

# Overview of Charter School Financing

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Mark A. Montoya | Senior Policy Analyst II | [mark.montoya@nmlegis.gov](mailto:mark.montoya@nmlegis.gov)

# Charter School Authorizing Structure

- Ninety-nine (99) charter schools operated in New Mexico during the 2024-25 school year, serving approximately 30 thousand students, or about 10 percent of the state's total kindergarten through 12th grade (K-12) enrollment of 305 thousand students.
  - Of these 99 charter schools, 60 are state-chartered and 39 are locally-chartered.
  - State-chartered schools are authorized by the Public Education Commission (PEC).
  - Locally-chartered schools are authorized by the local school board of the district in which they are located.

# Operational Funding

- Charter schools receive annual funding from the state equalization guarantee (SEG), the state's public school funding formula.
- Charter schools may also be eligible for various federal funding programs to supplement their operational costs, such as:
  - Title I funds for low-income students;
  - Title II for professional development;
  - Title III, VI, VII, and IX for support of special populations; and
  - Title IV grant funds provided through the Expanding Opportunity through Quality Charter Schools Program.

# Flow of Operational Funds

## ■ State-Chartered Schools

- Receive SEG, federal funds, and other funding allocations directly.

## ■ Locally-Chartered Schools

- Operational funding including SEG, federal funds, and other allocations flow through the school district the charter school is authorized by.

## 2 Percent Administrative Withholding

- As opposed to traditional public schools, charter schools do not receive 100 percent of the funding generated by the SEG for their school.
- Instead, up to 2 percent is withheld by their authorizer. Section 22-8B-13 NMSA 1978 states “the amount of funding allocated to a charter school shall be not less than 98 percent of the school-generated program cost.”
- The remaining 2 percent of the school-generated program cost may be retained by the charter school’s authorizer and used to support the administrative functions related to overseeing and supporting the charter school.

## 2 Percent Administrative Withholding

- The Public Education Department (PED) retains the 2 percent withholding for state-chartered charter schools on behalf of PEC.
- Local school boards retain the 2 percent withholding for locally-chartered charter schools.
- In the 2024–2025 school year, \$8.9 million was withheld: \$5.9 million from state-chartered and \$2.9 million from locally-chartered charter schools.
  - **Appendix A** provides details on amounts withheld per individual charter school.

# Operational Expenses

## ■ State-Chartered Schools

- Cover all operational costs independently including but not limited to, transportation costs, staffing, special education and mental health resources, and reporting and data systems.
- Are considered local education agencies (LEAs) and operate like a small school district.

## ■ Locally-Chartered Schools

- Locally-chartered schools have access to services and resources in their respective school district.
- Locally-chartered schools still typically pay for items such as transportation costs, and food service for students.
- Locally-chartered schools receive varying levels of support depending on their authorizer's capacity and relationship with the school.

# Capital Outlay

- Charter schools in New Mexico can access capital outlay funds through multiple state and local avenues.
- Eligibility may vary depending on whether they are state- or locally-chartered.
  - ***State funding sources:*** Direct legislative appropriations, Public School Capital Outlay Council (PSCOC) programs, and New Mexico Finance Authority (NMFA) programs.
  - ***Local funding sources:*** General obligation (GO) bonds, the Public School Capital Improvements Act (“SB9” or “two-mill levy”), the Public School Buildings Act (“HB33”), and education technology notes.



# Access to Capital Outlay

- Access to certain funds differs for state-chartered versus locally-chartered schools.
- Charter schools do not have ability to impose local taxes and are unable to issue GO bonds or education technology notes like school districts do.
- **State-Chartered Schools**
  - May be considered by school districts when GO bonds are issued, but it is not guaranteed.
- **Locally-Chartered Schools**
  - Are included in their respective school district's 5-year facility master plan, but similar to operational support, the level of capital outlay support from the school district depends on the relationship between the charter school and the authorizer.

# Public School Capital Outlay Council

- The Public School Facilities Authority (PSFA), which serves as staff to PSCOC, administers several programs that are available to charter schools.
  - **Lease assistance awards**, which are partial reimbursements for lease payment on school facilities;
  - **Facility Management Plan funding** to complete to 5-year facility master plans, which are required by PSCOC funding eligibility;
  - **Standards-based awards**, for the replacement or renovation of school facilities based on established adequacy standards;
  - **Systems-based awards**, for the replacement of building systems in the effort to extend the life span of a facility, or lower maintenance or operational costs;
  - **Prekindergarten awards**, to provide funding to build or renovate existing prekindergarten spaces; and
  - **Broadband funding** through federal funding for broadband equipment or infrastructure. This was traditionally administered by PSFA, however, administration of this funding was transferred to the Department of Information Technology by Laws 2025, Chapter 82 (Senate Bill 401), during the 2025 legislative session.

# Lease Assistance Program

- The PSFA Lease Assistance Program supports charter schools by providing grants that cover part or full amount of lease payments for classroom facilities, with the goal of ensuring equitable access to adequate school buildings across the state.
- Key Points:
  - Enables lease-to-own arrangements that are not considered debt;
  - Charters must have been renewed at least once; agreements must meet PED/PSFA approval and adequacy standards;
  - Covers base rent only (excludes utilities, insurance, taxes, repairs);
  - Agreements may last up to 30 years, include principal/interest terms, and allow prepayment;
  - Charter boards must comply with the Open Meetings Act and formally approve funding sources.

# Lease Assistance Calculation

## Lease Assistance Calculation

The lesser of per-student rate (\$815.60) × enrollment  
or actual lease cost.

*Link to PSFA program details: <https://nmpsfa.org/lease-assistance/>*

# New Mexico Finance Authority

- NMFA administers several lending programs that are accessible to charter schools in New Mexico including:
  - The **charter school facility revolving fund**, a \$10 million fund to renovate, expand, or build charter school facilities;
  - The **public project revolving fund**, for the purpose of financing infrastructure, building, and capital equipment projects; and
  - The **New Markets Tax Credit Program**, which provides financing for for-profit and nonprofit entities with a project located in a federally designated rural census tract in New Mexico to build infrastructure, purchase equipment, or cover working capital.

# Challenges for Charter Schools

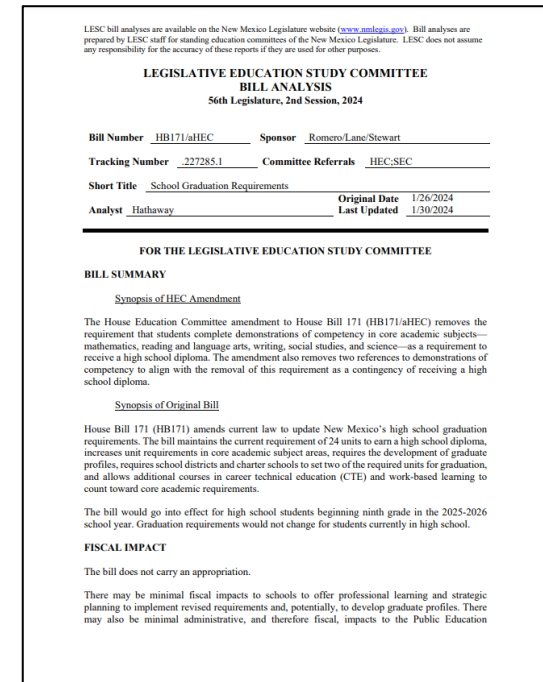
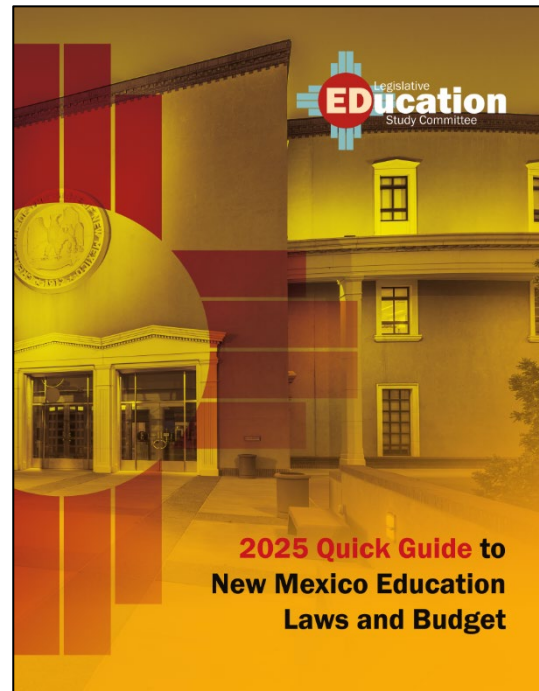
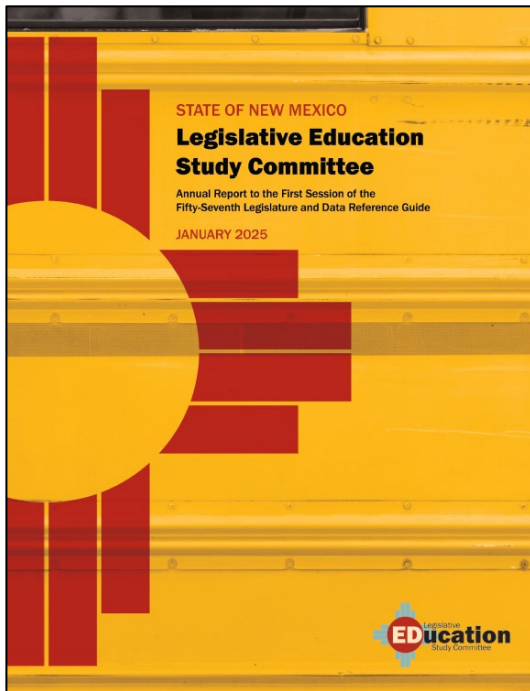
- While charter schools can access many state programs, including those offered by PSCOC and NMFA, certain inherent characteristics limit their ability to fully benefit from these programs, including but not limited to:
  - The inability to impose local taxes which impact their ability to meet local match requirements or revenue for loan repayment.
  - Lease arrangements that may be terminated on short notice can complicate underwriting of loans.
  - Charter renewal terms (every 5 years) reduce lenders' and state agencies' willingness to commit long-term funding.
  - Lack of real property ownership (many lease space rather than own facilities) makes it difficult to use facilities as collateral.





# Key LESOC Work Products

All LESOC work products are publicly available at [www.nmlegis.gov/Entity/LESC/Default](http://www.nmlegis.gov/Entity/LESC/Default)

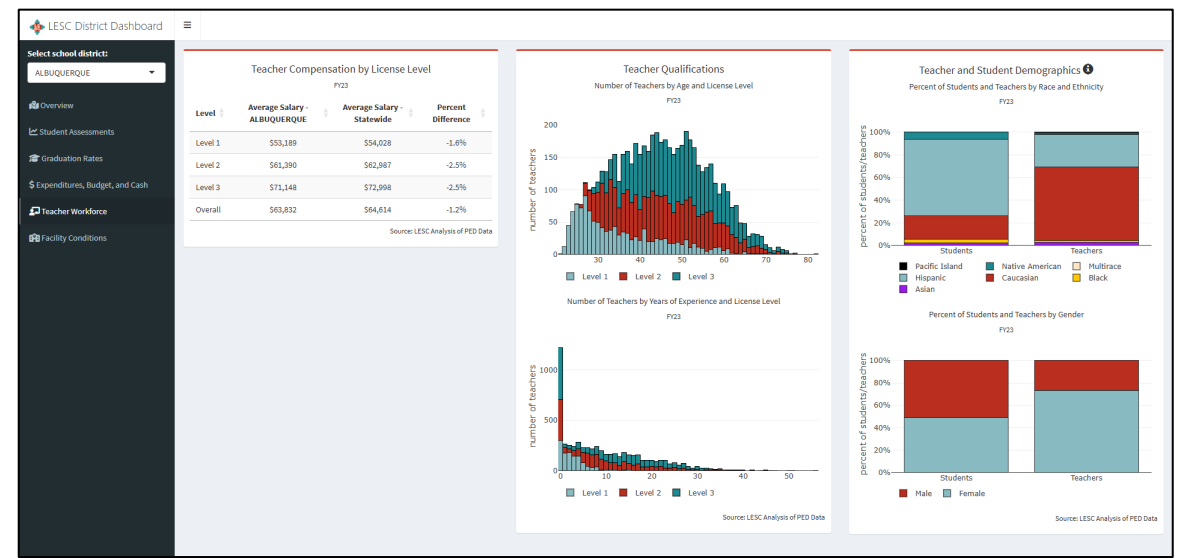
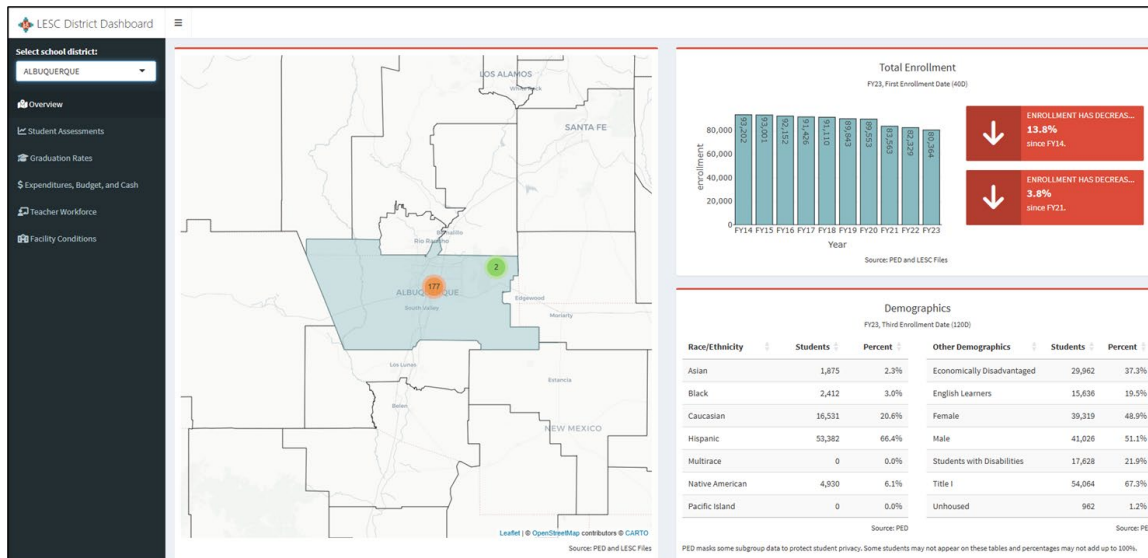




# LESC District Dashboard

LESC maintains a publicly accessible **school district dashboard** that includes key enrollment, assessment, graduation rate, financial, teacher workforce, and school facilities information. It is available at:

<https://newmexicolesc.shinyapps.io/DistrictDashboard/>





## For More Information

<https://www.nmlegis.gov/Entity/LESC/Default>

Mark A. Montoya, Senior Policy Analyst II

[Mark.Montoya@nmlegis.gov](mailto:Mark.Montoya@nmlegis.gov)

325 Don Gaspar Avenue, Suite 100

Santa Fe, NM 87501

505-946-5427

## Appendix A: 2 Percent Withholding per Charter School (2024-2025)

(in thousands)

	Charter School Name	Geographical Location	Total SEG Distribution (Program Cost)	2 Percent Administrative Withholding	SEG Distribution after Admin.
<i>Locally Chartered Charter Schools</i>					
1	ABQ CHARTER ACADEMY	ALBUQUERQUE	\$5,359.1	\$107.2	\$5,251.9
2	ACADEMY FOR TECHNOLOGY & CLASSICS	SANTA FE	\$4,450.1	\$89.0	\$4,361.1
3	ACE LEADERSHIP HIGH SCHOOL	ALBUQUERQUE	\$4,147.8	\$83.0	\$4,064.9
4	ALICE KING COMMUNITY SCHOOL	ALBUQUERQUE	\$6,116.4	\$122.3	\$5,994.1
5	ANANSI CHARTER SCHOOL	TAOS	\$2,888.7	\$57.8	\$2,830.9
6	CHRISTINE DUNCAN HERITAGE ACADEMY	ALBUQUERQUE	\$7,285.6	\$145.7	\$7,139.9
7	CIEN AGUAS INTERNATIONAL	ALBUQUERQUE	\$5,705.9	\$114.1	\$5,591.8
8	CORAL COMMUNITY CHARTER	ALBUQUERQUE	\$2,961.6	\$59.2	\$2,902.4
9	CORRALES INTERNATIONAL	ALBUQUERQUE	\$3,567.8	\$71.4	\$3,496.5
10	COTTONWOOD VALLEY CHARTER	SOCORRO	\$2,487.3	\$49.7	\$2,437.6
11	DEMING CESAR CHAVEZ	DEMING	\$2,206.9	\$44.1	\$2,162.8
12	DIGITAL ARTS AND TECHNOLOGY ACADEMY	ALBUQUERQUE	\$4,030.6	\$80.6	\$3,950.0
13	EAST MOUNTAIN HIGH SCHOOL	ALBUQUERQUE	\$5,835.7	\$116.7	\$5,719.0
14	EL CAMINO REAL ACADEMY	ALBUQUERQUE	\$4,530.6	\$90.6	\$4,440.0
15	GILBERT L SENA CHARTER HS	ALBUQUERQUE	\$2,603.8	\$52.1	\$2,551.8
16	GORDON BERNELL CHARTER	ALBUQUERQUE	\$2,918.0	\$58.4	\$2,859.6
17	HEALTH LEADERSHIP HIGH SCHOOL	ALBUQUERQUE	\$2,840.0	\$56.8	\$2,783.2
18	INTERNATIONAL SCHOOL AT MESA DEL SOL	ALBUQUERQUE	\$4,769.0	\$95.4	\$4,673.6
19	JEFFERSON MONTESSORI ACADEMY	CARLSBAD	\$2,616.8	\$52.3	\$2,564.4
20	LA ACADEMIA DE ESPERANZA	ALBUQUERQUE	\$3,324.7	\$66.5	\$3,258.2
21	LOS PUENTES CHARTER	ALBUQUERQUE	\$2,008.2	\$40.2	\$1,968.0
22	MARK ARMIJO ACADEMY	ALBUQUERQUE	\$3,084.6	\$61.7	\$3,022.9
23	MONTESSORI OF THE RIO GRANDE	ALBUQUERQUE	\$3,019.9	\$60.4	\$2,959.5
24	MORENO VALLEY HIGH	CIMARRON	\$1,042.0	\$20.8	\$1,021.1
25	MOSAIC ACADEMY CHARTER	AZTEC	\$2,547.6	\$51.0	\$2,496.6
26	MOUNTAIN MAHOGANY COMMUNITY SCHOOL	ALBUQUERQUE	\$3,234.5	\$64.7	\$3,169.8
27	NATIVE AMERICAN COMMUNITY ACADEMY	ALBUQUERQUE	\$6,261.4	\$125.2	\$6,136.2
28	NEW AMERICA SCHOOL	ALBUQUERQUE	\$2,238.6	\$44.8	\$2,193.8
29	NEW MEXICO INTERNATIONAL SCHOOL	ALBUQUERQUE	\$5,494.3	\$109.9	\$5,384.4
30	PUBLIC ACADEMY FOR PERFORMING ARTS	ALBUQUERQUE	\$5,060.8	\$101.2	\$4,959.6
31	RIO GALLINAS SCHOOL	WEST LAS VEGAS	\$1,381.5	\$27.6	\$1,353.8
32	ROBERT F. KENNEDY CHARTER	ALBUQUERQUE	\$4,600.3	\$92.0	\$4,508.3
33	SIDNEY GUTIERREZ MIDDLE	ROSWELL	\$2,379.2	\$47.6	\$2,331.6

	<b>Charter School Name</b>	<b>Geographical Location</b>	<b>Total SEG Distribution (Program Cost)</b>	<b>2 Percent Administrative Withholding</b>	<b>SEG Distribution after Admin.</b>	
34	SIEMBRA LEADERSHIP HIGH SCHOOL	ALBUQUERQUE	\$6,273.1	\$125.5	\$6,147.6	34
35	SOUTH VALLEY ACADEMY	ALBUQUERQUE	\$8,424.1	\$168.5	\$8,255.6	35
36	TAOS MUNICIPAL CHARTER	TAOS	\$3,423.8	\$68.5	\$3,355.3	36
37	TECHNOLOGY LEADERSHIP HIGH SCHOOL	ALBUQUERQUE	\$4,174.7	\$83.5	\$4,091.2	37
38	THE ALB TALENT DEVELOPMENT CHARTER	ALBUQUERQUE	\$1,696.8	\$33.9	\$1,662.8	38
39	VOZ COLLEGIATE PREPARATORY CHARTER SCHOOL	ALBUQUERQUE	\$1,992.0	\$39.8	\$1,952.1	39
<b><i>State-Chartered Charter Schools</i></b>						
40	21st CENTURY PUBLIC ACADEMY	ALBUQUERQUE	\$4,384.9	\$87.7	\$4,297.2	40
41	ACES TECHNICAL CHARTER SCHOOL	ALBUQUERQUE	\$2,237.4	\$44.7	\$2,192.7	41
42	ALBUQUERQUE INSTITUTE OF MATH & SCIENCE	ALBUQUERQUE	\$3,902.4	\$78.0	\$3,824.3	42
43	ALBUQUERQUE BILINGUAL ACADEMY	ALBUQUERQUE	\$5,326.2	\$106.5	\$5,219.7	43
44	ALBUQUERQUE COLLEGIATE CHARTER SCHOOL	ALBUQUERQUE	\$2,730.0	\$54.6	\$2,675.4	44
45	ABQ SCHOOL OF EXCELLENCE*	ALBUQUERQUE	\$11,891.7	\$237.8	\$11,653.9	45
46	ABQ SIGN LANGUAGE ACADEMY	ALBUQUERQUE	\$5,659.2	\$113.2	\$5,546.0	46
47	ALDO LEOPOLD CHARTER	SILVER CITY	\$2,682.7	\$53.7	\$2,629.0	47
48	ALMA D'ARTE CHARTER	LAS CRUCES	\$1,481.2	\$29.6	\$1,451.6	48
49	ALTURA PREPARATORY SCHOOL	ALBUQUERQUE	\$2,889.1	\$57.8	\$2,831.3	49
50	AMY BIEHL CHARTER HIGH SCHOOL	ALBUQUERQUE	\$3,379.5	\$67.6	\$3,311.9	50
51	CESAR CHAVEZ COMMUNITY SCHOOL	ALBUQUERQUE	\$2,542.6	\$50.9	\$2,491.7	51
52	COTTONWOOD CLASSICAL PREP	ALBUQUERQUE	\$10,286.1	\$205.7	\$10,080.4	52
53	DEAP CHARTER SCHOOL	GALLUP-MCKINLEY	\$744.5	\$14.9	\$729.6	53
54	DREAM DINE	CENTRAL CONS.	\$348.1	\$7.0	\$341.1	54
55	ESTANCIA VALLEY CLASSICAL ACADEMY	MORIARTY-EDGEWOOD	\$7,190.4	\$143.8	\$7,046.6	55
56	EXPLORE ACADEMY	ALBUQUERQUE	\$17,922.0	\$358.4	\$17,563.5	56
57	EXPLORE ACADEMY - LAS CRUCES	LAS CRUCES	\$7,708.9	\$154.2	\$7,554.7	57
58	EXPLORE ACADEMY - RIO RANCHO	RIO RANCHO	\$5,329.2	\$106.6	\$5,222.6	58
59	HORIZON ACADEMY WEST	ALBUQUERQUE	\$5,974.4	\$119.5	\$5,854.9	59
60	HOZHO ACADEMY	GALLUP-MCKINLEY	\$10,933.2	\$218.7	\$10,714.5	60
61	J PAUL TAYLOR ACADEMY	LAS CRUCES	\$2,811.5	\$56.2	\$2,755.2	61
62	LA ACADEMIA DOLORES HUERTA	LAS CRUCES	\$1,314.4	\$26.3	\$1,288.1	62
63	LAS MONTANAS CHARTER	LAS CRUCES	\$2,806.0	\$56.1	\$2,749.9	63
64	MCCURDY CHARTER SCHOOL	ESPANOLA	\$6,518.4	\$130.4	\$6,388.0	64
65	MIDDLE COLLEGE HIGH SCHOOL	GALLUP-MCKINLEY	\$2,147.0	\$42.9	\$2,104.0	65
66	MISSION ACHIEVEMENT AND SUCCESS	ALBUQUERQUE	\$23,771.0	\$475.4	\$23,295.6	66
67	MONTE DEL SOL CHARTER	SANTA FE	\$5,030.3	\$100.6	\$4,929.7	67
68	MONTESSORI ELEMENTARY SCHOOL	ALBUQUERQUE	\$5,290.8	\$105.8	\$5,185.0	68

	<b>Charter School Name</b>	<b>Geographical Location</b>	<b>Total SEG Distribution (Program Cost)</b>	<b>2 Percent Administrative Withholding</b>	<b>SEG Distribution after Admin.</b>	
69	NEW AMERICA SCHOOL - LAS CRUCES	LAS CRUCES	\$2,723.2	\$54.5	\$2,668.7	69
70	NEW MEXICO ACADEMY FOR THE MEDIA ARTS	ALBUQUERQUE	\$1,803.9	\$36.1	\$1,767.8	70
71	NEW MEXICO CONNECTIONS ACADEMY	SANTA FE	\$18,569.7	\$371.4	\$18,198.3	71
72	NM SCHOOL FOR THE ARTS	SANTA FE	\$3,882.5	\$77.7	\$3,804.9	72
73	NORTH VALLEY ACADEMY	ALBUQUERQUE	\$3,113.3	\$62.3	\$3,051.0	73
74	PECOS CYBER ACADEMY	MORIARTY-EDGEWOOD	\$24,815.2	\$496.3	\$24,318.9	74
75	RAICES DEL SABER XINACHTLI COMMUNITY	LAS CRUCES	\$1,686.3	\$33.7	\$1,652.5	75
76	RED RIVER VALLEY CHARTER SCHOOL	QUESTA	\$1,535.4	\$30.7	\$1,504.7	76
77	RIO GRANDE ACADEMY OF FINE ARTS	ALBUQUERQUE	\$2,493.7	\$49.9	\$2,443.8	77
78	ROOTS & WINGS COMMUNITY	QUESTA	\$1,123.5	\$22.5	\$1,101.0	78
79	SAN DIEGO RIVERSIDE CHARTER	JEMEZ VALLEY	\$1,116.9	\$22.3	\$1,094.6	79
80	SANDOVAL ACADEMY OF BILINGUAL EDUCATION	RIO RANCHO	\$2,874.4	\$57.5	\$2,816.9	80
81	SCHOOL OF DREAMS ACADEMY	LOS LUNAS	\$8,230.7	\$164.6	\$8,066.1	81
82	SIX DIRECTIONS INDIGENOUS SCHOOL	GALLUP-MCKINLEY	\$819.1	\$16.4	\$802.7	82
83	SOLARE COLLEGIATE CHARTER SCHOOL	ALBUQUERQUE	\$4,245.9	\$84.9	\$4,160.9	83
84	SOUTH VALLEY PREP	ALBUQUERQUE	\$1,893.6	\$37.9	\$1,855.7	84
85	ALBUQUERQUE AVIATION ACADEMY (previously SAMS)	ALBUQUERQUE	\$3,817.2	\$76.3	\$3,740.9	85
86	RENAISSANCE ACADEMY CHARTER SCHOOL (prev. SWPL)	ALBUQUERQUE	\$2,032.7	\$40.7	\$1,992.0	86
87	SOUTHWEST SECONDARY LEARNING CENTER	ALBUQUERQUE	\$1,855.2	\$37.1	\$1,818.0	87
88	TAOS ACADEMY	TAOS	\$4,418.9	\$88.4	\$4,330.5	88
89	TAOS INTEGRATED SCHOOL OF ARTS	TAOS	\$2,777.0	\$55.5	\$2,721.4	89
90	TAOS INTERNATIONAL SCHOOL	TAOS	\$2,561.7	\$51.2	\$2,510.5	90
91	THE ASK ACADEMY	RIO RANCHO	\$6,487.1	\$129.7	\$6,357.4	91
92	THE GREAT ACADEMY	ALBUQUERQUE	\$1,326.4	\$26.5	\$1,299.9	92
93	THE MASTERS PROGRAM	SANTA FE	\$3,475.6	\$69.5	\$3,406.1	93
94	THRIVE COMMUNITY SCHOOL	SANTA FE	\$4,373.9	\$87.5	\$4,286.4	94
95	TIERRA ADENTRO	ALBUQUERQUE	\$3,337.9	\$66.8	\$3,271.1	95
96	TIERRA ENCANTADA CHARTER SCHOOL	SANTA FE	\$3,786.0	\$75.7	\$3,710.3	96
97	TURQUOISE TRAIL CHARTER SCHOOL	SANTA FE	\$7,812.6	\$156.3	\$7,656.3	97
98	VISTA GRANDE HIGH SCHOOL	TAOS	\$1,414.8	\$28.3	\$1,386.5	98
99	WALATOWA CHARTER HIGH	JEMEZ VALLEY	\$927.4	\$18.5	\$908.8	99
	<b>LOCALLY CHARTERED CHARTER SCHOOLS TOTAL</b>		<b>\$148,983.9</b>	<b>\$2,979.7</b>	<b>\$146,004.2</b>	
	<b>STATE-CHARTERED CHARTER SCHOOLS TOTAL</b>		<b>\$296,564.2</b>	<b>\$5,931.3</b>	<b>\$290,632.9</b>	
	<b>GRAND TOTAL</b>		<b>\$445,548.1</b>	<b>\$8,911.0</b>	<b>\$436,637.1</b>	

\*Albuquerque School of Excellence has two locations.

Source: LESC Files