



**PUBLIC CHARTER
SCHOOLS of
NEW MEXICO**

Modernizing Charter School Facilities Funding

Keeping Student Dollars Focus on Kids

NMFA Oversight Committee

September 3, 2026



Free. Public. Open to all.

Independent, community-based, mission-driven, and accountable public choices for New Mexico kids and families.

103 public charter schools

across **29** communities

serving nearly **33,000** kids



Mission-oriented



Chosen by families

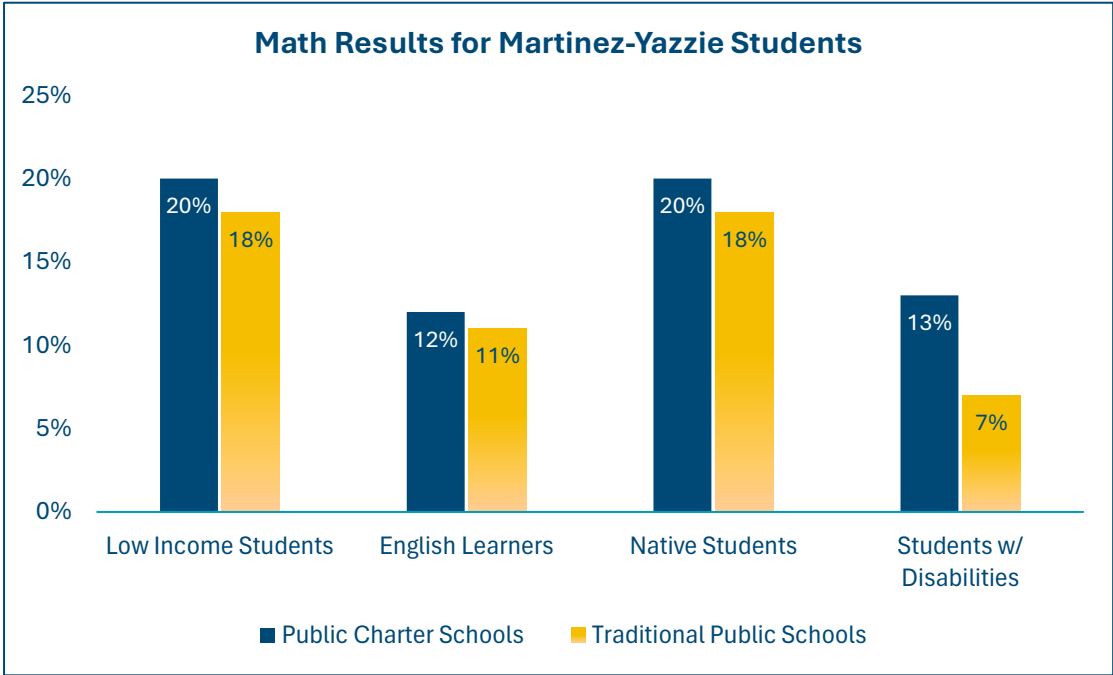
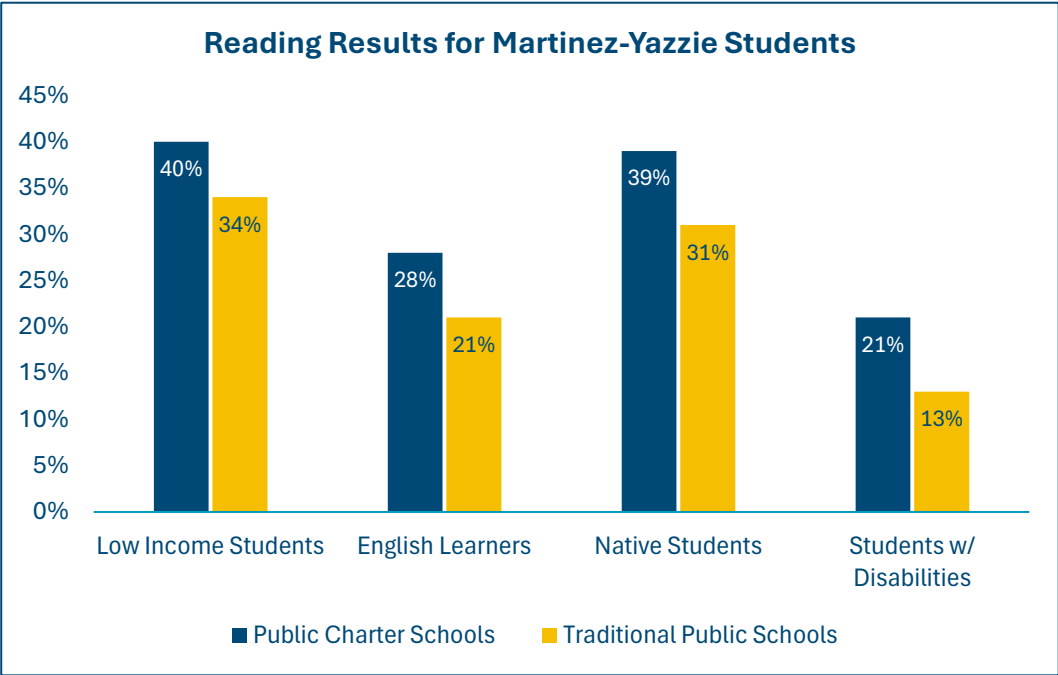


Accountable for results



Charter School Performance

Year over year, public charter schools outperform traditional schools in reading, math, and science.





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Current Realities of Facilities Funding

If taxpayers fund public school buildings, should access depend on whether a child attends a district school or a charter school?

Different Tools for Public School Buildings

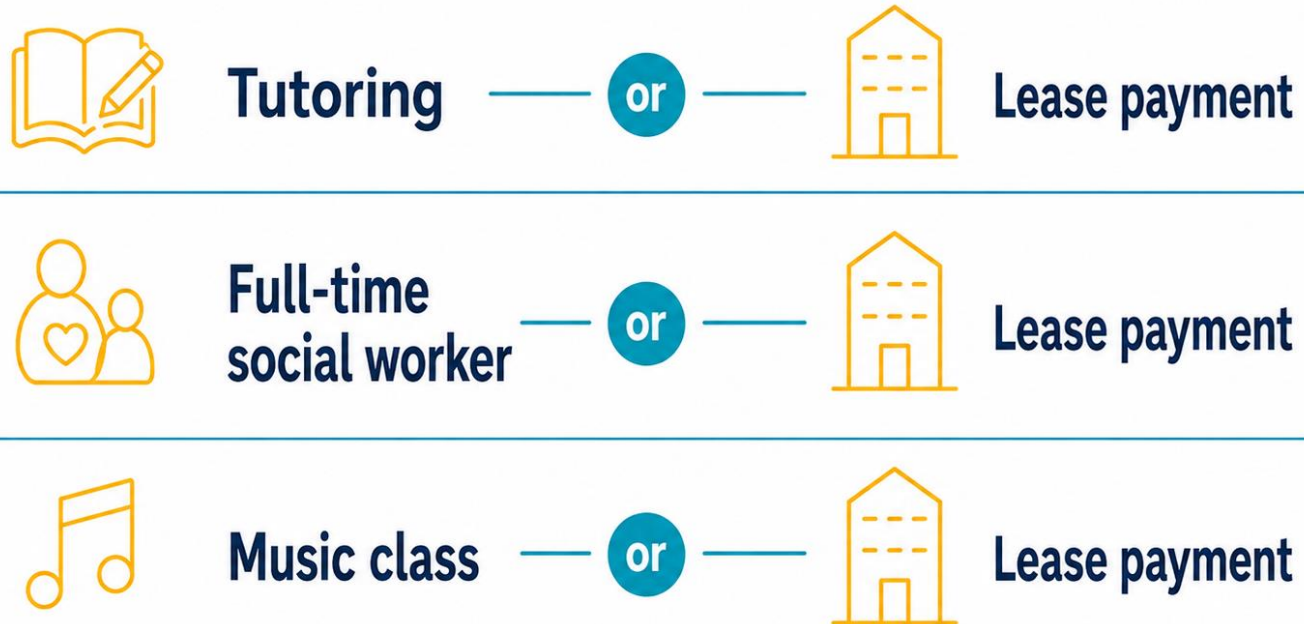
New Mexico funds public school buildings, but not every public school has the same practical path to a safe, stable facility.

- District schools rely on local property taxes, general obligation bonds, and district-owned buildings. Most charter schools cannot.
- Charter schools rely on lease assistance, private financing, philanthropy, and operating dollars to cover facility costs.
- In FY26, nearly 86% of charter lease assistance recipients were funded through the MEM formula rather than the full cost of their lease.
- For schools with documented shortfalls, the average gap exceeded \$250,000. Every dollar used to cover a facility gap is a dollar not going to kids.



Public Charter Schools Serve Public School Kids

When facilities funding falls short, kids pay the price.



Facilities inequity turns building costs into choices about kids.





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A Practical Path Forward

What practical steps can policymakers take to make facilities funding work better for kids, schools, and taxpayers?

Modernize the lease assistance formula.

- Set lease assistance at \$1,100 per-MEM.
- Preserve the actual lease cost cap, so the state pays the lower of the formula amount or the school's documented lease obligation.
- Attach annual inflation adjustments on per-MEM, so the formula does not fall behind again.
- Use prior-year enrollment for initial awards, then true up with current-year 40-day counts, so funding follows kids.



Create market guardrails.

- Require charter schools to submit lease assistance documentation by September 10, with approved payments beginning no later than the second quarter of the fiscal year.
- Require a limited market study when a lease includes unusual cost increases, automatic increases tied to state aid, or rent increases above inflation.
- Keep lease assistance capped at actual lease cost, while allowing schools below the formula amount to use the remaining eligible amount only for approved school-owned, portable facility needs



Allow charter school foundations to qualify for NMFA Financing.

- Add charter school foundations to the definition of “qualified entity.” to create parity with university foundations.
- Bring philanthropic capital into NMFA to help charter schools meet financing requirements and access affordable facility financing without weakening NMFA’s underwriting standards.



Give charter schools first refusal for unused public-school buildings.

- Require districts to identify unused or underused buildings in their existing Facilities Master Plan and certify any planned future use for direct K-12 instruction, including the use and timeline.
- Require PSFA to post district-submitted information on unused public-school buildings in a statewide public inventory.
- Require districts to provide notice for each unused public-school building to PSFA and all public charter schools in the county, including address, square footage, known condition, proposed terms, and occupancy date.
- Give public charter schools at least 60 days to respond before the district may move the building to any non-public-school use.
- Require lease or purchase pricing based on PSFA-determined value for continued use as a school, not commercial redevelopment value.





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**Protecting What Works.
Expanding What's Possible.**

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