

FY 2022-2023 Charter School Budget and Reporting Update

SL2022-74 & SL2021-180

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Agenda

- Budget Highlights
 - Salary & Benefit Highlights
 - Special Provisions
- Allocations
 - No more hold harmless
 - Timing and Key dates/data
- Reporting
 - UERS requirements
 - Key items to remember

Budget Highlights

Salary Items – Effective July 1st

- **Nice raises**

- Classified/Central Office: Higher of 4% or \$15 per hour minimum
- Teachers/Asst Principals: Scale increase and with the step will average 4.2% or higher
 - A00 increased to \$37,000
 - All else remains the same as FY 21-22

- **Reminder**

- Charter Schools do not have to use the state certified scales, but if you do, please follow those guidelines

Benefits

These apply if you are participating in either the State Retirement System (TSERS) or the State Health Plan (SHP)

- Retirement Rate: 24.5%
 - *Pay attention to legislation as to if any of the bonuses are subject or NOT subject to retirement. We will try and put in our information but please take note of that.*
- Hospitalization: \$7,397
 - State Treasurer/State Health Plan to provide additional information by end of July

Other Salary related Items

- The IPSs (Independent Public Schools) all receive their pro-rata share of the various bonus programs provided by the general assembly unless specifically excluded in the legislation.
 - The pro-rate share is allocated in your main state funding PRC (036, 038, etc.)
- Special exception is that the Teacher Supplement program in PRC 71 is only applied to the IPSs who are in a county that qualifies for the funding.

Categorical Funding

- A few increases in some of the categorical funds such as At-Risk and Classroom Supplies. The pro-rata share will be applied for IPSs.
- If GRANT related funding the IPS will need to apply for those funds and the funds for those are not part of the pro-rata share for the IPS.
- Reminder the transportation reimbursement funds remain in place and will be administered by the Office of Charter Schools similar to last year's process. Total of \$2.3m

Key Special Provisions

Please read and familiarize yourselves with these provisions

- **7.7 Standards of Student Conduct**
 - Adds to include ALL Public School Units
 - This means that all of GS115C-390 applies to all LEAs, Charter Schools, Lab schools, regional Schools and residential schools.
- **7.9 School Threat Assessment Survey**
 - All PSUs SHALL report by November 15th the information under this special provision
 - Center for Safer Schools will administer this section.

Key Special Provisions

Please read and familiarize yourselves with these provisions

- **7.13 Remote Academies (Virtual Education)**
 - Basically, allows PSUs to operate as last year if needed under their approved plans.
 - Effective for the FY22-23 school year LEAs need to move to an Approved Remote Academy
 - This section will be implemented by the Digital Teaching and Learning Section at DPI and further guidance will be issued.
 - Charter Schools please review sections 7.13 (f), (g), and (h).

Key Special Provisions

Please read and familiarize yourselves with these provisions

- 7.1 School Business System Modernization
 - Rewrites previous section 7.79 from the SL2021-180
 - Prioritizes funds for the following and in order:
 1. Getting all PSUs to have school business data securely stored at an off-site premises by June 30, 2023.
 2. Ensure that the DPI work to modernize systems at the Department is sufficient and reserved.
 3. Ensure the current SBSM Plan is funded at current level.
 4. If funds remain, a grant program may be established to assist with the transition of PSU systems to other internet-based systems not part of the SBSM Plan.

ESSER Considerations

Spending Rates & Plans

- CARES funds end September 2022
 - Plans should be concrete and expenditures posted ASAP
- GEER funds end September 2022
 - Much attention on these as they can be reallocated to help support other areas in the state in need
- Please update ALL ESSER II and III plans to ensure if requested your CCIP documents clearly exhibit the planned expenditures
 - The Rate of Spending is being examined by a LOT of interested parties.

Compliance and Audits

- Please be aware there are A LOT of folks involved in these funds from funding agencies (USED, NCPRO, State), to Program areas, Fiscal areas, CPAs, etc.
- All areas have varying responsibilities related to compliance and review.
- We are trying to coordinate but there will be many hands and eyes involved in reviewing the use of these funds.
- Please make sure the documentation is ready and available.
- Patience is key.

Indirect Cost Rates

- We will be working to revamp the how PSUs may charge indirect costs to their Federal grants.
- This will involve system changes to both the financial systems and the CCIP systems
- We will get out instructions to ensure that PSUs can maximize their indirect costs for the CARES funds before they end in Sept.
- We will set-up separate webinars for the LEAs and IPSs related to those instructions once we finalize.

Allocations

Key Elements for Allotments

- Students – ADM (Average Daily Membership) and the CSADM System
- Funding – Allocation of the Per-Pupil funding accumulated from all the various State funding categories provided for Public Schools.
- Grant Funding is separate and must be applied for which includes the Federal funding as well as specialized state grants such as school safety.

NEW Charter Schools *or those moving facilities*

- If you are a new Charter School or moving to a complete new facility, we need an official Certificate of Occupancy (CO) before we can Allocate any Funding.
- This is out of our control and there is a 10-14 day lag after we receive the CO and when we have permission to allocate the funding and you would be able to access the cash.

State Base Funding Timing

Aug Initial Allotment (estimate)

**34% of State per student amount * projected ADM
(provided by the school)**

(in the event of no State budget a float will be calculated)

End of Nov

Recalculate and provide

68% of State per student amount * Actual month 1 ADM

Before the end of February

Remaining 32% provided

After 3 years of reviewed financial statements and good financial standing, the school may receive access to 100% of the allotments in 2nd installment.

State Base Allocation

- New Charter Schools are funded based on the base allocation per ADM of the LEA where the student previously attended.
- Kindergarten Students – base allocation per ADM of the LEA where the student would have attended.
- Other – Private Schools, Home Schools, etc.- base allocation per ADM where the new charter is located.
- Year 2 – Base allocations per ADM of the LEA where the Charter School is located.

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 Employment	110,507,800

Other Categories:

Teacher Assistants	\$ 12,409,927
Central Office Administration	1,050,018
Non-Instructional 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)

*Sample of Categories included in
the Base Allotment – updated as
needed based on legislation*

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

How is the State Base Allocation Calculated?

Webinar on the FBS webpage – Dissecting Charter School Funding

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/independent-public-schools-operations>

Allotment System

This system provides all the details of the State and federal funding provided to the charter school.

Request access (with your NCID) at:

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments---funding-public-school-units>

All Finance personnel may have access to the Allotment System.

Sample from Allotment System



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 [LEA_Allotment](#) |
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Charter Revision Detail

- 1. Initial Budget
- 2. Revision Detail

1. Charter School Initial Budget

Select Year **2017-18**

Select Charter School: **CS#93M Peak Charter Academy**

State Base Funding

CS#	LEA From	LEA Name	ADM	\$ Per ADM	Funding
93M	190	Chatham County	20	5,124.80	\$102,496.00
93M	260	Cumberland County	1	5,205.08	\$5,205.00
93M	320	Durham Public	35	5,254.22	\$183,898.00
93M	410	Guilford County	3	5,123.35	\$15,370.00
93M	430	Harnett County	3	5,481.65	\$16,445.00
93M	510	Johnston County	1	5,316.45	\$5,316.00
93M	600	Mecklenburg County	1	4,992.65	\$4,993.00
93M	680	Orange County	2	5,360.67	\$10,721.00
93M	681	Chapel Hill-Carrboro	1	4,939.50	\$4,940.00
93M	920	Wake County	527	5,070.04	\$2,671,911.00
Total:			594		\$3,021,295.00

ADM based on projection and breakdown provided by the charter school

\$ per ADM based the funding of the LEA

Initial Budget Summary

CS#	Funding Type	Dollar per HC	Total Adm Headcount	Total Funding
93M	CWD Transfer		41	173,684.00
93M	State Base Funding Total		594	3,021,295.00
Grand Total				3,194,979.00

Sample from Allotment System

The charter school is provided access to 34% of the annual allotment based on the projection provided by the charter

[Welcome](#) | [LEA_Allotment](#) | [General_Reports](#) | [ABC_Transfer](#) | [Restart_School_Transfer](#)

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Charter Revision Detail

1. Initial Budget

2. Revision Detail

2. PRC#036 Charter School State Fund - Revision Detail

Select Year: 2017-18 Select PRC#: PRC#036 CHARTER SCHOOLS STATE FUNDS

Select Charter School: 93M Peak Charter Academy

Q

Go

Rows

All

Actions

☒

PRC#

x

☒

Revision#

x

PRC# : 036, Revision# : 001

Year	PRC#	LEA#	Revision#	Revision Detail	Amount	Note
2018	036	93M	001	State Base Allotment	1,184,476.00	1st Installment - 34%
					1,184,476.00	

2nd Installment – *reminder NO Hold Harmless for ADM*

- Annual allotment is recalculated based on Month 1 ADM
- 68% of the new annual allotment is provided as an authority to draw.

If the charter school provided an over projection AND has drawn down the funds, the overdraft will be netted against the 2nd installment.

CSADM System

Deadline Mid-June annually

- This is the system in which the charter schools provide the projection on the number of students and from which LEAs the students are coming from.
- Projections used for budgeting and initial allotment.
- Inaccuracy of this data impacts the LEAs allocations.
- Contact: Student Accounting
- studentaccounting@dpi.nc.gov
- <https://schools.nc.gov/csadm>

Reminders: Critical Items When Building Your Budget

- **Average Daily Membership (STUDENTS)**
 - Be realistic
 - Know the breakeven number of students
- **State Base Allotment**
 - Varies by LEA (\$5,522 to \$12,089) from FY21-22
 - average \$6,757
- **Local funds vary significantly**
 - *Timing of distribute varies depending on PMR dates and invoices*
- **Federal funds** are supplemental and are not intended to be base funding

Reporting – Key Reminders

Financial and Student Reporting

GS 115C-218.30

- Schools shall comply with the Uniform Education Reporting System (UERS)
- Subject to Audits
- Monthly Financial
- Student Accounting
- Ad hoc data collection

Chart of Accounts

Uniform and Required

- Budget account code string
- Shows how the allotments were expended.
- This is the only financial communication between the Charters and DPI.
- DPI uses this data to communicate to the State Legislature, the State Budget Office, media and the Federal Government.
- [HTTPS://WWW.DPI.NC.GOV/DISTRICTS-SCHOOLS/DISTRICT-OPERATIONS/FINANCIAL-AND-BUSINESS-SERVICES/SCHOOL-DISTRICT-FINANCE-OPERATIONS/CHART-ACCOUNTS](https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/school-district-finance-operations/chart-accounts)

Financial Reports

Access these reports via WinSCP Software

- JHA 305 - Local Account Balance Reconciliation
- JHA 705 - Budget Balance Reconciliation
- JHA714 - Cash Balance Report
- Monitor - Monthly Monitoring Report

Reconcile your data MONTHLY, don't wait until the end of the year.

Cash Management

- Know the cash calendar and funds requirement date (FRD)
- Do not order more cash than needed to cover the current expenditures

It is against federal law to hold cash for more than 3 days. (GS147-86.11)

Guidelines and forms:

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/school-district-finance-operations/cash-management>

Take Aways

- **Data reporting is NOT optional**
 - **Must be in our required format using the State Uniform Chart of Accounts**
 - **Must be ON TIME**
 - **Financial Datafile – UERS Transfer Schedule**
 - **PMR – PowerSchool**
 - **SAR – PowerSchool**
- **Board of Directors is responsible for data submitted**
- **Decisions made based on submitted data**
- **No access to funds until approximately 2 weeks after C/O is submitted**
- **DPI Provides Cash Management Training (Required for all new schools)**

School Business Contacts

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**Thank you for your
attention**

***We'll see you at the Listen &
Learn session at 3pm***

