



Charter Finance 210 *(Part 1)*

A Step Beyond the Basics of Charter Finance 101 for Board Members

Agenda

I. School Funding and 20-21 Update

- Funding Sources
- Deferrals
- SB740 Requirement

II. Budget Process/Timeline

III. Q and A

I. CHARTER SCHOOL FUNDING UPDATE

Current Funding and Concerns for FY20-21



Local Control Funding Formula

For FY20-21, ADA has been frozen at the 19-20 rates. SB820 is currently working through congress to credit schools with planned growth, but non-classroom-based schools have been excluded.

Segments of LCFF:

BASE GRANT + ADD-ONS



Grade	Base Grant	Add-On	Total
TK-3	\$ 7,702	\$ 801	\$ 8,503
4-6	\$ 7,818	\$ -	\$ 7,818
7-8	\$ 8,050	\$ -	\$ 8,050
9-12	\$ 9,329	\$ 243	\$ 9,572



SUPPLEMENTAL



20% Bonus for all Unduplicated Students



CONCENTRATION



50% Bonus Unduplicated Students Over 55%

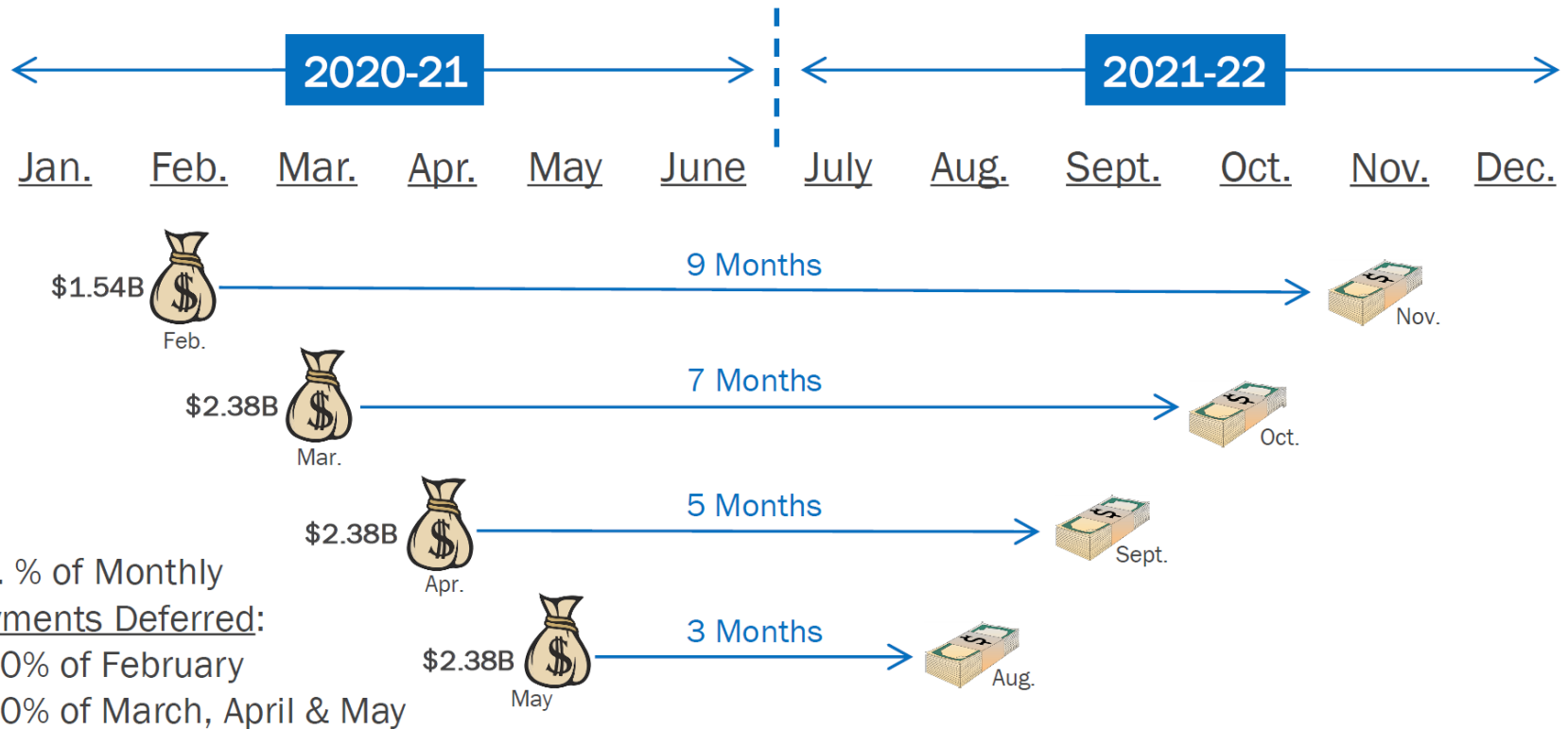
Other Sources of Funding

Funding Source	Amount per Student
Special Education**	
Federal Sources (IDEA)	\$ 104 to 125
State Sources (AB602)	\$ 625
Mandate Block Grant	
Grades K-8	\$ 17
Grades 9-12	\$ 47
Lottery	
Unrestricted	\$ 150
Restricted	\$ 49

**NOTE:

- Special Education funding varies based on the SELPA a charter school chooses to join.
- Funding is based on TOTAL ADA, not the actual number of special education students

State Funding Deferrals FY20-21



LCFF Funds paid from the State is the only revenue source subject to deferrals. All other sources will be paid on their regular schedule.

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 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

II. THE BUDGET PROCESS

Development, Approval, Monitoring and Forecast Updates

Developing the Budget Draft

January - April

- Charter Impact reviews Governor's proposed state budget for the upcoming fiscal year and identifies the likely range of revenues for the school's upcoming fiscal year (July 1 - June 30) based on projected enrollment.
- Once the revenue estimates are complete, Charter Impact and the Principal develop the remainder of the budget including:
 - staffing levels,
 - instructional funds,
 - fixed costs, and
 - discretionary spending
- Then a five-year budget projection is developed in accordance with the schools' established strategic and growth plans.

Budget Approval

May - June

- Charter Impact and the Principal reviews revenue projections subsequent to the Governor’s annual “May Revise” that is released in early May. This is the last estimate that the school receives prior to approval.
- The budget is then fine-tuned for the upcoming fiscal year to accommodate any changes. Typically changes are not large, FY20-21 was an exception due to the COVID-19 pandemic.
- The Board reviews and formally adopts a budget for upcoming fiscal year before June 30. A copy of the final budget is provided to the charter-granting agency.



Monitoring and Forecasting

July - December

- The budget is reviewed subsequent to the adoption of the state Budget Act and necessary adjustments are made.
- At the end of the first full week of school, the Principal reviews the Charter School's actual enrollment figures and notifies Charter Impact if changes are needed to the financial projections.
- On a monthly basis, the Principal and Board reviews current year actual versus budgeted revenues and expenditures, updated forecast based on current enrollment and spending trend and other financial reports as presented by Charter Impact.

CHARTER IMPACT

Empowering charter schools and non-profits with
financial management and operational support.

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