



Aspire Consulting

Missouri FY 2006 Revenue Distribution and FY 2007 Revenue Estimate

The Center for Education Reform asked Aspire Consulting to evaluate the revenue provided to Missouri districts and companion charter schools for FY 2006 and FY 2007 with the objective of determining if charter schools are receiving their fair portion of revenue under the state's new funding formula. While the formula impacts state and local funding, we collected data related to all revenues – Local, State and Federal, where available.

Beginning with the FY 2007 fiscal year, two important events occurred that affected our ability to conduct this work. First, the state began the first of what will be a seven year transition to a new funding formula as required under SB 287 (2005). Until 2013, the Department of Elementary and Secondary Education (DESE) will use a combination of the old and new formulas to distribute revenue to school districts and charter schools. Second, the Kansas City charter schools elected to become Local Education Agencies beginning with the FY 2007 school year. Prior to the current fiscal year, Kansas City charter schools received their revenue from the school district as the state considered them for funding purposes local schools of the school district. As of the current fiscal year, DESE now treats the Kansas City charters as Local Education Agencies for the purpose of revenue distribution. As of 2007, DESE makes payments directly to the Kansas City charter schools and subsequently collects extensive financial information on the Kansas City charter schools. However, St. Louis charter schools are still considered schools of the St. Louis Public Schools. Therefore, FY 2007 revenue estimates cannot be found for the St. Louis charter schools. Third, since this is the first year in which the Kansas City charter schools are considered LEAs for data collection and revenue distribution purposes, some forms of reporting currently available for school districts are not yet available for the charter schools, which limited our ability to conduct a thorough investigation. The limitations we faced and the ways in which we worked around the limitations will be discussed in each section.

FY 2006 Revenue Distribution

DESE produces the Annual Secretary of the Board Report (ASBR) each year, a comprehensive review of each education agency's revenues and expenditures for the preceding year. Each district and charter submits a file of their revenues and expenditures for the year to DESE, and these files form the ASBR report. Therefore, the analysis conducted for this report is based on the self reporting of the districts and the charter schools. The majority of information needed for this FY 2006 analysis was found in the ASBR online.

The total dollars presented in this analysis of FY 2006 revenue is accurate as of February 12, 2007. However, we noticed that some of the revenue information contained in "closed" files for some of the charter schools changed between the date we originally began collecting data (February 8, 2007) and the date we closed data verification (February 12, 2007). Given the time required by DESE and the districts/charters to review and close financial reports, subsequent changes could have been made to data presented in this report. We suspect that there may be anomalies in this data reporting due to some of the patterns we found. Some charter schools, for example, report no interest revenue, which does not seem likely. Additionally, Gordon Parks Charter shows Early Childhood state revenue even though the charter school has no early childhood enrollment.

Additionally, the enrollments used to prepare per pupil revenue numbers should be considered an estimate. We attempted to locate the specific enrollment numbers used to calculate payments for various types of funds as there can be a significant formula variance based on the type of enrollment number used. For the FY 2006 fiscal year, the state of Missouri funded certain categories of state funding based on an Eligible Pupil (EP) calculation. We found the EP numbers for Kansas City and St. Louis. However, we found no published EP numbers for any of the charter schools in the state. We contacted DESE to locate these numbers and were told that the district would need to provide those calculations. We called Kansas City Public Schools for those numbers -- the district asked for a written request as they had to be very careful with what they divulged due to the lawsuit. We have not received a response to the request. Therefore, the FY 2006 # Pupils and the related PPR analysis should be considered estimates.

One final note related to the charts. A particular type of revenue may appear more than once if contained in different funds, for example, Current Taxes in the table below. The fund designation appears in column four: GF = General Fund; SR = Special Revenue Fund; DS = Debt Service Fund; and, CP = Capital Projects Fund.

| FY05-06 Revenue by Entity and by Type | | | | Kansas City | | | | | |
|---------------------------------------|------|-------|----|----------------------------|-----------------|--------------|----------------------------|------------------|-----------------|
| | | | | Total Kansas City Charters | | | Kansas City Public Schools | | |
| | | | | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR |
| Current Taxes | 5111 | Local | GF | | | | 130,447,243.33 | 32,224.00 | 4,048.14 |
| Current Taxes | 5111 | Local | SR | | | | | | |
| Current Taxes | 5111 | Local | DS | | | | | | |
| Current Taxes | 5111 | Local | CP | | | | | | |
| Delinquent Taxes | 5112 | Local | GF | | | | 10,674,322.96 | 32,224.00 | 331.25 |
| Delinquent Taxes | 5112 | Local | SR | | | | | | |
| Delinquent Taxes | 5112 | Local | DS | | | | | | |
| Delinquent Taxes | 5112 | Local | CP | | | | | | |
| School Dist Trust Fund (Prop C) | 5113 | Local | GF | | | | 28,187,247.79 | 32,224.00 | 874.73 |
| School Dist Trust Fund (Prop C) | 5113 | Local | SR | | | | | | |
| Financial Institution Tax | 5114 | Local | GF | | | | 103,090.77 | 32,224.00 | 3.20 |
| Financial Institution Tax | 5114 | Local | SR | | | | | | |
| Financial Institution Tax | 5114 | Local | DS | | | | | | |
| Financial Institution Tax | 5114 | Local | CP | | | | | | |
| M&M Surtax | 5115 | Local | GF | | | | | | |
| M&M Surtax | 5115 | Local | SR | | | | | | |
| M&M Surtax | 5115 | Local | CP | | | | 6,691,903.41 | 32,224.00 | 207.67 |
| In Lieu of Tax | 5116 | Local | GF | | | | 117,787.50 | 32,224.00 | 3.66 |
| In Lieu of Tax | 5116 | Local | SR | | | | | | |
| In Lieu of Tax | 5116 | Local | DS | | | | | | |
| In Lieu of Tax | 5116 | Local | CP | | | | | | |
| City Sales Tax | 5117 | Local | GF | | | | | | |
| Fines, Escheats, Etc. | 5211 | Local | SR | | | | 319,842.00 | 32,224.00 | 9.93 |
| State Assessed Utilities | 5221 | Local | GF | | | | 2,810,364.73 | 32,224.00 | 87.21 |
| State Assessed Utilities | 5221 | Local | SR | | | | | | |
| State Assessed Utilities | 5221 | Local | DS | | | | | | |
| State Assessed Utilities | 5221 | Local | CP | | | | | | |
| County Stock Insurance Fund | 5222 | Local | GF | | | | 3,226,406.91 | 32,224.00 | 100.12 |
| Other - County | 5237 | Local | GF | 217,673.00 | 106.00 | 2,015.49 | | | |
| Total Local | | | | 217,673.00 | 5,828.00 | 37.85 | 182,578,209.40 | 32,224.00 | 5,665.91 |

For the purpose of this analysis, we counted Local revenue as any revenue generated through taxes on local property or individuals. The state defines Local revenue more broadly to include revenue generated by the LEA from such areas as earnings on investments, fundraising, community services and student activities. We treated these forms of revenue as Other for the districts and the charters.

| | | | | St. Louis | | | | | |
|---------------------------------------|------|-------|----|--------------------------|----------|-----|--------------------------|------------------|-----------------|
| FY05-06 Revenue by Entity and by Type | | | | Total St. Louis Charters | | | St. Louis Public Schools | | |
| | | | | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR |
| Current Taxes | 5111 | Local | GF | | | | 80,126,074.62 | 39,554.00 | 2,025.74 |
| Current Taxes | 5111 | Local | SR | | | | 34,673,103.39 | 39,554.00 | 876.60 |
| Current Taxes | 5111 | Local | DS | | | | 21,535,464.51 | 39,554.00 | 544.46 |
| Current Taxes | 5111 | Local | CP | | | | 1,386,924.14 | 39,554.00 | 35.06 |
| Delinquent Taxes | 5112 | Local | GF | | | | 4,171,754.23 | 39,554.00 | 105.47 |
| Delinquent Taxes | 5112 | Local | SR | | | | 1,805,248.59 | 39,554.00 | 45.64 |
| Delinquent Taxes | 5112 | Local | DS | | | | 1,121,236.71 | 39,554.00 | 28.35 |
| Delinquent Taxes | 5112 | Local | CP | | | | 72,209.57 | 39,554.00 | 1.83 |
| School Dist Trust Fund (Prop C) | 5113 | Local | GF | | | | 22,593,613.85 | 39,554.00 | 571.21 |
| School Dist Trust Fund (Prop C) | 5113 | Local | SR | | | | 9,694,033.86 | 39,554.00 | 245.08 |
| Financial Institution Tax | 5114 | Local | GF | | | | 83,806.87 | 39,554.00 | 2.11 |
| Financial Institution Tax | 5114 | Local | SR | | | | 36,179.30 | 39,554.00 | 0.91 |
| Financial Institution Tax | 5114 | Local | DS | | | | 22,470.89 | 39,554.00 | 0.57 |
| Financial Institution Tax | 5114 | Local | CP | | | | 1,447.16 | 39,554.00 | 0.04 |
| M&M Surtax | 5115 | Local | GF | | | | 8,576,546.61 | 39,554.00 | 216.83 |
| M&M Surtax | 5115 | Local | SR | | | | 3,711,344.76 | 39,554.00 | 93.83 |
| M&M Surtax | 5115 | Local | CP | | | | 148,453.79 | 39,554.00 | 3.75 |
| In Lieu of Tax | 5116 | Local | GF | | | | 170,580.74 | 39,554.00 | 4.31 |
| In Lieu of Tax | 5116 | Local | SR | | | | 73,815.72 | 39,554.00 | 1.87 |
| In Lieu of Tax | 5116 | Local | DS | | | | 45,846.94 | 39,554.00 | 1.18 |
| In Lieu of Tax | 5116 | Local | CP | | | | 2,952.63 | 39,554.00 | 0.07 |
| City Sales Tax | 5117 | Local | GF | | | | 23,995,720.78 | 39,554.00 | 606.66 |
| Fines, Escheats, Etc. | 5211 | Local | SR | | | | 231,512.50 | 39,554.00 | 5.85 |
| State Assessed Utilities | 5221 | Local | GF | | | | 1,554,530.24 | 39,554.00 | 39.30 |
| State Assessed Utilities | 5221 | Local | SR | | | | 672,694.73 | 39,554.00 | 17.01 |
| State Assessed Utilities | 5221 | Local | DS | | | | 417,811.76 | 39,554.00 | 10.56 |
| State Assessed Utilities | 5221 | Local | CP | | | | 26,906.46 | 39,554.00 | 0.68 |
| County Stock Insurance Fund | 5222 | Local | GF | | | | | | |
| Other - County | 5237 | Local | GF | | | | | | |
| Total Local | | | | | | | 216,952,085.35 | 39,554.00 | 5,548.96 |

As expected, the charters show little to no local revenue for FY 2006 with the exception of a small portion of County revenue received by Genesis for "State Assessed Utilities." Why the other charter schools in Kansas City and St. Louis did not receive

| State Revenue | Kansas City | | | | | | | | |
|--------------------------------------|-------------|-------|----|----------------------------|----------|----------|----------------------------|-----------|----------|
| | | | | Total Kansas City Charters | | | Kansas City Public Schools | | |
| | | | | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR |
| Basic Formula | 5311 | State | GF | 34,818,179.67 | 5,828.00 | 5,974.29 | 47,105,861.01 | 32,224.00 | 1,461.83 |
| Basic Formula | 5311 | State | SR | 3,865,945.00 | 1,593.00 | 2,426.83 | | | |
| Transportation | 5312 | State | GF | 1,174,027.00 | 5,292.00 | 221.85 | 8,420,594.00 | 32,224.00 | 261.31 |
| Exceptional Pupil | 5313 | State | GF | 228,814.66 | 279.00 | 820.12 | 5,117,043.88 | 3,577.00 | 1,430.54 |
| Exceptional Pupil | 5313 | State | SR | | | | | | |
| Early Childhood Special Education | 5314 | State | GF | 40,490.83 | | | 2,649,777.20 | 2,533.00 | 1,046.10 |
| Early Childhood Special Education | 5314 | State | SR | | | | | | |
| Remedial Reading | 5315 | State | GF | 1,433,395.00 | | | 144,231.00 | 32,224.00 | 4.48 |
| Remedial Reading | 5315 | State | SR | | | | | | |
| Gifted | 5316 | State | GF | 11,100.00 | 22.00 | 504.55 | 1,319,596.00 | 1,359.00 | 971.01 |
| Gifted | 5316 | State | SR | | | | | | |
| Career Ladder | 5317 | State | GF | | | | 205,500.00 | 6,555.00 | 31.35 |
| Career Ladder | 5317 | State | SR | | | | | | |
| Free & Reduced/At-Risk | 5318 | State | GF | 4,636,603.16 | 4,301.00 | 1,078.01 | 30,485,284.00 | 24,967.00 | 1,221.02 |
| Free & Reduced/At-Risk | 5318 | State | SR | | | | | | |
| Vocational/At-Risk | 5322 | State | GF | 688,829.00 | 657.00 | 1,048.45 | | | |
| Vocational/At-Risk | 5322 | State | SR | | | | | | |
| Educational Screening Program (PAT) | 5324 | State | GF | | | | 1,239,475.00 | 32,224.00 | 38.46 |
| Educational Screening Program (PAT) | 5324 | State | SR | | | | | | |
| Foreign Insurance (Textbook Fund) | 5331 | State | GF | | | | 3,082,435.05 | 32,224.00 | 95.66 |
| Foreign Insurance (Textbook Fund) | 5331 | State | SR | | | | | | |
| Vocational Technical Aid | 5332 | State | GF | | | | 42,869.94 | | |
| Vocational Technical Aid | 5332 | State | SR | | | | 364,979.00 | | |
| Food Service - State | 5333 | State | GF | 7,225.30 | 3,056.00 | 2.96 | 93,817.56 | 32,224.00 | 2.91 |
| Food Service - State | 5333 | State | SR | | | | | 32,224.00 | |
| Fair Share (Cigarette Tax) | 5334 | State | GF | | | | 705,231.54 | 32,224.00 | 21.89 |
| Fair Share (Cigarette Tax) | 5334 | State | SR | | | | | | |
| Adult Education & Literacy | 5337 | State | GF | | | | 150,495.55 | | |
| Adult Education & Literacy | 5337 | State | SR | | | | | | |
| Family Literacy Grants | 5339 | State | GF | | | | 1,432,413.52 | 32,224.00 | 44.45 |
| Family Literacy Grants | 5339 | State | SR | | | | | | |
| Handicapped Census | 5351 | State | GF | | | | 3,808.00 | 3,577.00 | 1.06 |
| Handicapped Census | 5351 | State | SR | | | | | | |
| Safe Schools Initiative Grant | 5358 | State | GF | 22,429.00 | 108.00 | 207.68 | | | |
| Voc/Tech Ed Enhancement Grant | 5359 | State | GF | | | | 53,103.63 | | |
| Extended Day Childcare Program Grant | 5368 | State | GF | 1,762.40 | 189.00 | 9.92 | | | |
| Residential Placement Excess Cost | 5369 | State | GF | | | | 118,193.61 | 19.00 | 6,220.72 |
| High Need Fund | 5381 | State | GF | 111,670.00 | 44.00 | 2,537.95 | 18,596.87 | 3,577.00 | 5.20 |
| Missouri Preschool Project | 5382 | State | GF | | | | 59,242.22 | | |
| Other - State | 5397 | State | GF | 5,766.25 | 1,028.00 | | 225,590.61 | | |
| Other - State | 5397 | State | SR | | | | | | |
| Other - State | 5397 | State | CP | | | | | | |
| Total State | | | | 47,046,137.27 | 5,828.00 | 6,002.43 | 103,038,140.19 | 32,224.00 | 3,197.56 |

| State Revenue | St. Louis | | | | | | | | |
|--------------------------------------|-----------------|----------|-----|---------------|----------|----------|--------------------------|-----------|----------|
| | Total St. Louis | | | Charters | | | St. Louis Public Schools | | |
| | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR |
| Basic Formula | 5311 | State | GF | 28,075,792.01 | 4,514.00 | 6,219.74 | 40,786,521.96 | 39,554.00 | 1,031.16 |
| Basic Formula | 5311 | State | SR | | | | 21,351,074.74 | 39,554.00 | 539.80 |
| Transportation | 5312 | State | GF | 1,877,235.41 | 4,185.00 | 447.49 | 11,892,110.00 | 39,554.00 | 300.66 |
| Exceptional Pupils | 5313 | State | GE | 2,620,525.89 | | | 5,246,084.90 | 6,657.00 | 788.06 |
| Exceptional Pupils | 5313 | State | SR | | | | 2,740,100.13 | | |
| Early Childhood Special Education | 5314 | State | GF | | | | 1,538,575.86 | 1,285.00 | 1,197.34 |
| Early Childhood Special Education | 5314 | State | SR | | | | 1,565,089.72 | | |
| Remedial Reading | 5335 | State | GF | 2,343,172.00 | 1,412.00 | 1,659.47 | 96,335.62 | 31,131.00 | 3.09 |
| Remedial Reading | 5335 | State | SR | | | | 36,853.38 | 31,131.00 | 1.18 |
| Gifted | 5336 | State | GF | | | | 922,125.79 | 1,177.00 | 783.45 |
| Gifted | 5336 | State | SR | | | | 352,761.21 | | |
| Career Ladder | 5317 | State | GF | | | | 14,466.00 | | |
| Career Ladder | 5317 | State | SR | | | | 5,534.00 | | |
| Free & Reduced/At-Risk | 5318 | State | GF | 3,274,331.83 | 3,526.00 | 928.10 | 26,295,094.30 | 31,131.00 | 844.66 |
| Free & Reduced/At-Risk | 5318 | State | SR | | | | 11,491,309.69 | 31,131.00 | 369.13 |
| Vocational/At-Risk | 5322 | State | GF | | | | | | |
| Vocational/At-Risk | 5322 | State | SR | | | | | | |
| Educational Screening Program (PAT) | 5324 | State | GF | | | | 10,977.68 | | |
| Educational Screening Program (PAT) | 5324 | State | SR | | | | 18,914.42 | | |
| Foreign Insurance (Textbook Fund) | 5324 | State | GF | | | | 3,360,702.74 | | |
| Vocational Technical Aid | 5332 | State | GF | | | | 151,173.13 | 10,441.95 | 14.48 |
| Vocational Technical Aid | 5332 | State | SR | | | | 331,652.45 | 10,441.95 | 31.76 |
| Food Service - State | 5333 | State | GF | 2,739.17 | 714.00 | 3.84 | 122,286.38 | 39,554.00 | 3.09 |
| Fair Share (Cigarette Tax) | 5334 | State | GF | | | | | | |
| Fair Share (Cigarette Tax) | 5334 | State | SR | | | | 995,213.39 | 39,554.00 | 25.16 |
| Adult Education & Literacy | 5337 | State | GF | | | | 393,529.59 | | |
| Adult Education & Literacy | 5337 | State | SR | | | | 198,645.30 | | |
| Family Literacy Grants | 5339 | State | GF | | | | 2,091,967.71 | 39,554.00 | 52.89 |
| Family Literacy Grants | 5339 | State | SR | | | | 245,273.60 | 39,554.00 | 6.20 |
| Handicapped Census | 5351 | State | GF | | | | 8,250.91 | | |
| Handicapped Census | 5351 | State | SR | | | | 3,577.09 | | |
| Safe Schools Initiative Grant | 5358 | State | GF | | | | | | |
| Voc/Tech Ed Enhancement Grant | 5359 | State | GF | | | | 68,918.75 | 10,441.95 | 6.60 |
| Extended Day Childcare Program Grant | 5368 | State | GF | | | | | | |
| Residential Placement Excess Cost | 5369 | State | GF | | | | | | |
| High Need Fund | 5381 | State | GF | | | | 393,748.18 | 6,657.00 | 59.15 |
| Missouri Preschool Project | 5382 | State | GF | | | | | | |
| Other - State | 5397 | State | GF | 5,530.00 | 471.00 | 11.74 | 2,832,488.34 | 39,554.00 | 71.61 |
| Other - State | 5397 | State | SR | | | | 2,311,411.89 | 39,554.00 | 58.44 |
| Other - State | 5397 | State | CP | | | | 13,000,000.00 | 39,554.00 | 328.66 |
| Total State | | | | 36,199,326.31 | 4,514.00 | 6,940.35 | 150,872,768.85 | 39,554.00 | 3,384.35 |

| Federal Revenue | | | | Kansas City | | | | | |
|--|------|---------|----|----------------------------|----------|----------|----------------------------|-----------|----------|
| | | | | Total Kansas City Charters | | | Kansas City Public Schools | | |
| | | | | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR |
| Medicaid | 5412 | Federal | GF | 218,876.00 | 664.00 | | 3,713,812.56 | 24,967.00 | 148.75 |
| Reserve Officer Training Corp | 5418 | Federal | SR | | | | 470,642.31 | 32,224.00 | 14.61 |
| Special Vocational Projects | 5421 | Federal | GF | | | | 5,739.29 | 6,555.00 | |
| Voc Ed Act Title I, Basic Grant | 5427 | Federal | GF | | | | 979,229.22 | 6,555.00 | |
| Voc Ed Act Title I, Basic Grant | 5427 | Federal | SR | | | | | | |
| Workforce Investment Act | 5435 | Federal | GF | | | | 130,369.22 | 6,555.00 | |
| Adult Education & Literacy | 5436 | Federal | GF | | | | 928,656.54 | | |
| Adult Education & Literacy | 5436 | Federal | SR | | | | | | |
| IDEA | 5441 | Federal | GF | 893,061.53 | 256.00 | 3,488.60 | 6,959,573.47 | 3,577.00 | 1,945.65 |
| IDEA | 5441 | Federal | SR | | | | | | |
| Early Childhood Special Education - Fed | 5442 | Federal | GF | | | | 489,164.04 | 2,533.00 | 193.12 |
| Early Childhood Special Education - Fed | 5442 | Federal | SR | | | | | | |
| School Lunch Program | 5445 | Federal | GF | 1,992,130.73 | 5,518.00 | 361.02 | 6,482,698.74 | 32,224.00 | 201.18 |
| School Breakfast Program | 5446 | Federal | GF | 77,022.59 | 1,236.00 | | 3,097,802.42 | 32,224.00 | 96.13 |
| After School Snack Program | 5448 | Federal | GF | | | | 535,940.37 | 32,224.00 | 16.63 |
| Title I - ESEA | 5451 | Federal | GF | 1,604,202.94 | 4,106.00 | 390.51 | 18,307,405.85 | 24,967.00 | 733.26 |
| Title I - ESEA | 5451 | Federal | SR | | | | | | |
| Title I, Part C Migrant | 5452 | Federal | GF | 6,486.18 | 314.00 | 20.66 | 22,100.74 | 24,967.00 | 0.89 |
| Title I, Part B Reading Skills Improve | 5453 | Federal | GF | 93,136.52 | 691.00 | 134.79 | 2,082,438.84 | 24,967.00 | 83.41 |
| Title I, Part B Reading Skills Improve | 5453 | Federal | SR | | | | | | |
| Title I, Part F Comprehensive School R | 5454 | Federal | GF | 234,456.21 | 691.00 | 339.90 | 194,974.10 | 24,967.00 | 7.81 |
| Title I, Part F Comprehensive School R | 5454 | Federal | SR | | | | | | |
| Title V ESEA | 5455 | Federal | GF | 13,455.69 | 3,784.00 | 3.56 | 189,872.40 | 32,224.00 | 5.89 |
| Title V ESEA | 5455 | Federal | SR | | | | | | |
| Goals 2000 Title IV Lift Grant | 5456 | Federal | GF | 1,170.00 | 272.00 | 4.30 | | | |
| 21st Century Community Learning Cent | 5459 | Federal | GF | | | | | | |
| 21st Century Community Learning Cent | 5459 | Federal | SR | | | | | | |
| Title IV, Drug Free | 5461 | Federal | GF | 42,149.03 | 4,438.00 | 9.50 | 354,303.68 | 32,224.00 | 11.00 |
| Title IV, Drug Free | 5461 | Federal | SR | | | | | | |
| Title III ESEA English Language Acquis | 5462 | Federal | GF | 45,638.00 | | | 568,784.70 | 5,244.00 | 108.46 |
| Title III ESEA English Language Acquis | 5462 | Federal | SR | | | | | | |
| Homeless | 5463 | Federal | GF | | | | 207.83 | 24,967.00 | 0.01 |
| Title II, Part A Teacher & Principal Quali | 5465 | Federal | GF | 256,658.25 | 3,698.00 | 65.84 | 3,509,521.19 | 32,224.00 | 108.91 |
| Title II, Part A Teacher & Principal Quali | 5465 | Federal | SR | 879.97 | | | | | |
| Title II, Part D Enhancing Education | 5466 | Federal | GF | 30,268.77 | 4,245.00 | 7.43 | 414,770.62 | 32,224.00 | 12.87 |
| Title II, Part D Enhancing Education | 5466 | Federal | SR | | | | | | |
| Aids Education Grant | 5475 | Federal | GF | | | | 1,971.10 | 32,224.00 | 0.06 |
| Even Start Family Literacy | 5476 | Federal | GF | | | | | | |
| Even Start Family Literacy | 5476 | Federal | SR | | | | | | |
| Summer Food Sv | 5481 | Federal | GF | | | | 985,844.39 | 32,224.00 | 30.59 |
| Headstart | 5483 | Federal | GF | | | | 4,424,489.68 | 2,533.00 | 1,746.74 |
| Title VI Rural Education Initiative | 5492 | Federal | GF | | | | | | |
| Other - Federal | 5497 | Federal | GF | 22,188.12 | 767.00 | 29.31 | 1,247,570.72 | 32,224.00 | 38.72 |
| Other - Federal | 5497 | Federal | SR | | | | | | |
| Total Federal | | | | 5,531,810.63 | 5,828.00 | 4,269.12 | 56,097,884.02 | 32,224.00 | 1,740.87 |

| Federal Revenue | | | | St. Louis | | | | | |
|--|------|---------|----|--------------------|----------|------------|--------------------------|-----------|----------|
| | | | | St. Louis Charters | | | St. Louis Public Schools | | |
| | | | | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR |
| Medicaid | 5412 | Federal | CF | 106,425.44 | 908.00 | 115.98 | 4,444,490.17 | 31,131.00 | 142.77 |
| Reserve Officer Training Corp | 5418 | Federal | SR | | | | | | |
| Special Vocational Projects | 5421 | Federal | CF | | | | | | |
| Voc Ed Act Title I, Basic Grant | 5427 | Federal | CF | | | | 1,021,024.28 | 10,441.95 | 97.78 |
| Voc Ed Act Title I, Basic Grant | 5427 | Federal | SR | | | | 227,776.89 | 10,441.95 | 21.81 |
| Workforce Investment Act | 5435 | Federal | GF | | | | | | |
| Adult Education & Literacy | 5436 | Federal | GF | | | | 126,491.22 | | |
| Adult Education & Literacy | 5436 | Federal | SR | | | | 1,104,445.62 | | |
| IDEA | 5441 | Federal | GF | 579,036.83 | | | 9,622,990.54 | 6,897.00 | 1,445.54 |
| IDEA | 5441 | Federal | SR | | | | 2,291,146.66 | 6,897.00 | 344.17 |
| Early Childhood Special Education - Fed | 5442 | Federal | GF | | | | 265,672.36 | 1,285.00 | 206.75 |
| Early Childhood Special Education - Fed | 5442 | Federal | SR | | | | 526,199.15 | 1,285.00 | 409.49 |
| School Lunch Program | 5445 | Federal | GF | 762,245.68 | 4,195.09 | 420.06 | 9,311,317.22 | 39,554.00 | 235.41 |
| School Breakfast Program | 5446 | Federal | GF | 194,161.10 | 7,243.00 | 140.56 | 4,005,047.18 | 39,554.00 | 101.26 |
| After School Snack Program | 5448 | Federal | GF | | | | 271,989.21 | 39,554.00 | 6.88 |
| Title I - ESEA | 5451 | Federal | GF | 4,400,708.10 | 2,746.00 | 510.09 | 13,846,990.25 | 31,131.00 | 444.80 |
| Title I - ESEA | 5451 | Federal | SR | 320,533.86 | 1,514.00 | 629.61 | 11,021,675.52 | 31,131.00 | 354.04 |
| Title I, Part C Migrant | 5452 | Federal | GF | | | | 8,524.33 | 31,131.00 | 0.27 |
| Title I, Part B Reading Skills Improvement | 5453 | Federal | GF | | | | 2,614,638.25 | 31,131.00 | 83.99 |
| Title I, Part B Reading Skills Improvement | 5453 | Federal | SR | | | | 995,105.00 | 31,131.00 | 31.97 |
| Title I, Part F Comprehensive School R | 5454 | Federal | GF | 22,000.00 | 232.00 | 94.83 | 258,100.04 | 31,131.00 | 8.29 |
| Title I, Part F Comprehensive School R | 5454 | Federal | SR | | | | 151,812.75 | 31,131.00 | 4.88 |
| Title V ESEA | 5455 | Federal | GF | 2,308.34 | 3,587.00 | 0.64 | 182,141.49 | 31,131.00 | 5.85 |
| Title V ESEA | 5455 | Federal | SR | 1,099.00 | 927.00 | 1.19 | | | |
| Goals 2000 Title IV Lift Grant | 5456 | Federal | GF | | | | | | |
| 21st Century Community Learning Cent | 5459 | Federal | GF | | | | 319,881.03 | 31,131.00 | 10.28 |
| 21st Century Community Learning Cent | 5459 | Federal | SR | | | | 368,242.54 | 31,131.00 | 11.83 |
| Title IV, Drug Free | 5461 | Federal | GF | 24,975.07 | 3,587.00 | 6.96 | 547,478.99 | 39,554.00 | 13.84 |
| Title IV, Drug Free | 5461 | Federal | SR | 7,013.84 | 927.00 | 7.57 | 76,157.70 | 39,554.00 | 1.93 |
| Title III ESEA English Language Acquis | 5462 | Federal | GF | | | | 337,435.99 | 2,905.00 | 116.16 |
| Title III ESEA English Language Acquis | 5462 | Federal | SR | | | | 192,253.94 | 2,905.00 | 66.18 |
| Homeless | 5463 | Federal | GF | | | | 67,975.12 | 31,131.00 | 2.18 |
| Title II, Part A Teacher & Principal Qual | 5465 | Federal | GF | 43,401.86 | 3,587.00 | 12.10 | 1,558,201.56 | 39,554.00 | 39.39 |
| Title II, Part A Teacher & Principal Qual | 5465 | Federal | SR | 11,968.21 | 927.00 | 12.91 | 2,492,937.41 | 39,554.00 | 63.03 |
| Title II, Part D Enhancing Education | 5466 | Federal | GF | 19,387.89 | 2,445.00 | 7.93 | 229,726.84 | 39,554.00 | 5.81 |
| Title II, Part D Enhancing Education | 5466 | Federal | SR | 3,863.97 | 927.00 | 9.56 | 4,834.06 | 39,554.00 | 0.12 |
| Aids Education Grant | 5475 | Federal | GF | | | | 270.00 | 39,554.00 | 0.01 |
| Even Start Family Literacy | 5476 | Federal | GF | | | | 48,659.88 | 1,285.00 | 37.87 |
| Even Start Family Literacy | 5476 | Federal | SR | | | | 57,113.16 | 1,285.00 | 44.45 |
| Summer Food Sv | 5481 | Federal | GF | | | | | | |
| Headstart | 5483 | Federal | GF | | | | | | |
| Title VI Rural Education Initiative | 5492 | Federal | GF | 212.60 | | | | | |
| Other - Federal | 5497 | Federal | GF | | | | 4,182,936.17 | 39,554.00 | 105.75 |
| Other - Federal | 5497 | Federal | SR | | | | 2,132,583.75 | 39,554.00 | 53.92 |
| Total Federal | | | | 4,343,340.79 | 4,514.00 | 622,362.89 | 74,914,256.25 | 39,554.00 | 993.97 |

county revenue, particularly from the State Assessed Utilities revenue stream, is unknown and could possibly be a new source of revenue for charter schools if the charters now deemed LEAs do not receive this revenue in FY 2007. Both the school districts generated more than \$5,000 per pupil using our definition of Local Revenue.

In terms of state revenue, however, the charter schools in both cities received more than \$8,000 per pupil, while the districts received approximately \$3,000 per pupil. If Local and State revenue sources are combined, however, the funding disparity favors districts.

| Other Revenue | | | | Kansas City | | | | | |
|--|------|-------|----|----------------------------|----------|--------|----------------------------|-----------|--------|
| | | | | Total Kansas City Charters | | | Kansas City Public Schools | | |
| | | | | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR |
| Tuition from Individuals (K-12) | 5121 | Other | GF | | | | | | |
| Summer School Tuition (K-12) | 5122 | Other | GF | | | | | | |
| Tuition Post Secondary | 5123 | Other | GF | | | | 29,845.82 | 32,224.00 | 0.93 |
| Earnings on Investments | | Other | GF | 2,669.26 | 382.00 | 6.99 | | | |
| General Fund - Regular Interest | 5140 | Other | GF | 137,176.98 | 3,174.00 | 43.22 | 2,221,170.74 | 32,224.00 | 68.93 |
| School Food Service Fund Interest | 5140 | Other | GF | 413.10 | 364.00 | 1.13 | | | |
| Student Activities Fund Interest | 5140 | Other | GF | 14,409.23 | 364.00 | 39.59 | | | |
| Other General Fund Interest | 5140 | Other | GF | | | | | | |
| Food Service Program | 5150 | Other | GF | 203,978.03 | 2,945.00 | 69.25 | 1,080,306.85 | 32,224.00 | 33.52 |
| Food Service NonProgram | 5165 | Other | GF | | | | 563,408.69 | 32,224.00 | 17.48 |
| Student Activities | 5170 | Other | GF | 235,803.85 | 3,301.00 | 71.43 | 1,371,666.71 | 32,224.00 | 42.57 |
| Community Services | 5180 | Other | GF | 564,317.96 | 1,590.00 | 354.92 | 405,954.31 | 32,224.00 | 12.60 |
| Tuition Post Secondary | 5123 | Other | SR | | | | | | |
| Earnings on Investments | 5140 | Other | SR | 366.19 | 155.00 | | | | |
| Student Activities Fund Interest | 5140 | Other | SR | | | | | | |
| Earnings on Investments | | Other | DS | | | | | | |
| Earnings on Investments | 5140 | Other | CP | 5,421.22 | 382.00 | 14.19 | 6,054,185.67 | 32,224.00 | 187.88 |
| Community Services | 5180 | Other | CP | | | | 22,155.81 | 32,224.00 | 0.69 |
| Other - From Local Sources | 5190 | Other | GF | 3,276,737.99 | 4,112.00 | 796.87 | 1,209,046.57 | 32,224.00 | 37.52 |
| Other - From Local Sources | 5190 | Other | SR | | | | 56,348.36 | 32,224.00 | 1.75 |
| Other - From Local Sources | 5190 | Other | CP | 115.00 | 382.00 | 0.30 | 5,424,801.10 | 32,224.00 | 168.35 |
| Net Insurance Recovery | 5631 | Other | GF | 7,500.00 | 189.00 | 39.68 | | | |
| Sale of Other Property | 5651 | Other | GF | | | | | | |
| Tuition from Other Districts | 5810 | Other | GF | 20,996.73 | 108.00 | 194.41 | | | |
| Transportation from Other LEAs for Non | 5841 | Other | GF | | | | 7,359.42 | 32,224.00 | 0.23 |
| Tuition from Other Districts | 5810 | Other | GF | | | | 29,761.53 | 32,224.00 | 0.92 |
| Sale of Bonds | 5611 | Other | GF | | | | | | |
| Sale of Other Property | 5651 | Other | GF | | | | | | |
| Other Total | | | | 4,469,905.54 | 5,828.00 | 766.97 | 18,476,011.58 | 32,224.00 | 573.36 |

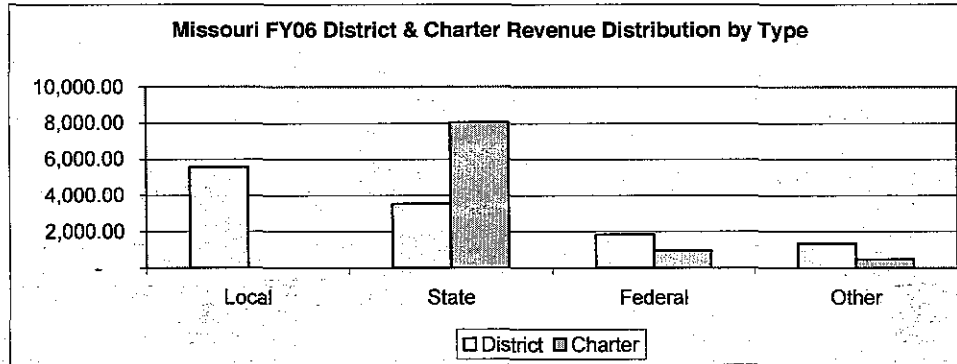
but does not appear as extreme. Kansas City Public Schools receives \$8,863 per pupil in Local and State revenue while the Kansas City Charters receive \$8,072. St. Louis Public Schools receives \$9,299 per pupil in Local and State revenue, while the St. Louis Charters receive \$8,019 per pupil.

Federal revenue favors the school districts on a per pupil basis. However, a close examination of the types of federal revenue and the enrollments at the districts and the charters reveals that the school districts provide services to more types of students than do the charter schools in those two cities.

| Other Revenue | | | | St. Louis | | | | | |
|--|------|-------|----------|--------------------------|----------|----------|--------------------------|-----------|----------|
| | | | | Total St. Louis Charters | | | St. Louis Public Schools | | |
| | | | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR | |
| Tuition from Individuals (K-12) | 5121 | Other | GF | 46,369.75 | 1,142.00 | 40.63 | 2,152,536.00 | 39,554.00 | 54.42 |
| Summer School Tuition (K-12) | 5122 | Other | GF | | | | | | |
| Tuition Post Secondary | 5123 | Other | GF | | | | 309,294.54 | 39,554.00 | 7.82 |
| Earnings on Investments | | Other | | | | | | | |
| General Fund - Regular Interest | 5140 | Other | GF | 78,172.28 | 1,731.00 | 45.16 | 2,703,780.78 | 39,554.00 | 68.36 |
| School Food Service Fund Interest | 5140 | Other | GF | | | | | | |
| Student Activities Fund Interest | 5140 | Other | GF | | | | | | |
| Other General Fund Interest | 5140 | Other | GF | 2,859.76 | 243.00 | 11.77 | | | |
| Food Service Program | 5150 | Other | GF | 47,937.26 | 3,053.00 | 15.70 | 1,145,285.22 | 39,554.00 | 28.95 |
| Food Service NonProgram | 5165 | Other | GF | | | | 95,931.93 | 39,554.00 | 2.43 |
| Student Activities | 5170 | Other | GF | 74,402.51 | 2,859.00 | 26.02 | 1,157,492.07 | 39,554.00 | 29.26 |
| Community Services | 5180 | Other | GF | 49,873.00 | 927.00 | 53.80 | | | |
| Tuition Post Secondary | 5123 | Other | SR | | | | 1,113,530.04 | 39,554.00 | 28.15 |
| Earnings on Investments | 5140 | Other | SR | | | | 414,071.86 | 39,554.00 | 10.47 |
| Student Activities Fund Interest | 5140 | Other | SR | | | | 2,868.15 | 39,554.00 | 0.07 |
| Earnings on Investments | | Other | DS | | | | 1,382,207.21 | 39,554.00 | 34.94 |
| Earnings on Investments | 5140 | Other | CP | 65,747.88 | 927.00 | 70.93 | 5,101,034.51 | 39,554.00 | 128.96 |
| Community Services | 5180 | Other | CP | | | | | | |
| Other - From Local Sources | 5190 | Other | GF | 238,436.04 | 2,175.00 | 109.63 | 2,519,118.40 | 39,554.00 | 63.69 |
| Other - From Local Sources | 5190 | Other | SR | | | | 505,355.23 | 39,554.00 | 12.78 |
| Other - From Local Sources | 5190 | Other | CP | | | | 2,840,435.65 | 39,554.00 | 71.81 |
| Net Insurance Recovery | 5631 | Other | GF | | | | | | |
| Sale of Other Property | 5651 | Other | GF | | | | 27,184.83 | 39,554.00 | 0.69 |
| Tuition from Other Districts | 5810 | Other | GF | | | | | | |
| Transportation from Other LEAs for Non | 5841 | Other | GF | | | | 167,625.59 | 39,554.00 | 4.24 |
| Tuition from Other Districts | 5810 | Other | GF | | | | | | |
| Sale of Bonds | 5611 | Other | GF | | | | 55,000,000.00 | 39,554.00 | 1,390.50 |
| Sale of Other Property | 5651 | Other | GF | | | | 925,964.50 | 39,554.00 | 23.41 |
| Other Total | | | | 603,828.28 | 4,614.00 | 133.77 | 77,563,716.55 | 39,554.00 | 1,960.96 |

In terms of Other forms of Revenue, the Kansas City Charters receive more per pupil than do students in the school district. Other includes fundraising activities. However, the St. Louis school district brings in significantly more than do the charter schools, due

mostly to the district's Sale of Bonds. If that classification is excluded, however, the district still would generate approximately \$556 per pupil in Other forms of revenue compared to the St. Louis Charters \$134 per pupil.



| District | 71,778 | PPR | % | Charter | 10,342 | PPR | % |
|----------|----------------|-----------|--------|---------|---------------|----------|--------|
| Local | 399,530,294.75 | 5,566.19 | 45.4% | Local | 217,673.00 | 21.05 | 0.2% |
| State | 253,910,909.04 | 3,537.45 | 28.8% | State | 83,245,463.58 | 8,049.26 | 84.6% |
| Federal | 131,012,140.27 | 1,825.24 | 14.9% | Federal | 9,875,151.42 | 954.86 | 10.0% |
| Other | 96,039,728.13 | 1,338.01 | 10.9% | Other | 5,073,733.82 | 490.60 | 5.2% |
| Total | 880,493,072.19 | 12,266.89 | 100.0% | Total | 98,412,021.82 | 9,515.76 | 100.0% |

FY 2007 Revenue Projection

The FY2007 revenue projection accounts for all state and federal payments made to the Kansas City school district and the charter schools within that city as of January 2007. Additionally, the state portion of payments made to charter schools includes a contribution for Local revenue that cannot be identified as such based on the data available on the state web site.

For FY 2007, the state set an "Adequacy Target" of \$6,117 per pupil for state revenue contributions. The FY 2007 budget projection provides financial information as to how that target will be met or exceeded depending on the cost of living additions (Dollar Value Modifier) for higher cost communities. These projections are found on the monthly reporting mechanism on the DESE website and include only state and federal revenue sources for which payments have been made to date. Therefore, it is quite likely that other revenue streams may not be covered in this analysis due to later payment dates.

Additionally, the analysis does not include any revenue considered Local that is not distributed through the new state funding formula as that data are not required to be submitted to the state until the end of year ASBR reporting period. The funding formula does include the equivalent of Local revenue for charter schools to meet the requirement that charters receive Local revenue in excess of the district performance levy. The Missouri Public Charter School Association obtained a document for this project from DESE, one that the Department does not release on their web site, which shows the formula calculations for the Kansas City district and charters and details the Local formula component available for the charter schools. However, the data released for each charter through the DESE web site does not provide this level of specificity. Therefore, we cannot show actual "Local" revenue at this juncture as no breakdown of the local component of the state funding formula exists charter by charter. The one form of local revenue identified in this section pertains to the Proposition C revenue, a state payment intended to offset local tax collection. Since it is an offset of local revenue, we have deemed it a Local revenue in spite of its State origin.

Since St. Louis Charters are considered schools of the St. Louis Public Schools, no monthly reports are prepared for release on the DESE website indicating the state and federal revenue distributed to those schools. Therefore, this section of the report focuses on the current revenue projections for Kansas City Public Schools and the Kansas City Charters only.

Since we were asked to review the actual funding formula, we looked for the actual revenue dollars as well as the weights that would be used to determine the per pupil amount as established in the funding formula. We collected actual distributions as of January 2007 for many of the funding streams, therefore, it will appear that neither the district nor the charters have reached their adequacy targets. For Basic Formula - State Monies, the weighted average daily attendance is used from the highest of the current year, the first preceding year or the second preceding year. For Kansas City, we used the DESE document provided to the Missouri Public Charter School Association, which shows a WADA calculation of 38,131.6917 for the district. That figure contains enrollments for the

Kansas City charter schools, however, of 7,178.4685. Therefore, we reduced the district's WADA by the charter WADA to produce a more accurate FY 2007 per pupil revenue calculation for the district.

Charter Proposition C annual payments are based on an estimate using a calculation of \$841 per pupil multiplied by the Weighted Average Daily Attendance from FY 2006.

Food Service annual revenue is an estimate. Federal food service payments are made based on the number of meals served in the previous month. Therefore, there is no way to determine a budgeted revenue number for this program. We took total payments made through January 2007, divided by 7 months to determine a monthly amount, multiplied that number by 5 to generate an estimate for FY2007.

To provide some indicator of the average total revenue per student for the district and the charters, we used the Basic Aid WADA pupil number for the district as that is the number we had available for the charters as a whole. With that WADA, Kansas City Charters will receive \$8,611 per pupil during FY 2007 in state and federal revenues and the portion of Local revenues allotted to charters as part of the funding formula. Kansas City Public Schools will receive \$8,248 in state and federal revenues for the same period. The analysis of state revenue, however, includes a deduction for local effort required by the state – a deduction that is made to the state contribution. Kansas City's local effort is estimated for \$86,916,651 (after subtracting \$20,157,140 for charter schools) for FY 2007. If the Local Effort deduction is considered in this analysis, then Kansas City Public School students receive 11,056 per pupil during FY 2007 in total state and federal revenue, or \$2,445 more per pupil. Moreover, this is an estimate that does not include all revenues generated at the local level, so the per pupil for the district will be higher, as will the variance between the district and the charter schools.

Furthermore, a note should be made regarding the line item "Basic Formula -- State Monies," particularly as it relates to the Kansas City Public Schools. It appears that the charter schools receive more on a per pupil basis for this standard state fund than does the school district in which the charters are located – \$6,895 for the charter school pupil versus \$5,740 for the district pupil. However, the lower district per pupil is calculated after the deduction for Local effort described above.

| 2007 Revenue Projections | | Total Kansas City Charters | | | Kansas City Public Schools | | |
|---|---------|----------------------------|--------------|--------------|----------------------------|---------------|--------------|
| Revenue Name | Type | Total \$ | # Students | PPR | Total \$ | # Students | PPR |
| Prop C (full 12 month budget) | Local | 5,647,888 | 6,716 | 841 | 25,542,211 | 30,371 | 841 |
| Basic Formula - State Monies | State | 49,497,753 | 7,178 | 6,895 | 177,684,162 | 30,953 | 5,740 |
| Basic Formula - State Monies - PPR Yr Cor. | State | | | | (962,138) | 30,371 | (32) |
| Transportation (full 12 month budget) | State | 1,130,855 | 3,409 | 332 | 8,031,556 | 11,244 | 714 |
| ECSE - Current Year (Special Education) (Actual) | State | | | | 1,338,544 | 3,781 | 354 |
| Early Child Parents as Teachers (Actual) | State | | | | 484,945 | 2,533 | 191 |
| Career Ed Outstanding Schools Act (Actual) | State | | | | 34,329 | 6,555 | 5 |
| STARR Teachers (Actual) | State | | 4,090 | | 1,850 | 30,371 | 0 |
| Safe Schools (Actual) | State | 49,000 | | | | | |
| MO Preschool Project | State | | | | 14,273 | 2,533 | 6 |
| Perkins Basic Grant - Secondary (Actual) | Federal | | 4,090 | | 374,202 | 6,555 | 57 |
| Adult Education & Literacy (Actual) | Federal | | | | 212,209 | | |
| Special Education Part B Entitlement (full 12 month budget) | Federal | 179,785 | 247 | 728 | 8,879,191 | 3,781 | 2,348 |
| School Food Svs 04 Lunch Payment (full 12 month budget) | Federal | 116,955 | 5,303 | 22 | 689,761 | 30,371 | 23 |
| School Food Svs Section 11 Lunch Payment (full 12 month budget) | Federal | 877,983 | 5,303 | 166 | 5,125,823 | 30,371 | 169 |
| School Food Svs Breakfast Payment (full 12 month budget) | Federal | 461,485 | 5,303 | 87 | 2,815,312 | 30,371 | 93 |
| School Food Svs Snack Payment (full 12 month budget) | Federal | 29,479 | 4,288 | 7 | 496,005 | 30,371 | 16 |
| School Improvement Plan | Federal | | | | 319,522 | 20,485 | |
| Title 1 Targeted Assistance (full 12 month budget) | Federal | 3,204,683 | 4,481 | 715 | 17,023,170 | 20,485 | 831 |
| Title 1 Migrant (full 12 month budget) | Federal | | 4,481 | | 16,740 | 20,485 | 1 |
| Reading First (Actual) | Federal | | | | 1,611,755 | 2,533 | 636 |
| Comprehensive School Reform (Actual) | Federal | | | | 173,629 | 20,485 | 8 |
| Title V (full 12 month budget) | Federal | 10,200 | 4,481 | 21 | 128,375 | 20,485 | 6 |
| Title IV.A (full 12 month budget) | Federal | 38,509 | 4,481 | 9 | 565,135 | 20,485 | 28 |
| Title III (full 12 month budget) | Federal | | 5 | | 1,494,236 | 3,168 | 472 |
| Homeless Transportation Payment (full 12 month budget) | Federal | | | | 1,262 | 20,485 | 0 |
| Title II.A (full 12 month budget) | Federal | 593,154 | 4,090 | 145 | 2,942,750 | 30,371 | 97 |
| Title II D (full 12 month budget) | Federal | 2,594 | 4,090 | 1 | 126,056 | 30,371 | 4 |
| Emergency Impact Aid for Displaced Students (Actual) | Federal | | | | 128,182 | 20,485 | 6 |
| Refugee Children (Actual) | Federal | | | | 3,931 | 20,485 | 0 |
| Total | | 81,810,323 | 7,178 | 8,611 | 255,296,977 | 30,953 | 8,248 |

FY 06 and FY 07 State Formula Comparisons

For this exercise, we evaluated the state basic formula revenue provided to the districts and the charters in FY 06 and the projected revenue distributions for FY07. We compared the two years of funding to determine if a change in equity might have occurred with the newly adopted calculation in the funding formula.

The line items presented in the FY 2006 revenue file (purple) were condensed by the state into one program area in the FY 2007 revenue file. Additionally, the state shifted from Eligible Pupils to calculate expenditures in FY 2006 to Weighted Average Daily Attendance in FY 2007, which will result in a change to the per pupil revenue amounts.

| FY06 State Basic Formula Revenue | Kansas City | | | | | | | | |
|-----------------------------------|-------------|-------|----|----------------------------|-----------------|------------------|----------------------------|------------------|-----------------|
| | | | | Total Kansas City Charters | | | Kansas City Public Schools | | |
| | | | | Total \$ | # Pupils | PPR | Total \$ | # Pupils | PPR |
| Basic Formula | 5311 | State | GF | 34,816,179.67 | 5,628.00 | 5,974.29 | 47,105,861.01 | 32,224.00 | 1,461.83 |
| Basic Formula | 5311 | State | SR | 3,865,945.00 | 1,438.00 | 2,688.42 | | | |
| Exceptional Pupil | 5313 | State | GF | 228,814.86 | 279.00 | 820.12 | 5,117,043.88 | 3,577.00 | 1,430.54 |
| Exceptional Pupil | 5313 | State | SR | | | | | | |
| Remedial Reading | 5315 | State | GF | 1,433,395.00 | | | 144,231.00 | 32,224.00 | 4.48 |
| Remedial Reading | 5315 | State | SR | | | | | | |
| Gifted | 5316 | State | GF | 11,100.00 | 22.00 | 504.55 | 1,319,596.00 | 1,359.00 | 971.01 |
| Gifted | 5316 | State | SR | | | | | | |
| Free & Reduced/At-Risk | 5318 | State | GF | 4,636,503.16 | 4,361.00 | 1,078.01 | 30,485,284.00 | 24,967.00 | 1,221.02 |
| Free & Reduced/At-Risk | 5318 | State | SR | | | | | | |
| Foreign Insurance (Textbook Fund) | 5331 | State | GF | | | | 3,062,435.05 | 32,224.00 | 95.66 |
| Foreign Insurance (Textbook Fund) | 5331 | State | SR | | | | | | |
| Fair Share (Cigarette Tax) | 5334 | State | GF | | | | | 32,224.00 | - |
| Fair Share (Cigarette Tax) | 5334 | State | SR | | | | 705,231.54 | 32,224.00 | 21.89 |
| Total State | | | | 44,993,937.49 | 3,647.00 | 12,337.25 | 87,959,682.48 | 32,224.00 | 2,729.63 |

| FY07 State Basic Formula Revenue (Partial Year - Through January 2007) | Kansas City | | | | | | | | |
|--|-------------|-------|----|----------------------------|--------------|--------------|----------------------------|---------------|--------------|
| | | | | Total Kansas City Charters | | | Kansas City Public Schools | | |
| | | | | Total \$ | # Students | PPR | Total \$ | # Students | PPR |
| Basic Formula - State Moities | 5311 | State | GF | 49,497,753.00 | 7,178 | 6,895 | 177,684,162 | 30,953 | 5,740 |
| Basic Formula - State Moities - Priority Cor. | 5311 | State | SR | | | | (962,138) | 30,953 | (31) |
| Total State | | | | 49,497,753.00 | 7,178 | 6,895 | 176,722,024 | 30,953 | 5,709 |

When reviewing the FY 2007 Basic Formula payments made to date on a per pupil basis, there is a pro-charter variance of \$1,186 per pupil. Keep in mind, however, that the district representation does not include Local Effort, which if included, returns the funding advantage to the school district. Also, keep in mind that these numbers are estimates given that this information is built from partial

data for FY 2007. The distribution of payments for the remaining months of the year could alter any per pupil variance between the district and the charter schools.

Until we can review the entire year of data for FY 2007 to determine if charters receive their equitable share of revenue as defined by the new state funding formula, we reviewed the documentation the Association secured from DESE, the Kansas City School District + KC Charter LEA Formula Calculation – January 2007 and the Kansas City School District and KC Charter LEA Formula Calculation – By Category, to see if the formula indicated equity (documents attached). These documents indicate that the Kansas City charter schools receive Local Effort and Local Tax revenue in excess of the performance levy as part of their state formula calculation.

MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
Kansas City School District + KC Charter LEA Formula Calculation - JANUARY 2007

| | 2006-07 | |
|--|----------------------|---|
| | <u>Annualized</u> | |
| 1. Payment Weighted Average Daily Attendance | 38,131,6917 | (KC = 30,953.2232; Charter LEAs = 7,178.4685) |
| 2. Multiplied by State Adequacy Target | \$6,117 | |
| 3. Equals District Total | <u>\$233,251,558</u> | |
| 4. Multiplied by Dollar Value Modifier | 1.09 | |
| 5. Equals District Total Modified | \$254,244,198 | |
| 6. Minus Local Effort | <u>\$107,102,201</u> | = \$2,808 per Payment Weighted ADA (Includes \$3.43 tax rate) |
| 7. Equals State Funding Required | \$147,141,997 | |
| 8. FY06 State Funding | \$137,400,376 | Paid to KC (including charters) in FY06. (Basic Formula, Line 14, EPA, Gifted, Rem. Read, Fair Share, Textbook) |
| Phase-In Calculation: | | |
| 9. SB 287 Amount X 15% | \$22,071,300 | |
| 10. FY06 Funding Estimate X 85% | <u>\$116,790,320</u> | |
| 11. Total | \$138,861,620 | |
| 12. Total per Payment Weighted ADA | \$3,641.8328 | |
| Hold Harmless Calculation: | | |
| 13. 1/3 of DVM greater than 1 added to 1.000 | 1.030 | |
| 14. FY06 Modified State Funding | \$141,522,387 | |
| 15. FY06 Modified per 2005-06 Weighted ADA | \$3,818,3309 | State dollars per 2005-06 Weighted ADA |
| 16. If Line 12 < Line 15, then district held harmless (Line 1 X Line 15) | \$145,599,417 | |
| 17. Total Basic Formula Payment (Greater of Line 11 or 16) | \$145,599,417 | State dollars for all KC including charter LEAs |
| <u>Calculation of local tax revenues in excess of \$3.43 performance levy:</u> | | |
| 2004 Assessed Valuation | \$2,650,102,209 | |
| + 100 X \$1.52 tax rate > \$3.43 | \$40,281,554 | |
| Less assessor & collector fees @ 1.58% | <u>\$638,449</u> | |
| 1. Net Tax Revenue > \$3.43 tax rate | \$39,645,105 | |
| 2. 2005-06 Weighted ADA for KC + Charters | 37,053,9401 | |
| 3. Local Tax Revenues > \$3.43 per Weighted ADA | \$1,070 | KC & Charter LEAs |
| 4. | | |
| <u>Estimated amount needed for district revenue bond payments in 2006-07:</u> | | |
| 5. 2006-07 principal + interest | \$26,967,868 | As reported in district's FY05 audit report (p. 54) |
| 7. Debt payment amount per Weighted ADA | \$728 | KC & Charter LEAs |

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MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
 Kansas City School District and KC Charter LEA Formula Calculation - By Category

| | District | Charter | Difference |
|---|---------------------------|--------------|------------|
| AMOUNT PER WEIGHTED ADA | | | |
| Basic Formula | \$3,818.3309 | \$3,818.3309 | \$0.0000 |
| Local Effort (includes the \$3.43 tax rate) | \$2,808.0000 | \$2,808.0000 | \$0.0000 |
| Local Tax @ \$1.52 (amount > \$3.43) | \$1,070.0000 | \$1,070.0000 | \$0.0000 |
| Total | \$7,696.3309 | \$7,696.3309 | \$0.0000 |
| KC Debt Amount Subtracted from Charter | | \$728.0000 | |
| Net Dollars to Charter before Sponsor withholding | | \$6,968.3309 | |
| TOTAL STATE & LOCAL DOLLARS | | | |
| Weighted ADA | 30,953.2232 | 7,178.4685 | |
| Total State Money for Basic Formula | \$118,189,649 | \$27,409,768 | |
| Local Effort (includes the \$3.43 tax rate) | \$86,916,651 | \$20,157,140 | |
| Less Local Effort Subtracted from KC for Charters | \$20,157,140 | | |
| Net Formula Local Effort | \$66,759,511 | \$20,157,140 | |
| Local Tax @ \$1.52 | \$33,119,949 | \$7,680,961 | |
| Less Debt Subtracted from Charters | | \$5,225,925 | |
| Plus Debt Subtracted from Charters Added to KC | \$5,225,925 | | |
| Net Local Tax @ \$1.52 | \$38,345,874 | \$2,455,036 | |
| TOTAL STATE & LOCAL | \$223,295,034 | \$50,021,944 | |
| Per Weighted ADA | \$7,213.9510 ¹ | \$6,968.3309 | \$245.6201 |

¹ \$7,696.3309-651.2129 (\$20,2157,140 / 30,953.2232) + \$168.8330 (\$5,225,925 / 30,953.2232)

| STATE COST | District | Per WADA | Charters | Per WADA | TOTAL |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|
| Basic Formula | \$118,189,649 | \$3,818.3309 | \$27,409,768 | \$3,818.3309 | \$145,599,417 |
| + Local money @ \$3.43 (\$2,814) | | | \$20,157,140 | \$2,808.0001 | \$20,157,140 |
| + Local tax @ \$1.52 (\$1,070) minus debt (\$728) | | | \$2,455,036 | \$342.0000 | \$2,455,036 |
| - Local money @ \$3.43 (\$2,814) | -\$20,157,140 | -\$651.2130 | | | |
| - Local tax @ \$1.52 (\$1,070) minus debt (\$728) | -\$2,455,036 | -\$79.3144 | | | -\$2,455,036 |
| TOTAL STATE COST | \$95,577,473 | \$3,087.8035 | \$50,021,944 | \$6,968.3310 | \$145,599,417 |
| Less Charter amount withheld for sponsor (1.5% of total) | | | \$753,773 | \$105.0047 | |
| Net Amount to charter schools | | | \$49,268,171 | \$6,863.3263 | |

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