

Charter School Finance

School Business

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Who is School Business?

30 employees who are responsible for the funding, policy and data of student, personnel and financial of entities receiving public school state and federal funds.

What School Business Does

- Public school budget development
- Allocation of funds
- Collection of data
- Analysis of data
- Projections
- Monitor the compliance of laws and policy
- Report

Today's Topics

- Funding Sources
- Allotments
- Reporting and Reports
- Cash Management
- Monitoring and Compliance
- Non Compliance

Funding Sources

➤ **State**

➤ **Federal**

➤ **Local**

➤ **County**

➤ **Other**

Terms

Allotment = Funding in a Program Report Code (PRC) = “Bucket of Money”

Average Daily Membership (ADM)

sum of the number of days in membership for all students in individual charter school, divided by the number of school days in the term.

State Funds

General Statute 115C 218.105

Allocate to each charter school an amount equal to the average per pupil allocation for average daily membership from the local school administrative unit in which the charter school is located

An additional amount for children with special needs and for children with limited English proficiency

Components of State Funding

State base funding – based on dollars per Average Daily Membership

Children with Disabilities (CWD EC)

based on dollars per headcount. Child must be on the April 1 headcount to be eligible

Limited English Proficiency (LEP)

if the charter school has eligible LEP headcount.
At least 20 students or 2.5% of ADM.

State Funding

- New Charter Schools are funded based on the \$ per ADM of the LEA where the student previously attended.
- Kindergarten Students – \$ per ADM of the LEA where the student would have attended.
- Other – Private Schools, Home Schools, etc.- \$ per ADM where the new charter is located.

Base Funding

- The base funding per student varies by school district.
 - The lowest \$4,684
 - Median \$5,376
 - The highest \$10,484
- <http://www.ncpublicschools.org/fbs/allotments/state/> go to the file under 2015-16 “Base Allotment per AM for Charter Schools”

Example of Charter School Base Allotment

Position & Months of Employment Categories:

Classroom Teachers	87,590,904
Instructional Support	9,374,298
School Building Administration	5,872,708
Career Technical Education - MOE	7,669,890
Total Position & Months of Employme	110,507,800

Other Categories:

Teacher Assistants	\$ 12,409,927
Central Office Administration	1,050,018
Non-Instruction al Support	7,754,159
Classroom Materials & Supplies	1,114,649
Textbooks	472,953
At-Risk Supplemental Funding	5,631,689
Academically & Intellectually Gifted	1,636,117
Career Technical Education Support	415,092
Dissadvantaged Student Supplemental	1,892,558
Low Wealth Supplemental Funding (if	12,191,813
Small County Supplemental Funding (NA
Prior Year Transportation	8,459,252
Total Dollar and Categorical Allotment	\$ 53,028,227

Total State Funds (Initial Allotment) \$ 163,536,027

Total State Funds \$163,536,027

LEA Allotted ADM 33,175

Dollars per ADM \$4,929.50

Plus: Un-allotted Dollars Per ADM \$102.85

(Longevity, Annual Leave, Short Term Disability
Worker's Compensation & Unemployment)

TOTAL Adjusted State Base \$5,032.35

Exceptional Children	16,726,788
Limited English Proficient	2,322,238
Drivers Education	555,920

Categories not included in calculating Dollars per ADM

- **Driver's Training** – The LEA in which the Charter School is located is responsible for offering driver's training to all eligible students.
- **Children with Special Needs** – based on Dollars per Headcount calculated separately
- **Limited English Proficiency** - an October 1 Headcount is needed for LEP students
- **NOTE:** Charter Schools do receive funding for Fines & Forfeitures from the School Technology category which is allotted in a revision.

State Base Calculation

Collins Academy - located in Wake County.

No. Students	LEA Previously Attended	\$/Per ADM	Funding
40	Wake	\$4,790.14	\$191,606
20	Granville	\$5,350.77	\$107,015
20	Private	\$4,790.14	<u>\$95,803</u>
TOTAL ADM	<u>80</u>		<u>\$394,424</u>

Average Daily Membership

- Maximum ADM
State Board Approved Charter
- Planning ADM
Projected Enrollment for Preliminary Budget
 - Due in April - May

Average Daily Membership

Initial ADM-June

- Updated Estimate of Average Daily Membership
- Can be less than maximum
- **The State will not fund more than the initial ADM**
- Charters provide residence of the students
- Basis for 34% Initial State Allocation
- Basis for Federal Allocations

1st Month ADM- Final Funded

- Calculated from 1st month Principals Monthly Report
- Allotments recalculated for 68% of State Allocation

Local Funds - LEA

GS 115C-218.105(c)

The LEA in which the student resides shall transfer to the charter school an amount equal to the per pupil local current expense fund.

Plus a per pupil share of the penal fines and forfeitures and supplemental school tax, if any.

DPI does not verify the calculation of these amounts and any dispute is between the LEA and the charter school.

Local Funds

Shall be transferred to the charter school within 30 days that the LEA receives the monies.

The LEA shall provide a

- (1) The total amount of monies the local school administrative unit has in each of the funds
- (2) The student membership numbers used to calculate the per pupil share of the local current expense fund.
- (3) How the per pupil share of the local current expense fund was calculated.

Local Funding

- Best Information can be obtained from the County Finance Officer for \$ per student funding.
- Survey information with estimated amounts per County located of DPI website
- Local Funding will come from the County where the student lives – not where the school is located

Local Funds-Other

All other forms of revenue such as local grants, donations etc are considered local.

Local funds do not revert

Federal Funding Sources

Most common are Title I (PRC050) and IDEA VI-B (PRC060)

Allotted as grant award documents are received from Washington

Budget approval required before allotments are distributed

Refer to the North Carolina Allotment Policy Manual at <http://www.ncpublicschools.org/docs/fbs/allotments/general/> for a list of federal PRC's, eligibility for funds, allotment formulas, and any special provisions.

Unused funds revert at the end of the grant period.

Federal Funding

- New Charter School Data is added into the Federal Funding Formulas
- Eligibility Requirements for Charter Schools and LEAs are the Same.
- Funding Formulas are outlined in the Allotment Policy Manual –
<http://www.ncpublicschools.org/fbs/allotments/general/>
- North Carolina – Federal Grants - \$856 million

Title I

Data Elements

- Poverty Counts
 - Estimate of Free Lunch Eligibility December 1, 2015 –Due in June - July
 - Parents are Surveyed using Income Eligibility Guidelines for the Child Nutrition Program
 - Used in Federal Allocations

Children With Disabilities Data Elements

- Children with Disabilities Headcount (CWD)
 - Headcounts
 - December 1, 2013 – Federal Allocations
 - April 1, 2014 – State Allocations
 - Eligible Students for Funding must be on one of these headcounts
 - Students Reported on CWD Headcount Transfer Form in June - July
 - Funds Follow Students 1st 60 Days of School

Allotment Cycle

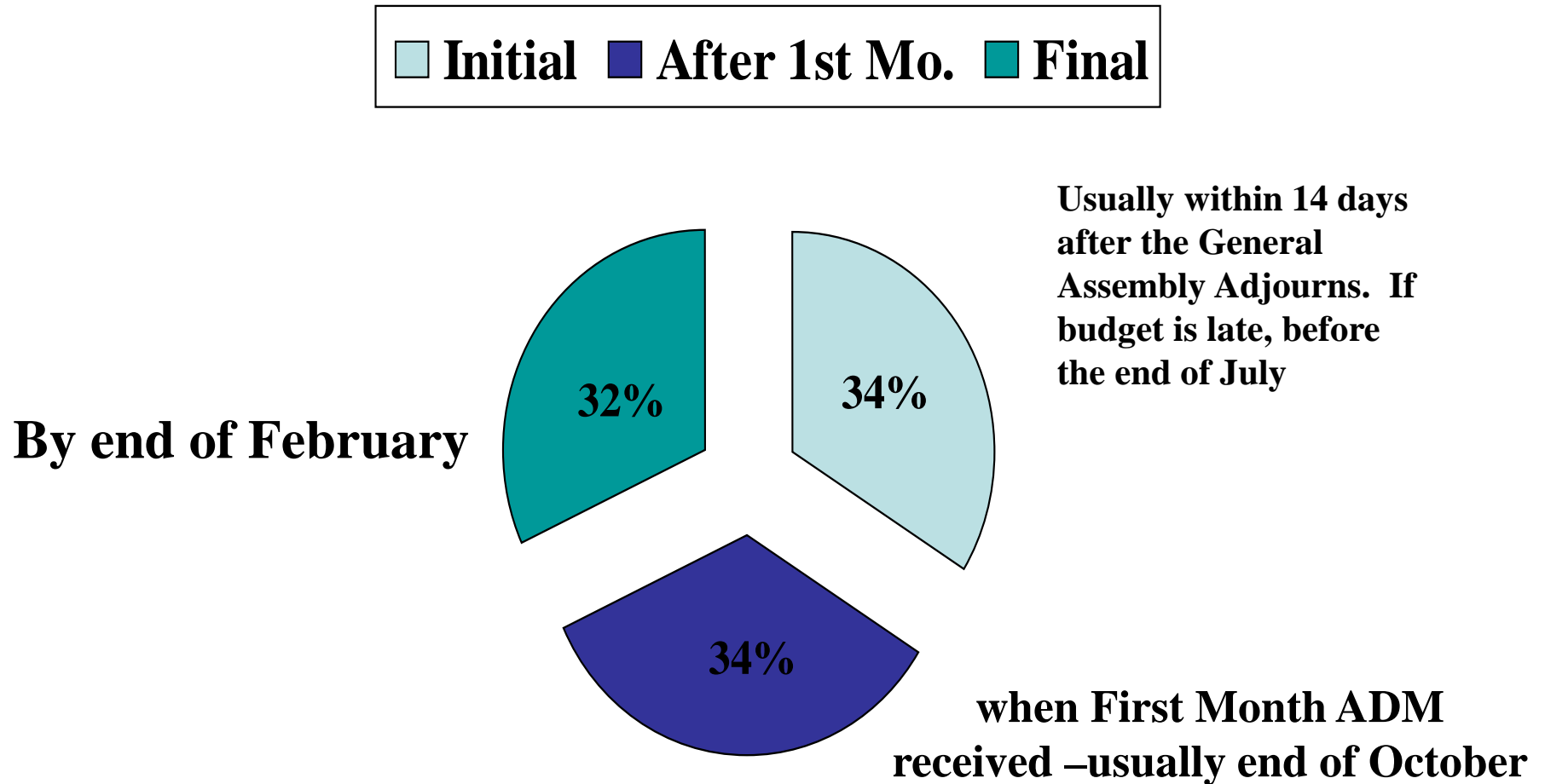
- State Allocations

Allotments are effective July 1 to June 30

Initial Allocations

Issued within 14 days after the General Assembly Adjourns. Usually processed in Allotment Revision 1

When Are The Charter School State Fund Allotments available?



Allotment Cycle

- Federal Allocations
 - Planning documents
 - Federal Planning Report issued in August
 - Planning Allocations are subject to change
 - Initial Allocations
 - Calculations 1st of September
 - Allocations made in Allotment Revisions as Applications and Budgets are approved.

Contact Information

- School Allotments Phone Number
919-807-3739

- Silvia Liboon – 919-807-3675

Email – Silvia.liboons@dpi.nc.gov

- School Allotments Web site
– <http://www.ncpublicschools.org/fbs/allotments/>

Critical Items when Building your Budget

1. Average Daily Membership

Be realistic

Know the breakeven number of students

2. State Base Allotment

– Varies by LEA

3. Local per pupil

- Varies by LEA

Budget Considerations

Local funds vary by LEA

In 2013-14 range from \$470 to \$4,015

Some LEAs have a charter school for the first time and may not have information available.

Budget Considerations

- Federal Funds are supplemental and not intended for base funding

Cash Flow

- Start up costs will require funding
- Local funds generally are not paid until invoiced with support of Power school reports
- Federal Funds are not available until October
- Therefore, 34% of the State allotment is likely the only cash from July until November

New Charter School Checklist

See New Charter School Finance Guide

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Communications & Systems

1. Sign up for Finance newsletter from FBS

<http://www.ncpublicschools.org/fbs/resources/newsletters/>

2. Subscribe to:

CSADM system (in spring)

<http://www.ncpublicschools.org/fbs/charterschools/>

Allotments system (in June)

<http://www.ncpublicschools.org/fbs/allotments/>

EDDIE (in spring)

<http://www.ncpublicschools.org/fbs/accounting/eddie/>

Vendors and Contractors

- Retirement - Teachers' and State Employees' Retirement System or other
- Health Insurance -the State Health Plan or other
- Accounting Services – Internal or contract
- Insurance provider – Liability insurance
- Independent auditor

Training and Manuals

- Cash Management training
- MSA training
- Allotment Policy Manual

<http://www.ncpublicschools.org/fbs/allotments/general/>

- Charter School Finance Manual

<http://www.ncpublicschools.org/fbs/charterschools>