

## Contra Costa School of Performing Arts Budget Assumptions for Charter Renewal

The attached budget projection is based on conservative estimates of the actual revenues and expenses associated with the Contra Costa School of Performing Art’s (CCSPA) program as described in the charter renewal for the period of FY22 – FY26. Information used to create the projections are based on the school’s historical financial data, rates published by the state of California and federal government, and future estimates.

### I. Revenues

#### Enrollment & Attendance Assumptions

Grade Level	2021-22 Year 1	2022-23 Year 2	2023-24 Year 3	2024-25 Year 4	2025-26 Year 5
4-6	95	99	99	99	99
7-8	198	198	198	198	198
9-12	226	261	305	321	348
<b>Total</b>	519	558	602	618	645

The average daily attendance is projected at 95.0% for all years. At full enrollment in FY26, the school is projected to have an ADA of 612.75

CCSPA’s unduplicated pupil percentage has been projected using FY20 CALPADS data. CCSPA submitted an unduplicated percentage of 28.8% via its CALPADS Fall 1.17 report and that percentage carries forward in the budget projection years.

#### Local Control Funding Formula

CCSPA is using the Local Control Funding Formula to drive the general-purpose entitlements. The table below shows the schedule of CCSPA’s LCFF target funding from FY22 through FY26 and the total general-purpose entitlement generated each year. The rates in this table are based on assumptions from FCMAT’s most recent LCFF calculator.

LCFF Assumptions	2021-22 Year 1	2022-23 Year 2	2023-24 Year 3	2024-25 Year 4	2025-26 Year 5
COLA (including one-time augmentation)	0.00%	0.00%	0.00%	0.00%	0.00%
Target LCFF for CCSPA per ADA	9,171	9,224	9,290	9,312	9,347
Total LCFF Entitlement	4,521,550	4,889,698	5,313,203	5,467,311	5,727,461

### Special Education Revenue

CCSPA operates as an independent Local Education Agency (LEA) member in the El Dorado County Charter SELPA. The school provides its students with special education services directly and receives both state and federal special education funding. Funding is budgeted at a rate of \$625 per P-2 ADA and \$125 per prior year CBEDS enrollment. CCSPA has \$213K budgeted for ERMHS reimbursement in all years (based on eligible reimbursements in FY20), but this funding will depend on the services being provided (and associated expenses), as these grants are made on a reimbursement basis in our SELPA. Future budgets and forecasts will be adjusted accordingly.

To account for costs associated with being an independent LEA for special education, CCSPA is also projecting a 3% administrative fee on these revenues (based on the fee structure of the El Dorado County Charter SELPA).

### Other Federal Revenue

CCSPA will serve a school lunch, in compliance with the National School Lunch Program. CCSPA will receive reimbursements for the cost of meals served to students that qualify for free or reduced pricing. All meals served at the school include the required nutritional components and are served in a county inspected kitchen. Expected reimbursements for FY22 are \$24K and increase in future years based on increased enrollment.

### Other State Revenue

CCSPA will serve a school lunch, in compliance with the National School Lunch Program. CCSPA will receive reimbursements for the cost of meals served to students that qualify for free or reduced pricing. All meals served at the school include the required nutritional components and are served in a county inspected kitchen. Expected reimbursements for FY22 are \$2K and increase in future years based on increased enrollment.

State Lottery revenues for FY21 are set at a rate of \$199 per ADA based on School Services of California projections. This rate remains consistent for the subsequent years of the budget projection with no COLA growth included.

Finally, Mandated Cost Reimbursements are projected at \$17 per prior year K-8 ADA and \$47 per prior year 9-12 ADA for FY20-21. The projections also come from the most recent School Services of California projections. There are no one-time funds projected in any of the five years of the renewal budget.

### Other Local Revenue

The school collects revenue for food service sales which accounts for \$55K in FY 22. Food Service Sales increases in the subsequent years based on current year enrollment.

The school collects field trip donations and projects 74K in revenue in FY22 with increases in subsequent years based on enrollment.

The school collects additional contributions in local revenue each year (mainly Chromebook repairs/replacements) which accounts for 29K.

The school collects revenue from student productions/events and projects 30K in revenue in FY22 with a 5K increase for each subsequent year.

Lastly, CCSPA has budgeted \$161K in total for FY22 for its school site fundraising and grants from foundations.

Historically, the school has received 50-100K each year from grants/foundations and projects 75K in revenue in all five years of the renewal budget. The school receives revenue from a parent annual fund/direct ask and projects 86K in revenue in FY22 with increases in subsequent years based on enrollment.

## II. Expenses

At a high level, expense assumptions are based on CCSPA’s programmatic structure and historical data, and they have been increased for inflation or on current year ADA to account for increases in student enrollment.

### Salaries and Benefits

Historically, CCSPA salary increases are about 3% but since we are not projecting any increases to LCFF COLA, we are conservative with the assumptions for salary increases and current projections include a 1% salary increase for all certificated and classified employees.

CCSPA offers health benefits for all full-time staff members. The maximum expected cost of health benefits per employee is conservatively estimated at \$7,174 per employee in 2021-22 and grows at 6% each year. The school participates in CalSTRS and as such has budgeted the following annual contribution percentages for certificated employees.

STRS	2021-22 Year 1	2022-23 Year 2	2023-24 Year 3	2024-25 Year 4	2025-26 Year 5
Employer Contribution	16.02%	18.10%	18.10%	18.10%	18.10%

A summary of the school’s staffing is included in the table below:

Category	2021-22 Year 1	2022-23 Year 2	2023-24 Year 3	2024-25 Year 4	2025-26 Year 5
1100 – Certificated Teachers	22.0	23.0	24.0	24.0	24.0
1148 – Special Education Teachers	3.0	3.0	3.0	3.0	4.0
1200 – Certification Pupil Support	3.2	3.2	3.2	3.2	3.2
1300 – Certificated Administrators	4.0	4.0	4.0	4.0	4.0
2100 – Classified Aides	4.65	5.65	6.65	6.65	7.65
2300 – Classified Supervisor & Administrators	2.0	2.0	2.0	2.0	2.0
2400 – Classified Clerical & Office	1.7	1.7	1.7	1.7	1.7

Books & Supplies

CCSPA is budgeting \$390K for Books and Supplies in 2021-22, or about \$752 per student. Books & Supplies largely increase based on current year ADA. A summary of the major expenses is as follows:

- \$162/CY ADA for Materials & Supplies
  - o There is also an additional line item detail in Materials & Supplies for Student Productions. This expense is 20K in FY22 with a 5K increase in each subsequent year which is in line with assumptions for Student Production Revenue
- \$116/CY ADA for Educational Software
- \$84/CY ADA for Instructional Materials & Supplies
- \$231/CY ADA for Student Food Services
- \$57K/year for computers

Services and Operating Expenses

CCSPA is budgeting \$1,603,716 in Services & Other Operating Expenses in 2021-22 with most line items increase 3% for COLA in future years.

CCSPA has budgeted its rent based upon assumptions provided through its lease with 2730 Mitchell Drive, LLC.

2730 Mitchell Drive, LLC, of which Charthouse Public Schools is the sole member, expects to issue a not to exceed amount of \$17mm of Series 2020 bonds with a closing date in early September. The Series 2020 bonds will be sold to a private investor and has the approval of the California State Finance Authority.

The proceeds of the Series 2020 bonds will be used to acquire the school’s existing facility, pay costs of issuance, and fund three years of capitalized interest. The approximately 42,000 sq. ft. facility features a dance studio, theater, production design room, vocal music room, instrumental music room, multi-use room, counseling office, staff lounge, conference room, IT department, and administration rooms. The Series 2020 tax-exempt bonds will carry an interest rate of 5.5% per annum and the taxable bonds will carry an interest rate of 7.5% per annum. The facility acquisition will provide annual savings to the school and eliminate lease escalators. For the first three years, the annual cost savings compared to the original lease will be approximately \$300k to \$340k per year. The rent schedule reflects the rent negotiated with 2730 Mitchell Drive, LLC.

Category	2021-22 Year 1	2022-23 Year 2	2023-24 Year 3	2024-25 Year 4	2025-26 Year 5
5610 – Rent	553,033	703,333	892,872	1,065,433	1,065,433

General Liability Insurance is projected at \$83 per student in FY22 based on current agreements with their insurance provider. Rates increase with enrollment growth and COLA. Workers' Compensation Insurance is budgeted at 1.5% of payroll.

CCSPA pays 1% of general-purpose revenues for oversight to the Contra Costa County of Education, its authorizer.

CCSPA plans to continue to use its back-office service provider, EdTec, to support financial and operational needs of the school. Services include accounts payable, accounts receivable, accounting, budgeting and finance, payroll, and student data management. The cost for these services is forecasted at a rate of 130K in FY22 with increases in future years based on enrollment.

Other significant service and operating expenses categories include:

- Operations & Housekeeping: 95K in FY22 with 3% COLA increase in future years
- Utilities: 185K with 3% COLA increase in future years
- Legal Fees: 100K/year
- Technology Services: 70K FY22, 75K in FY23, and 80K in FY24-26
- Student Transportation: \$188/CY ADA

#### Contingencies and Reserves

By having a positive operating income in all five out years, CCSPA will grow its fund balance to 28% of its yearly expenses by the end of the fifth year. CCSPA has taken a conservative approach to the budgeted expenses. If the state revenues increase above current projections, or if prospective grant money materializes, additional spending will be considered in future years.

#### Cash Flow

The cash flow forecast assumes all State revenue is received the month after it is distributed. The cash flow also assumes the FY21 deferral schedule continues in the budget projection years.

In Lieu of Property Tax revenue, disbursed via the District, is projected to be received according to Ed Code 47635. Timing of all other revenue and expenses have been projected according to past receipt or expenditure trends.

A small number of expenses are projected to accrue based on historic trends in invoicing. Public revenue will be accrued based on amounts owed according to CDE certified exhibits, and philanthropy and grants will be accrued based on written commitments. Accrued revenue will be reflected in the cash forecast in the year it is expected, according to reasonable and historic assumptions regarding disbursement/collection.