

Lighthouse Community Charter School  
Charter Renewal Budget Narrative

**Requirements:** Financial statements, including the annual operating budget and 3-year cash flow and financial projections, as well as all back up and supporting documents and budget assumptions (ie. Anticipated revenues and expenditures, including special education and ADA).

**Format:** Excel

This Narrative describes the assumptions of the financial statements for Lighthouse Community Charter School (“Lighthouse”). This includes:

- Fiscal Accountability
- Enrollment Assumptions
- Revenue Assumptions
  - FCMAT Calculator & Local Control Funding Formula
  - Other State Revenue
  - Federal Revenue
  - Fundraising and Local Revenues
- Expense Assumptions
  - Compensation and Benefits
  - Books and Supplies
  - Services and Other Operating Expenditures
- Cash Flow

## Fiscal Accountability

Lighthouse Community Charter School (“Lighthouse ”) is operated in conjunction with the Lighthouse Community Public Schools (LCPS), a non-profit organization. Throughout its operation, Lighthouse has demonstrated the ability to capably budget and manage its cash flow. As part of LCPS, it is operated with clear communication and sound fiscal policies in conjunction with the other two schools, both authorized by OUSD, in our “family of schools”:

- Lighthouse Community Charter School (CDS #: 01-61259-0130633)
- Lighthouse Community Charter High School (CDS #: 01-61259-0108944)
- Lodestar: A Lighthouse Community Charter Public School (CDS #: 01-61259-0134015).

## Key Assumption: Enrollment & ADA

Lighthouse has demonstrated a successful track record in maintaining its enrollment targets. Over the five years included in the budget projections (fiscal years 2022-26), we expect to serve up to the enrollment identified on page 2 in the budget. This includes totals of:

Grade Level	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
<b>Total Enrollment</b>	510	510	510	510	510	510
<b>ADA%</b>	95%	95%	95%	95%	95%	95%
<b>ADA</b>	485	485	485	485	485	485

We expect to serve a population with similar demographics as we served in the most recent full school year. That includes the following percentages, which are impactful when accounting for LCFF and other budget assumptions:

- Percentage of students eligible for Free/Reduced Lunch: 80.0%
- Percentage of English Language Learner students: 55.7%
- Unduplicated Pupil Percentage: 91.2%
- Unduplicated Pupil Percentage within OUSD: 76.5%

## Key Assumption: LCFF Calculator from FCMAT

Lighthouse follows the best practice of projecting revenues for the Local Control Funding Formula (LCFF) through the LCFF Calculator provided by FCMAT (the state’s Fiscal Crisis & Management Assistance Team).

At the time of generating Lighthouse’s budget for charter renewal, FCMAT had released version 21.2 of its calculator. Most notably, this included “flat revenues” for the foreseeable future. This meant that a 0% COLA was applied to LCFF revenues through 2024-25, the last year included in FCMAT’s calculator. Beyond that (in year 5 of the projections), we applied a marginal 2% COLA, assuming the state economy will finally sustain some incremental growth by that time.

To summarize, we project the following COLAs in the subsequent 5 years:

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
<b>COLA</b>	N/A; Current	0%	0%	0%	0%	2.00%

Note that the summary tab from our LCFF Calculator is included to provide full detail about our projections.

*Other State Revenues.* In addition to LCFF, Lighthouse is projecting the following additional state revenues beyond that, including:

- Special Education funding: Lighthouse is a member of the El Dorado County Office of Education (EDCOE) Special Education Local Education Agency (SELPA). The financial projections use EDCOE’s most recent data, with current state funding (AB602) distributed to member charters at a rate of \$619/ADA in the current year. Additionally, EDCOE makes Educationally-Related Mental Health Services available to its members for eligible Level 2 and 3 services. Based on communication to date with EDCOE, Lighthouse conservatively assumes that current year ERMHS funding will be \$26,804, and only projects minimal increases as student enrollment rises in future years.
- Child Nutrition: Lighthouse operates within LCPS’ School Food Authority. Based on the NSLP reimbursement structure, revenues for reimbursements have been budgeted to cover 80% of food costs among all sources. Of that revenue, state funding accounts for 7%.
- Charter School Facility Grant Program (CSFGP), also known as “SB740 funding”: Lighthouse leases a private facility, and is eligible for reimbursement under SB740. This funding, administered by the California School Finance Authority, provides eligible charter schools with funding at the lessor of 75% of rent cost or based upon a rate per ADA (currently \$1147/ADA). Eligibility is dependent on serving a student population with at least 55% Free- or Reduced-Price Meal Eligibility. Lighthouse qualifies based on that criteria, and can also be eligible based on that of the surrounding attendance area.
- Mandated Cost Reimbursements: these funds are budgeted in line with current state expectations, at \$16.86/ADA for K-8 students and \$46.87/ADA for High School students.
- State Lottery: these funds are budgeted conservatively relative to recent year funding, at \$207/ADA, given the potential for variability.

- ASES Funding: Lighthouse has received ASES award funding to operate an after school program, and it's assumed to continue at a flat rate of \$177,559.

*Federal Revenue.* Lighthouse is anticipating the following Federal funds:

- Child Nutrition: As stated above, LCPS operates a School Food Authority. Revenues for reimbursements have been budgeted to cover 80% of food costs among all sources. Of that revenue, federal funding accounts for 69%.
- Title funding (I, II, III): Based on its previously-submitted LEA Plan, Lighthouse established eligibility for Title Funding. This allows for funding to the LEA, and projections are based on the following rates: Title I: \$400 per Prior year ADA; Title II: \$49 per prior year ADA; Title III: \$114 per ELL student; Title IV: flat funding at \$14,237 with 2% increases annually.

*Local Revenue.* Lighthouse includes the following major revenues within Local Revenues:

- Measure G1 - Compensation: Lighthouse has received funding through Measure G1. We assume flat funding into future years.
- Measure G1 - Middle School: Lighthouse has received funding through Measure G1, and followed the application & compliance process established by the Measure G1 commission. We assume flat funding into future years.
- OFCY (Oakland Fund for Children and Youth) - Lighthouse has secured grant funding to support After School Programming in partnership with the City of Oakland's OFCY program. We anticipate flat funding in future years.

## Key Assumption: Expenditures

### Compensation and Benefits.

The staffing model projected at Lighthouse is based on the current model in operation, with adjustments in future years based on growth of additional grades:

		Current FY21	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26
	Code	FTE	FTE	FTE	FTE	FTE	FTE
<b>1000 - Certificated Salaries</b>							
1100 - Teachers Salaries	1100	20.00	20.00	20.00	20.00	20.00	20.00
1148 - Teacher - Special Ed	1148	2.70	2.70	2.70	2.70	2.70	2.70
1160 - Instructional Grants	1160	1.00	1.00	1.00	1.00	1.00	1.00
1170 - Teacher -- RTI & Sp. Ed.	1170	2.28	2.28	2.28	2.28	2.28	2.28
1180 - Teacher -- Specials	1180	4.60	4.60	4.60	4.60	4.60	4.60
1190 - Teacher -- ELD	1190	0.85	0.85	0.85	0.85	0.85	0.85
1300 - Certificated Supervisor & Administrator Salaries	1300	6.26	6.26	6.26	6.26	6.26	6.26
1311 - Certificated Supervisor - School Year Schedule	1311	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total - 1000 - Certificated Salaries</b>		<b>38.69</b>	<b>38.69</b>	<b>38.69</b>	<b>38.69</b>	<b>38.69</b>	<b>38.69</b>
<b>2000 - Classified Salaries</b>							
2100 - Classified Instructional Aide Salaries	2100	3.50	3.50	3.50	3.50	3.50	3.50
2904 - Other Classified - Security/yard duty	2904	1.69	1.69	1.69	1.69	1.69	1.69
2905 - Other Classified - After School	2905	5.50	5.50	5.50	5.50	5.50	5.50
2911 - Other Classified -- Tech Team	2911	1.26	1.26	1.26	1.26	1.26	1.26
2928 - Other Classified - Food	2928	0.63	0.63	0.63	0.63	0.63	0.63
2930 - Other Classified - Maintenance/grounds	2930	2.52	2.52	2.52	2.52	2.52	2.52
<b>Total - 2000 - Classified Salaries</b>		<b>15.10</b>	<b>15.10</b>	<b>15.10</b>	<b>15.10</b>	<b>15.10</b>	<b>15.10</b>

### Benefits.

- Health Insurance Coverage: LCPS provides health insurance for its employees, with health costs at an average of 11% of salaries. This cost is primarily to provide coverage for its employees through Kaiser Permanente (medical) and Principal Financial Group (dental).
- Retirement Benefits: LCPS provides retirement benefits to its employees through a governmental Retirement Plan. LCPS has budgeted an employer contribution of 8% into the employee's retirement, while the employee also contributes 8%.

### Books and Supplies.

- Core Curriculum Materials, Books/Reference, Materials and Supplies: Lighthouse has budgeted strategically to provide the necessary materials for classroom materials for all of its students. Non-capitalized Equipment: With a particular eye on evolving student needs, Lighthouse continues to budget appropriately for implementation of technology in the classroom, assuming 1:1 usage of Google Chromebooks by its students.
- Child Nutrition: As stated above, Lighthouse participates in the National School Lunch Program. This has been budgeted at an average cost of \$465 per ADA, which has been consistent with historical trends.

*Services and Other Operating Expenditures.*

- Among Services and Operating Expenditures, it's important to call out the role of facilities. Lighthouse occupies a private facility at 444 Hegenberger Rd., a K-12 site that it shares with Lighthouse Community Charter High School. Lease costs are budgeted according to existing lease and option agreements, at a below market rate.

**Cash Flow Assumptions**

Lighthouse includes its current and future year cash flow projections for review. On the basis of clear fiscal policies, LCPS staff manages cash needs of Lighthouse, and reports out cash positions and outlook regularly to the LCPS governing board.

This projection includes deferrals as outlined in the 2020-21 State Budget.