



## Effects of “School Choice” on Public School Funding

### What is a charter school?

*Webster Dictionary:* “A charter school is a tax-supported school established by a charter between a granting body (such as a school board) and an outside group (as of teachers and parents) which operates the school without most local and state educational regulations so as to achieve set goals.”

*Wikipedia:* “A charter school is a school that receives government funding but operates independently of the established state school system in which it is located. Charter schools are an example of public asset privatization.”

### How is the “School of Choice” Movement Affecting Public Education Funding?

#### 1. Inequitable capital funding

- In 2017, our State Legislators passed House Bill 7069 that requires 50% of Public Education Capital Outlay (PECO) funds to go to charter schools.
- In 2018-19 an estimated **\$96.3 million PECO funds will go to charter schools**
- PECO funds are used to build, improve and maintain schools
- This results in **inequitable capital funding**
  - Only 11% of Florida students attend charters
  - 89% of Florida students attend traditional public schools
- Public schools do not have sufficient PECO funds to meet capital demands
  - Hillsborough County has a \$3 billion deficit
  - Districts end up relying on private charter companies to build charter schools to keep up with student population growth

#### 2. PECO funds permanently lost from public school system

- Private charter companies use PECO funds to buy land and buildings to build new charter schools
- If a charter school closes, which is common, the private charter company keeps ownership of the land and buildings and often times sells them for a significant profit!!!
- This results in significant windfalls of public funds for private for profit charter companies which motivates charter school development even if they are not needed

#### 3. FEFP (per student funding) lost for entire school year

- When a student enrolls in a charter school, their FEFP (per student funding) transfers to the charter school for the ENTIRE school year
- If the charter school expels that child and sends him/her back to the traditional public school, which is common:
  - The FEFP funds stay at the charter school for the remainder of the school year
  - The public school absorbs the costs of the student without any funding for that student!
- This results in a system that encourages private for profit charter companies to enroll students without intentions of keeping students in charter to capture their FEFP funds

# Effects of House Bill 7069 on Public School Funding

FEFP: Per student funding for operating expenses



PECO: Funding for Capital Expenses

HB 7069

Attend charter school?

Yes



FEFP transfers to indiv charter school

Student stays at charter school for school year?

No

Yes

FEFP Remains at Charter School (regardless of whether or not student stays at charter)



Student returns to public school with \$0 funding

Attend public school?

Yes



FEFP stays in public school system

Public school pays for operating expenses such as:

- Teacher salaries
- Technology
- Transportation

50% PECO to Charters (11% FL students)

Private cos use PECO to buy land & bldg. for charter

Charter school closes?

No

Yes

Private charter company keeps land and building (Public PECO \$ stay with charter comp even if charter closes!)

Public school district forced to make budget cuts

50% PECO to Public (89% FL students)

Public school district uses insufficient PECO to pay for capital expenses:

- Maintenance
- Mortgage debt
- New schools