



# BUILDING FOR SUCCESS IN IDAHO 2024

*Measuring How Well Idaho is Meeting  
Public Charter School Facility Needs*

## EXECUTIVE SUMMARY

Based on a comprehensive analysis by ExcelinEd, Idaho’s already weak support for public charter school facilities will drop even further within five years, forcing charter schools to divert more funding intended for student instruction. Making facility financing a larger percentage of school budgets even for our highest-quality and most established public charter schools.

**Idaho’s charters schools are already giving up teachers to pay for facilities.** Using ExcelinEd’s [Charter School Facility Index](#) methodology to measure the actual impact of state policies, we have determined that Idaho is currently meeting only 30.3 percent of the facility needs for the state’s charter schools (see Figure 1).<sup>1</sup> This facility gap means Idaho’s public charter schools, in contrast to the state’s most well-funded school districts, must find other revenue to pay the remaining 69.7 percent cost of their facilities, averaging at a cost of \$1,294 per student.

Because of this facility gap, an average-sized charter school in Idaho must operate on average with *nine fewer teachers*. In contrast, Idaho’s traditional public schools located in property rich communities are significantly protected from having to sacrifice instructional funding for students to pay for facilities. The facility gap also means that high-quality charter schools will have greater difficulty growing to provide educational opportunity to more students.

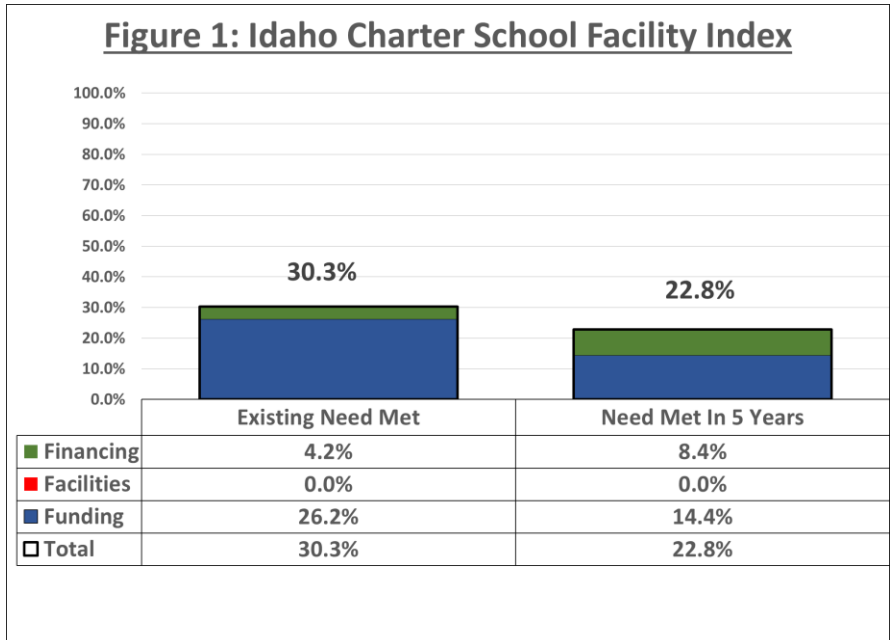
**Idaho’s support for charter schools is at risk of dropping even further.** Without

action, the facility gap for Idaho’s charter schools will grow significantly over the next years. On the positive side, the state has created a new revolving loan program which will reduce facility financing costs for charter schools. Unfortunately, this gain is more than offset by the projected reduction in the state’s charter school facility allowance. The decrease is caused by the state helping traditional districts reduce their reliance on local facility funding, which is used to calculate the amount of the charter school facility allowance.

If policymakers do not make any changes, the state’s support for charter school facilities is projected to drop to 22.8 percent of need in five years (see Figure 1). The facility gap will grow to \$1,752 per student, and an average-sized charter school will give up 16 teachers.

**State policymakers have a suite of options to better meet the facility needs of Idaho’s growing charter school sector.** Using ExcelinEd’s customized Charter School Facility Index Tool, Idaho policymakers can determine the likely impacts of any proposed changes in state policies.<sup>2</sup>

**Figure 1: Idaho Charter School Facility Index**



<sup>1</sup> This is almost exactly the same level of support as the state provided in FY 2022. See ExcelinEd, [Building for Success in Idaho](#) (2022).

<sup>2</sup> The Charter School Facility Index Tool is available [here](#).



For example, by stabilizing and even increasing the state’s charter school facility allowance, the Gem State can meet a much higher percentage of the need. Idaho can also increase its support for affordability financing, through its moral obligation program that is currently fully utilized.

Closing this gap is critical so charter schools can maximize funding for instruction to meet the growing demand for quality public school options.<sup>3</sup>

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<sup>3</sup> For the full analysis, See ExcelinEd, [Building for Success in Idaho 2024](#) (2024).



## INTRODUCTION

During the 2022-23 school year (Fiscal Year 2023), about 23,866 students in Idaho attended 61 brick and mortar public charter schools.<sup>4</sup> Parent demand for these schools is high and continues to grow. But lack of access to affordable facilities is one of the most critical issues facing Idaho's, indeed the nation's, public charter schools.<sup>5</sup> This brief uses a new methodology, called the Charter School Facility Index, to assess the extent to which Idaho is meeting the facility costs of its public charter schools.<sup>6</sup>

It examines not just how a policy reads on paper, but also what its impact is on the ground in meeting real need. An Index of 100 percent means a state is meeting 100 percent of its charter school facility needs. This brief is an update of the analysis completed for FY 2022.<sup>7</sup>

Idaho policymakers have embraced public charter schools as a viable public-school choice for parents and students. In keeping with that support, Idaho has a strong interest in helping reduce the cost of facilities for all its charter schools. States have a variety of policies they can use to achieve this.

First, a state can provide funding to help charter schools rent or lease facilities. Second, a state can require traditional districts to provide no- or low-cost access to existing, often underutilized public buildings or land. Finally, a state can reduce the cost of borrowing so charter schools can own their buildings at a lower cost than long-term renting. They can do so by guaranteeing the loans or bonds, formally or through a state's "moral obligation." While the financing comes from private sources, the charter schools pay significantly lower interest rates because of the state's backing.<sup>8</sup> For newer charter schools, a state can also provide low-interest loans until less expensive long-term financing becomes available.

**In reality, it takes a combination of these policies to fully meet the facility needs of charter schools in Idaho.** The initial key question is whether Idaho, through its various policies, is meeting the overall facility needs of its charter schools or at least a significant portion of it. This requires considering several factors.

First, magnitude matters. For example, a large funding allowance for facilities helps more than a small one. Second, major investment in one policy may reduce the need for another. If many charter schools can access free facilities, fewer charter schools need their funding directed for rent. Finally, it is important to consider the needs of new charter schools. Even a generous facility allotment may not meet the growing demand for more charter school seats if the overall available funding is capped in the state budget.

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**The Charter School Facility Index can help Idaho assess whether it is meeting the full facility needs of its public charter schools.**

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<sup>4</sup> This is the fall 2022 enrollment count for all charter schools in Idaho, excluding virtual schools and those sponsored by a school district, as those schools do not have the same facility needs.

<sup>5</sup> For more details on the facility financing challenges facing America's public charter schools see [GAO report K-12 Education: Challenges Locating and Securing Charter School Facilities and Government Assistance](#).

<sup>6</sup> For more details on the Charter School Facility Index and its benefits, see ExcelinEd, [Building for Success: How States Can Address Charter School Facility Needs](#) (2019).

<sup>7</sup> ExcelinEd, [Building for Success in Idaho](#) (2022).

<sup>8</sup> Under moral obligation, a state must request in its budget to pay for loan defaults, but there is no requirement that the approved budget include it. For more on how states can use bond guarantees and moral obligation to reduce the cost of charter school facility financing, see ExcelinEd, [Addressing Charter School Facility Needs](#) (2019).

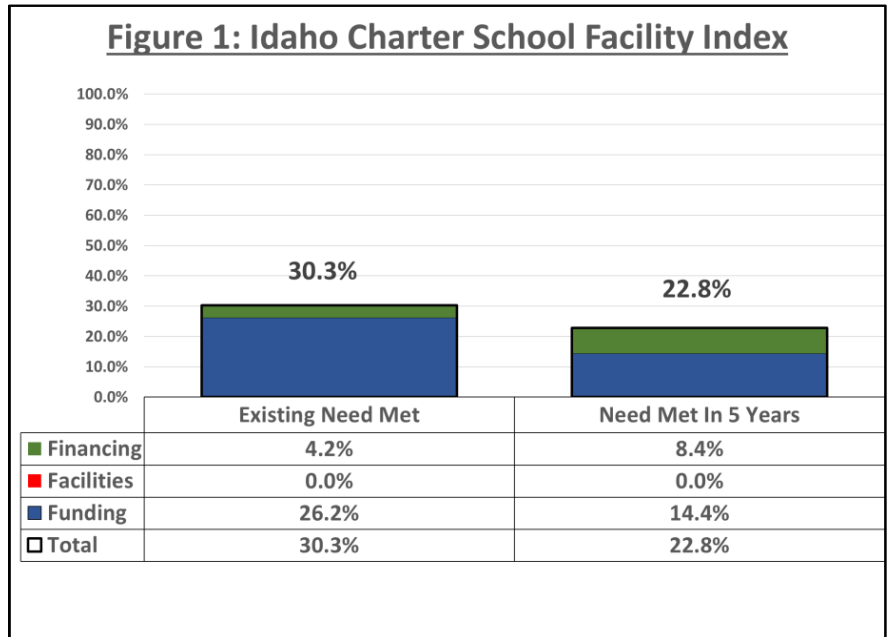


**ANALYSIS: CURRENT CHARTER SCHOOL FACILITY INDEX (FY 2023)**

One way to calculate the total charter school facility need is how much it would cost Idaho if it paid for the full facility-related costs for every student in a public charter school. For the 2022-23 school year, Idaho had 23,866 students in 61 brick and mortar charter schools.<sup>9</sup> Based on an ExcelinEd analysis, facility-related costs for charter schools in Idaho are, on average, \$1,857 per student, or 17.8 percent of overall expenditures.<sup>10</sup> This a conservative figure, considering charter schools often lack some of the amenities (e.g. sports field, gymnasiums, performance theaters, etc.) of traditional public schools.

At \$1,857 per student, the total facility need for all Idaho charter school students is \$44.3 million annually, i.e., \$1,857 per student times 23,866 students. As explained above, Idaho can meet this overall need through a combination of direct funding, access to district facilities and affordable financing.

**Figure 1: Idaho Charter School Facility Index**



**Direct Funding**

Each year Idaho provides charter schools with facility funding calculated at 50 percent of what traditional districts receive in local funding for facilities per student. Through this facility allowance, charter schools received \$390 per student in FY 2023.

The state also provided \$100 per student from lottery proceeds. In addition, the state offers a “maintenance match.” However, lottery funds are deducted. As a result, charter schools do not receive any extra funding through the match program.

The state also helps districts pay for some of their facility debt, with the amount depending on a district’s wealth and economic condition. This “bond levy equalization support” totaled \$20.8 million; however, charter schools are not eligible.<sup>11</sup>

Finally, in FY 2023 traditional districts received \$225 million in local funding for facilities. Charter schools received none of these local funds.<sup>12</sup>

<sup>9</sup> Student enrollment and the number of charter schools come from the Idaho Department of Education’s [Historical Enrollment by District or Charter Summary](#) and [Full Term ADA Historical](#).

<sup>10</sup> This is a 3.3 percent increase from FY 2022 facility-related costs. The analysis used facility-related expenditure line items for each charter school as published in the Idaho Department of Education’s [2021-22 Financial Summaries of Idaho Schools](#). Expenditures were adjusted for inflation. The two “capital assets” line items were excluded. \$1,857 (17.8 percent) is the unweighted average for all brick and mortar charter schools, excluding several extreme outliers.

<sup>11</sup> See Idaho Department of Education, [Bond Levy Equalization Support Program](#) (2019). The support provided for each district is on the “Other State Support (A)” tab of [2021-22 Financial Summaries of Idaho Schools](#), see note 8.

<sup>12</sup> See Idaho Department of Education, [FY 2023 Tax Levies for School Purposes](#). Traditional public school districts in Idaho can raise local funding for facilities through bond levies and plant facility reserve levies.



This means that, altogether through direct funding, Idaho is providing \$11.6 million each year and thereby meeting 26.2 percent of the facility needs of its charter schools.

## Access to Facilities

Unlike numerous other states, Idaho does not require traditional public-school districts to make surplus or under-utilized facilities available to charter schools at no- or low-cost. As a result, **very few charter schools in Idaho have any of their facility needs met by surplus district facilities.** (One notable exception is Rise Academy Charter School in Kimberly School District). It is worth noting that where demand for new school growth is greatest districts have few if any empty school buildings available.

**If Idaho fully met current charter school facility needs, an average-sized charter school could hire an additional nine teachers.**

## Affordable Financing

Idaho has a moral obligation program, whereby charter schools can secure lower-cost bond financing. Charter schools have fully taken advantage of the \$120 million in state-backed financing. As a result, participating charter schools are saving about \$1.9 million in interest each year. Thus, **financing support in Idaho is meeting 4.2 percent of the overall charter school facility needs.**<sup>13</sup>

## Summary of Current Needs Met

The current Charter School Facility Index for Idaho is 30.3 percent, as shown in Figure 1. Direct funding provides 26.2 percent; district facilities are 0.0 percent; and affordable financing is 4.2 percent. The facility gap is \$30.9 million overall, or \$1,294 per student. To be more concrete, if Idaho fully met charter school facility needs, an average-sized charter school could use those funds to hire an additional nine teachers.<sup>14</sup>

## ANALYSIS: CHARTER SCHOOL FACILITY INDEX IN FIVE YEARS (FY 2028)

Total charter school facility needs in Idaho will likely grow over the next five years as overall charter school enrollment and the number of charter schools increase. Charter school enrollment in Idaho has grown by 6.7 percent per year over the past five years. However, if the state meets charter school facility needs more fully, enrollment could increase at least 25 percent faster. This means that 35,747 students will be in brick-and-mortar charter schools in five years.

Based on historical trends, the number of charter schools will also grow by at least two schools each year. In five years, there will be at least 74 charter schools.<sup>15</sup> Facility-related costs, e.g., rent and utilities, are expected to increase about 4.1 percent annually, rising to \$2,270 per student.<sup>16</sup>

Altogether, the total facility need for charter schools in Idaho will be \$81.2 million in FY 2028, i.e., \$2,270 per student times 35,747 students.

## Direct Funding

It is anticipated that Idaho will continue to provide a facility allowance to charter schools based on how much traditional districts are receiving in local facility funding per student. However, the state is helping traditional districts

<sup>13</sup> Idaho has a new revolving loan program for charter schools. The impact of this new program is reflected in the following section.

<sup>14</sup> Uses average teacher salary in Idaho of \$53,545. See Salary.com, [Public School Teacher Salary in Idaho](#). The average size for a charter school in Idaho is 391 students.

<sup>15</sup> The estimated growth in the number of charter schools also reflects a 25-percent boost, as explained above for student enrollment.

<sup>16</sup> To estimate inflation, Idaho uses the national consumer price index. See Idaho Department of Labor, [U.S. Consumer Price Index](#). 4.1 percent inflation is the average of the annual changes for the past five years.



reduce their debt, which means that local facility funding is decreasing significantly.<sup>17</sup> As a result, the per student amount of local facility funding will drop, and charter schools will receive 50 percent of this lower figure.

Already, the charter school facility allowance is decreasing from \$390 per student in FY 2023 to \$210 per student in FY 2024.<sup>18</sup> This analysis assumes no further decrease will occur by FY 2028, while facility-related costs will continue to go up. Lottery proceeds will likely grow at the rate of inflation and will be about \$122 per student. Charter schools will continue to receive no additional funding through the maintenance match, bond levy equalization support or local facility-related revenues.

In sum, direct funding will meet just 14.4 percent of total need in FY 2028, down from 26.2 percent in FY 2023.

## Access to Facilities

Assuming Idaho law remains the same, charter schools will still not have any of their facilities need met through surplus or under-utilized district buildings or land.

## Affordable Financing

The state's current moral obligation program is fully utilized. This means that the same number of charter school students will benefit, but the percentage of need met will decrease to 2.8 percent as the number of students in charter schools increases.

Idaho has created a new Revolving Loan Program for charter schools, which will provide low-interest loans to purchase or build a school. With these funds secured, a charter school in Idaho can also get a low-interest loan from a community development financial institution (CDFI) and then borrow the remaining amount from a bank at a lower interest rate and without the fees associated with bond financing. The combined interest rate from these three loans is much lower than what a charter school can otherwise get, particularly newer charter schools. Over five years, a charter school will pay back the Revolving Loan Fund and take advantage of lower-cost long-term financing available to more established charter schools. As the Revolving Loan Fund is replenished, more charter schools can benefit from it.

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**In five years, the total facility gap in Idaho will grow to \$62.6 million, or \$1,752 per student or 16 teachers a charter school could otherwise hire.**

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Ultimately, the Revolving Loan Fund will provide \$50 million in loans. Five years from now, it is expected that charter schools will have utilized \$27.5 million, which will save \$4.5 million in facility-related costs each year, meeting 5.6 percent of overall need.<sup>19</sup>

This means that, between the moral obligation backing and the Revolving Loan Fund, charter schools will save \$6.8 million, which will meet 8.4 percent of facility need in FY 2028.

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<sup>17</sup> Local facility funding to pay for bonds dropped from \$167.9 million in FY 2023 to \$77.4 million in FY 2024. See Idaho Department of Education, [FY 2023 Tax Levies for School Purposes](#); Idaho Department of Education, [FY 2024 Tax Levies for School Purposes](#). State support for local debt reduction is occurring pursuant to HB 292 passed during the 2023 legislative session. See Idaho Center for Fiscal Policy, [Understanding 2023 Property Tax Relief \(2023\)](#).

<sup>18</sup> See Idaho Department of Education, [Special Distributions 2023-2024](#). The per student calculation is also dropping because enrollment in traditional public schools in Idaho has increased by an average of 1.9 percent each year over the past five years.

<sup>19</sup> Interview with Marc Carignan, Bluum (Jan. 17, 2024). Under this program, charter schools can secure a loan for 20 percent of the facility cost at an interest rate of 0.30 percent. A similar amount is available to charter schools in Idaho funded by private philanthropy, at 3 percent interest. With these funds secured, charter schools can borrow the remainder from a bank at about the same reduced interest rate as bond financing backed by the state's moral obligation; however, banks will not require the same reserve fund or charge the same fees as bond investors. The state will need to appropriate the initial funds for the Revolving Loan Fund; however, participating charter schools will pay back their loans such that there is no additional ongoing cost to the state, except if needed to cover a rare default.



## Summary of Future Needs Met

Idaho’s Charter School Facility Index in five years will drop to an estimated 22.8 percent, as shown in Figure 1. Direct funding will provide 14.4 percent; district facilities will meet 0.0 percent; and affordable financing will cover 8.4 percent. The facility gap will grow to \$62.6 million, or \$1,752 per student. For context, consider that the funds an average-sized charter school will have to use to fill this facility gap could otherwise be used to hire an additional 16 teachers.

## COMPARISONS AND CONTEXT

### Comparison to Other States

Of the four states ExcelinEd has studied with this methodology, the Charter School Facility Index for Idaho is the lowest, as shown in Figure 2.<sup>20</sup>

### Rural Districts

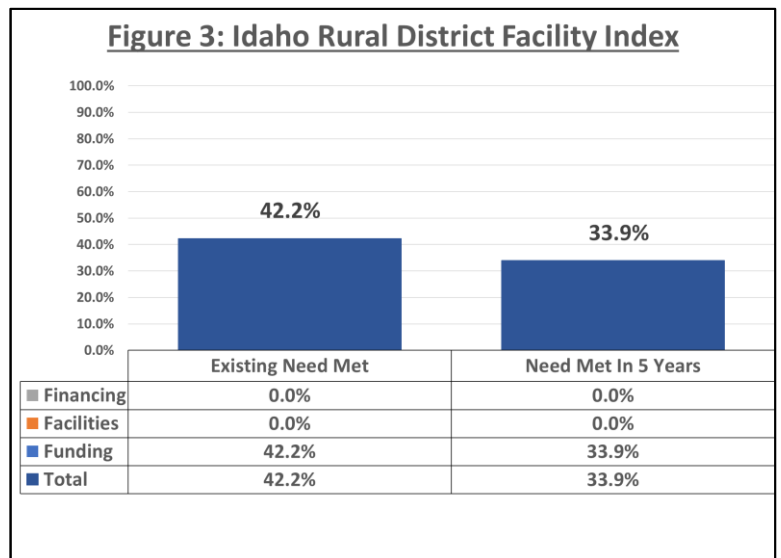
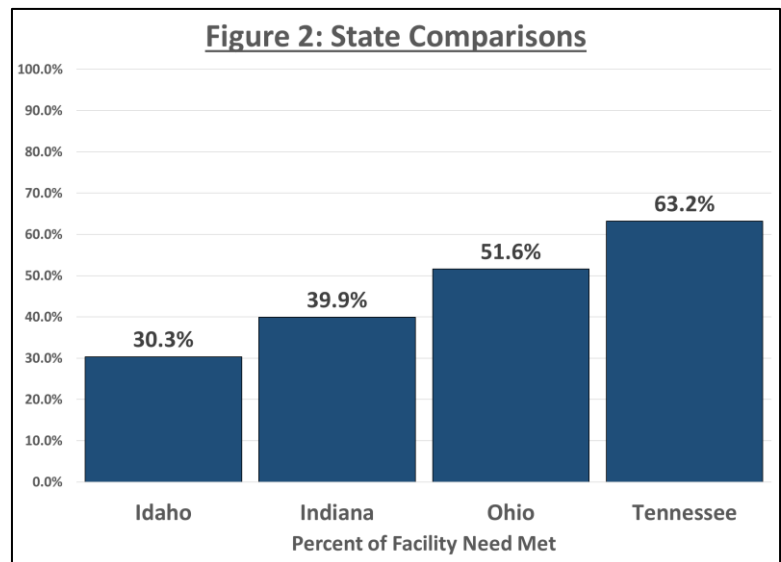
ExcelinEd also examined how well Idaho is meeting the facility needs of its traditional rural districts. A representative sample of these districts have 15,829 students.<sup>21</sup> Their facility-related costs are \$1,902 per student, or 14.9 percent of total expenditures.<sup>22</sup> The total facility needs are \$30.1 million each year.

As traditional school districts, these rural districts do not receive the charter school facility allowance, but the state provides \$100 per student in lottery proceeds, a small additional amount through the maintenance match program and \$1.1 million in bond levy equalization support.<sup>23</sup> These districts also raise local facility funds totaling \$9.9 million annually.

Direct funding altogether is \$12.7 million, or 42.2 percent of need.

The districts do not receive free facilities or help with financing.

This means that altogether, as shown in Figure 2, the state is currently meeting 42.2 percent of need for rural districts. This leaves a facility gap of \$1,099 per



<sup>20</sup> The figures for the other three states reflect significant improvements in policies since the original studies. See ExcelinEd, [Building for Success in Tennessee](#) (2022); ExcelinEd, [Building for Success in Ohio](#) (2021); ExcelinEd, [Building for Success in Indiana](#) (2020). For example, each state substantially increased its per-student facility allowance provided for charter school students.

<sup>21</sup> The districts are Boundary County, Cassia County Joint, Emmett Independent, Fremont County Joint, Fruitland, Kimberly, Meadows Valley and Salmon River Joint.

<sup>22</sup> Facility-related costs were calculated using the same methodology as for charter schools. The per-student costs are similar; however, because these rural districts spend more per student, facility-related costs are a lower percentage of overall expenditures.

<sup>23</sup> See Idaho Department of Education, [FY 2023 Tax Levies for School Purposes](#). For maintenance match funds, see the “Other State Support (B)” tab of *2021-22 Financial Summaries of Idaho Schools*, note 8.





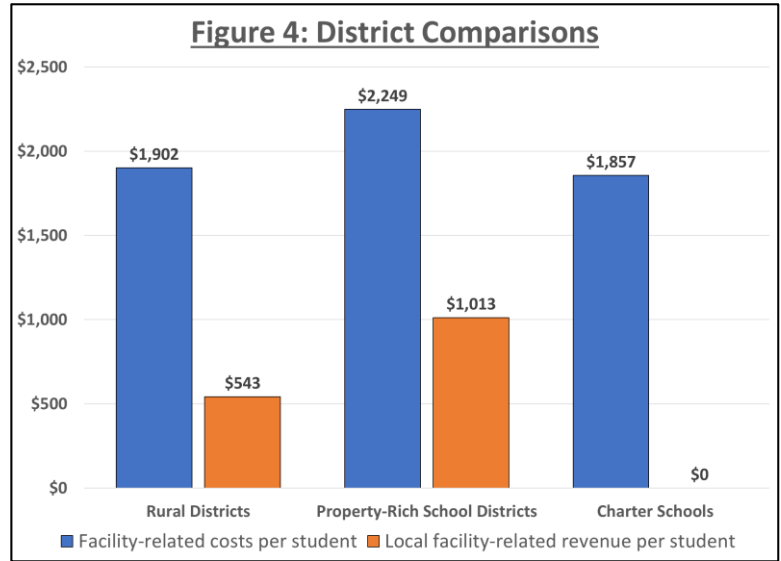
student.

Based on historical trends, enrollment in these districts will grow slightly in five years. The direct funding will also stay at the same level. However, overall need will increase because of inflation. In FY 2028, the state will meet 33.9 percent of need, with a facility gap increasing to \$1,536 per student.

### Comparison to Traditional Districts

Finally, ExcelinEd looked at facility-related costs and revenues in two large traditional districts in Idaho: Boise Independent and West Ada. As shown in Figure 4, these two districts are spending more per student on their facilities than either charter schools or rural districts, i.e., \$2,249 per student vs. \$1,902 in rural districts and \$1,857 in charter schools.

These increased expenditures are paid for to a large extent by higher revenue these districts are raising in local taxes for facilities. Boise Independent and West Ada each receive \$470 more per student than the rural districts and \$1,013 more per student than charter schools.<sup>24</sup>



## NEXT STEPS

The Charter School Facility Index equips Idaho policymakers to understand how well current policies are meeting charter school facility needs and, further, how future need will be met if policies remain the same. In addition, through the [Charter School Facility Index Tool](#) that is available as a companion to this brief, policymakers can examine the potential impact of new or revised policies and explore how.

Below are some examples of actions, which if taken, Idaho could likely better meet the need of its charter schools.

**Maintain or increase the state’s existing charter school facility allowance:** Each year Idaho provides charter schools with facility funding calculated at 50 percent of what traditional districts are getting in local funding for facilities. Because the state is helping districts reduce their local facility funding, the state allowance for charter schools will drop to \$210 per student in FY 2028, down from \$398 per student in FY 2022. Keeping the state allowance at a minimum of \$400 per student will restore 8.4 percent of the projected decrease in support. Raising the allowance to \$600 per student will meet an additional 8.8 percent of need.

**Expand moral obligation financing:** Idaho provides moral obligation financing guarantees so that charter schools can borrow at lower interest rates. However, charter schools in Idaho have fully utilized the total available amount of

**The Charter School Facility Index Tool equips Idaho policymakers to examine the potential impact of new or revised policies and explore how they can use the full array of available policies to meet the overall need.**

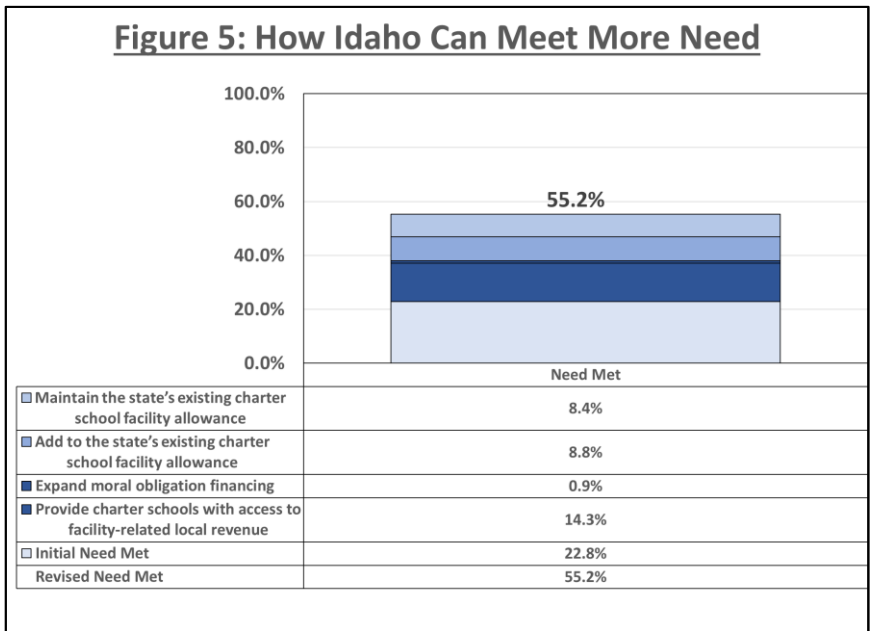
<sup>24</sup> As noted above, charter schools do not receive any local facility-related revenue but instead receive a state allowance set at 50 percent of the state average of the local revenue districts are getting.





backed financing. If Idaho adds \$50 million to the program, the state will meet an additional 1 percent of need, saving charter schools nearly \$1 million every year at a potential cost to the state of only \$33,333 annually.<sup>25</sup>

**Provide charter schools with access to facility-related local revenue:** States like Colorado are requiring districts to share local funds raised for facilities. Idaho’s current facility allowance for charter schools is set at 50 percent of what traditional districts are getting each year in local revenue for facilities, which is \$225.28 million. As an alternative to increasing the state facility allowance, Idaho can allow charter schools to access facility-related local revenues proportional to their share of public school students, which in five years will be 10.3 percent. Charter schools currently receive none of these local funds. If charter school students receive 5.2 percent of these funds (half of their proportional share), it will meet an additional 14.3 percent of need. There is no cost to the state for sharing these local funds with charter schools. This would not apply retroactively for previously issued bonds.



**Provide greater access to underutilized district land:** Idaho can change its policy so that charter schools can access no- or low-cost empty or under-utilized district facilities or land. In Colorado, for example, about 26 percent of charter schools are in district-provided facilities; in California, it is 44 percent.

Even if there are not many surplus school buildings in Idaho because of student growth, there may be unused land which will save charter schools if they do not have to purchase it at market cost. There is no cost to the state for increasing charter school access to surplus district buildings or land.<sup>26</sup>

Figure 5 shows how these particular policy changes can lift the percent need met from 22.8 percent to 55.2 percent. More comprehensively, the [Charter School Facility Index Tool](#) shows how policymakers in Idaho can mix and match various policies, improving those that already exist in the state and adding some that other states are successfully using, with the goal of meeting 100 percent of charter school facilities need. Meeting this need is critical so that charter schools can use as much of their funding for instruction as possible and, most importantly, meet the increasing demand from Idaho’s families for quality public school choices.

<sup>25</sup> The potential cost of moral obligation is a default, which Idaho *may* choose to pay for. However, with appropriate selection criteria, the state can keep defaults exceedingly rare. See ExcelinEd, [Addressing Charter School Facility Needs](#) (2019). Should the state pay for a default, the cost is over a 30-year period.

<sup>26</sup> Enrollment in traditional public schools in Idaho is increasing, which means districts do not have surplus buildings. However, districts may have surplus land in locations that are desirable for charter schools. The analysis assumes that the land is 15 percent of the cost of a new school facility, reflecting recent examples.