

# Florida

by Meagan Batdorff

## Summary and Highlights

This snapshot examines the revenue sources and funding equity for district and charter schools in Florida and, in particular, Miami-Dade and Broward County Public Schools, during FY 2006-07 (Figure 1).<sup>1</sup>

In the following figures, the statewide values show how much per pupil funding districts in the state received compared to how much charter schools received per pupil. The statewide values weighted for charter enrollment adjust these figures to account for the fact that some districts enroll more charter students than others and the district PPR varies between districts. The weighted values estimate how much more or less per pupil funding charter schools received compared to the funding

**Figure 1: District and Charter School Revenues and Enrollments**

| Florida<br>(2006-07)                                                        | Statewide                 |         | Statewide Weighted for<br>Charter Enrollment |         | Miami-Dade               |         | Broward                  |         |
|-----------------------------------------------------------------------------|---------------------------|---------|----------------------------------------------|---------|--------------------------|---------|--------------------------|---------|
| Per pupil Revenue                                                           |                           |         |                                              |         |                          |         |                          |         |
| District                                                                    | \$10,966                  |         | \$10,944                                     |         | \$10,881                 |         | \$10,794                 |         |
| Charter                                                                     | \$8,195                   |         | \$8,195                                      |         | \$7,940                  |         | \$7,884                  |         |
| Difference                                                                  | (\$2,771)<br>(25.3%)      |         | (\$2,749)<br>(25.1%)                         |         | (\$2,941)<br>(27.0%)     |         | (\$2,910)<br>(27.0%)     |         |
| Per pupil<br>Revenue by<br>Source                                           | District                  | Charter | District                                     | Charter | District                 | Charter | District                 | Charter |
| Federal                                                                     | \$1,002                   | \$317   | \$1,031                                      | \$317   | \$1,329                  | \$338   | \$995                    | \$204   |
| State                                                                       | \$4,387                   | \$4,184 | \$4,345                                      | \$4,184 | \$4,138                  | \$4,537 | \$4,160                  | \$4,831 |
| Local                                                                       | \$4,834                   | \$2,843 | \$4,849                                      | \$2,843 | \$4,853                  | \$2,352 | \$4,984                  | \$1,985 |
| Other                                                                       | \$645                     | \$559   | \$623                                        | \$559   | \$500                    | \$572   | \$547                    | \$680   |
| Indeterminate                                                               | \$98                      | \$293   | \$96                                         | \$293   | \$61                     | \$142   | \$109                    | \$184   |
| Total                                                                       | \$10,966                  | \$8,195 | \$10,944                                     | \$8,195 | \$10,881                 | \$7,940 | \$10,794                 | \$7,884 |
| Enrollment                                                                  |                           |         |                                              |         |                          |         |                          |         |
| District                                                                    | 2,524,027<br>96.4%        |         | N/A<br>N/A                                   |         | 328,593<br>94.6%         |         | 234,097<br>93.8%         |         |
| Charter                                                                     | 95,010<br>3.6%            |         | N/A<br>N/A                                   |         | 18,907<br>5.4%           |         | 15,422<br>6.2%           |         |
| Charter<br>Schools                                                          | 364                       |         | N/A                                          |         | 57                       |         | 45                       |         |
| Total Revenue                                                               |                           |         |                                              |         |                          |         |                          |         |
| District                                                                    | \$27,678,795,378<br>97.3% |         | N/A<br>N/A                                   |         | \$3,575,258,867<br>96.0% |         | \$2,526,751,774<br>95.4% |         |
| Charter                                                                     | \$778,638,680<br>2.7%     |         | N/A<br>N/A                                   |         | \$150,117,836<br>4.0%    |         | \$121,585,347<br>4.6%    |         |
| Total                                                                       | \$28,457,434,058          |         | N/A                                          |         | \$3,725,376,703          |         | \$2,648,337,121          |         |
| Percentage of<br>Revenue by<br>Source                                       | District                  | Charter | District                                     | Charter | District                 | Charter | District                 | Charter |
| Federal                                                                     | 9.1%                      | 3.9%    | 9.4%                                         | 3.9%    | 12.2%                    | 4.3%    | 9.2%                     | 2.6%    |
| State                                                                       | 40.0%                     | 51.1%   | 39.7%                                        | 51.1%   | 38.0%                    | 57.1%   | 38.5%                    | 61.3%   |
| Local                                                                       | 44.1%                     | 34.7%   | 44.3%                                        | 34.7%   | 44.6%                    | 29.6%   | 46.2%                    | 25.2%   |
| Other                                                                       | 5.9%                      | 6.8%    | 5.7%                                         | 6.8%    | 4.6%                     | 7.2%    | 5.1%                     | 8.6%    |
| Indeterminate                                                               | 0.9%                      | 3.6%    | 0.9%                                         | 3.6%    | 0.6%                     | 1.8%    | 1.0%                     | 2.3%    |
| Change in district school funding if subjected to charter funding structure |                           |         |                                              |         |                          |         |                          |         |
|                                                                             | (\$7 billion)             |         |                                              |         | (\$966 million)          |         | (\$681 million)          |         |

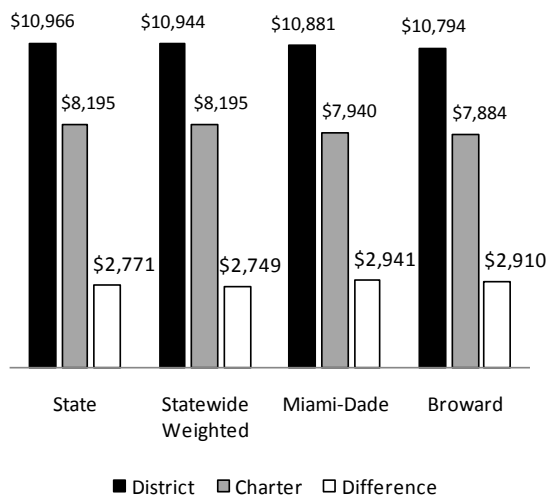
CHARTER SCHOOL FUNDING: Inequity Persists

district schools would have received to educate the same students. (See Methodology for details.)

### Highlights of Our Findings:

- Charter schools across Florida received 25.3 percent less funding than district schools: \$8,195 vs. \$10,966 per pupil, a difference of \$2,771.
- Florida charter schools received \$8,195 per pupil, but district schools would have received an estimated \$10,944 to educate the same students – a difference of \$2,749, or 25.1 percent. Weighting the district PPR for charter enrollment therefore decreases the funding disparity by \$22 from the statewide difference above.
- Miami-Dade charters received 27.0 percent less funding than district schools: \$7,940 vs. \$10,881 per pupil, a difference of \$2,941.
- Broward charter schools trailed district schools by 27.0 percent: \$7,884 vs. \$10,794, a difference of \$2,910.

**Figure 2: Per Pupil Total Revenue for Florida District vs. Charter Schools, FY 2006-07**



### Primary Reasons for Funding Disparities

- Districts in Florida can withhold federal funding in exchange for services provided to charter schools. A total of 114 charter schools did not

report any federal revenues. We assume some of these schools received services in lieu of pass-through federal funding.

- Local districts reduce charter school reimbursements from local funds, including capital and debt service funds, even though state law provides that charters shall be funded “the same as” other public schools.
- Districts do not disburse local revenues evenly to both traditional and charter schools. Looking at combined local and state revenue per pupil for both charters and districts, districts retain a \$2,194 advantage over charters. Reasons include: (1) According to NCES data, Florida district schools serve slightly higher percentages of free or reduced price lunch students (10.4 percent more) and a greater percentage of district schools are Title I than is the case for Florida’s charter schools – 61.1 percent of district schools vs. 47.7 percent of charter schools, a 13.4 percent gap; and (2) Florida’s funding formula provides districts with a significant number of alternative statutory and local fund options that charters are not allowed to access.

- Florida does not recognize charters as Local Education Agencies (LEAs) for purposes of funding (Figure 3). Therefore, charters are often unable to access state and federal program funds directly and must rely upon district distributions of funds.<sup>2</sup> In addition, since districts can withhold funds in exchange for services, it is difficult to assess whether the value of the provision of services is equivalent to revenues the district receives on behalf of charter school students and schools.

### How Florida Funds Its District Schools<sup>3</sup>

Florida uses a weighted per pupil funding system that accounts for *students* served in particular education programs rather than funding schools or programs. Florida’s Education Finance Program (FEFP) calculates state aid by multiplying the unweighted full-time equivalent (FTE) student

count by program cost factors (including varied factor weights for grade level instruction, student learning needs, and local economic business costs) to generate a weighted FTE. The weighted FTE count is multiplied by both the legislatively approved base allocation – \$3,982 in FY 2006-07 – and the District Cost Differential. This calculation determines base per pupil funding.

Additional funding is added to a district's base per pupil funding for: declining enrollment, sparsity supplement, discretionary equalization and 0.51 Mil compression, discretionary contribution, Safe Schools, ESE Guaranteed allocation, supplemental academic instruction, reading allocation, STAR Program (the state's pay for performance program), and a minimum guarantee 1.0 percent per UFTE. The base allocation plus these additions totals the "Gross State FEFP". At this point the Required Local Effort, the amount that each district contributes to the FEFP annually, is deducted from the figure representing base per pupil funding plus the additions in order to generate the Net State FEFP. Additional state funds are then added from Discretionary lottery funds, the school recognition program, and the six major categorical programs: student transportation, instructional materials, technology, Teachers LEAD program, teacher training, and the class size reduction allocation.

School districts receive funding from the state for capital outlay from a constitutionally guaranteed amount of proceeds of motor vehicle licensure and gross tax receipts as provided by the legislature. School districts may also set discretionary levies for capital outlay and maintenance (up to 2.0 mills) and for Current operations (.510 mills) plus an additional maximum of .25 mills that would raise an amount not to exceed \$100 per FTE student.

Qualified electors may also vote to establish an additional millage levy for operations and capital outlay, which cannot exceed two years, and an operational levy, not to exceed four years, to be authorized by the electorate through a local referendum or in conjunction with a general

election. This voted levy and the levies established by the school board cannot exceed 10 mills in total. Local school boards can also levy a sales surtax of up to 0.5 percent for capital outlay purposes if approval is obtained by referendum. Charter schools do not have guaranteed access, much less equal access, to these additional levies.

### **How Florida Funds Its Charter Schools**

Florida charter school students are funded under the FEFP calculation described above. All funds pass through the local district. With the exception of a legislatively permitted 5 percent administration fee withheld by an authorizing district, charter and district schools should receive equal funding, with variations that account for student differences only.

The statutory language defining the funding formula for charter schools follows:

*The basis for the agreement for funding students enrolled in a charter school shall be the sum of the school district's operating funds from the Florida Education Finance Program as provided in s. 1011.62 and the General Appropriations Act, including gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy; divided by total funded weighted full-time equivalent students in the school district; multiplied by the weighted full-time equivalent students for the charter school.<sup>4</sup>*

According to statute, "all charter schools shall receive all federal funding for which the school is otherwise eligible..." and in districts where school boards are providing programs or services to students funded by federal dollars, "any eligible students enrolled in charter schools in the school districts shall be provided federal funds for the same level of service provided students in the schools operated by the district school board."<sup>5</sup>

**Figure 3: State Charter School Policies**

| State Policies                                                                                       | Yes            | No | Partial        |
|------------------------------------------------------------------------------------------------------|----------------|----|----------------|
| Charter schools receive their funding directly from the state                                        |                | X  |                |
| Charter schools are eligible for local funding                                                       | X <sup>6</sup> |    |                |
| Cap on funding a charter school can receive                                                          |                | X  |                |
| District public schools receive differential funding (e.g. more funding for 9-12 vs. K-8 schools)    | X              |    |                |
| Charter schools receive differential funding                                                         | X              |    |                |
| State allows district to withhold funding from charter schools for providing administrative services | X              |    |                |
| State "holds harmless" district funding for charter enrollment                                       |                |    | X <sup>7</sup> |
| School is considered LEA if authorized by non-district organization                                  | X              |    |                |
| School is considered LEA if authorized by district                                                   |                | X  |                |
| Cap on number of charter schools                                                                     |                | X  |                |
| Cap on number of charter schools authorized per year                                                 |                | X  |                |
| Cap on number of students attending charter schools                                                  |                | X  |                |
| Charter schools have an open enrollment policy                                                       |                |    | X <sup>8</sup> |

In practice, charter schools continue to receive less than equal funding compared with district schools (See Figure 2). Anecdotal evidence suggests that districts encumber funds or withhold local sources from total funds available before providing charter schools with their "fair share." Due to the lack of reported federal revenues by Florida's charter schools under the assumed exchange for services, it is difficult to assess charter schools' equal access to federal funding. Through this analysis and a comparison of total

local per pupil revenues between charter and district schools, it is apparent that a large proportion of the funding gap between districts and charters is due to unequal distribution of local revenue sources. See Figure 3 for policies that impact charter funding.

### Facility Funding<sup>9</sup>

In 2006, the Florida Legislature enacted HB 5005, which changed the formula and eligibility criteria for charter school capital outlay funding. To be eligible for funding in 2006-07, charter schools must have met the following criteria: (1) have been in operation for three or more years; (2) are an expanded feeder chain of a charter school or received accreditation by the Commission on Schools of the Southern Association of Colleges and Schools; (3) demonstrate financial stability and satisfactory student achievement; (4) received final approval for operations during the current fiscal year; and (5) serve students in facilities not provided by the charter school's sponsor. The overall distribution of capital outlay funds increased during 2006-07. HB 5005's first priority guaranteed that charter schools receiving funding in the previous year would receive a minimum of the same capital outlay per FTE received during FY 2005-06 with newly eligible charter schools receiving the same rate of capital outlay FTE and the remaining funds appropriated to schools showing growth per FTE in the current fiscal year.

Capital outlay funds may be used for the purchase of real property; construction, renovation, repair and maintenance of school facilities; purchase, lease or lease-purchase of permanent or movable school facilities; and purchase of vehicles to transport students to and from a charter school. Charter schools receive per pupil Capital Outlay monies on an annual basis for facility costs at a varied rate depending on whether the school is an elementary, middle or high school. The state also provides an exemption from ad valorem taxes for facilities used to house charter schools.

In addition, any surplus district facilities must be made available for a charter school's use on the same basis as facilities are made available to other

public schools in the district. For an existing public school converting to charter status, district school boards cannot charge organizing charter boards a rental or leasing fee for the existing facility or for the property.

### Primary Revenue Sources for Florida's Public Schools

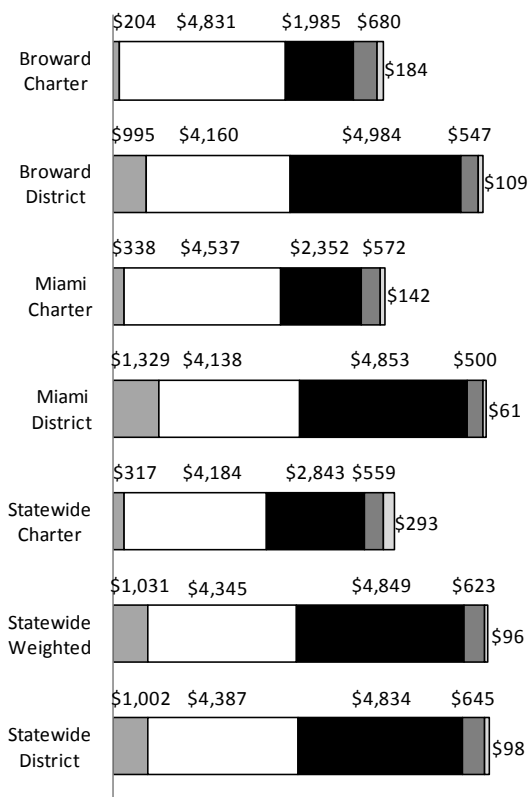
The state's FEFP system is primarily funded by the legislature through the sales tax. The Florida legislature established the Education Enhancement Trust Fund, which includes net proceeds from the Florida Lottery and Broward County slot machine tax proceeds. This fund finances the following appropriations: district discretionary Lottery Funds, School Recognition, and Class Size Reduction. Capital Outlay programs are funded through proceeds from licensing motor vehicles and Pari-Mutuel Wagering funds, the latter of which are dispersed equally to county commissions. Lottery proceeds also fund some debt service. Minor state revenue sources come from mobile home license sales and state forest funds. Local school support revenues are almost entirely generated from property taxes.

As Figure 1 shows, state and local revenue sources represented close percentages of per pupil revenue totals for Florida's district schools statewide, 40.0 percent and 44.1 percent respectively. For charter schools, on the other hand, a majority of revenues come from state sources 51.1 percent and local revenues make up only 34.7 percent of total funds. Again, it should be noted that total *local* per pupil revenue for charter schools is overestimated due to charter school audit reports that did not identify state categorical revenues. Therefore, the district percentage of Required Local Effort was applied to the total pass-through amount identified in audits as "FEFP", "local funding", or "state funding", which artificially inflated the amount of FEFP dollars that are identified as local.

Statewide, federal dollars accounted for a larger percentage of district per pupil revenues (9.1 percent) than charters statewide (3.9 percent). Here again, because of reporting inconsistencies,

it was often difficult to separate federal revenue streams from government funding. We assume that some charter school federal dollars that were captured under "indeterminate" funds may be included in pass-through lump-sum revenues from districts, or were provided as in-kind services from districts that withheld revenues.

**Figure 4: Per Pupil Revenue by Source for Florida District vs. Charter Schools, FY 2006-07**



Across the state and in the two focus districts, charter schools received more "other" revenues than their district counterparts. For consistency across all states in this study, other dollars are defined as all non-tax generated revenues such as tuition, private grant monies, food service fees, or facility rental income. Statewide, there was only about a 1 percent difference in other revenues, but that difference climbed to 3.5 percent in Broward. Again, we assume that a large proportion of charter school "indeterminate" revenues are actually "other" revenues. If this assumption were correct, it would increase

charter school reliance on other dollars statewide by nearly 4 percent.

The gap between charter and district school funding per pupil can be largely attributed to the following disparities in sources of revenue (Figure 4): (1) districts deny charters access to local dollars raised beyond local effort, including capital and operational funds; (2) a difference in the students being served; and (3) charter schools are not recognized as LEAs for funding purposes. These factors are discussed below.

**Figure 5: School Characteristics<sup>10</sup>**

| Florida (2006-07)                                               | Statewide District | Statewide Charters |
|-----------------------------------------------------------------|--------------------|--------------------|
| Percentage of students eligible for free or reduced price lunch | 45.6%              | 35.2%              |
| Percentage of schools eligible for Title I                      | 61.1%              | 47.7%              |
| Percentage of students by school type:                          |                    |                    |
| Primary (K-5)                                                   | 49.4%              | 54.4%              |
| Middle (6-8)                                                    | 14.4%              | 18.1%              |
| High (9-12)                                                     | 13.1%              | 16.5%              |
| Other (K-12, K-8, etc.) <sup>11</sup>                           | 13.5%              | 7.7%               |

### Local Sources

Access to Local Revenues: Charter schools receive a much larger percentage of their per pupil funding through state sources than traditional schools- anywhere from 10 to 22.8 percent more. Given the process for determining charter school local and state revenues discussed above, we know that state sources are likely underestimated and local sources are overestimated. Given the smaller overall percentage that federal revenues contribute to total revenues, we can conclude that the majority of the funding disparity between districts and charter schools is due to unequal access to local revenues. Statewide, school districts received 41 percent more per pupil in local funds than charter schools, a difference of \$1,991 per student; Miami-Dade district schools received 52 percent more in local per pupil funding than Miami-Dade charter schools, a gap of

\$2,501 per student; and Broward County district schools had a 61 percent advantage in local per pupil dollars over Broward charters, a staggering \$2,999 difference per pupil.

### Access Denied to Local Capital and Debt Service Funds:

Both charter and district schools receive state capital funds through the Public Education Capital Outlay Program (PECO). During 2006-07, charter schools, on average, received \$540 per pupil in total state PECO revenues, \$14 more per student than the statewide district average of \$526 per pupil in state capital and debt service funds. However, by isolating local capital and debt service revenues received by local districts statewide, the significance of the disparity in access to these local dollars is apparent. 2006-07 local debt service and capital project fund revenues for school districts statewide amounted to \$1,962 per pupil, with \$1,196 per student generated from the District Local Capital Improvement Tax alone. A few charter school audits reported non-FEFP local revenues: two charter schools received revenues from County impact fees and six charter schools reported revenues from "district school taxes". More charters may have received revenues from the additional local levy sources that are statutorily permitted in pass-throughs, but these dollars were not identified. This latter scenario is also unlikely given that local dollars are overestimated and the disparity in local sources between charters and districts is already so severe.

### State Sources

Funding Formula: Florida funds students using a weighted system that provides some students more funding based on their needs and other factors. The funding formula therefore can produce funding differences attributable to the types of students served by charter and district schools, the grade levels each school serves, or the cost of educating students in particular geographies (district cost differential). Information in Figure 5 from the FY 2006-07 NCES Common Core of Data indicates that, in general, both school types serve similar students, with district schools serving a higher rate of Title I and Free or Reduced

Price Lunch students. Based on these comparisons, we can reasonably conclude that the state's funding formula for student factors likely leads to slightly higher district school PPRs from both state and federal sources.

### State and Federal Sources<sup>12</sup>

Ineligibility for Grants and Programs: Florida charter schools are not recognized as independent school districts or LEAs. Therefore, charters are dependent upon their sponsoring school district for access to state and federal grant funds. Florida statutes require districts to distribute federal funds to charter schools for which they are eligible, but due to reporting inconsistencies and withholding revenues in exchange for services, it is difficult to assess whether funds are distributed as required.

### State Scorecard

We have assigned ratings to each state based on the quality of data available, as well as to the extent charter schools have access to specific streams of revenue (Figure 6).

In Figure 6, we judged "Data Availability" on the ease of access to the information needed for this study and others like it. A rating of "Yes" means that all information was available through web sources or that it was provided upon request by state departments of education. A rating of "Partial" means some, but not all, of the data for this study were available either through web sources or through state departments of education. A rating of "No" means the data were not available either through web sources or through state departments of education. Separately, we judged "Funding Formula" based on whether or not charters were considered Local Education Agencies for purposes of funding. "Yes" means that charters in the state are always considered LEA's for all forms of funding. "Partial" means that charters are sometimes considered LEA's for specific streams of funding (such as

**Figure 6: State Scorecard**

| Findings           |                                                                                                                                                                              | FL |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Federal Funding    | Charters have access to federal funds according to state statutes (Yes = black, No = white)                                                                                  | Y  |
|                    | Percentage of federal revenue is <i>greater than</i> (> black), <i>equal to</i> (=; black), or is <i>less than</i> (< white) that of total enrollment for charter schools    | <  |
| State Funding      | Charters have access to state funds according to state statutes (Yes = black, No = white)                                                                                    | Y  |
|                    | Percentage of state revenue is <i>greater than</i> (> black), <i>equal to</i> (=; black), or is <i>less than</i> (< white) that of total enrollment for charter schools      | <  |
| Local Funding      | Charters have access to local funds according to state statutes (Yes = black, No = white)                                                                                    | Y  |
|                    | Percentage of local revenue is <i>greater than</i> (> black), <i>equal to</i> (=; black), or is <i>less than</i> (< white) that of total enrollment for charter schools      | <  |
| Facilities Funding | Charters have access to facilities funds according to state statutes (Yes = black, No = white)                                                                               | Y  |
|                    | Percentage of facilities revenue is <i>greater than</i> (> black), <i>equal to</i> (=; black), or is <i>less than</i> (< white) that of total enrollment for charter schools | <  |
| Data Availability  | State provides detailed, public data on federal, state, local, and other revenues for district schools (Yes = black, Partial = grey, No = white)                             | Y  |
|                    | State provides detailed, public data on federal, state, local and other revenues for charter schools (Yes = black, Partial = grey, No = white)                               | N  |
| Funding Formula    | Charters are treated as LEAs for funding purposes (Yes = black, Partial = grey, No = white)                                                                                  | N  |
|                    | State funds student (black) or the LEA (grey)                                                                                                                                | S  |
|                    | State funding formula is fair and equitable (Yes = black, No = white)                                                                                                        | N  |

federal revenue) or that only certain charters are considered to be LEA's. "No" means charters in the state are never considered an LEA for funding purposes. A state received a rating of fair and equitable funding if charters received fair and equitable revenue in all three revenue streams listed.

The same method was used to assign ratings for federal funding, state funding, local funding and facilities funding.

### Endnotes

<sup>1</sup>Data sources for statewide district revenues and revenues for Miami-Dade and Broward were provided by the Florida Department of Education from the "Finance Database: Statement of Revenues, Expenditures and Changes in Fund Balance – All Funds FY 2006-07." All Charter school revenues came from individual annual financial audits posted at The Florida Auditor General's Office: <http://www.myflorida.com/audgen/>. District Full Time Equivalency data was taken from Florida Department of Education "2006-2007 FTE Final". FTE data for all charter schools was provided by the Office of Charter Schools. The following applies to charter school revenue calculations: (1) Charter enrollment reflects the number of charters for which we had financial audits for FY 2006-07. The total number of charters indicated as operational for 2006-07 according to the FLDOE website is 364. Our financial analysis accounts for revenue data and FTE information for 338 charter schools that filed financial audits. No audits were available/filed with the Auditor General's office for 26 charter schools, representing 3,964.98 FTEs. Two of Miami-Dade's and Broward's charters that were operational in 2006-07 did not have audits on file; (2) Five charter schools for which we obtained financial audits were removed from the analysis due to the following: The Charter School at the National Deaf Academy audit accounts for revenues for students not included in their FTE count since those students are nonresidents; the Palm Beach School for Autism serves a Pre-K population only; two Easter Seals charter school audits in Volusia County accounted for all

organizational revenues. The charter school revenues could not be specifically identified. Lastly, Achievement Academy serves a population of Birth through 6 year-olds. School-age revenues could not be identified; (3) Pre-K FTE counts were removed from the total FTE count. FY 2006-07 Statewide Voluntary Pre-K FTE data came from FLDOE "Final FTE data by Grade" for 2006-07; (4) A large portion of indeterminate revenues for charter schools and district schools are "local sources" or "grants and operating contributions". It is likely that a significant proportion of these revenues are truly "other", non-tax generated revenues. However, because we do not have specificity, these revenues are included as "indeterminate". Four charter school audits reported revenues as one lump-sum of "government" revenues. These revenues are included as "indeterminate"; (5) FSU lab school data is taken from audits and the FLDOE's 2006-07 FEFP 4th calculation data. All "indeterminate" funds are state dollars; and (6) NIEER data reported Voluntary Pre-K funding for FY 2006-07 at \$2,335/child. Based on FLDOE Pre-K enrollment data, a total of \$971,197 was deducted from state revenue totals for all charters. Some charters reported Pre-K revenues, but do not show Pre-K enrollment on FLDOE enrollment data.

Charter school revenues were calculated as follows: (1) Charter school financial audits were used to identify all revenue streams for each individual charter school. With the exception of two schools, all charter schools report state and local revenues together; (2) The percentage of FEFP funding that is local was calculated for each district; (3) About 50 percent of charters reported local and state revenues together as "district" or "state" funding. These schools did not identify state categorical dollars separately. The same local effort percentage requirement was applied to the reported lump sum total for these schools to approximate local and state revenues separately. Therefore, total state revenues are likely underestimated for these schools and local dollars are likely overestimated. All charter state and local revenues are estimated; they are reported together as district, state, or FEFP totals



on audits. We calculated a percentage of local effort for each district using the Florida DOE's final FEFP calculation data. This was applied to charter school FEFP totals by district; and (4) For charters where local discretionary mills were identified in audits, the local effort requirement percentage was applied after local discretionary mil revenues were deducted from the total.

<sup>12</sup> We were unable to isolate federal funds in independent charter school audit reports, a complicating factor in our analysis of federal sources.

<sup>2</sup> A total of 114 charter schools did not report any identified federal revenues on FY 2006-07 audits.

<sup>3</sup> Office of Funding and Financial Reporting of the Bureau of School Business Services, Florida Department of Education. "2007-08 Funding for Florida School Districts."

<sup>4</sup> 1002.33(17)(b), Florida Statutes.

<sup>5</sup> 1002.33(17)(d), Florida Statutes.

<sup>6</sup> According to state statute, Florida charters should be eligible for full local funds, but in practice, they do not receive full local funds.

<sup>7</sup> Districts can be held harmless for FTE students who are not included in the FTE projection due to approval of charter school applications after the FTE projection deadline.

<sup>8</sup> Charter schools are open to all students under an inter-district agreement or to students residing in the district in which the school is located.

<sup>9</sup> Florida Department of Education, Independent Education and Parental Choice. "Charter Schools and Capital Outlay Funding," Technical Assistance Paper, June 2006.

<sup>10</sup> Source of Student demographic data: NCES.

<sup>11</sup> Other types of schools include multiple grade levels, such as K-8 or K-12, and non-traditional schools.