

## What is the Charter School Institute (CSI) Mill Levy Equalization Fund, and why was it created?

The CSI Mill Levy Equalization Fund (MLE fund) is a state fund created in July 2017 after HB17-1375 was signed into law.

The intent of HB17-1375 is to ensure that school districts are using and allocating resources that results in the equitable treatment of all students within the district, regardless of the type of public school (innovation, charter, or traditional) students attend.

Additionally, in recognition that the Charter School Institute (CSI) does not have access to the \$1B in public school revenue generated by Mill Levy Overrides (MLO) to which school districts may have access, HB17- 1375 created the CSI MLE fund, providing a mechanism for CSI schools to receive equalization funding from the state to account for this MLO funding disparity.

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The CSI Mill Levy Equalization fund has \$17M, which will be distributed to CSI schools in 2022-23. As mentioned, funds are transferred from the state General Fund into the CSI MLE fund. Both the transfer from the General Fund to the MLE fund, and the transfer from the MLE fund to the CSI schools must be appropriated at the state level. This results in a double counting of the funds when a reference to the state's total budget is made.

## Frequently Asked Questions:

**Are geographic districts that have CSI schools within them required to allocate their MLO dollars to the CSI Mill Levy Equalization fund?** No. The CSI MLE fund is funded through a state appropriation. Funds are transferred from the state General Fund into the Mill Levy Equalization fund.

**Will CSI schools receive a different amount than charter schools authorized by their geographic district?** Geographic districts currently share varying amounts of Mill Levy Override dollars with their district authorized charter schools.

While the calculation for the FY 2022-23 CSI MLE request was based on available data to ensure parity with district authorized charter schools, the amount must be distributed on an equal per pupil basis across CSI portfolio schools. These factors combined may lead to variances between the per pupil MLE funding for a CSI school and the per-pupil MLO funding for a district authorized charter school located within the same geographic district.

**How are the funds distributed?** As required by state statute, 100 percent of the funds are distributed to CSI schools on an equal per pupil basis, not to exceed the per-pupil MLO amount for each school's geographic district.

**What pupil counts are used to determine funding for each CSI school?** The distribution will mirror the state's general process and timeline for distributing per pupil revenue. That is, the distribution is based on the FY 2022-23 projected total Funded Pupil Count for each school and will be trued up at the same time as the state equalization true-up occurs.

**Are there restrictions on how CSI charter schools use these funds?** All public schools receiving public funds—whether funds are Per Pupil Revenue (PPR), MLO, or MLE, for example—are required to use funds in accordance with state law. Accordingly, CSI schools receiving CSI MLE funds are required to use funds in accordance with state law.

**How will geographic districts receive information about the CSI MLE fund?** Information about the calculation and distribution of the CSI MLE Fund will be distributed in the same channels all other financial information related to state agencies and school districts is distributed.