

Idaho

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Summary and Highlights

This snapshot examines the revenue sources and funding equity for district schools and charter schools in Idaho, with particular attention focused on Boise, during FY 2006-07 (Figure 1).¹

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

Highlights of Our Findings

- Idaho charter schools trailed their district

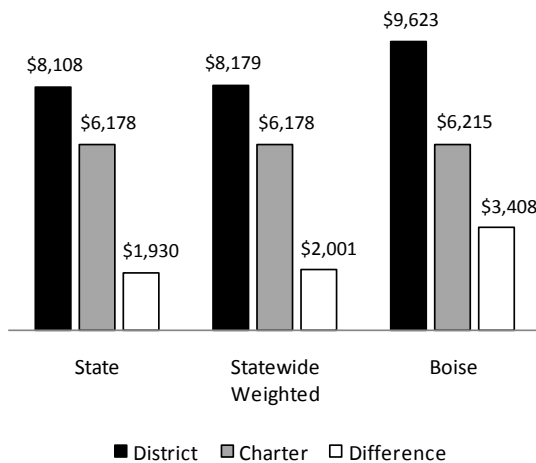
Figure 1: District and Charter School Revenues and Enrollments

Idaho (2006-07)	Statewide		Statewide Weighted for Charter Enrollment		Boise	
Per pupil Revenue						
District	\$8,108		\$8,179		\$9,623	
Charter	\$6,178		\$6,178		\$6,215	
Difference	(\$1,930) (23.8%)		(\$2,001) (24.5%)		(\$3,408) (35.4%)	
Per pupil Revenue by Source	District	Charter	District	Charter	District	Charter
Federal	\$817	\$400	\$812	\$400	\$719	\$580
State	\$5,364	\$5,468	\$5,353	\$5,468	\$5,137	\$5,113
Local	\$1,422	\$0	\$1,502	\$0	\$3,129	\$0
Other	\$502	\$309	\$508	\$309	\$630	\$522
Indeterminate	\$4	\$0	\$4	\$0	\$7	\$0
Total	\$8,108	\$6,178	\$8,179	\$6,178	\$9,623	\$6,215
Enrollment						
District	244,388 96.4%		N/A N/A		23,578 95.0%	
Charter	8,998 3.6%		N/A N/A		1,249 5.0%	
Charter Schools	28		N/A		5	
Total Revenue						
District	\$1,981,567,591 97.3%		N/A N/A		\$226,893,445 96.7%	
Charter	\$55,590,098 2.7%		N/A N/A		\$7,763,209 3.3%	
Total	\$2,037,157,689		N/A		\$234,656,654	
Percentage of Revenue by Source	District	Charter	District	Charter	District	Charter
Federal	10.1%	6.5%	9.9%	6.5%	7.5%	9.3%
State	66.2%	88.5%	65.4%	88.5%	53.4%	82.3%
Local	17.5%	0.0%	18.4%	0.0%	32.5%	0.0%
Other	6.2%	5.0%	6.2%	5.0%	6.5%	8.4%
Indeterminate	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Change in district school funding if subjected to charter funding structure						
	(\$472 million)				(\$80.4 million)	

counterparts in funding by 23.8 percent: \$6,178 vs. \$8,108 per pupil, a difference of \$1,930 per student.

- Idaho charter schools received \$6,178 per pupil, but district schools would have received \$8,179 to educate the same students – a difference of \$2,001, or 24.5 percent. Weighting the district PPR for charter enrollment, therefore, increases the funding disparity by \$71 from the statewide difference above.
- Boise charter funding lagged behind Boise district funding by 35.4 percent: \$6,215 vs. \$9,623 per pupil, a difference of \$3,408.

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



Primary Reasons for Funding Disparities

- The state’s funding formula for charter schools provides funding “equal to the total distribution factor”, which does not include local M&O or supplemental levies.
- Charter schools are not eligible for capital and debt service revenues as are district schools.

How Idaho Funds Its District Schools²

Prior to FY 2006-07, Idaho public schools were funded through a combination of state aid

revenues and local M&O property taxes, with property-poor districts receiving more state aid and property-wealthy districts receiving less. As of FY 2006-07 the days of property-tax equalization ended. Going forward, the state assumed the burden for former local M&O revenues through a 1% increase in the state sales tax, from 5 to 6 percent. Local districts that received no equalization funds in FY 2006-07 could continue to authorize a budget levy going forward and districts could also raise supplemental levies through voter approval.

The state’s funding formula uses “support units” as the basis of funding. Support units are often referred to as “classroom units”. The number of support units in a school district is determined by the number of students a district has in average daily attendance (ADA) in various weighted categories (kindergarten, elementary, secondary, exceptional education and alternative). The total ADA counts for these categories are assigned divisors based on the number of ADA. For example, a school district with 750 secondary students receives a divisor of 18.5 and therefore would receive 40.5 support units of funding. The greater the number of students in a given category the greater the divisor number will be. The rationale for this aspect of the funding formula is that districts with larger numbers of students can operate with larger economies of scale and, therefore, require fewer dollars per student in any given category.

A district’s support units are multiplied by the district’s “staff allowance” and base salaries. The staff allowance determines the number of positions to be funded by each support unit: the allowance rate for instructional staff is 1.1; the administrative staff allowance rate is .075; and classified staff allowance rate is .375.³ The instructional staff designation is inclusive of school counselors, librarians, and special education instructors. Base salaries are set by the Legislature and these base salaries are then multiplied by an education or experience index. Districts may also set their own salary schedule beyond these state funding amounts.

The above calculations result in salary-based apportioned funds. State employee benefits and unemployment are added to this figure.

Figure 3: State Charter School Policies

State Policies	Yes	No	Partial
Charter schools receive their funding directly from the state	X ⁴		
Charter schools are eligible for local funding		X	
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 ⁵		
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	
School is considered LEA if authorized by non-district organization	X		
School is considered LEA if authorized by district			X ⁶
Cap on number of charter schools		X	
Cap on number of charter schools authorized per year	X ⁷		
Cap on number of students attending charter schools		X	
Charter schools have an open enrollment policy	X		

The second portion of district funds come from other statutory distributions such as transportation; earmarked distributions such as technology and remediation or driver's education funding; and state discretionary funding. Discretionary funds are revenues appropriated to districts that go beyond the formula requirements under Idaho Code or line-item earmarks.

Districts can generate local revenues through the following types of local levies: general M&O, supplemental, emergency, tort, migratory worker, school plant, bond and interest, and other. Lastly, districts generate federal and other, non-tax generated revenues.

How Idaho Funds Its Charter Schools⁸

Idaho charter schools receive education funding from the state-aid formula, federal revenues, and non-tax dollars; they are not eligible for any of the local revenues that districts can generate. Section 33-5208 of Chapter 52 of the state Education Code defines how charter schools are funded in Idaho. Charter school "support units" are calculated in the same manner as district schools with the exception that any charter school with an ADA less than 100 uses a divisor of 12 and minimum units do not apply. The statute states that charter schools will receive funding that is "equal to the total distribution factor, plus the salary-based apportionment provided in Chapter 10, title 33, Idaho Code". According to the State Department of Education's "Public Schools Budget Request, FY 2006-07", the total distribution factor "is a combination of state and local funds available per support unit." However, local tax levy funds are not included in the calculation of available funds per support unit for charter schools.

Idaho charter schools are eligible for all state and federal special education funds that would have been apportioned for identified students in the district in which the charter school is located. Charter schools can also qualify for alternative school support if specific criteria are met. Lastly, charter schools receive the same funds for providing student transportation as district schools. (See figure 3 for more information on policies that impact charter school funding.)

Facility Funding

School Districts: Idaho school districts generate the lion's share of capital and debt service revenues through bond financing and local property tax levies in addition to "other" non-tax sources. Federal sources resulted in a small portion of capital revenues, less than 1 percent.

The state provides limited capital funding through lottery proceeds and a state match program.

Charter Schools: Idaho charter schools are not eligible for state and local capital or debt service revenues. As nonprofit organizations, however, Idaho charter schools are eligible for tax-exempt facilities financing through the Idaho Housing and Finance Association (IHFA). As of 2007, the IHFA had provided financing to seven charter schools.⁹

Primary Revenue Sources for Idaho’s Public Schools

Local revenues for public schools primarily come from local property tax levies and bond initiatives. The largest sources of state education funds are generated through the state sales tax, corporate taxes, and personal income taxes. Per pupil revenues by sources are shown in Figure 4.

The gap between charter and district school funding per pupil is largely attributable to the following disparities by revenue sources: (1) charter schools’ lack of access to all local taxpayer revenues; and (2) charter schools’ lack of access to capital and debt service dollars.

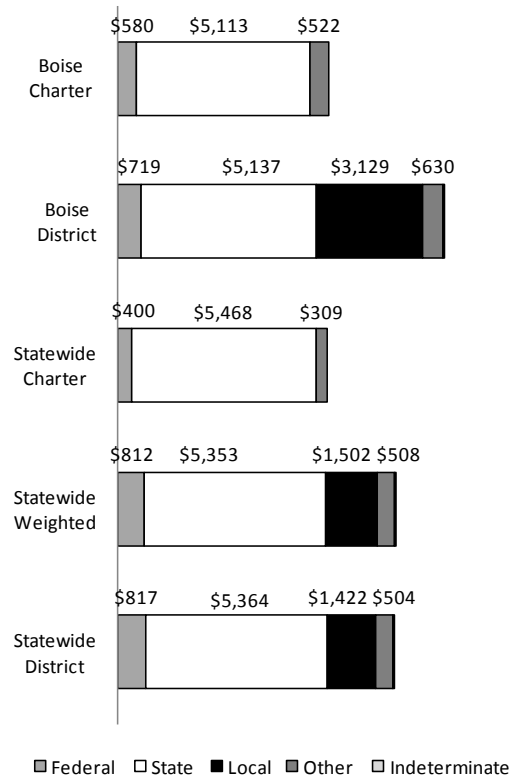
Local Sources

No Access to Local Tax Revenues: Since charter schools do not have taxing authority, they are not eligible for any portion of local tax revenues. Charter school funding is provided solely by state sources in addition to any federal and other revenues charter schools generate. The funding formula for charter schools does not “make up” for the local revenues that districts receive, but to which charter schools have no access.

Across the state, charter schools earned \$104 per pupil more than district schools through state funding. However, 73.7 percent of the total funding difference between district and charter schools in Idaho can be attributed to local revenues alone: district schools generated and received \$1,422 per pupil in local taxpayer revenues, whereas charter schools received \$0.00. In the specific case of Boise, charter schools earned \$24 less per pupil in state funds and 100

percent less in local revenues: \$3,129 vs. \$0. In Boise, local district revenues accounted for 91.8 percent of the funding disparity.

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



State and Local Sources

No Access to Capital and Debt Service Revenues: A large portion of local district revenues, to which charters have no access, are dedicated to capital and debt service. Charter schools mostly pay for facilities out of operating costs. District schools statewide, on the other hand, generated \$779 per pupil in capital and debt service revenues from state and local sources (not including bond proceeds).¹⁰ The Boise School District deposited less in local and state revenues in capital and debt service funds, just \$260 per pupil, with the majority of facilities funds coming from local bond proceeds, which we exclude from this analysis. The majority of Boise’s local tax revenues – \$63,965,616, or \$2,713 per student – directly supported M&O programs.

Federal Sources

Students Served: Data on the percentage of charter schools enrolling students eligible for free or reduced price lunch was unavailable because the majority of charter schools reported no data. NCES data shows that Idaho district schools are more often eligible for Title I than are Idaho charter schools, by a margin of greater than 20% (Figure 5). This could explain the higher levels of federal funding for Idaho district schools statewide as compared to charter schools (\$817 vs. \$400 per pupil).

Figure 5: School Characteristics¹¹

Idaho (2006-07)	Statewide District	Statewide Charters
Percentage of students eligible for free or reduced price lunch	38.3%	N/A
Percentage of schools eligible for Title I	68.5%	46.7%
Percentage of students by school type:		
Primary (K-5)	48.4%	36.7%
Middle (6-8)	16.7%	3.3%
High (9-12)	25.5%	23.3%
Other (K-12, K-8, etc.)	6.6%	36.7%

Idaho charter schools are eligible to apply for, and receive, federal funding as independent school districts.

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

Figure 6: State Scorecard

Findings		ID
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	> ¹²
Local Funding	Charters have access to local funds according to state statutes (Yes = black, No = white)	N
	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)	N
	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)	Y
Funding Formula	Charters are treated as LEAs for funding purposes (Yes = black, Partial = grey, No = white)	P ¹³
	State funds student (black) or the LEA (grey)	S ¹⁴
	State funding formula is fair and equitable (Yes = black, No = white)	N

“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 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 applied to the ratings for federal funding, state funding, local funding and facilities funding.

Endnotes

- ¹ Information on revenue sources and calculations: (1) The Idaho State Department of Education provided detailed revenue accounts by revenue source in addition to best 28-week ADA, the counts used for funding purposes in Idaho, for all districts combined statewide, Boise school district, and all charter schools. Summary revenue data for FY 2006-07 by fund is available at: <http://www.sde.idaho.gov/site/districtprofiles/>. (2) We excluded the following revenues from totals: Bond Proceeds, Adult Education, and Preschool. No associated enrollment was deducted for Pre-K revenues as counts are not included with K – 12 ADA totals.
- ² “FY 2008 Idaho Legislative Budget Book: Public School Support”.

- ³ The “Instructional Staff” designation is inclusive of school counselors, librarians, and special education instructors.
- ⁴ Beginning in 03-04, state and federal funds follow the child. The state deducts amounts for enrolled charter school students from sending districts and funds charter schools directly.
- ⁵ The state funding formula assigns different unit divisors for elementary, secondary, exceptional students, and alternative education by the ranges of pupils enrolled in those categories. The less total students enrolled in a category, the lower the divisor. Elementary divisors are smaller than secondary divisors.
- ⁶ Charter schools authorized by districts can apply for district status.
- ⁷ No more than six new charter schools can open per year and no more than one new charter can be physically located in any given district per year.
- ⁸ *Idaho State Statute*. Title 33 Education, Chapter 52 Public Charter Schools, Section 33-5208.
- ⁹ Balboni, Elise and Eva Rainer, Clara Chae, and Kathy Olsen. “2007 Charter School Facility Finance Landscape”. The Educational Facilities Financing Center of Local Initiatives Support Corporation, April 2007.
- ¹⁰ According to the “Statewide Summary: Combined Statement of Revenues and Expenditures with Changes in Fund Balance” provided by the ISDE, statewide capital and debt service funds from local and state sources totaled \$190,341,032.
- ¹¹ School Characteristic Data taken from NCES with the exception of the statewide charter figure for free and reduced price lunch eligibility. NCES reported this figure as 8.4 percent. However, according to the 2006-07 “Profiles: Idaho School Districts,” only nine charter schools out of 28 reported any free or reduced price lunch data.

For those nine schools, the average free and reduced enrollment rate was 31.5 percent.

¹² Charter schools do not receive any local revenues. The state provides all state aid and therefore the state PPR for charter schools is higher than for districts.

¹³ Charters are treated as LEAs for the purposes of calculating individual school funding and for purposes of federal funding. However, charter schools have no access to any local taxpayer revenues.

¹⁴ Idaho in theory funds the student and dollars follow the child. However, the state's funding formula funds "support units" which are thought of as "classrooms" by district.