



Charter School Operations Funding

How are charter school operations funded?

Charter school students are statutorily required to be funded in the same manner as students in traditional public schools.¹ Operating funds for charter schools are provided through the Florida Education Finance Program (FEFP). Each charter school must report its enrollment to its sponsoring school district for inclusion in the district’s report of student enrollment.² Annually, charter schools complete and submit a Charter School Revenue Estimate Worksheet that is used to determine its share of FEFP funds.³ The following chart summarizes how a charter school’s share of FEFP funds is determined:

Calculating a Charter School’s Share of FEFP Funds⁴
Sum of the school district’s operating funds from the FEFP as provided in s. 1011.62, F.S., and the General Appropriations Act, including the district’s gross state, local, and federal funds, discretionary lottery funds, and funds from the district’s current operating discretionary tax levies.
÷ The total funded weighted full-time equivalent students in the district.
x The weighted full-time equivalent students for the charter school.

A charter school is also entitled to receive its proportionate share of categorical funds included in the FEFP for students who qualify for the categorical. Categorical funds include student transportation, safe schools, supplemental academic instruction, instructional materials, class-size reduction operating funds, and Florida Teachers Lead and must be spent for these specific purposes.⁵

Operating funds from the FEFP are distributed by the school district to the charter school. A school district may initially distribute funds for up to three months based on projected full-time 333 equivalent (FTE) student membership. Thereafter, FTE membership surveys must be used to determine the amount of the charter school’s funding distribution. Such distributions are to be made monthly and no later than 10 days after the school district receives the funding.⁶

¹ Section 1002.33(17), F.S.

² Section 1002.33(17)(a), F.S.

³ See Florida Department of Education, Office of Funding and Financial Reporting, *Charter School Revenue Estimate Worksheet and Instruction* (2010-11), <http://www.fldoe.org/fefp/chartinst.asp> (last visited July 16, 2010).

⁴ Section 1002.33(17)(b) and (c), F.S.

⁵ See ss. 1011.68, 1011.62(6), 1011.62(1)(f), 1011.67, 1011.685, and 1012.71, F.S., respectively.

⁶ Section 1002.33(17)(e), F.S.

May a sponsor withhold a fee for its provision of administrative services to a charter school?

Yes. A school district must provide various administrative services to sponsored charter schools, such as contract management, FTE and student achievement data reporting, exceptional student education program administration, eligibility and reporting for federal school lunch programs, assessment test administration, processing of teacher certification data, and student information services.⁷ As compensation for services provided, a school district may withhold an administrative fee of up to five percent of each charter school's operating fund disbursements. A sponsor may only withhold the administrative fee for the first 250 students enrolled in each charter school.⁸ A sponsor may withhold an administrative fee for the first 500 students enrolled within a system of charter schools if the system:

- ❖ Includes both conversion charter schools and nonconversion charter schools;
- ❖ Has all schools located in the same county;
- ❖ Has a total enrollment exceeding the total enrollment of at least one school district in the state;
- ❖ Has the same governing board; and
- ❖ Does not contract with a for-profit service provider for management of school operations.⁹

School districts are prohibited from imposing additional fees or surcharges for services provided. The administrative fee calculation may not include funding awarded to a charter school under the Merit Award Program (MAP).¹⁰

Do charter schools receive federal funding?

Yes. A charter school is entitled to receive its proportionate share of funds for federally funded programs or services provided by the school.¹¹ Florida school districts act as the local education agency for purposes of receiving federal funds. Thus, funds for federal entitlement programs, such as the Individuals with Disabilities Education Act¹² and Title I programs for disadvantaged

⁷ Section 1002.33(20)(a)1., F.S., as amended by ch. 2010-152, L.O.F.

⁸ Section 1002.33(20)(a)2., F.S., as amended by ch. 2010-152, L.O.F.

When a charter school's enrollment exceeds 250 students, it must reserve an amount of total operating funds equal to the difference between the total administrative fee calculation and the actual amount withheld for capital outlay purposes. *Id.*

⁹ Section 1002.33(20)(a)3., F.S., as amended by ch. 2010-152, L.O.F. When the enrollment within a system of charter schools exceeds 500 students, an amount of total operating funds equal to the difference between the total administrative fee calculation and the actual amount withheld may only be used for instructional, administrative, or capital outlay purposes. Section 1002.33(20)(a)4., F.S., as amended by ch. 2010-152, L.O.F.

¹⁰ Section 1002.33(20)(a)5., F.S., as amended by ch. 2010-152, L.O.F.

¹¹ Section 1002.33(17)(c), F.S. Legislation enacted in 2009 provides for the inclusion of charter schools in DOE and school district requests for federal stimulus funds in the same manner as district public schools. Section 7, ch. 2009-214, L.O.F.; s. 1002.33(17)(d), F.S. Like other sources of federal funds, the charter school and its sponsor must collaborate to ensure compliance with any federal requirements placed on the use of stimulus funds. Email, Florida Department of Education, Legislative Affairs Director (July 30, 2010).

¹² 20 U.S.C. s. 1411(e).

students,¹³ are received by the school district, which must then distribute the proportionate share to eligible charter schools within the district.¹⁴

Federal grant funds are available to eligible charter schools through the U.S. Department of Education's Charter School Program (CSP). CSP grants are offered on an as available, competitive basis to:

- ❖ Newly-approved charter schools during the first three years of operation. The funds may be used for planning, design, and initial implementation of the school.
- ❖ Charter schools that have successfully been in operation for at least three consecutive years which demonstrate strong student achievement, financial stability, parental support, and effective management. These funds may be used for support activities that help open new public schools or share lessons learned by charter schools with other public schools.

Charter schools may apply for these funds through the Department of Education (DOE), which acts as the state educational authority for purposes of the CSP.¹⁵

May charter school instructional personnel and school-based administrators receive performance pay through the Merit Award Program?

Yes. Eligible instructional personnel and school-based administrators at participating charter schools may receive performance pay through MAP. A charter school may participate in the MAP under its school district's MAP plan or under its own plan.¹⁶ During the 2009-10 academic year, 212 charter schools received MAP funding.¹⁷

What other financial incentives are available to charter schools?

Developers may designate impact fees for the construction of a new charter school facility, if the school is specifically created to mitigate the educational impact created by the development.¹⁸ In addition, several tax, zoning, and fee exemptions financially benefit charter schools. A facility that houses a charter school is exempt from ad valorem taxation. This includes charter schools-in-the-workplace and charter schools-in-a-municipality.¹⁹ Charter schools are also exempt from

¹³ 20 U.S.C. s. 6303(g).

¹⁴ Section 1002.33(17)(c), F.S.

¹⁵ U.S. Department of Education, *Charter Schools Program*, <http://www2.ed.gov/programs/charter/index.html> (last visited July 16, 2010).

¹⁶ Section 1012.225(1)(a) and (5)(b), F.S.; see also Merit Award Program Fact Sheet.

¹⁷ Email, Florida Department of Education, Legislative Affairs Director (July 30, 2010).

¹⁸ Section 1002.33(18)(f), F.S.

¹⁹ Section 1002.33(15)(b) and (18)(c), F.S.

assessments of fees for building permits, building and occupational licenses, impact fees or exactions,²⁰ service availability fees, and assessments for special benefits.²¹

What happens to charter school funds and property when the school is closed?

When a charter is not renewed or is terminated, unencumbered public funds from the charter school revert to the district school board, except that capital outlay and federal charter school grant funds revert to the DOE for redistribution among eligible charter schools. Additionally, all district school board property and improvements, furnishings, and equipment purchased with public funds automatically revert to the district school board subject to satisfaction of any liens or encumbrances.²²

Where can I get additional information?

Florida Department of Education

Office of Independent Education and Parental Choice
(850) 245-0502
Toll-Free Information Hotline: (800) 447-1636
www.floridaschoolchoice.org

Florida House of Representatives

Education Committee
(850) 488-7451
<http://www.myfloridahouse.gov/>

²⁰ Impact fees and exactions are used by local governments to control development and offset the impact of growth on local infrastructure and services. Unless superseded by constitutional or statutory provisions, local governments have broad authority to impose impact fees or exactions on development. Sections. 1(f)-(g) and 2(b), Art. VIII of the State Constitution; s. 125.01(1) and (3), F.S.; s. 166.021(1)-(4), F.S.; *Hollywood, Inc. v. Broward County, Florida*, 431 So. 2d 606, 609-610 (4th D.C.A. 1983)(Holding that Florida counties have implicit authority to impose impact fees or exactions on development so long as such fee or exaction is not inconsistent with general law and is rationally related to the need for additional infrastructure or services caused by the development).

²¹ Section 1002.33(18)(d), F.S.

²² Section 1002.33(8)(e), F.S.