, we excluded staff positions where the FTE-adjusted salary was less than \$5,000 or over \$300,000.

Exhibit 15: FTE and Base Salary for Staff, 2022-23

	FTE	Total Base Salary	Ave. Salary	FTE/1000 Students	Salary/Students
Charter Schools					
Head Teacher, Non-Special Ed	25	\$1,535,049	\$54,823	1.0	\$62
Teacher, Non-Special Ed	1,319	\$74,238,678	\$51,555	53.3	\$2,996
Special Education Teacher (Non-PE)	60	\$3,906,294	\$55,804	2.4	\$158
Other Licensed Staff, Non-Special Ed	243	\$19,488,547	\$65,016	9.8	\$787
Paraprofessional, Non-Special Ed	261	\$8,309,842	\$27,765	10.5	\$335
Other Non-Licensed staff, Non-Special Ed	407	\$17,598,876	\$32,922	16.4	\$710
Other Staff	53	\$2,166,004	\$22,808	2.1	\$87
Total Staff	2,368	\$127,243,291		95.6	\$5,135
District-Run Schools					
Head Teacher, Non-Special Ed	35	\$1,994,366	\$45,327	0.1	\$4
Teacher, Non-Special Ed	25,383	\$1,813,743,799	\$68,089	49.9	\$3,563
Special Education Teacher (Non-PE)	2,715	\$185,873,306	\$65,013	5.3	\$365
Other Licensed Staff, Non-Special Ed	4,462	\$411,268,137	\$72,917	8.8	\$808
Paraprofessional, Non-Special Ed	3,758	\$126,215,773	\$20,636	7.4	\$248
Other Non-Licensed staff, Non-Special Ed	7,377	\$290,865,713	\$22,287	14.5	\$571
Other Staff	5,597	\$217,464,708	\$34,252	11.0	\$427
Total Staff	49,328	\$3,047,425,801		96.9	\$5,986

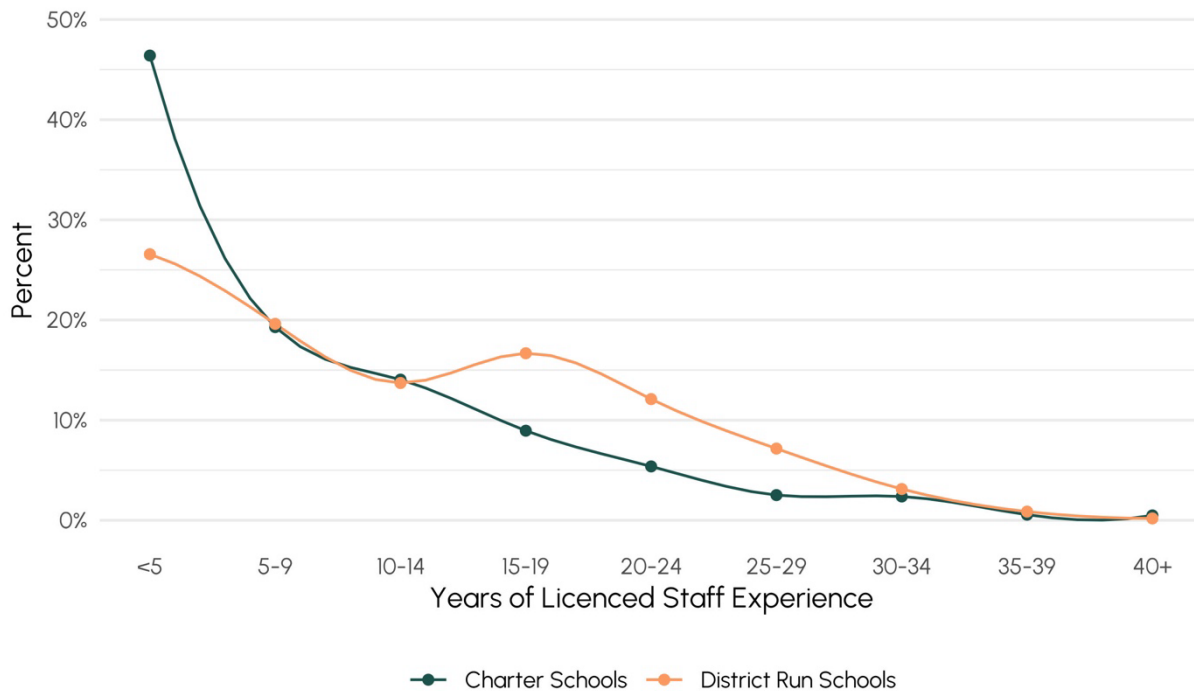
Source: Oregon Department of Education and ECONorthwest.

On a per student basis, charter schools employ more teachers but fewer head teachers, paraprofessionals and non-licensed staff. Charter schools also have relatively fewer special education teachers, however this is expected as school districts have responsibility for special education services while charter schools do not. Across all position, salaries per student are on average nearly 15% lower (\$851 per student per year) for charter schools than for district-run schools.

¹⁴ The other fifty percent must be “registered” by the Teachers Standards and Practices Commission (TPSC).

Exhibit 16 and Exhibit 17 display distributions of non-special education teachers by experience and salary, respectively. Teachers in charter schools have on average, 8.1 years of teaching experience while their counterparts in district-run schools have 12.2 years of experience.¹⁵ Charter schools tend to have relatively more teachers with fewer than 5 years of experience and overall have teachers with less experience than district-run schools.

Exhibit 16: Distribution of Teachers by Years of Experience, 2022-23



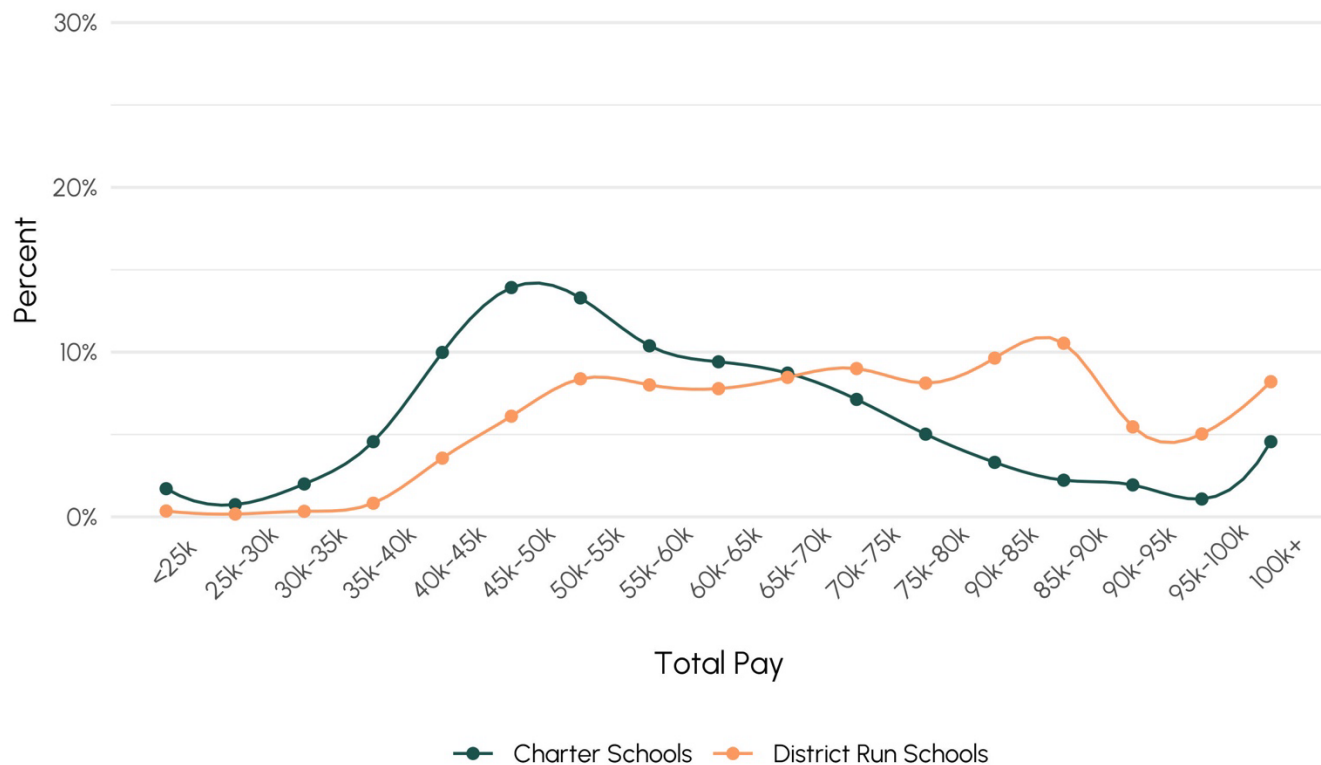
Source: Oregon Department of Education and ECONorthwest.

Licensed staff at charter schools also tend to receive less compensation than their counterparts at district-run schools. The average salary for per FTE for charter school teachers in 2022-23 (\$56,481) was 21% lower in charter schools as compared to district run schools (\$71,438). A full-time teacher in a charter school is paid on average \$3,282 per enrolled student while a full-time teacher in district-run schools is paid \$3,738. This trend is clear in the distribution of teacher salaries (per FTE) which shows that charter schools on average have a higher proportion of teachers earning below \$60,000 per year; district-run schools have relatively more teachers earning above \$60,000 per year.¹⁶

¹⁵ Experience includes years taught in and out of state.

¹⁶ Normalizing teachers' salaries by FTE produces some outliers, especially for part-time teachers (less than 1 FTE). Except as noted, these observations were included in all teacher compensation analyses.

Exhibit 17: Distribution of Teacher by Salary per FTE, 2022-23

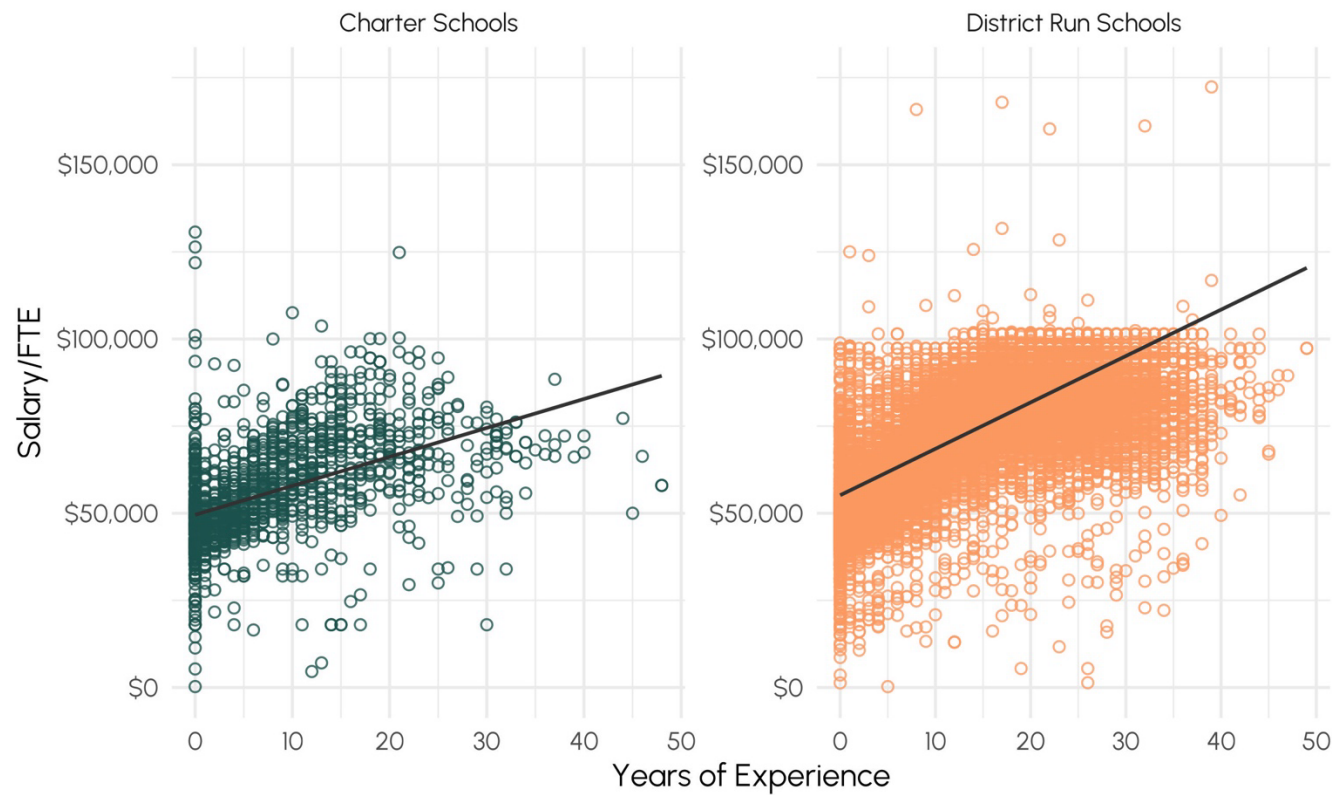


Source: Oregon Department of Education and ECONorthwest.

As shown in Exhibit 18, teachers at charter schools tend to begin their careers at a lower salary per FTE than district-run schools and receive less additional compensation per year of experience, as demonstrated by the flatter trend line for charter school teachers displayed in Exhibit 18. In addition, the amount variability in salary explained by experience is lower for charter school teachers (16 percent) than for other teachers (39 percent), suggesting the relative importance of factors other than experience in the compensation of charter school teachers.



Exhibit 18: Staff Experience and Compensation for Charter Schools and District-Run Schools



Source: Oregon Department of Education and ECOnorthwest



5. Conclusion

This analysis updates our similar study, conducted in 2015. Our current analysis demonstrates that charter schools, as of the 2022-23 academic year, continued to receive less public funding per student than their district-run counterparts, with relatively little proportional change in the disparities identified in our 2015 study.

While some charter schools and their students receive funding roughly on par with the district-run schools within their own districts, most do not. A vast majority of charter schools receive funding that is between 30 percent and 50 percent of the funds available to students in their host district's district-run schools. School districts in Oregon have the option of passing on additional funds to charter schools other than the prescribed share of the GP grant required by state law, but there is little incentive to do so. Because state statute only requires that charter schools receive funding 80% (K-12) - 95% (High School) of the per student ADMw appropriated to district schools, school districts have no reason to appropriate more than prescribed, especially given the reduced oversight they have over charter schools.

Charter schools in Oregon also staff their programs differently from district-run schools. These differences reflect some intentional choices on the part of charter schools, but are also likely a product of budget limitations. Compared with their district-run counterparts, on a per student basis charter schools employ more but less experienced teaching staff at lower compensation levels.

Our findings of a continuing disparity in funding between students at charter schools and students at district-run schools has implications for the ability of charter schools to provide adequate educational quality. The results show that charter schools, despite their agreement with the state to provide educational quality on-par with district schools and their intention to explore innovative educational models, are at a funding and staff-quality disadvantage as compared to district-run schools.

