

FinCom notes December 2022

Happy New Year!

Tuition rates for FY23 were updated by the state, and the adjustment from 230 students to 224 is reflected in a loss of \$103K

Dec check - \$232,422

Nov check - \$338,209 (July-Nov '22)

Difference - (\$14,787)

\$14,787 x 7 checks = (\$103,509)

The current PPE is \$17,656

As of today our population is 221

Please see the attached memo from 1/9/23

The updated data can be found at

<https://www.doe.mass.edu/charter/finance/tuition/fy2023/q2-preliminary.html>

Revenue

State check was reduced

We brought in just over \$2K from the play (participants pay NSCT directly, school keeps the box office receipts)

We rec'd \$10K thru the Medicare reimbursement program. This represents submissions for 3 prior quarters (crosses fiscal years)...we were just approved for an additional \$4,676, which we should see shortly. They are reimbursing at a higher rate than they did when we last participated in the program.

Grant funds continue to get reimbursed

Expenses

We purchased a new snow blower for \$1,700

We started the admissions post card project in December

In the coming months there will be changes to the Salaries line item as we have folks going out on leave (paid state leave) and temporarily coming off the books...we are currently looking into replacements as needed.

Misc.

I'm auditing the PayPal account

FY23 Q2 tuition updates

1 message

Erica Brown <ebrown@masscharterschools.org>

Mon, Jan 9, 2023 at 7:00 AM

Reply-To: ebrown@masscharterschools.org

To: Jeff Barry <jbarry@marbleheadcharter.com>

As you saw before break, the Department released a file of tuition analysis:

"The Office of District and School Finance updated tuition payments for the second quarter based on October 1st SIMS data and updated FY23 budgeted net school spending data from sending districts. Overall, charter public school enrollment is down 2,043 students compared to pre-enrollment estimates and total tuition payments are \$46.7 million less than originally projected, due to the enrollment declines and (to a lesser extent) to decreases in tuition rates compared to earlier projections. As a result, there are 58 charter schools that will see reductions in their monthly tuition payments starting in December, see the [linked summary file](#) for more information."

The full complement of FY23 Q2 tuition files are now published on [DESE's website](#) with more detailed information.

We've spent some time analyzing the information in these newly-published files, and found three major themes:

1. In many charter schools, enrollment was lower in October 1 SIMS reports than in the pre-enrollment reports that were submitted last spring;
2. In many communities, Above Foundation Rates decreased from FY22; and
3. Within some schools, the demographic makeup of students shifted:
 - A number of schools experienced a sharp drop in identified low income students, while
 - A few schools attracted a greater number of students from low-AFR sending districts and fewer students from high-AFR sending districts.

As a reminder, Q2 tuition files reflect two major updates from the Q1 rates that were received in August: (1) October 1 enrollment and (2) current-year above foundation rates (AFRs).

	Q1	Q2
Enrollment	April 2022 pre-enrollment reported by each school	October 1 2022 SIMS
Foundation Rates	Final statewide foundation rates set in the FY23 state budget (same as Q2)	Final statewide foundation rates set in the FY23 state budget (same as Q1)
Above Foundation Rates	FY22 Q4 final AFRs	Current-year AFRs calculated from district financial reports that were submitted to DESE in September

December tuition rates usually bring a higher degree of certainty to the year's tuition. This is still true, as it is the first time that *actual current-year demographics* are applied to state budget rates set last spring. **Schools with very little or no above foundation component can feel a much higher degree of certainty with these published rates. However, for any school with a significant above foundation component of their tuition, there is still uncertainty ahead.** In particular, Holyoke and Boston's AFRs appear inflated, and we would advise conservatism around the portion of tuition calculated from the AFR in those communities, and anticipated reductions in Q3 or Q4. In addition, a few communities (Medford, Randolph, Melrose, South Hadley, North Attleboro, Wareham, Amherst and a few others) do not yet have updated AFRs.

In case a tuition refresher would help your school understand this information better, please see these two resources:

- The basics of tuition [brief video](#) (Note that the facilities rate has been updated to \$1,088 since this was recorded.)
- A [workshop recording](#) from spring 2022 that goes deeper on AFR (starting at 23:00)

Even more so now than ever before, we recommend:

- **Exercising financial transparency** by (1) using this opportunity to proactively educate your school's stakeholders about the school's financial position, what forces drive tuition calculations, and how the school spends its money, and (2) engaging teachers in transparent systems to identify spending priorities in FY23 and FY24, *ESPECIALLY if your school anticipates making difficult financial decisions.*
- **Tracking the timing of sending districts' FY23 and FY24 ESSER spending.** Districts can supplant local discretionary funding with federal ESSER funding, which has a negative effect on charter Above Foundation Rates. Districts can continue to file amendments throughout the year that can adjust AFRs in the March and June 2023 tuition calculations.

- **Ensuring your school's FY24 process to identify and report Low-Income students** (including using the Supplemental Low-Income Data Collection process, outlined below) **and English Learners is strong**, as these demographic counts are major drivers of foundation rates.

Two notes about the state FY24 budget:

- State revenues continue to be strong, so we are anticipating FY24 SOA implementation to continue, driving up state foundation rates.
- We may not see a first draft of the state budget until as late as March 1st.. In most years, we expect to see the first draft of the budget in mid-January. However, in a year of a gubernatorial transition, the governor has an additional 5 weeks to file their first budget

Please feel free to reach out to us for thought-partnership on your school's individual situation, or reach out to Hadley Cabral at DESE (Hadley.B.Cabral@mass.gov).

Warmly,

Erica

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