

# Charter School Capital Outlay Funding



## 2009 Florida Charter School Conference

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# Who Are We?



- The Office of Educational Facilities (OEF)
- Established by Chapter 1013, F.S.
  - Provide support and information for educational facilities planning, funding, construction, and operations throughout Florida's K-20 Education System
- Allocation of Charter School Capital Outlay Funds pursuant to Section 1013.62, F.S.



# What is "Fixed Capital Outlay"?



- "Fixed Assets" = A long-term, tangible item of monetary value (real estate, buildings, etc.)
- "Capital" = Cash or goods
- "Outlay" = Expenditure

Funds made available for the purchase and maintenance of buildings and facilities !



# Fund Sources

- Annual “lump sum” legislative appropriation
- Usually from the Public Education and Capital Outlay Trust Fund (PECO)
  - Revenue collected from the tax on utilities and telecommunications
  - Same source of “maintenance and repair” funds allocated to public school districts
    - These funds are available to conversion charter schools through the school district



# Eligibility for Capital Outlay Funding



- Section 1013.62(1), Florida Statutes
- The charter school must meet at least one of the following:
  - (1) Been in operation for more than three years, or
  - (2) Part of an expanded feeder chain of a charter school within the same district that is currently receiving capital outlay funds, or
  - (3) Be accredited by the Commission on Schools of the Southern Association of Colleges and Schools (SACS), or
  - (4) Its governing board is established for 3 or more years and its board operates both traditional charter schools and conversion charter schools in Florida.



# Eligibility for Capital Outlay Funding

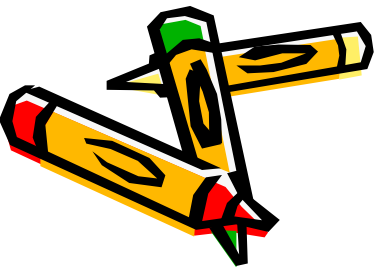


- Additionally, the charter school must:
  - Be approved by its sponsoring school district;
  - Serve students in facilities not provided by the sponsoring school district;
    - Cannot be rented/leased from the district
  - Have financial stability for future operations;
  - Have satisfactory student achievement grades;



# Eligibility for Capital Outlay Funding

- Have entered into a written agreement with the sponsoring district that includes provisions for the reversion of any unencumbered funds, equipment, and property to the school board or state; and,
- Not be a charter school converted from school district facilities.
  - However, a conversion school is still eligible for PECO maintenance, repair, and renovation funds through allocations to the sponsoring school district.



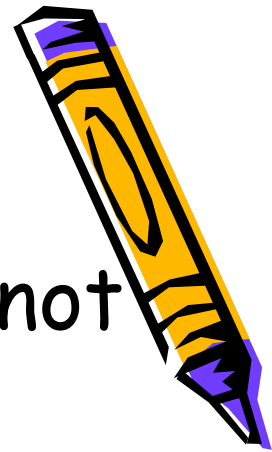
# Eligibility for Capital Outlay Funding



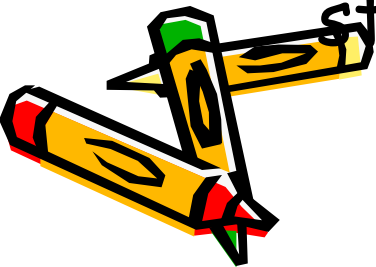
- Charter School Capital Outlay Plan
  - Required each fiscal year
  - District and charter school certify that statutory requirements are met
  - Must be signed by both the district and a charter school representative.



# Allocation of Capital Outlay Funds



- Each school receives an allocation not to exceed  $1/15$ th of the cost per student station.
  - If the legislative appropriation is not enough to fund the full  $1/15$ th of the cost per student station, each school's allocation is prorated.
  - Current appropriation does not fully fund at  $1/15$ th the cost per student station.



# Allocation of Capital Outlay Funds

- Section 1013.62(1), Florida Statutes
- Funds allocated on the basis of student enrollment in elementary, middle, and high school grade levels.
  - Student enrollment is calculated by averaging the results of the 2nd and 3rd enrollment surveys.
  - Funds are disbursed monthly on 1/12th of the amount DOE expects the schools to receive during the fiscal year.



# Allocation of Capital Outlay Funds



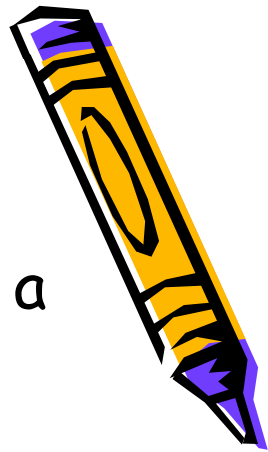
Monthly allocations are estimates up to the time of the final calculation process:

1. Allocations based on previous year's calculated enrollment (July).
2. Allocations updated to reflect 2<sup>nd</sup> Membership Survey (December).
3. Allocations finalized to reflect average of 2<sup>nd</sup> and 3<sup>rd</sup> Membership Surveys (April).
4. The final calculation process in April ensures that each school receives its full entitlement of funds for the fiscal year.

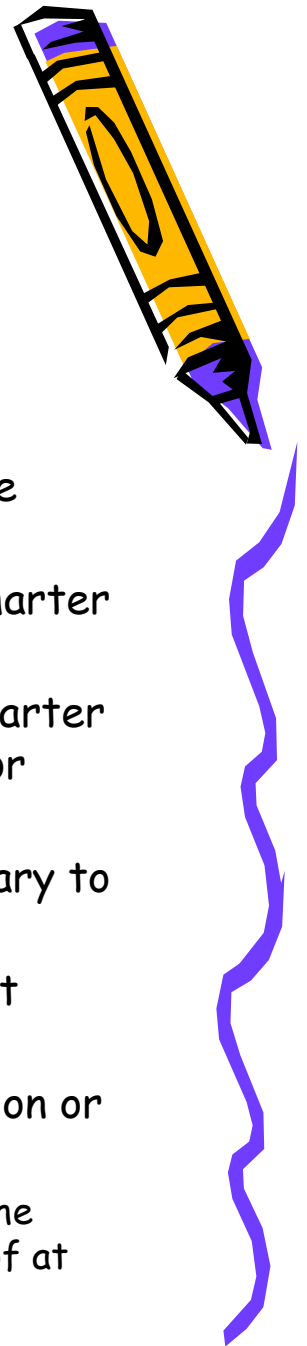


# Allocation of Capital Outlay Funds

- Funds are allocated to charter schools on a priority basis (result of 2006 legislative session):
  - First priority funds those schools who received capital outlay funding during 2005-2006 at the 2005-2006 level per student. Funds are allocated to the lesser of: the current year enrollment or the 2005-2006 actual enrollment.
  - Second priority allocates excess funds in the appropriation to eligible schools not included in the first priority and to those schools in the first priority experiencing growth in excess of 2005-2006 levels.
  - Third priority allocates remaining funds among all eligible charter schools.



# Uses of Capital Outlay Funds



- **Section 1013.62(2), Florida Statutes**

1. Purchase of real property;
2. Construction of school facilities;
3. Purchase, lease-purchase, or lease of permanent or relocatable school facilities;
4. Purchase of vehicles to transport students to and from the charter school;
5. Renovation, repair, and maintenance of school facilities the charter school owns or is purchasing through a lease-purchase option or long-term lease of 5 years or longer;
6. Premiums for property and casualty insurance which is necessary to insure the school facilities;
7. The purchase, lease, or lease-purchase of new and replacement [capital] equipment; and/or,
8. Software applications used to support schoolwide administration or state-mandated reporting requirements.

The software must be classified as a capital asset as defined by the Governmental Accounting Standards Board and have a useful life of at least five (5) years.



# 2009-10 Charter School Enrollment Statistics



- Total charter schools in operation: 390
- Total charter schools receiving capital outlay funds: 290
  - Represents 74 percent of total schools in operation
  - An additional 18 schools with total enrollment of 2,391 students are expected to become eligible this year (estimated).
- Total students receiving capital outlay funds: 87,264
  - Elementary (K-5): 43,263
  - Middle (6-8): 25,499
  - High (9-12): 18,502



*\*\* Based on available data as of November 2009 \*\**

# 2009-10 Financial Statistics

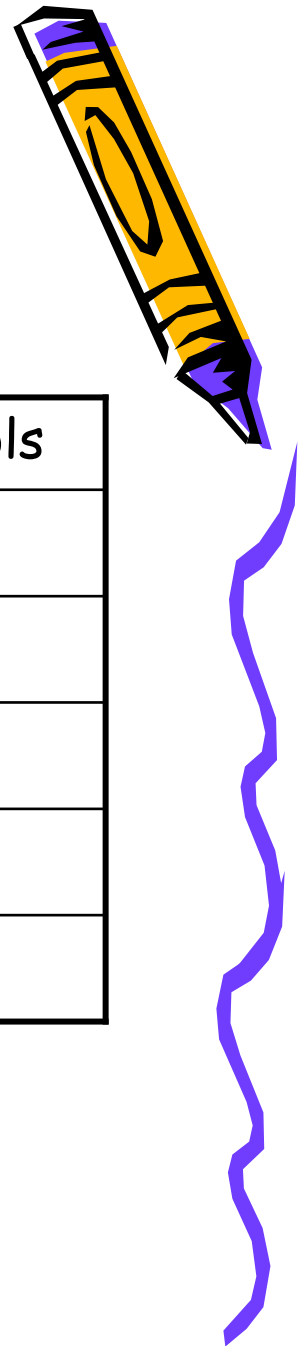


- Current year legislative appropriation: \$56,112,466
  - Increase of \$ 1,046,258, or 2 percent, over last year to conform to the Consumer Price Index
  - Average dollar amount per student: \$ 643
    - Last year's average dollar amount per student was \$624.
  - Current year per-student allocations (rounded):
    - Elementary: \$ 565
    - Middle: \$ 635
    - High: \$ 836
    - This represents 44 percent of 1/15<sup>th</sup> of the cost per student station.

*\*\* Based on available data as of November 2009 \*\**



# Five Year History of Capital Outlay Funding



Fiscal Year	Appropriation	Students	Schools
2004-2005	27,700,000	62,366	211
2005-2006	27,700,000	64,150	210
2006-2007	53,083,947	68,429	223
2007-2008	54,039,458	75,879	249
2008-2009	55,066,208	88,027	282



# Recommended Charter School Capital Outlay Increase

- The State Board of Education's legislative budget request for FY 2010-11 includes an increase of \$ 1,346,699, or 2.4 percent.
  - Total request of \$ 57,459,165



# For More Information...

Please visit our website for:

- Technical Assistance Paper
- Official OEF Memorandums
- Monthly Allocations

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