

ODE Guidance on Federal State Fiscal Stabilization Fund Pass-through to Charter Schools

Several districts have asked for clarification regarding pass-through of State Fiscal Stabilization Fund (SFSF) dollars to charter schools in their districts. The guidance on SFSF funding from the US Department of Education (USED) in Section III-A-4 only addresses SFSF funds to "Charter LEAs." Charter LEAs are entitled to receive SFSF funds. However, Oregon's law does not create charter LEAs. We have discussed this with USED officials in Washington and they agree this circumstance does not apply to Oregon since charter schools in Oregon are not separate LEAs but are, in fact, chartered by local school boards. They are schools within an LEA. USED agrees the federal law is open to interpretation in Oregon.

You may be aware that the Secretary of Education has recently made several very strong statements about state support for charter schools and that not doing so would be a potential factor in decisions affecting other federal funding opportunities to the states. Both the President and the Secretary have been clear that states should not limit or cap support to charter schools.

In addition, charter schools in Oregon are funded as part of the ADMw of the chartering district and, therefore, the charter students are part of the basis for which the SFSF funds were distributed in 2008-09 and moving forward for the next two years.

SFSF disbursements for 2009-10 are based on the July 10, 2009 State School Fund estimates, which derive much data from the 2009-10 Estimate of Revenue and Membership collection. Each district's 2009-10 SFSF share can be reviewed at the following link: http://www.ode.state.or.us/services/ssf/finance/estwarrants/2009_10-sfsf-district-breakout-as-of-7_10_09-1040-hrs.pdf

Because charter school ADMw is included in the school district's ADMw, and given that the secretary has repeatedly said states should not place limits on charter schools, the Oregon Department of Education expects that school districts will pass through SFSF grants to component charter schools relative to the charter school's ADMw.

How to pass-through SFSF monies is still ultimately left to the discretion of the school district; however, there is a straightforward method to calculate the new adjusted charter school rate. Simply add your district's SFSF dollar amount per ADMw - which is identified in the online document referenced in the previous paragraph - to your district's most current Charter School Rate, and apply this adjusted charter school rate to your charter school calculations.

If you have questions on how to calculate SFSF pass-through, please contact Michael Wiltfong, State School Fund Coordinator, at Michael.wiltfong@state.or.us or by phone at (503) 947-5914.

Guidance for SFSF grants from the USED is available at the following URL: <http://www.ed.gov/programs/statestabilization/guidance.pdf>