

FLORIDA SCHOOL BOARDS ASSOCIATION
Recommendations for Charter School Capital Outlay Funding

FSBA believes that charter schools can play an integral role in serving the individual educational needs of Florida's students. As an important part of the public school system, charter schools are, and should be, eligible for capital outlay funding. However, certain safeguards should be put in place to ensure that capital outlay funding is awarded responsibly, consistently, and in a manner that provides for public accountability. In that spirit, FSBA offers the following recommendations.

Issue: State Funding for Public School Capital Outlay

Recommendation 1: Expand the base and increase the rate of the Gross Receipts Utilities Tax and/or identify new revenue streams to support increased and ongoing state funding for both charter and traditional public school capital outlay projects.

Rationale: The state has a constitutional mandate to make adequate provision for public schools – including public school facilities – and the state should not transfer this responsibility to local school districts. In order to fulfill this constitutional mandate, the state must augment the existing, but increasingly insufficient, state revenue streams that fund capital outlay projects.

Recommendation 2: Ensure that state capital outlay funding is distributed to school districts and to charter schools on a proportionate basis that recognizes the number of facilities and total enrollment.

Rationale: In recent years, charter schools have earned a disproportionate share of state capital outlay funding. If local school boards are to share in the responsibility for charter school capital outlay, the state must, in turn, adjust its funding to equalize funding to charter schools and traditional schools.

Issue: Local Funding for Charter School Capital Outlay

Recommendation 3: Restore the local discretionary capital outlay millage authority to 2 mills for all districts **OR**, at a minimum, authorize sufficient additional millage authority in districts that have charter schools.

Rationale: The reduction – from 2.0 mills to 1.5 mills – in this millage authority was done at a time when property values were at a peak and the effect was not debilitating. Now, with property values still depressed in the wake of the Great Recession, the effect is far more significant and has caused hardship in districts – both with and without charter schools – struggling to meet capital outlay needs and also has had a negative effect on bond ratings. If local school boards are to share in the responsibility for charter school capital outlay, the local millage authority must be restored to make the necessary revenue available.

Issue: Charter School Capital Outlay Funding Policies

Recommendation 4: Require that both state and local capital outlay funding may only be expended in accordance with the priority order of the state approved 5-year Capital Outlay Plan.

Rationale: Current law requires that the capital outlay needs of traditional public schools must be included, in priority order, in the district's state approved Capital Outlay Plan. As state and/or local funding becomes available, the projects are addressed and funded in that priority order. Meanwhile, funding for charter school capital projects has been allocated and expended on a per-student basis, regardless of whether the charter school facility has identified need and regardless of any pressing needs of traditional public school facilities in the school district.

Recommendation 5: Establish a process and criteria by which all charter school capital outlay projects may be incorporated into the district state approved Capital Outlay Plan.

Rationale: If charter school facilities needs were included in the district's state approved Capital Outlay Plan, these needs would be addressed by the school district, in priority order, as state and/or local capital outlay funding becomes available. This would not only ensure that charter school and traditional school facility needs would be addressed in a consistent and equitable manner, but would also provide greater accountability in the use of these funds.

Recommendation 6: Require that any charter school facilities that are funded by district capital outlay millage revenue are, or will become, a public asset that may be reclaimed and utilized by the school district and/or may be sold to recoup the district's investment.

Rationale: Under current law, charter schools may operate in facilities that are rented, leased, or purchased from private entities. In the event that charter school relocates or closes, there is no guarantee that the district will be able to recoup the capital investment made in the facility.

Issue: Charter School Facility Standards

Recommendation 7: Require that any charter school facilities that are funded by district capital outlay millage revenue meet State Requirements for Educational Facilities (SREF) standards and address emergency shelter needs.

Rationale: When a charter school that does not meet SREF standards relocates or closes, the school district may be left with an unusable facility. The school district might then be forced to invest funds to either rehabilitate the former charter school facility to meet SREF standards or construct a new facility. In addition, because public schools are required to be constructed to emergency shelter standards, charter schools funded with local capital millage revenue should be built to address shelter capacity needs to avoid a breach of public safety.

Issue: Calculation of Capital Outlay FTE

Recommendation 8: Include charter school capital outlay FTE (COFTE) students in the district capital outlay FTE student counts.

Rationale: Currently, charter school COFTE are not included in the district COFTE student counts because these students usually are not housed in facilities provided by the school district.. However, if local school boards are to share in the responsibility for charter school capital outlay, the students in the charter schools must be included in the COFTE counts in order to accurately determine the capital outlay and capacity needs at both the state and local levels.