



Presenters

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Who is ExED?

A Nonprofit, Mission-Driven Business Partner for Southern California's Leading Charter Schools

Results-focused:

As the full-service "CFO" for each school, ExED creates efficiencies and sound business practices that direct more resources to the classroom

A Charter School Pioneer:

20 years of experience supporting some of the region's most dedicated and effective charter schools



ExED By The Numbers



Charter School Clients

91



Students Served by ExED Clients

31,600



ExED Financed Facilities

29



Facility Financing Secured

\$175M



Who is CNCA?

THE CAMINO NUEVO WAY

Continuum of Integrated Support

We leverage community assets to provide a continuum of integrated support services and programs from early childhood to college graduation. Our programs foster self-expression, resiliency, cultural awareness, civic engagement, and college and career readiness.



**Camino
Nuevo
Charter
Academy**



CNCA By The Numbers



Years in our
Community

16



Students
Served by
CNCA

3,450



School
Locations

8



Staff

300+



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School Budgets



Charter schools
are stewards of
public funds



Steward of Public Funds

There's ESEA and the CA Ed Code...

emphasize equal access to education and establish high standards and accountability

all federal requirements apply to charter schools

IF the CA Ed Code refers to:	THEN, does it apply to charters?
charters	always
LEAs	usually
district	generally not

...but there's also public trust

Charter schools:

are entrusted to use public funds properly

are multi-million dollar non-profit corporations



The budget serves as a plan of action expressed in numbers

Comprehensive Budgets

- Transparent
- Helps control spending
- Provides multi-year plan – minimum 3-yrs
- Provides financial framework for school to meet programmatic requirements
- Summarizes sources of revenue
- Supported by detailed revenue & expense assumptions
- Includes a monthly cash flow forecast including balance sheet

Common questions

Try to answer these questions with a Yes

1. Is your Budget Plan reviewed and modified annually by your school board?	Y or N
2. Does your budget plan include a balance sheet?	Y or N
2. Do you consult teachers, admin. / staff, parents & students in the review of your state and federal accountability plans including expenditures?	Y or N



You likely know this already...a school budget is driven by these main assumptions

Assumptions:	Fill below:
Enrollment Projections, Growth Plan	
Average Daily Attendance (ADA) %	
LCFF Unduplicated Pupil Count: FRL, EL, Foster	
Student to teacher ratio	
Programs offered by your charter	
Facility Costs	
Investment Priorities – one time or ongoing	
Debt	

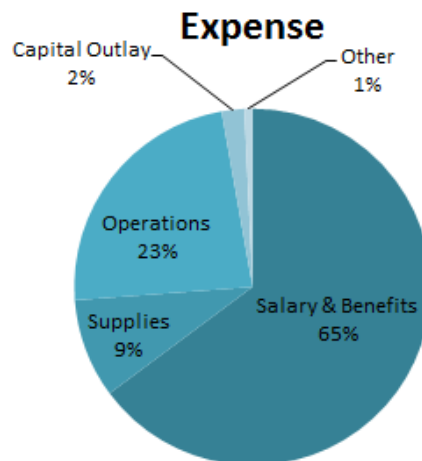
Expense Basics:

- Cannot spend what you do not have
- Dependent on enrollment & demographics
- Staffing
- Trade-offs between expenses to meet investment priorities

Use the checklist to the left to map budget framework



"Typical" Charter School Percentage Distribution of Expenditures



Don't Forget Cash

The cash flow statement is used to analyze the cash inflows and outflows (where the \$\$ went) during a designated time period.

3 "Musts":

1. Be Positive – Cannot pay bills or salaries if school does not have money
2. Be Updated with Actuals Regularly – Updating actuals in your cash flow is essential for planning for the current and following year
3. Be Updated with *Current Rates* or *Published Entitlements*– Federal, State, and Local rate changes throughout the year



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Tools to Manage Cash Flow

Create a budget model with monthly detail

- revenues and expenses
- minimum 5-10% ending cash reserve
- balanced annual budget

Twelve month Cash Flow plan

Month-by-month Cash Flow Report

- actual data
- revised forecasts for future months.

Compare actual month end cash balance to budget for that month.





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Priority Setting
&
Accountability

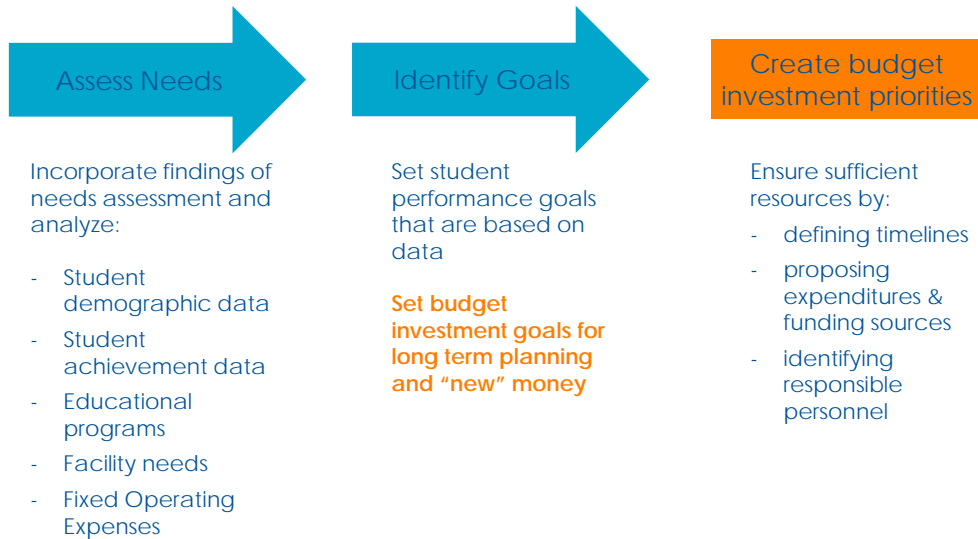


Breaking Even is Not Enough

Budget Resources	Mission and Investment Priorities	Accountability
<p>Understand government revenue sources and develop reasonable assumptions</p>	<p>Keep mission, <u>creativity</u>, capacity and finance in balance</p>	<ul style="list-style-type: none"> • Stakeholders • Program Priorities • Reporting • Monitoring



Needs, goals, actions & resources



The Charter serves as your 1st planning document

quick facts

- describes the school's mission and vision
- describes educational program
- describes governance structure
- describes policies & procedures
- describes budget

common questions

Try to answer these questions with a Yes

Is your Charter required reading for all staff?	Y or N
Is your finance team familiar with your Charter?	Y or N
Do you have a Charter renewal team?	Y or N



The LCAP serves as your 2nd planning document

quick facts

describes the school's goals, the actions your school will take to achieve those goals and how those actions will be funded

required to expand or improve services for high-needs students in proportion to the additional funding received from supplemental & concentration grant funding

common questions

Try to answer these questions with a Yes

Is your LCAP updated annually?	Y or N
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Do you consult stakeholders?	Y or N
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Do you calculate your proportionality percentage & describe how supplemental and concentration grant funds are used?	Y or N
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The LEA/SSD/SPSA Plan serves as your 3rd planning document

quick facts

required for Title I and other ESEA program funds

describes actions your school will take to meet programmatic requirements
summarizes assessment data, school goals and activities

requires school board and State Board of Education approval

common questions

Try to answer these questions with a Yes

Is your LEA Plan reviewed and modified annually by your school board?	Y or N
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Do you consult teachers, admin. / staff, parents & students in the review of your LEA plan?	Y or N
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If your school is in Program Improvement do you offer/track CHOICE & SES?	Y or N
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The Budget supports each planning document

quick facts

enrollment & ADA
 student demographics
 personnel
 benefits
 supplies
 operating services
 capital outlay
 CASH FLOW
 debt schedule
 includes accountability expenditures

common questions

Try to answer these questions with a Yes

Are budget resources aligned to strategic plan & priorities?	Y or N
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If costs have to be cut, have line items been identified that can be cut without harming programs & operations?	Y or N
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Are multi-year projections prepared?	Y or N
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Budgeting Calendar

Charter School	When	Who
1. Continuous oversight and management to ensure fiscal health of school	All Year	Admin Board
2. Begin discussion of priorities, evaluate existing programs & set goals	Fall	Admin Board Stakeholders
3. Review Governor's January Budget Proposal, gather anticipated costs/savings, <i>finalize investment priorities</i> , & build preliminary budget	Mid-Winter Early Spring	Admin
4. Update budget plan with Governor's May Revise & finalize charter school budget	Late Spring Early Summer	Board
5. State budget adopted, signed into law & charter school budget revised if necessary	Summer	Admin Board



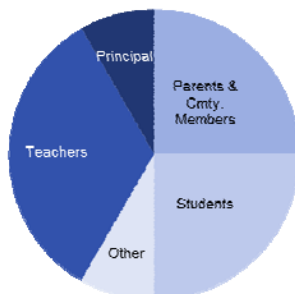
Priority Setting Process

How to get started no matter the size of your budget	Does your school?
<u>Budget Process Timeline</u> : Write it down! Becomes a management tool and checklist	Y or N
<u>Build Budget Team</u> : Decide who should be involved and when	Y or N
<u>Mission</u> : Incorporate mission into budget line items & investment priorities	Y or N
<u>Conduct Priority Setting with Stakeholders</u> : Create a method to gather stakeholder input	Y or N
<u>Monitoring</u> : Hold budget managers accountable	Y or N
<u>Operating Reserve</u> : Set a minimum cash reserve requirement	Y or N



Your SSC can be your stakeholder starting point

Your School Site Council (SSC) can help navigate the different levels of engagement required at various points of the Budget process!



Consult community

Use forums and workshops to ensure students, teachers and other staff are aware of goals and actions

Solicit feedback

Use focus groups and surveys to collect and address feedback from advisory groups to help influence the goals and actions

Inform public

Use notices and newsletters to share updates and information and provide opportunities to comment on goals and actions



Facts about the SSC

Questions if your school budgets Federal revenue	Does your school?
1. Do you have a School Site Council?	Y or N
2. Does the SSC monitor implementation of the LEA Plan and evaluate the results?	Y or N
3. Does the SSC revise the plan, at least annually, including proposed expenditures of funds allocated to ESEA Programs?	Y or N
4. Does the SSC include as members: <ul style="list-style-type: none"> • The Executive Director or Principal • Teachers (must comprise the majority of school staff on the council) • Other school personnel • Parents of students • Students (at the secondary level) 	Y or N



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Group Exercise: LCAP Goals and the budget

Name a key element in your LCAP

1)



How does this integrate with my budget?

1)

2)



2)

3)



3)



Group Exercise: Achieve Your Goals

What are your school's strategic goals?

What do you need in your budget to reach the goals?

