

TEACH Academy of Technologies, TEACH Tech Charter High School, TEACH Prep Elementary, & TEACH Public Schools

FY22-23 Budget Overview-
UPDATES

FY23 Budget Highlights

- ❑ Final State Budget not approved as of June 15, 2022
 - ❑ UPDATE: Budget was approved June 30, 2022
- ❑ FY22/23 LCFF Funding Rates will be potentially raised 6.56% (COLA) compared to FY22/23.
 - ❑ UPDATE: LCFF funding received an additional increase of 6.28% for combined increase of 12.84%- The largest in LCFF History!!
- ❑ One -time funds of up to \$1500 per ADA is not included in FY22-23 TEACH budgets
 - ❑ UPDATE: Up to \$2,150 per pupil in the unduplicated count
 - ❑ NEW: Arts Music and Instructional Material Discretionary Block Grant- \$645 per pupil (base on FY21/22 P2 Count
- ❑ SB740 Grant (rental reimbursement) will see some increases as this program has been underfunded for a few years.
- ❑ Hold Harmless Protection for FY2021-22 (See Slide) Information directly from CCSA
- ❑ All schools are projecting surplus, positive fund balance and cash flow
- ❑ All schools are projected to exceed the bond requirements Debt Service Ratio of 1.20 and 45- Days Cash on Hand

FY23 Budget Assumptions

TEACH Inc Planning Factors								
FACTORS	REVISED RATES							
	FY20/21	FY21/22	FY22/23	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27
Enrollment: TAT	468	415	440		440	440	440	440
ADA	434	366	418		418	418	418	418
	93%	88%	95%		95%	95%	95%	95%
Enrollment: TTHS	432	477	440		440	440	440	440
ADA	402	404	418		418	418	418	418
	93%	85%	95%		95%	95%	95%	95%
Enrollment: TES	194	262	276		276	276	276	276
ADA	184	221	262		262	262	262	262
	95%	85%	95%		95%	95%	95%	95%
COLA	0.00%	5.07%	6.56%	12.84%	5.38%	4.02%	3.72%	0
TK-3	\$ 7,702.00	\$ 8,092.00	\$ 8,624.00	\$ 9,136.00	\$ 9,088.00	\$ 9,453.00	\$ 9,805.00	\$ 9,805.00
TK Class Size Supplement				\$ 2,813.00				
Grades K-3 Grade Span Adjustments				\$ 950.00				
4-6	\$ 7,818.00	\$ 8,214.00	\$ 8,754.00	\$ 9,272.00	\$ 9,225.00	\$ 9,596.00	\$ 9,953.00	\$ 9,953.00
7-8	\$ 8,050.00	\$ 8,458.00	\$ 9,013.00	\$ 9,549.00	\$ 9,498.00	\$ 9,880.00	\$ 10,248.00	\$ 10,248.00
9-12	\$ 9,329.00	\$ 9,802.00	\$ 10,445.00	\$ 11,065.00	\$ 11,007.00	\$ 11,449.00	\$ 11,875.00	\$ 11,875.00
Grades 9-12 Grade Span Adjustment				\$ 288.00				
Federal Special Education IDEA rate per ADA	\$ 195.00	\$ 195.00	\$ 192.00		\$ 192.00	\$ 192.00	\$ 192.00	\$ 192.00
State Special Education- AB602	\$ 625.00	\$ 625.00	\$ 725.00	\$ 820.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00
Mandate Cost per ADA K-8	\$ 16.86	\$ 16.86	\$ 17.21		\$ 17.21	\$ 17.21	\$ 17.21	\$ 17.21
Mandate Cost per ADA 9-12	\$ 46.87	\$ 46.87	\$ 47.87		\$ 47.87	\$ 47.87	\$ 47.87	\$ 47.87
State Lottery Per ADA	\$ 207	\$ 207	\$ 207		\$ 207	\$ 207	\$ 207	\$ 207
CAL STRS	16.15%	16.02%	19.10%		19.10%	19.10%	19.10%	19.10%
CAL PERS	20.70%	23.01%	26.10%		27.10%	27.70%	27.70%	27.70%

FY23 HOLD Harmless- from CCSA

ADA Hold Harmless for 2021-22: The budget provides all classroom-based LEAs to be funded for 2021-22 at the **greater of any** these three calculations:

1. **Option 1: 2021-22 Actual Average Daily Attendance.** For schools with more typical ADA patterns or ADA growth in 2021-22, funding based on actual ADA will be the most advantageous, as in most years.
2. **Option 2: 2021-22 Average Daily Attendance as Adjusted** – A new formula for classroom-based charter schools for 2021-22 only is contained in new Education Code Section 42238.023. This is virtually identical to the May Revision proposal and uses actual 2021-22 CBEDS enrollment adjusted per a new formula that uses pre-Covid *attendance rate* rather than actual attendance. This formula compensates LEAs, particularly those with increasing enrollment, for lower-than-average attendance this year due to Covid variants. However, schools without a 2019-20 ADA are not included in this option. The Option 2 formula has four steps and will only apply to schools in which this calculation yields a higher ADA.:
 - A. **Determine 2019-20 Attendance Rate:** 2019-20 P2 ADA/2019-20 CBEDS enrollment. (If factor exceeds 1, it shall be deemed to be one.)
 - B. **Determine 2021-22 Attendance Rate:** 2021-22 P2 ADA/2021-22 CBEDS enrollment. (If factor exceeds 1, it shall be deemed to be one.)
 - C. **Divide** calculation in #A by amount in #B.
 - D. If quotient in #C is greater than 1, the 2021-22 ADA shall be adjusted by multiplying the 2021-22 ADA by the factor determined in #C.

FY23 HOLD Harmless- from CCSA

- Option 3: Supplemental Adjustment:** If the 2021-22 ADA, as adjusted per Option 2 above, is still less than the funded 2020-21 ADA, the difference in ADA shall be funded at the average per pupil LCFF funding per ADA in the 2021-22 year as a supplemental adjustment for 2021-22. This supplement will be most beneficial to schools that had enrollment and ADA declines, as it provides additional protection based on 2020-21 funded ADA. Since 2020-21 ADA was actually funded based on pre-COVID 2019-20 ADA, this provides some protection back to pre-COVID ADA levels.

We note that the Option 3 adjustment is included in Section 123 of AB 181 (the Education Trailer Bill), however, it is not added to the California Education Code. Further, this additional supplement is currently capped at a statewide total of \$413M for charter schools. If the final calculation exceeds the allocated funding, the law provides the Department of Finance the authority to allocation more funding to meet the total need.

In order for schools to receive hold harmless funding, the California Department of Education (CDE) will calculate each school's entitlement in accordance with these new laws and make an adjustment to the school's 2021-22 ADA annual apportionment based on existing data. Schools will not need to apply separately for the hold harmless adjustment.

ADA Hold Harmless in Budget Year and Beyond

The budget includes the January proposal for a 3-year rolling average ADA protection for districts, with some minor adjustments. However, notwithstanding the Governor's January commitment to address the issue for charters, the final budget **excludes all charter schools** from ongoing and equitable protection from statewide demographic declines beyond 2021-22. We will continue to advocate with the Governor and Legislature for equitable treatment for charters in ongoing protection for future years.

FY23 Budget Highlights

TEACH Academy of Technologies

Board Summary

Revenue

Annual/Full Year			
	Forecast @ 6/30/2022	Budget @ 6/30/2023	Fav/(Unfav)
State Aid-Rev Limit	\$ 4,185,358	\$ 5,192,704	\$ 1,007,346
Federal Revenue	1,836,141	1,182,566	(653,576)
Other State Revenue	1,400,356	1,233,777	(166,579)
Other Local Revenue	18,263	-	18,263
Total Revenue	\$ 7,440,118	\$ 7,609,046	\$ 205,454

Expenses

Annual/Full Year			
	Forecast @ 6/30/2022	Budget @ 6/30/2023	(Fav)/Unfav
Certificated Salaries	\$ 1,645,013	\$ 1,843,496	\$ 198,482
Classified Salaries	640,700	738,111	97,412
Benefits	679,356	821,633	142,277
Books and Supplies	777,296	838,984	61,687
Subagreement Services	831,279	651,200	(180,079)
Operations	214,944	255,700	40,756
Facilities	936,547	950,759	14,212
Professional Services	1,243,736	1,335,875	92,139
Depreciation	134,244	159,700	25,456
Interest	15,459	-	(15,459)
Total Expenses	\$ 7,118,575	\$ 7,595,458	\$ 476,883

Total Surplus(Deficit)
Beginning Fund Balance
Ending Fund Balance
As a % of Annual Expenses

Annual/Full Year			
	Forecast @ 6/30/2022	Budget @ 6/30/2023	Fav/(Unfav)
Total Surplus(Deficit)	\$ 321,543	\$ 13,588	\$ (271,429)
Beginning Fund Balance	4,683,995	5,005,538	
Ending Fund Balance	\$ 5,005,538	\$ 5,019,127	
<i>As a % of Annual Expenses</i>	<i>70.3%</i>	<i>66.1%</i>	

LCFF revenue- COLA rate increased by 6.56% as well as ADA budgeted at 95%

Federal Revenue: decrease mainly due to ESSER I, II and a portion of ESSER III recognized in P/Y. Current year only recognizing ESSER III

Other State Revenue: projected decrease as P/Y recognized Educator Effectiveness and ELO

Salaries and Benefits increase due to raises and bonuses – Administration Staff updated

Subagreement Services projected decrease due to Other Educational Consultants as placeholder for ESSER II and ESSER III funds in P/Y

Professional Services projected increase mainly to increase management fees as calculated as a percentage of revenue

FY23 Budget Highlights

TEACH Tech Charter High School

FY22/23 Budget Board Summary

Revenue

Annual/Full Year			
	Forecast @ 6/30/2022	Budget @ 6/30/2023	Fav/(Unfav)
State Aid-Rev Limit	\$ 5,938,575	\$ 6,232,033	\$ 293,458
Federal Revenue	1,552,231	985,444	(566,787)
Other State Revenue	1,339,849	1,087,307	(252,542)
Other Local Revenue	34,912	-	34,912
Total Revenue	\$ 8,865,566	\$ 8,304,784	\$ (490,960)

Expenses

Annual/Full Year			
	Forecast @ 6/30/2022	Budget @ 6/30/2023	(Fav)/Unfav
Certificated Salaries	\$ 1,914,624	\$ 2,084,434	\$ 169,810
Classified Salaries	607,505	693,559	86,054
Benefits	651,416	750,515	99,100
Books and Supplies	1,154,986	1,060,285	(94,700)
Subagreement Services	374,457	389,700	15,243
Operations	263,255	272,300	9,045
Facilities	870,444	898,478	28,034
Professional Services	1,530,230	1,474,938	(55,292)
Depreciation	58,451	60,400	1,949
Total Expenses	\$ 7,425,368	\$ 7,684,610	\$ 259,242

Annual/Full Year			
	Forecast @ 6/30/2022	Budget @ 6/30/2023	Fav/(Unfav)
Total Surplus(Deficit)	\$ 1,440,198	\$ 620,174	\$ (750,201)
Beginning Fund Balance	4,027,093	5,467,291	
Ending Fund Balance	\$ 5,467,291	\$ 6,087,465	
<i>As a % of Annual Expenses</i>	<i>73.6%</i>	<i>79.2%</i>	

LCFF revenue- COLA rate increased by 6.56%

Federal Revenue: decrease mainly due as ESSER I, II and partial ESSER III recognized-only ESSER III in FY22/23

Other State Revenue: decrease All revenue streams increase due to increase in enrollment as P/Y included ELO and Educator Effectiveness

Salaries and Benefits increased as per increase of overall salaries

Books and Supplies decrease due to decrease in non-cap equipment. Many computer purchases in P/Y.

Professional Services projected decrease mainly due to decrease management fees as calculated as per decrease in revenue

FY23 Budget Highlights

TEACH Prep

Y 22/23 Board Summary

Revenue

Annual/Full Year		
Forecast @ 6/30/2022	Budget @ 6/30/2023	Fav/(Unfav)
\$ 2,749,991	\$ 3,419,169	\$ 669,178
State Aid-Rev Limit		
948,457	559,413	(389,044)
Federal Revenue		
657,102	961,380	304,279
Other State Revenue		
Total Revenue	\$ 4,355,549	\$ 4,939,962
		\$ 584,413

Expenses

Annual/Full Year		
Forecast @ 6/30/2022	Budget @ 6/30/2023	Fav/(Unfav)
\$ 926,526	\$ 1,174,826	\$ 248,300
Certificated Salaries		
364,039	405,122	41,083
Classified Salaries		
357,839	453,517	95,678
Benefits		
735,099	730,177	(4,922)
Books and Supplies		
249,337	295,800	46,463
Subagreement Services		
107,534	127,600	20,066
Operations		
616,560	627,294	10,734
Facilities		
759,703	874,434	114,731
Professional Services		
38,631	45,800	7,169
Depreciation		
750	-	(750)
Interest		
Total Expenses	\$ 4,156,018	\$ 4,734,571
		\$ 578,552

Total Surplus(Deficit) \$ 199,531 \$ 205,391 \$1,162,965

Beginning Fund Balance 1,206,369 1,405,900

Ending Fund Balance \$ 1,405,900 \$ 1,611,291

As a % of Annual Expenses 33.8% 34.0%

LCFF revenue- COLA rate increased by 6.56% as well as increase in enrollment- projecting 95% ADA

Federal Revenue: projected decrease as in P/Y recognized ESSER I, II and some of ESSER III. CY will only recognize a portion of ESSER III

Other State Revenue: projected increase as projected to recognized ELOP grant. All revenue streams increase due to increase in enrollment

Salaries increase due to projecting salary increase and bonus for staff. Benefits increase due to increase in salaries

Professional Services projected increase mainly due to increase management fees as calculated as a percentage of revenue

FY23 Budget Highlights

TEACH Public Schools



FY22-23 Board Summary

Revenue

Annual/Full Year		
Forecast @ 6/30/2022	Budget @ 6/30/2023	Fav/(Unfav)
2,062,948	2,218,123	155,175
<u>\$2,062,948</u>	<u>\$2,218,123</u>	<u>\$ 155,175</u>

Other Local Revenue

Total Revenue

Other Local Revenue- Revenue increased due to overall increase in schools' revenue

Expenses

Annual/Full Year		
Forecast @ 6/30/2022	Budget @ 6/30/2023	(Fav)/Unfav
\$ 774,177	\$ 735,881	\$ (38,296)
533,723	680,856	147,133
319,660	392,016	72,356
68,718	77,500	8,782
19,937	19,200	(737)
63,489	78,900	15,411
74,870	42,700	(32,170)
70,301	86,300	15,999
12,266	15,000	2,734
-	-	-
<u>\$1,937,141</u>	<u>\$2,128,353</u>	<u>\$ 191,212</u>

Certificated Salaries

Classified Salaries

Benefits

Books and Supplies

Subagreement Services

Operations

Facilities

Professional Services

Depreciation

Interest

Total Expenses

Classified Salaries increase due full year's pay 2 new Director's Positions from PY as well as overall increase in salaries

Facilities decrease – due to home office going remote

Total Surplus(Deficit)

Beginning Fund Balance

Ending Fund Balance

As a % of Annual Expenses

Annual/Full Year		
Forecast @ 6/30/2022	Budget @ 6/30/2023	Fav/(Unfav)
\$ 125,807	\$ 89,770	\$ (36,037)
<u>617,037</u>	<u>742,844</u>	
<u>\$ 742,844</u>	<u>\$ 832,614</u>	
38.3%	39.1%	

FY23 Multi-Year Projections



TEACH Academy of Technologies

Multi-Year Forecast

Revised 05/31/2022

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Prior Year	Budget	Forecast	Forecast	Forecast	Forecast
Assumptions						
LCFF COLA	n/a	6.56%	5.38%	4.02%	3.72%	0.00%
Non-LCFF Revenue COLA	n/a	n/a	0.00%	0.00%	0.00%	0.00%
Expense COLA	n/a	2.00%	2.00%	2.00%	1.00%	1.00%
Enrollment	415.00	440.00	440.00	440.00	440.00	440.00
Average Daily Attendance	351.43	418.00	418.00	418.00	418.00	418.00
Revenues						
Total Revenue	\$ 7,440,118	\$ 7,609,046	\$ 7,885,837	\$ 7,386,009	\$ 7,597,974	\$ 7,597,974
Expenses						
Total Expenses	\$ 7,118,575	\$ 7,595,458	\$ 7,573,596	\$ 7,292,060	\$ 7,285,412	\$ 7,348,103
Surplus (Deficit)	\$ 321,544	\$ 13,589	\$ 312,241	\$ 93,949	\$ 312,561	\$ 249,870
Fund Balance, Beginning of Year	\$ 4,683,995	\$ 5,005,539	\$ 5,019,127	\$ 5,331,368	\$ 5,425,317	\$ 5,737,878
Fund Balance, End of Year	\$ 5,005,539	\$ 5,019,127	\$ 5,331,368	\$ 5,425,317	\$ 5,737,878	\$ 5,987,748
	70.3%	66.1%	70.4%	74.4%	78.8%	81.5%
Cash Flow Adjustments						
Surplus (Deficit)	321,544	13,589	312,241	93,949	312,561	249,870
Total Change in Cash	217,160	(31,456)	503,445	220,758	421,106	378,575
Cash, Beginning of Year	2,745,308	2,962,468	2,931,011	3,434,456	3,655,214	4,076,320
Cash, End of Year	\$ 2,962,468	\$ 2,931,011	\$ 3,434,456	\$ 3,655,214	\$ 4,076,320	\$ 4,454,896

FY23 Multi-Year Projections



TEACH TECH Charter High School

Multi-Year Forecast

Revised 6/14/2022

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Prior Year	Budget	Forecast	Forecast	Forecast	Forecast
Assumptions						
LCFF COLA	n/a	6.56%	5.38%	4.02%	3.72%	0.00%
Non-LCFF Revenue COLA	n/a	n/a	0.00%	0.00%	0.00%	0.00%
Expense COLA	n/a	2.00%	2.00%	2.00%	1.00%	1.00%
Enrollment	477.00	440.00	440.00	440.00	440.00	440.00
Average Daily Attendance	404.22	418.00	418.00	418.00	418.00	418.00
Revenues						
State Aid - Revenue Limit						
Total Revenue	\$ 8,865,566	\$ 8,304,784	\$ 8,638,504	\$ 8,352,527	\$ 8,606,548	\$ 8,606,548
Expenses						
Total Expenses	\$ 7,425,368	\$ 7,684,610	\$ 7,808,601	\$ 7,780,381	\$ 7,761,036	\$ 7,785,044
Surplus (Deficit)	\$ 1,440,198	\$ 620,174	\$ 829,904	\$ 572,146	\$ 845,512	\$ 821,504
Fund Balance, Beginning of Year	\$ 4,027,093	\$ 5,467,291	\$ 6,087,465	\$ 6,917,368	\$ 7,489,514	\$ 8,335,026
Fund Balance, End of Year	\$ 5,467,291	\$ 6,087,465	\$ 6,917,368	\$ 7,489,514	\$ 8,335,026	\$ 9,156,530
	73.6%					
Cash Flow Adjustments						
Surplus (Deficit)	1,440,198	620,174	829,904	572,146	845,512	821,504
Total Change in Cash	1,839,109	507,898	850,301	629,804	886,360	885,621
Cash, Beginning of Year	1,969,433	3,808,542	4,316,440	5,166,741	5,796,546	6,682,906
Cash, End of Year	\$ 3,808,542	\$ 4,316,440	\$ 5,166,741	\$ 5,796,546	\$ 6,682,906	\$ 7,568,527

FY23 Multi-Year Projections

TEACH Prep

Multi-Year Forecast

Revised 6/16/2023



	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Prior Year	Budget	Forecast	Forecast	Forecast	Forecast
Assumptions						
LCFF COLA	n/a	6.56%	5.38%	4.02%	3.72%	0.00%
Non-LCFF Revenue COLA	n/a	n/a	0.00%	0.00%	0.00%	0.00%
Expense COLA	n/a	2.00%	2.00%	2.00%	1.00%	1.00%
Enrollment	261.00	276.00	276.00	276.00	276.00	276.00
Average Daily Attendance	220.96	262.20	262.20	262.20	262.20	262.20
Revenues						
Total Revenue	\$ 4,355,549	\$ 4,939,962	\$ 4,923,033	\$ 4,865,587	\$ 5,005,221	\$ 5,005,221
Expenses						
Total Expenses	\$ 4,156,018	\$ 4,734,571	\$ 4,681,648	\$ 4,616,052	\$ 4,619,266	\$ 4,621,642
Surplus (Deficit)	\$ 199,531	\$ 205,391	\$ 241,386	\$ 249,535	\$ 385,955	\$ 383,579
Fund Balance, Beginning of Year	\$ 1,206,369	\$ 1,405,900	\$ 1,611,291	\$ 1,852,676	\$ 2,102,211	\$ 2,488,166
Fund Balance, End of Year	\$ 1,405,900	\$ 1,611,291	\$ 1,852,676	\$ 2,102,211	\$ 2,488,166	\$ 2,871,746
	33.8%	34.0%	39.6%	45.5%	53.9%	62.1%
Cash Flow Adjustments						
Surplus (Deficit)	199,531	205,391	241,386	249,535	385,955	383,579
Total Change in Cash	567,623	21,334	314,630	304,534	418,656	429,173
Cash, Beginning of Year	175,032	742,655	763,989	1,078,620	1,383,153	1,801,809
Cash, End of Year	\$ 742,655	\$ 763,989	\$ 1,078,620	\$ 1,383,153	\$ 1,801,809	\$ 2,230,982

FY23 Multi-Year Projections



FY22-23 TEMPLATE

Multi-Year Forecast

Revised 6/16/2022

	2021-22 Prior Year	2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
Assumptions						
LCFF COLA	n/a	5.33%	2.48%	3.54%	0.00%	0.00%
Non-LCFF Revenue COLA	n/a	n/a	0.00%	0.00%	0.00%	0.00%
Expense COLA	n/a	2.00%	2.00%	2.00%	2.00%	2.00%
Enrollment	130.00	130.00	130.00	130.00	130.00	130.00
Average Daily Attendance	50.00	123.50	123.50	123.50	123.50	123.50
Revenues						
Total Revenue	\$ 2,062,948	\$ 2,218,123	\$ 2,218,123	\$ 2,218,123	\$ 2,218,123	\$ 2,218,123
Expenses						
Total Expenses	\$ 1,937,141	\$ 2,128,353	\$ 2,113,392	\$ 2,111,861	\$ 2,153,991	\$ 2,196,963
Surplus (Deficit)	\$ 125,807	\$ 89,770	\$ 104,731	\$ 106,262	\$ 64,132	\$ 21,160
Fund Balance, Beginning of Year	\$ 617,037	\$ 742,844	\$ 832,614	\$ 937,345	\$ 1,043,607	\$ 1,107,739
Fund Balance, End of Year	\$ 742,844	\$ 832,614	\$ 937,345	\$ 1,043,607	\$ 1,107,739	\$ 1,128,900
	38.3%	39.1%	44.4%	49.4%	51.4%	51.4%
Cash Flow Adjustments						
Total Change in Cash	318,762	65,400	120,031	121,868	80,050	37,397
Cash, Beginning of Year	386,721	705,483	770,883	890,914	1,012,782	1,092,832
Cash, End of Year	\$ 705,483	\$ 770,883	\$ 890,914	\$ 1,012,782	\$ 1,092,832	\$ 1,130,229