

Charter Schools and the School Construction Program

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Issue

Are charter schools and endowed academies excluded from the school construction grant program?

Summary

Generally, charter schools are ineligible to receive funding through the school construction grant program as charter schools are not included in the law. However, there have been instances where the legislature permitted charter schools to receive funding by adopting special “notwithstanding” language that modifies specific projects and makes other projects eligible for reimbursement. Additionally, the State Department of Education (SDE) has a charter school capital facilities grant program that is separate from the school construction program ([CGS § 10-66hh](#)).

The three private endowed academies that operate as the public high schools for their host towns are eligible to apply for school construction grants if they meet certain conditions ([CGS § 10-285b](#)). These academies are the Gilbert School in Winchester, the Norwich Free Academy in Norwich, and the Woodstock Academy in Woodstock.

School Construction Grants

The school construction grant program reimburses public school districts for a portion of the costs of a school construction project with the school district paying the remainder. School construction grants are based on eligible project costs, which are limited by state standards and criteria.

Generally, the state reimburses towns for 10% to 80% of those costs, depending on town wealth ([CGS § 10-285a](#)).

To obtain a school construction grant for a project, a school district must apply through the Office of the State Comptroller's online portal and submit plans and data on the project for approval by the Department of Administrative Services' (DAS) Office of Grants Administration. A district must have local approval for the local share of the project costs. DAS places the project, once approved, on the annual school construction priority list, which it submits to the legislature for approval. No grant is paid unless the legislature has approved the project ([CGS § 10-283\(a\)\(2\)](#)). The project must also comply with various bidding and contracting requirements to receive a grant. For more detailed information on the school construction grant program see OLR report [2023-R-0250](#).

Charter Schools and School Construction Grants

Generally, charter schools are ineligible to receive funding through the school construction grant program, but there have been a few instances where the legislature permitted charter schools to receive funding by adopting "notwithstanding" language. Also, there is a separate charter school facilities grant program that is outside of the school construction program ([CGS § 10-66hh](#)).

Charter Schools

State law allows for two types of charter schools, state charters and local charters. State charters are approved by the State Board of Education (SBE) and are independent of any local or regional board of education, while local charters are sponsored by a local board of education and operate under a charter approved by the local board, but have a separate governing council just for the school. Once approved by the local sponsoring board of education, a local charter must also receive SBE approval ([CGS § 10-66bb](#)).

A charter school, whether state or local, is a public, nonprofit school run by a governing council made up of private citizens, rather than an elected board of education ([CGS § 10-66aa](#)). In Connecticut there are 27 state charters and one local charter.

Legislative Approval for School Construction Grants

Typically for school construction reimbursement grants, a legislative committee reviews the priority list to determine whether each project complies with certain standards established in state regulations. The committee then submits the approved or modified priority list to the governor and full legislature. Although the law generally bars the legislature from adding projects to the priority list after it has been submitted, the legislature commonly does so by adopting special

“notwithstanding” language that overrides legal provisions to either modify specific eligible projects or makes other non-priority list projects eligible for reimbursement ([CGS § 10-283\(c\)](#)). We found three examples of school construction notwithstanding for charter schools.

First in [PA 12-179, § 26](#), under a notwithstanding provision the legislature approved a new construction project for Achievement First Amistad High School in New Haven with a cost of up to \$35 million. Also in [PA 12-179, § 29](#), a separate notwithstanding provision approved a charter school extension and alteration project for the Common Ground High School in New Haven, with costs up to \$4 million. Three years later in 2015, [PA 15-3, § 10](#), included another notwithstanding for the same Common Ground High School to increase total project costs to \$9.75 million.

Charter School Facility Grant

Additionally, the law authorizes bonding to fund grants to state charter schools to assist them with capital costs. It requires SDE to provide grants each year, within available authorizations, to help charter schools. According to the Office of Fiscal Analysis, currently, there is approximately \$12 million the legislature authorized that awaits action from the State Bond Commission in order to be spent on a project ([PA 23-205](#) authorized \$5 million that is part of the \$12 million).

Under the law, the funds can be used for charter schools to:

1. renovate, build, buy, extend, replace, or carry out major alterations within their facilities;
2. (a) replace windows, doors, oilers and other heating and ventilation system components, internal communication systems, lockers, and ceilings; (b) upgrade restrooms; (c) replace and upgrade lighting; or (d) install security equipment; or
3. repay debt incurred for school building projects.

The law requires the education commissioner, in selecting schools to receive grants, to give preference to those that provide matching funds from nonstate sources ([CGS § 10-66hh](#)).

Under the law, grant awards of \$250,000 or more must include a computation of the state grant amount amortized in equal amounts over 10 years. If a charter school abandons, sells, leases, demolishes or otherwise redirects the use of a school building that had received a grant before the 10-year period is over, the school must refund to the state the unamortized balance of the grant remaining as of the date of the abandonment, sale, lease, demolition or redirection. Also, a state charter school required to make a refund may request forgiveness of the refund if the building is redirected for public use ([CGS § 10-66hh](#)).

Endowed Academies

Connecticut's endowed academies are three private schools that serve as public high schools: Gilbert School (Winchester), Norwich Free Academy (Norwich), and Woodstock Academy (Woodstock). They are eligible to apply for school construction grants if (1) they provide school facilities to the towns that designate them as their high schools for at least 10 years after the last grant payment and (2) at least half of the members of the school's governing board, other than its chairperson, represent the school boards of the designating towns ([CGS § 10-285b\(c\)](#)). The definition of school building project under the school construction grant law specifically names the three endowed academies that serve this purpose ([CGS § 10-282](#)).

The State Board of Education has approved the academies to serve as the public high schools for their respective towns ([CGS § 10-34](#)). The towns pay the schools tuition to educate the students and surrounding towns, some of which do not have their own high school, may also designate the academy as their high school and send their students there.

The reimbursement percentage for an endowed academy is determined by taking into account the population and the wealth of each of the towns that designate an academy as their high school. Once that calculation is made, the percentage is increase by five percentage points provided it does not exceed 85% ([CGS § 10-285b\(b\)](#)).

Another law establishes a process for the academy to propose to the academy host town to issue bonds to provide the initial funding for the academy's school construction project. The town must hold a referendum to approve the bonds. If approved, the academy then pays the town back. The law also addresses situations when the academy defaults on the loan ([CGS §§ 10-289d to 10-289g](#)). (Presumably, any school construction grant reimbursement the academy receives could be used to help pay off the loan from the bond funds.)

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