

Student Allotments

A Review of Financial Implications

SB740 Spending Requirements

- At least **40** percent of total public revenues must be spent on Instructional Certificated Salaries and Benefits, *AND*
- At least **80** percent of total public revenues must be spent on Instruction and Instruction-Related Services, *AND*
- The Pupil to Teacher Ratio (PTR) cannot exceed:
 - 25 to 1 or
 - Equivalent PTR of the largest unified school district in county or counties in which the charter school operates

40/80 Expense Ratio ✓

Cert.	Instr.
49.0%	81.0%
2,717,496	298,365

25:1 Pupil-Teacher ratio ✓

Pupil:Teacher Ratio	
21.09	:1

SB740 Implications

Funding Level	Certificated Salary and Benefits	Instructional Spending (incl. cert. salaries and benefits)	Pupil : Teacher Ratio
100%	= or > 40% AND	= or > 80% AND	25:1
85%	= or > 40% AND	= or > 40%	N/A
70%	= or > 35% AND	= or > 80%	N/A
Zero	< 35% OR	< 60%	N/A

2020-21 Spending Review

2020-21 Amount per ADA

Total Revenue \$ **10,000**

Certificated Salaries and Benefits 4,900 49.0% ✓

Student Allotment 2,300

Other Educational Costs 900

Total Instructional Costs 8,100 81.0% ✓

Professional Services 1,000

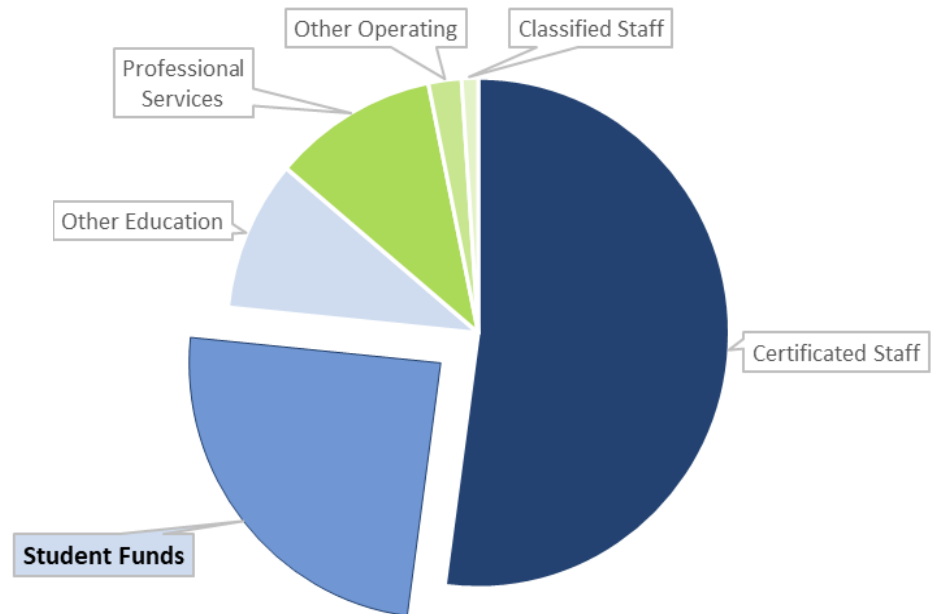
Other Operating Costs 200

Classified Salaries and Benefits 100

Total Non-Instructional Costs 1,300

Total Expenses \$ **9,400**

Surplus/Savings \$ **600**



Practical Considerations

- Student allotments can only be accounted for as an expense when goods or services are received (i.e. they can't simply be "earmarked" to be spent in a future year).
- Reductions in spending of student allotments triggers the need to spend the funds on other instructional costs in order to meet 40/80 requirement.
- Spending of "rollover" student allotments in any year reduces the budgeted surplus and available funds.
 - Note: this impact is reduced by students who do not fully spend current allotment.



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