



Navigator Schools

NS Finance Committee

Date and Time

Tuesday April 9, 2019 at 3:00 PM PDT

Location

Navigator Schools, Support Office (Zoom), 650 San Benito St., Suite 230, Hollister, CA 95023

Teleconference Locations

- 827 Broadway, Suite 300, Oakland, CA 94607
 - 83 Great Oaks Blvd, San Jose, CA 95119
 - 780 Broadway, Redwood City, CA 94063
-

Agenda

I. Opening Items

Opening Items

- A.** Record Attendance and Guests
- B.** Call the Meeting to Order
- C.** Approve Minutes

The committee will vote on the approval of minutes from the previous meeting.

Approve minutes for Finance Committee on February 12, 2019

II. Finance

Finance

A. 2018-19 Financials

A. Ortiz will present 2018-19 financial information as of February 28, 2019.

B. Proposed Salary and Wage Adjustments

K. Sved will present proposed salary and wage adjustments for specified school site staff for the 2019-20 school year.

C. 2019-20 LCAP and Preliminary Budget

A. Ortiz will share 2019 Local Control Accountability Plans (LCAP) and preliminary budget information. Links to LCAP documents: [Gilroy Prep School](#) | [Hollister Prep School](#)

III. Other Business

A. Long-Term Facilities for WPS and HPS

K. Sved will provide an update regarding potential long-term facilities solutions for WPS and HPS.

B. Schedule Next Meeting

Members will determine a date and time for the next finance committee meeting.

IV. Closing Items

A. Adjourn Meeting

Coversheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee on February 12, 2019

APPROVED



Navigator Schools

Minutes

Finance Committee

Date and Time

Tuesday February 12, 2019 at 11:00 AM

Location

650 San Benito St., Suite 230, Hollister, CA 95023

Teleconference Locations

- 827 Broadway, Suite 300, Oakland, CA 94607
- 83 Great Oaks Blvd, San Jose, CA 95119
- 780 Broadway, Redwood City, CA 94063

Committee Members Present

Caitrin Wright (remote), Joyce Montgomery (remote), Nora Crivello (remote)

Committee Members Absent

None

Committee Members who arrived after the meeting opened

Caitrin Wright

Guests Present

Ami Ortiz, Kevin Sved, Rosa Segura, Sean Martin

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

Joyce Montgomery called a meeting of the Finance Committee of Navigator Schools to order on Tuesday Feb 12, 2019 at 11:01 AM.

C. Approve Minutes

Nora Crivello made a motion to approve minutes from the Finance Committee on 12-03-18 Finance Committee on 12-03-18.

Joyce Montgomery seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Roll Call

Caitrin Wright	Absent
Nora Crivello	Aye
Joyce Montgomery	Aye

II. Finance

A. Low Performing Student Block

J. Montgomery sought clarification on these funds in relation to recent developments in the CA State Budget. Members discussed the effectiveness of related programs and N. Crivello expressed interest learning more about intervention data. Additional program data points were requested.

B. CARS Winter Data Collection

A. Ortiz presented timelines and intentions for this topic.

C. Revolving Loan Application

There were no comments made specifically about this topic. This application will be included in the consent agenda at the next regular board meeting.

D. 2018-19 Financials

A. Ortiz introduced the latest financial reports. J. Montgomery made suggestions, including removing 2016 data, and switching to an accrual rather than cash accounting system for FY 2019-20. She sought clarification on the column titles on page fourteen. A. Ortiz highlighted Hollister Prep School grants, technology budgets, expenditures, and reimbursements. J. Montgomery suggested strategies for working with vendors. A. Ortiz explained additional staff requests from Gilroy Prep School and related negligible impacts on the budget. She solicited recommendations for next steps for the upcoming regular NS Board Meeting. C. Wright and N. Crivello expressed interest in learning more about staff shifts due to the opening of Watsonville Prep School. J. Montgomery highlighted

importance of communication with parents as NS expands. She also mentioned including parents on interview panels. She asked a clarifying question about Teachers in Training and the length and conditions of their deployment and employment. Caitrin Wright arrived.

E. Revised 2018-19 Budget

A. Ortiz summarized requests for new staff at the Support Office (SO) and the adoption of new accounting software. J. Montgomery expressed interest in learning exact costs for the new accounting application. Members and staff discussed the workload of current staff members. K. Sved expanded upon the need for additional SO staff. J. Montgomery recommended shifts in certain responsibilities at the SO level. Members shared thoughts on SO staff size. A. Ortiz offered additional insights on the scope of Human Resources.

J. Montgomery shared experiences with school leadership and Human Resources and issues of scope and scale. Members and staff discussed additional options for staff growth, including temporary staffing. C. Wright provided further feedback on the clarity of staff roles and responsibilities, and the desire to learn more about these issues at the SO.

K. Sved offered suggestions for next steps. Members expressed clear support for the purchase of the new accounting software.

F. 2019-20 LCAP and Preliminary Budget

J. Montgomery offered suggestions for summarizing key insights. A. Ortiz reviewed the latest LCAP update, including goals, priorities, and actions. J. Montgomery asked clarifying questions and offered advice regarding the adjustment of goals. C. Wright sought clarification on the alignment of the LCAP to 2020 organizational priorities. Members and staff discussed contingent budgets related to Watsonville Prep School and future expansion.

G. Selection for Auditor for 2018-19

A. Ortiz outlined the calendar for this process. She mentioned potential future partners and related correspondence.

III. Other Business

A. Schedule Next Meeting

This committee will arrange for the next meeting at a later date.

IV. Closing Items

A. Adjourn Meeting

Nora Crivello made a motion to adjourn the meeting.

Joyce Montgomery seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Roll Call

Caitrin Wright Aye

Nora Crivello Aye

Joyce Montgomery Aye

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 12:01 PM.

Respectfully Submitted,
Sean Martin

Coversheet

2018-19 Financials

Section: II. Finance
Item: A. 2018-19 Financials
Purpose: Discuss
Submitted by:
Related Material: Feb 28 2019 Financials.pdf



2018-19 Financial Report Narrative
 April 2019 Board Meeting
 Financials through February 28, 2019

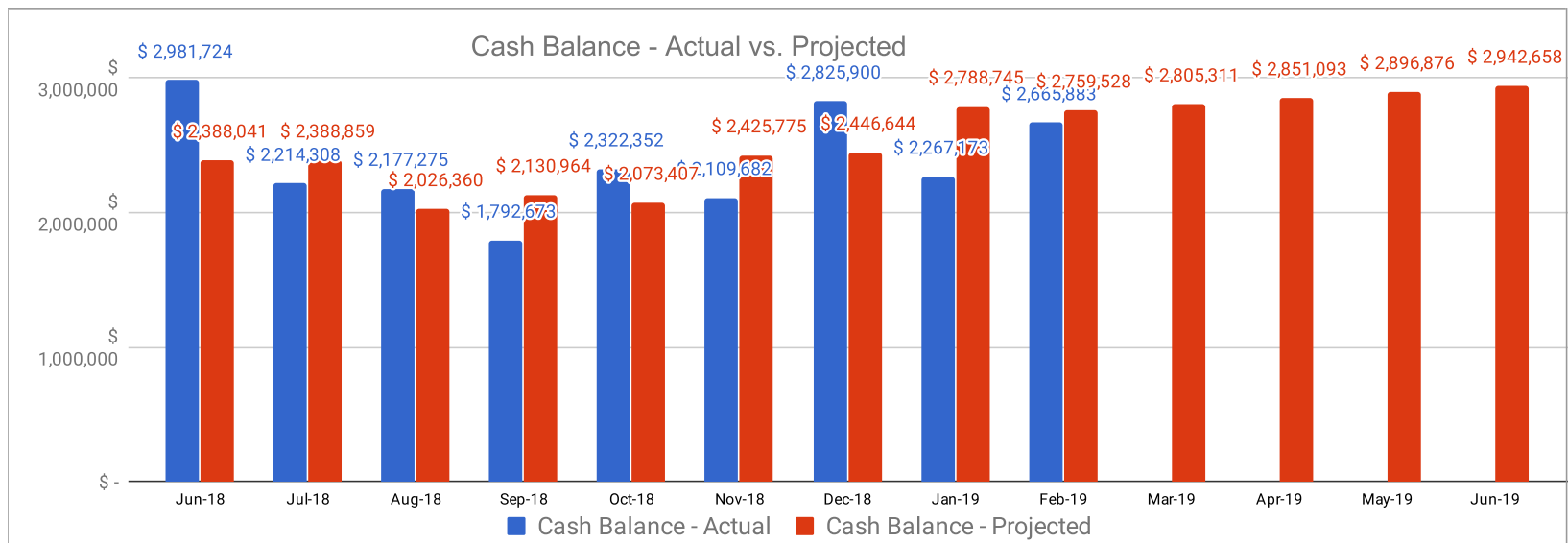
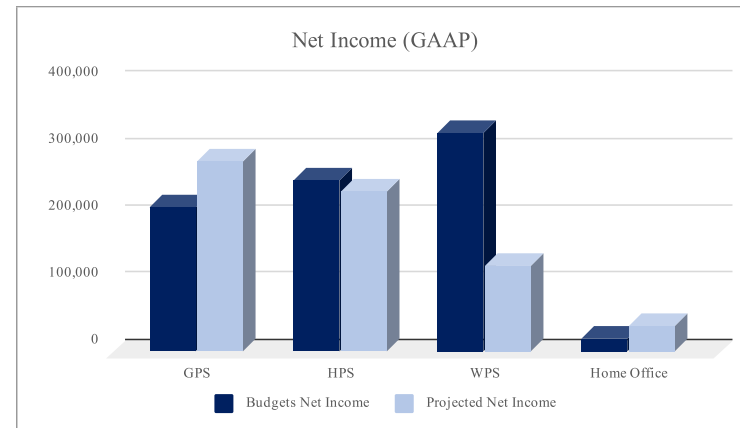
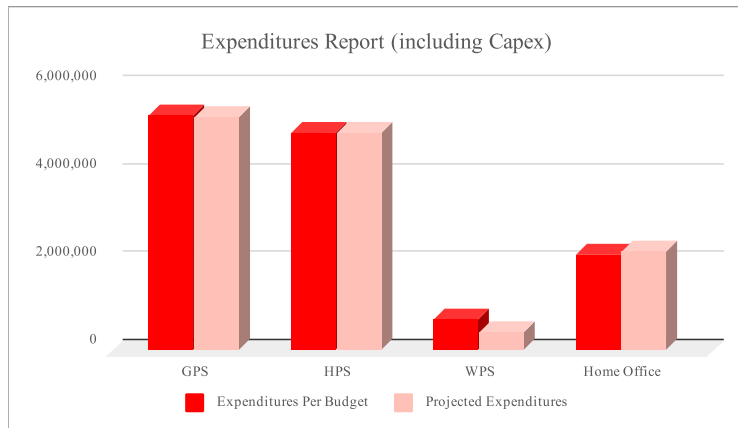
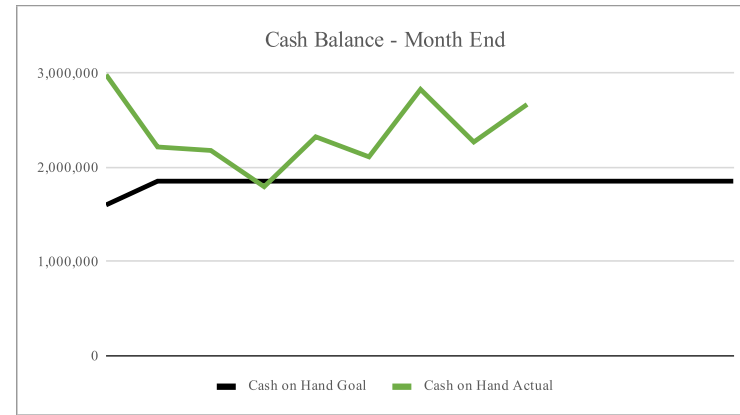
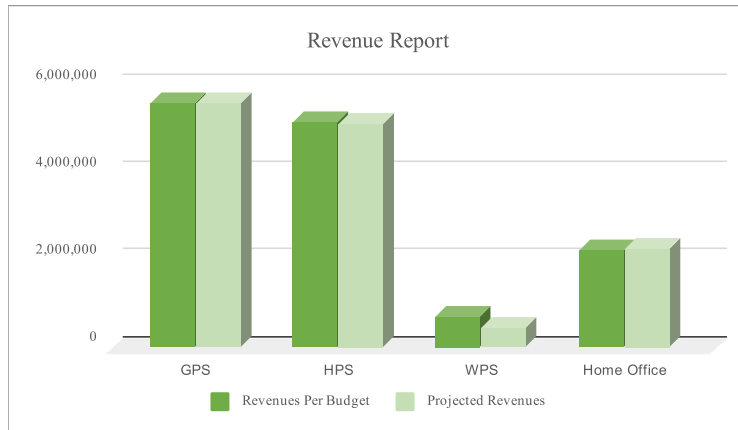
2018-19 Net Income

	<u>Current Projection</u>	<u>BOD Approved Budget</u>
CMO	\$37K	\$19k
Gilroy Prep	\$285k	\$215k
Hollister Prep	\$239k	\$255k
Watsonville Prep	<u>\$128k</u>	<u>\$326k</u>
Total	\$690k	\$815k

- CMO projected net income variance highlights
 - \$60k favorable variance in revenue from WPS management fee not originally budgeted.
 - \$10k unfavorable variance in salaries and benefits.
 - \$30k unfavorable variance in Services, including legal fees and technology.
- Gilroy Prep projected net income variance highlights
 - \$27k favorable variance in operations supplies due to expenditures coming in lower than originally budgeted for.
 - \$49k favorable variance in salaries due to replacing a high salary teacher opening with a Teacher in Training.
- Hollister Prep projected net income variance highlights
 - There are no significant variances.
- Watsonville Prep projected net income variance highlights
 - \$275k unfavorable variance due to fundraising totals projected to be lower than originally budgeted.
 - \$120k favorable variance from rent not expended through March 1, 2019.
 - \$32k unfavorable variance in non-instructional consulting due to WPS contracting a TK consultant, a political consultant, and a real estate broker that were not originally budgeted.

Navigator Schools
 Consolidated Balance Sheet Comparison
 Actuals through February 28, 2019

	Actual <u>2/28/2019</u>	Actual <u>6/30/2018</u>	Actual <u>6/30/2017</u>
Cash	2,665,883	2,981,724	2,008,555
Accounts Receivable	55,318	776,899	1,126,497
Prepaid Expense	17,904	221,301	209,415
Fixed Assets, net of depreciation	364,144	324,446	312,895
Other Assets	4,763	2,915	
Total Assets	3,108,012	4,307,284	3,657,361
Accrued Liabilities	248,178	845,666	657,592
CDE Loan Payable	0	0	62,500
Total Liabilities	248,178	845,666	720,092
Beginning Fund Balance	3,461,617	2,937,269	2,469,528
Net Income	-601,783	524,348	467,741
Ending Fund Balance	2,859,834	3,461,617	2,937,269
Total Liabilities & Fund Balance	3,108,012	4,307,284	3,657,361



Navigator Schools - 2018-19 Budget vs. Projection

Actuals through February 28, 2019

	Total	TOTAL	Total	GPS	GPS	GPS	HPS	HPS	HPS	WPS	WPS	WPS	CMO	CMO	CMO
Summary Level	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
	BOD Approved	YTD	Current	Revised	YTD	Current	Revised	YTD	Current	Original	YTD	Current	Original	YTD	Current
	<u>Budget</u>	<u>Actuals</u>	<u>Projection</u>	<u>Budget</u>	<u>Actuals</u>	<u>Projection</u>	<u>Budget</u>	<u>Actuals</u>	<u>Projection</u>	<u>Budget</u>	<u>Actuals</u>	<u>Projection</u>	<u>Budget</u>	<u>Actuals</u>	<u>Projection</u>
<i>Enrollment Projection</i>	1020	1019	1020	540	539	540	480	480	480	0	0	0	0	0	0
REVENUE:															
LCFF Revenue	8,998,732	4,883,567	8,998,732	4,633,098	2,432,556	4,633,098	4,365,634	2,451,011	4,365,634	0	0	0	0	0	0
Federal Revenue	462,392	155,794	467,449	306,080	125,968	311,080	156,312	29,826	156,369	0	0	0	0	0	0
Other State Revenue	983,529	428,116	980,378	507,503	264,140	505,723	476,026	163,976	474,655	0	0	0	0	0	0
Donations & Grants	1,440,885	811,548	1,178,171	12,885	3,979	16,171	63,000	3,439	63,000	700,000	425,000	425,000	665,000	379,130	674,000
Other Revenue	187,811	138,483	173,998	115,954	65,382	115,954	71,557	28,098	56,291	0	0	0	300	45,003	1,753
CMO Management Fees	1,529,785	1,079,364	1,589,285									0	1,529,785	1,079,364	1,589,285
REVENUE	13,603,134	7,496,872	13,388,013	5,575,520	2,892,025	5,582,026	5,132,529	2,676,350	5,115,949	700,000	425,000	425,000	2,195,085	1,503,497	2,265,038
EXPENDITURES:															
Salaries	6,756,620	3,246,850	6,683,036	2,787,031	1,689,868	2,737,947	2,364,209	1,496,841	2,388,720	153,000	60,141	84,453	1,452,380		1,471,916
Benefits & Taxes	1,850,520	844,820	1,831,499	767,446	444,182	767,446	661,032	386,950	661,032	38,258	13,688	25,129	383,784		377,892
Books & Supplies	860,440	593,638	835,567	407,362	281,475	380,034	377,588	299,761	383,142	28,790	12,402	22,932	46,700	0	49,459
Services & Other Operating Expense	1,738,395	2,349,708	1,706,665	576,064	416,408	589,386	715,088	323,820	684,271	153,935	120,677	104,309	293,308	1,488,803	328,699
CMO Management Fees	1,529,785	1,019,864	1,589,285	787,627	525,088	787,627	742,158	494,776	742,158	0	0	59,500			
Capital Outlay	375,000	43,775	218,775	0	43,775	43,775	75,000	0	75,000	300,000	0	100,000	0	0	0
EXPENDITURES	13,110,760	8,098,655	12,864,827	5,325,530	3,400,796	5,306,215	4,935,075	3,002,148	4,934,323	673,983	206,908	396,323	2,176,172	1,488,803	2,227,966
REVENUE LESS EXPENDITURES	492,374	(601,783)	523,186	249,990	(508,771)	275,811	197,454	(325,798)	181,626	26,017	218,092	28,677	18,913	14,694	37,072
GAAP Adjustments:															
Revenue Less Expenditures	492,374	(601,783)	523,186	249,990	(508,771)	275,811	197,454	(325,798)	181,626	26,017	218,092	28,677	18,913	14,694	37,072
Add back Capita Outlay to Net income	375,000	0	218,775	0	0	43,775	75,000	0	75,000	300,000	0	100,000	0	0	0
Subtract Depreciation Expense	(52,000)	0	(52,000)	(35,000)	0	(35,000)	(17,000)	0	(17,000)	0	0	0	0	0	0
Net Income - GAAP Basis 2018-19	815,374	(601,783)	689,961	214,990	(508,771)	284,586	255,454	(325,798)	239,626	326,017	218,092	128,677	18,913	14,694	37,072
Beginning Net Assets @ 6/30/18	3,461,617	3,461,617	3,461,617	1,528,118	1,528,118	1,528,118	1,639,883	1,639,883	1,639,883	0	0	0	293,616	293,616	293,616
Net Income - GAAP Basis 2018-19	815,374	(601,783)	689,961	214,990	(508,771)	284,586	255,454	(325,798)	239,626	326,017	218,092	128,677	18,913	14,694	37,072
Ending Net Assets @ 6/30/19	4,276,991	2,859,834	4,151,578	1,743,108	1,019,347	1,812,704	1,895,337	1,314,085	1,879,509	326,017	218,092	128,677	312,529	308,310	330,688

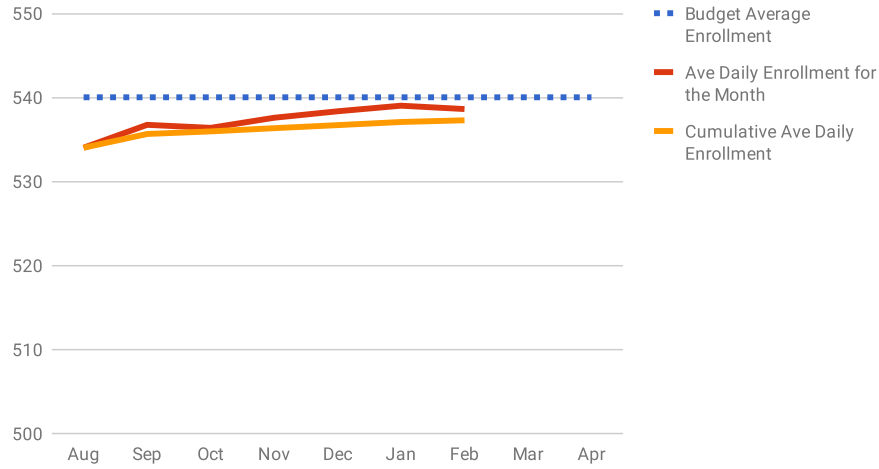
Navigator Schools - 2018-19 Unaudited Actuals Comparison to 2017-18 Actuals
Actuals through February 28, 2019

Income Statement - Combined <i>CMO/GPS/HPS/WPS</i>	2018-19 Original Budget	2018-19 Latest Projection	2017-18 Original Budget	2017-18 Audited Actuals
Revenue	12,073,349	11,798,728	10,991,368	10,119,291
Expenses	11,257,975	11,108,767	10,420,391	9,594,946
Net Income - GAAP basis (audit)	815,374	689,961	570,977	524,345
Less Capital Outlay	(375,000)	(162,075)	(157,550)	(64,814)
Revenue less expenses & capital outlay	440,374	527,886	413,427	459,531
	2018-19 Original Budget	2018-19 Latest Projection	2017-18 Original Budget	2017-18 Audited Actuals
Beginning Fund Balance	1,639,883	1,639,883	2,937,272	2,937,272
Net Income - GAAP basis (audit)	815,374	689,961	570,977	524,345
Ending Fund Balance	2,455,257	2,329,844	3,508,249	3,461,617

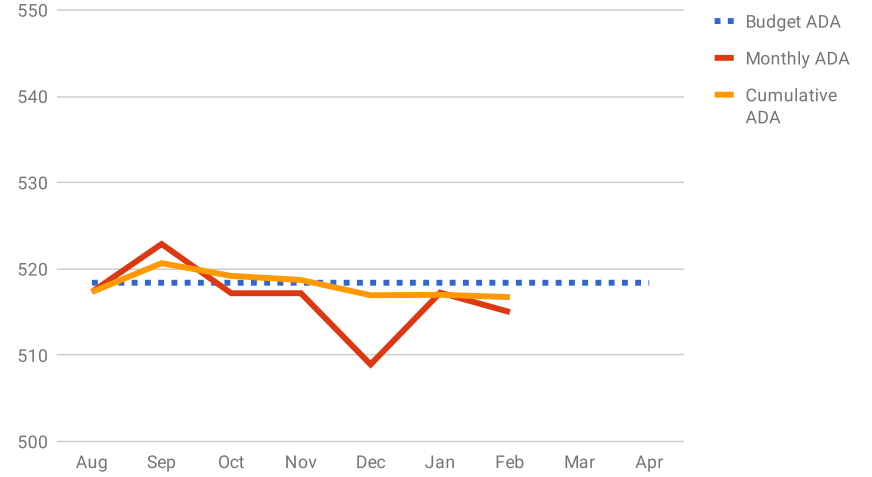
Revenues/Student *	11,837	11,567	11,449	10,541
Expenses/Student *	11,037	10,891	10,855	9,995
Fund Balance/Student at Year End	2,407	2,284	3,654	3,606

* Revenues and Expenses do not include CMO Management Fee Revenue/Expense because that is an intercompany charge.

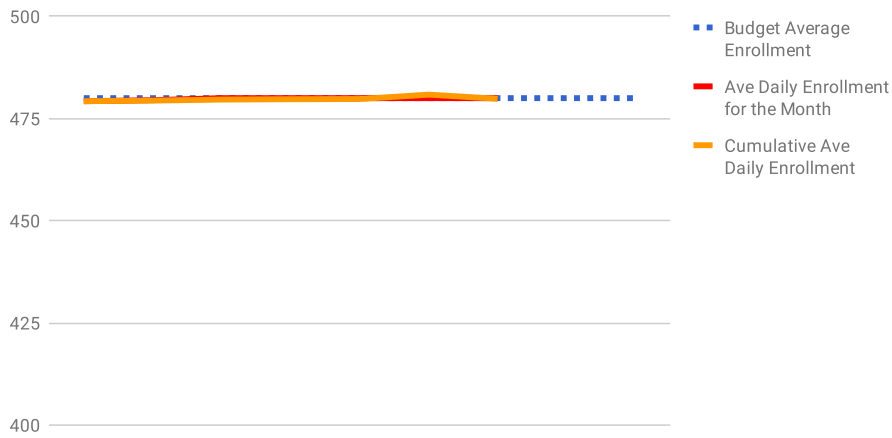
GPS Enrollment



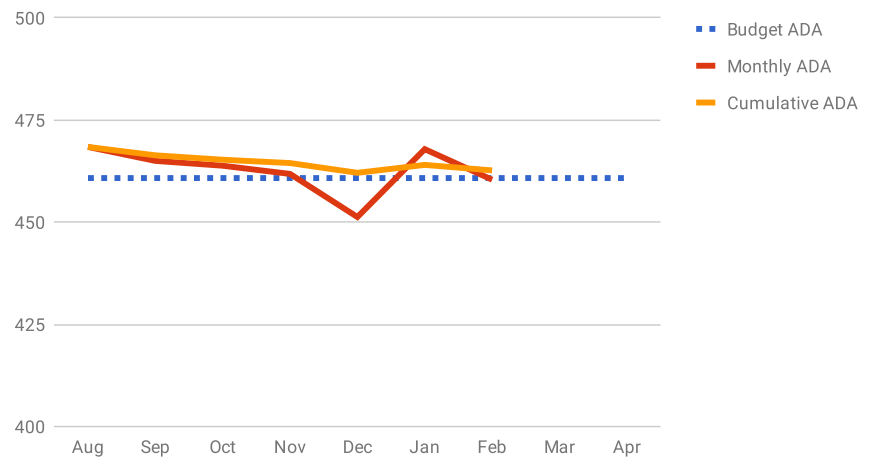
GPS ADA



HPS Enrollment



HPS ADA



Navigator Schools - Financial Data
Actuals through February 28, 2019

<u>Attendance and Enrollment Data</u>	<u>Total</u>	<u>GPS</u>	<u>HPS</u>
2018-19 ADA - Approved Budget	979.2	518.4	460.8
2018-19 ADA thru 2/28/19	979.4	516.7	462.7
2018-19 ADA % thru 2/28/19	96.3%	96.2%	96.4%
2018-19 Enrollment - Approved Budget	1020.0	540.0	480.0
2018-19 Ave Enrollment thru 2/28/19	1017.0	537.3	479.8
Enrollment as of 2/28/19	1017.0	537.0	480.0

*Budgeted ADA is at 96%

	<u>Actual</u>
Cash balance as of 2/28/19	2,665,883
Annual Expenditures (not including CMO Mgmt Fees)	11,275,542
Number of Months Cash on Hand	2.84

Coversheet

Proposed Salary and Wage Adjustments

Section: II. Finance
Item: B. Proposed Salary and Wage Adjustments
Purpose: Discuss
Submitted by:
Related Material: Board Report Wage and Salary Adjustments.pdf



Date: April 5, 2019

To: Board of Directors

From: Kevin Sved, CEO

Re: Authorization to Implement Site Wage and Salary Adjustments

Recommendation

It is recommended that the Board authorize the CEO to implement site wage and salary adjustments. Hourly wage adjustments are recommended for the positions of Small Group Instructor (SGI) and Student Services Paraprofessional. Annual salary adjustments are recommended for the positions of Teacher, Vice Principal, and Principal.

Background

Navigator Schools relentlessly strives to attract, recruit, hire, and retain high caliber, mission-fit talent in all positions. One important element in successfully fulfilling the above positions is ensuring that compensation is fair and competitive. The following are reasons why adjustments are recommended for approval:

1. For at least two years, Principals and SGI supervisors/coaches have expressed that the academic demand that is expected of all SGIs does not match the SGI wage. Standards and curriculum knowledge and lesson planning are required in the position, beyond that of a general education classroom assistant.
2. Recently, Gilroy Unified School District (GUSD) has published updated compensation schedules. The new schedules show a 6% increase, resulting in instant compensation discrepancies between Navigator and GUSD.
3. Navigator employees' work day and work year are longer than our authorizing districts.
4. Employees (SGIs, Paras, Teachers, Vice Principals, Principals) have expressed concern about discrepancies in wage and salary.
5. Site leaders are concerned about losing mission-fit, high caliber talent.
6. Staff surveys that were implemented in December 2018 and resulted in 18.8% of GPS staff and 13.9% of HPS responding 'Disagree' to the question "I feel my compensation is fair in comparison to other districts".
7. Candidates have been offered positions during the 2018-19 school year and declined because candidates feel the rate is lower than the market rate.

Adjustment Details

After comparing current Navigator teacher rates to updated GUSD rates, the following was found:

Year of Teaching	19/20 Navi rate to 19/20 GUSD rate	Proposed 19/20 Navi rate/range
First	match (due to new minimum exempt salary eff. 01/20)	\$54,080
Second	match (due to new minimum exempt salary eff. 01/20)	\$54,080 - \$55,598*
Third	\$1,540 higher or match	\$54,080 - \$55,620*
Fourth	\$1,518 to \$3,932 below GUSD	\$55,600 - \$56,758*
Fifth	\$1,487 - \$4,988 below GUSD	\$58,563 - \$58,737*
Sixth	\$2,027 - \$3,480 above GUSD	\$60,590 - \$67,980*
Seventh	n/a	n/a
Eighth	\$1,674 above - \$513 below GUSD	\$67,463 - \$72,100*
Ninth	\$3,339 below GUSD	\$73,395*

*Note: these proposed rates are specific to current Navi teachers.

Position	Wage Range	GUSD comparison	Proposed Rate Adjustment
SGL	\$16.00 to \$23.50	\$19.02 - \$24.30	\$19.00 - \$24.21*
Accelerated Reader/Library Specialist, PE Coach	\$17.00 to \$20.00	\$19.02 - \$24.30	\$19.00 - \$22.00*
Student Services Para	\$16.00 to \$21.50	\$16.46 - \$21.05	\$17.00 - \$22.00*

*Note: these proposed rates are specific to current Navi employees.

Position	19/20 Navi rate to 19/20 GUSD rate	Proposed 19/20 Navi rate
Principal	\$11,845 below GUSD	\$90,000 - \$120,000
Vice Principal	\$13,766 - \$23,766 below GUSD*	\$75,000 - \$95,000

*Elementary Vice Principals currently do not exist in GUSD. One Middle School Vice Principal is assigned to each site.

Next Steps and Timeline

With approval of this board report, Navigator's Human Resources Department will move forward with finalizing adjustment amounts, creating updated memos and forwarding to site Principals to present to staff by May 01, 2019.

Fiscal Impact

The Director of Business and Finance has estimated that the recommended adjustments if approved, will result in an increase in budget at both sites.

GPS: \$109,662 over the proposed 3% increase

HPS: \$80,453 over the proposed 3% increase

As fiscal responsibility is of utmost importance, the Director of Business and Finance has worked on the attached 3-year budget projections that shows the proposed wage and salary adjustments are sustainable over the next three years.

Organizational Health

It is imperative to maintain and build on the gains made by Navigator Schools in strengthening organizational health. Acknowledging the dedication, hard work, and perseverance that our employees in all positions put into our schools and organization every day is crucial to Navigator's continued success. An important part of that acknowledgement is fair and competitive compensation.

Summary

Navigator Schools is a strong charter school organization that has achieved much success. The success has been built by Navi employees at all levels. In order to attract and retain high caliber, mission-fit individuals, it is imperative to remain as competitive as possible in the areas of positive culture, professional development, and compensation. It is recommended that the Board approve the wage and salary adjustments as described in the Board Report.

Attachment(s):

-3-year budget projections

GPS		2019-20	2020-21	2021-22				
	Enrollment	540	540	540				
REVENUE:								
8000 · Gnl Purpose Entitlement LCFF		4,826,788	4,884,550	5,027,115	From FCMAT calculations			
8100 · 8299 Federal Revenue		322,456	325,126	328,766				
8300 · 8599 State Revenues		418,928	436,885	445,016				
8600 · 8699 Other Local Revenue		110,670	112,988	114,460				
8800-89 · Donations/Fundraising		108,300	108,300	33,300				
Total Revenue		5,787,141	5,867,849	5,948,656				
EXPENSES:								
Salaries		2,958,541	3,017,711	3,022,066	Assumes 2% increase per year			
Taxes & benefits		817,799	862,283	873,564	Assumes 8% increase in health insurance per year			
4000-4999 Textbooks, Materials and Supplies		339,418	346,206	353,131	Assumes 2% inflation per year			
5000 · 5999 Services & Other Oper. Exp		1,406,951	1,404,464	1,414,373	Assumes 2% inflation per year			
6000 · Capital Outlay		15,000	0	0				
Total Expense		5,537,709	5,630,665	5,663,134				
Net Income Before GAAP adjustments		249,432	237,184	285,523				
GAAP Adjustments:								
	6900 · Depreciation	-35,000	-37,000	-39,000				
	Move Capex to balance sheet	15,000						
	Net Income - GAAP Basis	229,432	200,184	246,523				
	Beginning of Year Fund Balance	1,797,306	2,026,738	2,263,923				
	End of Year Fund Balance	2,026,738	2,263,923	2,510,445				

WPS					
		2019-20	2020-21	2021-22	
	Enrollment	120	180	240	
REVENUE:					
8000 · Gnl Purpose Entitlement LCFF		1,870,643	2,564,631	3,245,773	From FCMAT calculations
8100 · 8299 Federal Revenue		198,442	298,533	380,628	
8300 · 8599 State Revenues		142,464	193,752	247,034	
8600 · 8699 Other Local Revenue		6,428	8,742	11,146	
8800-89 · Donations/Fundraising		350,000	200,000	100,000	
TOTAL REVENUE		2,567,977	3,265,658	3,984,581	
EXPENSES:					
Salaries		1,098,194	1,423,086	1,722,734	Adding FTEs as necessary for grade level added per year. Assumes 2% increase per year.
Taxes & benefits		311,499	439,418	543,544	Assumes 8% increase in health insurance per year
4000 · 4999 Books & Supplies		468,355	309,267	384,660	Assumes 2% inflation in addition to supplies for expanding grade level each year
5000 · 5999 Services & Other Oper. E		666,187	708,781	860,059	Assumes 2% inflation in addition to services for expanding grade level each year
6000 · Capital Outlay		10,000	0	0	
TOTAL EXPENSES		2,554,235	2,880,552	3,510,997	
Net Income Before GAAP adjustments					
		13,742	385,106	473,584	
GAAP Adjustments:					
	6900 · Depreciation				
	Move Expenses to Capitalized Expense	10,000			
	Net Income - GAAP Basis	23,742	385,106	473,584	
	Beginning of Year Fund Balance	154,854	178,596	563,702	
	End of Year Fund Balance	178,596	563,702	1,037,286	

HPS					
		2019-20	2020-21	2021-22	
	Enrollment	540	540	540	
REVENUE:					
8000 · Gnl Purpose Entitlement LCFF		5,079,315	5,177,718	5,311,137	From FCMAT calculations
8100 · 8299 Federal Revenue		197,373	200,417	202,215	
8300 · 8599 State Revenues		396,406	397,147	404,793	
8600 · 8699 Other Local Revenue		73,517	78,304	79,710	
8800-89 · Donations/Fundraising		105,000	105,000	30,000	
Total Revenue		5,851,611	5,958,586	6,027,855	
EXPENSES:					
Salaries		2,917,252	2,975,597	2,979,109	Assumes 2% increase per year
Taxes & benefits		783,596	814,972	848,449	Assumes 8% increase in health insurance per year
4000 · 4999 Books & Supplies		373,310	380,777	388,392	Assumes 2% inflation per year
5000 · 5999 Services & Other Oper. Exp		1,584,167	1,589,453	1,599,315	Assumes 2% inflation per year
6000 · Capital Outlay		15,000	0	0	
TOTAL EXPENSES		5,673,325	5,760,798	5,815,265	
Net Income Before GAAP adjustments		178,286	197,787	212,590	
GAAP Adjustments:					
	6900 · Depreciation	-17,000	-19,000	-21,000	
	Move Expenses to Capitalized Expenditures	15,000			
	Net Income - GAAP Basis	176,286	178,787	191,590	
	Beginning of Year Fund Balance	1,877,506	2,053,792	2,232,579	
	End of Year Fund Balance	2,053,792	2,232,579	2,424,169	

Coversheet

2019-20 LCAP and Preliminary Budget

Section: II. Finance
Item: C. 2019-20 LCAP and Preliminary Budget
Purpose: Discuss
Submitted by:
Related Material: 1. 2019-20 LCAP Budget Summary Draft.pdf
2019-20 Preliminary Budget.pdf



Date: April 29, 2019

To: Board of Directors

From: Ami Ortiz, Director of Business & Finance

Re: 2019-20 LCAP Update

Background

The Local Control and Accountability Plan (LCAP) documents and communicates local educational agencies' (LEAs) actions and expenditures to support student outcomes and overall performance. The LCAP is a three-year plan which is reviewed and updated annually as required by the California Department of Education. Charter schools complete the LCAP to align with the term of the charter school's budget, typically one year, which is submitted to the school's authorizer. The LCAP and Annual Update Template must be completed by all LEAs each year.

A requirement in developing the 2019-20 Local Control Accountability Plan (LCAP) is to address school results as captured in the new California School Dashboard. (<https://www.caschooldashboard.org/>) The site features reports on multiple measures of school success, including test scores, English learner progress, and suspension rates. Using a color-coded system, the Dashboard makes it easier to see areas of strength (blue or green), areas of challenge (red or orange), and areas in between (yellow).

Summary

I began the LCAP process in January 2019 and is still in process. Stakeholder input is a requirement of the LCAP. We have been collecting stakeholder input through parent coffees, staff surveys, student surveys, School Site Council and the Leadership Team. It is important that we also get input from the Board of Directors. Attached you will find a summary of our Goals and Actions for the 2019-20 LCAP.

The LCAP goals are below and align to Navigator's five compass points:

1. Create a culture of excellence within the school community to foster a positive school climate, promote a sense of belonging and nurture social, emotional, & academic growth.
2. All students will receive data-driven instruction in Common Core State Standards (CCSS), Next Generation Science Standards (NGSS) and other CA State Standards.
3. Provide weekly coaching and feedback to all staff to support continuous improvement for teaching and student learning.
4. Ensure equitable access to curriculum, programs, and pathways for student success.
5. Use cutting edge instructional technology to encourage student engagement, increase staff effectiveness to improve student learning, and prepare students for the future.

Please review the summary document and feel free to send me any input or questions you may have.

		GPS	HPS	WPS
Goal 1	Create a Culture of Excellence within the school community (students, staff, and parents) to foster a positive school climate, promote a sense of belonging and nurture social, emotional, and academic growth.			
Action 1	Staff School with leadership team to lead development and maintenance of positive school culture and operate a school office with bilingual staff who provide a welcoming environment and support positive and proactive communication with the school community with communications in both English and Spanish.	587,986	583,137	428,990
Action 2	Maintain an MTSS Coordinator at .33 FTE to strengthen implementation of positive behavior interventions and supports and social/emotional curriculum to promote and encourage positive behavior and help maintain a low suspension rate.	47,841	47,841	20,829
Action 3	Purchase curriculum, provide professional development and implement restorative justice practices throughout the school. We will also purchase Panorama, a student climate survey tool, to track the effectiveness of the implementation of restorative justice.	6,890	6,890	1,390
Action 4	Provide a clean and safe environment, with facilities maintained and in good repair. Maintain a safe climate for students on our school grounds and in our parking lot by providing adequate yard duty staff to supervise students before and after school, and during recess and lunch.	411,684	505,787	282,913
Action 5	Utilize the services of the Navigator Schools Support Office to provide charter management and support in governance, strategy, facilities, human resources, technology, finance, communications, academics, reporting, and operations, enabling site leadership to focus on instruction and culture.	772,286	812,690	303,890
Action 6	School will add a 1FTE staff person focused on specialized support for middle school coaching and academics.	\$73,008	\$73,008	N/A
Goal 2	All students will receive Data-Driven Instruction in Common Core State Standards (CCSS), Next Generation Science Standards (NGSS) and other California State Standards (ELD, Social Studies) from appropriately credentialed teachers and staff.			
Action 1	Appropriately assigned, trained, and credentialed Teachers will provide high quality instruction to all students using data driven strategies.d, trained, and credentialed Teachers will provide high quality instruction to all students using data driven strategies.	1,528,479	1,373,956	453,337
Action 2	Teachers in Training will support teacher release time for coaching and professional development and serve as substitute teachers to maintain instructional continuity and help prevent lost learning time.	257,243	257,229	102,897
Action 3	Small Group Instructors (SGIs) will lead small group instruction to target academic skill development at appropriate instructional level based on data.	380,000	381,615	144,400
Action 4	will be improved professional development and support for instructional staff, and increased planning time to incorporate ELD standards into integrated instructional time.	Goal 1, Action 5	Goal 1, Action 5	Goal 1, Action 5
Action 5	Maintain a full-time Curriculum & Data Specialist at the Support Office to support curriculum documentation and improve use of data at the school site.	Goal 1, Action 5	Goal 1, Action 5	Goal 1, Action 5
Action 6	Purchase and utilize standards aligned instructional materials so that all students have access to appropriate curriculum in English Language Arts, Mathematics, Social Science, and Science.	110,379	114,259	57,000
Action 7	The school will continue to implement standards bases physical education and instruction in grades K-8.	100,533	81,568	N/A
Goal 3	Provide weekly coaching and feedback to all staff to support continuous improvement for teaching and student learning.			
Action 1	Site leadership will provide weekly coaching to all teachers, teachers in training and small group instructors, and principal will provide weekly coaching to site leadership.	Goal 1, Action 1	Goal 1, Action 1	Goal 1, Action 1
Action 2	Support Office personnel will provide weekly coaching to site staff: CAO will coach Principal, Director of IT and Operations will coach Site Technology Assistant, Director of Student Services will coach Resource Teacher.	Goal 1, Action 5	Goal 1, Action 5	Goal 1, Action 5

		GPS	HPS	WPS
Goal 4	Ensure equitable access to curriculum, programs, and pathways for student success through a multi-tiered system of supports.			
Action 1	Provide an inclusive instructional setting for all students with appropriate "push-in" support provided by paraprofessionals with supervision and support from the resource teacher and Director of Student Services.	95,127	140,256	79,437
Action 2	Hire a school site Psychologist at .4 FTE to provide regular intervention support for students who are not achieving at grade level and/or demonstrates needs in behavior or social skills. They will also provide intervention for tier 2 and tier 3 students. (WPS will be at .2 FTE)	56,700	56,700	28,350
Action 3	Provide summer school for students who are not achieving at grade level.	Title I Funded	Title I Funded	Title I Funded
Action 4	Provide food service program that serves free and reduced-price breakfast and lunch for eligible students so that all students have equitable opportunity to be well-nourished during school.	58,993	76,324	19,283
Action 5	Provide necessary specialist support for all identified needs, including speech and language, occupational therapy, counseling, and assessment.	101,811	169,477	88,131
Goal 5	Use cutting edge instructional technology to encourage student engagement, increase staff effectiveness to improve student learning, and prepare students for the future.			
Action 1	Provide high quality tech support to the school site by having well-trained and supported full-time technical support personnel.	59,225	65,183	27,500
Action 2	Effectively utilize Illuminate for student assessment and reporting. Utilize Tableau software to enhance data reports.	17,250	17,250	17,250
Action 3	Maintain a 1:1 I-Pad ratio for all students.	12,808	39,584	127,496
Action 4	To support staff effectiveness and efficiency, provide staff with up to date technology, including replacing outdated technology.	10,880	19,017	35,000
Action 5	Maintain high speed internet wireless network with sufficient bandwidth.	20,000	20,000	74,999
	TOTAL	4,709,123	4,841,770	2,293,092
	ITEMS NOT INCLUDED IN LCAP			
	1% District Oversight Fee	48,268	50,793	18,706
	Other operating expenses, including legal fees, audit, field trips, communications, and payroll expenses	110,379	144,598	54,172
	General Fund Expenditures (LCAP + Items not included)	4,867,770	5,037,161	2,365,970
	Total LCFF Revenues	4,826,788	5,079,315	1,870,643



2019-20 Preliminary Budget

April 9, 2019

Finance Committee

2019-20 Preliminary Budget

	Net Income (GAAP)	Projected Beginning Fund Balance	Projected Ending Fund Balance
CMO	43K	331K	374K
Gilroy Prep	229K	1.8M	2.0M
Hollister Prep	176K	1.9M	2.1M
Watsonville Prep	14K	155K	178K
Total	429K	4.2M	4.6M

■ CMO Preliminary Budget

- Donations & Grants total is \$360k which includes \$300,000 from Charter School Growth Fund and \$60,000 in general fundraising
- Management fees are as follows:
 - HPS - 16%
 - GPS - 16%
 - WPS - 14%
- Salaries include a total of 15.25 FTEs compared to 15.45 FTEs in 2018-19
 - Adding a development/fundraising position
 - Removing the Innovation Fellow position
 - Director of Student Services FTE lowered to .10
- Includes a 3% increase in salaries
- Includes an additional 2% bonus once WPS opens and meets benchmark criteria (to be proposed for June Board meeting)

■ Gilroy Prep School Preliminary Budget

- Using the latest FCMAT calculator for LCFF revenue
- Added an additional \$105k for fundraising. \$30,000 for general fundraising and \$75,000 fundraising for Teacher on Special Assignment (TOSA) to support middle school coaching and curriculum
- GPS will staff a total of 63.10 FTEs compared to 61.80 FTEs in 2018-19



- Adding a school site Psychologist at .40 FTE will be added which will eliminate the need to contract out for services
 - Adding a Student Services Coordinator at .40 FTE
 - Adding .40 to Counselor position to bring the position to 1 FTE
 - Adding 1 FTE TOSA to support middle school
 - Eliminating 1 FTE instructional support position
- Hollister Prep School Preliminary Budget
 - Using the latest FCMAT calculator for LCFF revenue
 - Added an additional \$105k for fundraising. \$30,000 for general fundraising and \$75,000 fundraising for Teacher on Special Assignment (TOSA) to support middle school coaching and curriculum
 - Adding a grade level with 60 students
 - HPS will staff a total of 60.85 FTEs compared to 54.10 FTE in 2018-19
 - Adding 2 FTE teachers
 - Adding 1 FTE SGI
 - Adding 1 FTE Groundskeeper/Janitor
 - Adding a school site Psychologist at .40 FTE will be added which will eliminate the need to contract out for services
 - Adding a Student Services Coordinator at .40 FTE
 - Adding 1 FTE TOSA to support middle school
 - Adding an additional .50 for counseling position to bring the position to 1 FTE
 - Adding a .50 yard duty position
- Watsonville Prep School Preliminary Budget
 - Using the latest FCMAT calculator for LCFF revenue
 - \$300k fundraising from Silicon School Fund (already committed) and \$50k general fundraising
 - Will open August 2019 with 120 students in grades K-2
 - WPS will staff a total of 23.80 FTEs

Navigator Schools - 2019-20 Preliminary Budget

	Total 2019-20	Change from	GPS 2019-20	Change from	HPS 2019-20	Change from	WPS 2019-20	Change from	CMO 2019-20	Change from
	<u>Budget</u>	<u>2018-19</u>	<u>Budget</u>	<u>2018-19</u>	<u>Budget</u>	<u>2018-19</u>	<u>Budget</u>	<u>2018-19</u>	<u>Budget</u>	<u>2018-19</u>
<i>Enrollment Projection</i>	1260	240	540	0	540	60	180	0		
REVENUE:										
LCFF Revenue	11,776,746	2,778,014	4,826,788	193,690	5,079,315	713,681	1,870,643	0	0	0
Federal Revenue	718,271	-5,563	322,456	16,376	197,373	-21,939	198,442	0	0	0
Other State Revenue	957,797	-168,196	418,927	-88,576	396,406	-79,620	142,464	0	0	0
Donations & Grants	923,300	-91,700	108,300	108,300	105,000	105,000	350,000	0	360,000	-305,000
Other Revenue	191,530	113,245	110,670	110,670	73,517	1,960	6,428	0	915	615
CMO Management Fees	1,888,866	1,529,785							1,888,866	1,529,785
REVENUE	16,456,510	4,155,585	5,787,141	340,460	5,851,611	719,082	2,567,977	0	2,249,781	54,696
EXPENDITURES:										
Salaries	8,466,600	764,786	2,958,541	171,510	2,917,252	553,043	1,098,194	0	1,492,613	40,233
Benefits & Taxes	2,302,770	179,009	817,798	50,352	783,595	122,563	311,499	0	389,878	6,094
Books & Supplies	1,212,678	-87,327	339,417	-67,945	373,310	-4,278	468,355	0	31,596	-15,104
Services & Other Operating Expense	2,060,710	113,953	634,666	58,602	771,477	56,389	362,297	0	292,270	-1,038
CMO Management Fees	1,888,866	55,191	772,286	-15,341	812,690	70,532	303,890	0	0	0
Capital Outlay	40,000	-60,000	15,000	0	15,000	-60,000	10,000	0	0	0
EXPENDITURES	15,971,624	965,612	5,537,708	197,178	5,673,324	738,249	2,554,235	0	2,206,357	30,185
REVENUE LESS EXPENDITURES	484,886	3,189,973	249,433	143,282	178,287	-19,167	13,742	0	43,424	24,511
<u>GAAP Adjustments:</u>										
Revenue Less Expenditures	484,886		249,433		178,287		13,742		43,424	
Add back Capita Outlay to Net income	0		15,000		15,000		10,000		0	
Subtract Depreciation Expense	-52,000		-35,000		-17,000		0		0	
Net Income - GAAP Basis 2019-20	429,462		229,433		176,287		23,742		43,424	
Projected Fund Balance at 6/30/19	<u>4,162,356</u>		<u>1,797,306</u>		<u>1,879,508</u>		<u>154,854</u>		<u>330,688</u>	
Projected Fund Balance at 6/30/20	<u>4,591,818</u>		<u>2,026,739</u>		<u>2,055,795</u>		<u>178,596</u>		<u>374,112</u>	

