

Bolster Your Budget with Benchmark-Driven Data

AUBREY MARSH, NICK FRADKIN,
& JUAN CARLOS RAMIREZ
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Introduction



About the presenters

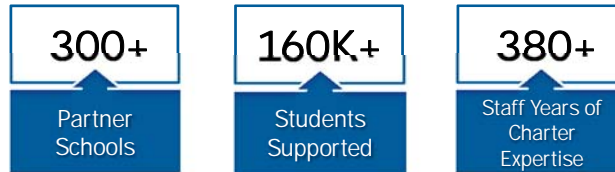


		
Aubrey Marsh	Nick Fradkin	Juan Carlos Ramirez
EdTec	EdTec	Para Los Niños

About EdTec

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- Founded in 2001 to **develop, support and advance quality charter schools**
- A **social mission-driven** organization, EdTec's social impact spans:



- Known for **best-in-class business and operations services:**



Goals

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- Share historical trends in charter school finances
- Share charter school financial benchmarks in key budget areas:
 - Fundraising & local revenues
 - Teacher salaries & benefits
 - Facilities & capital outlay
 - Special education
 - Operating income, cash on hand, & fund balance
- Discuss application of benchmarks to budget process
- Discuss strengths and limitations of using such data

Data and methodology



Data

- **Unaudited Actual Data Sets (CDE)**
 - SACS and Alternative Forms (UARs)
 - Corresponding 'Charters' tables (CDS codes, ADA, open date)
 - Fiscal Years 2012-2016
- **Staff Demographic Data (CDE)**
 - Fiscal Years 2013-2015
- **SB740 & CSFIG grantee lists (CSFA)**
 - Fiscal Years 2012-2016
- **County-level data**
 - 2015 per capita personal income (BEA)
 - Regional categorizations (CCSA)

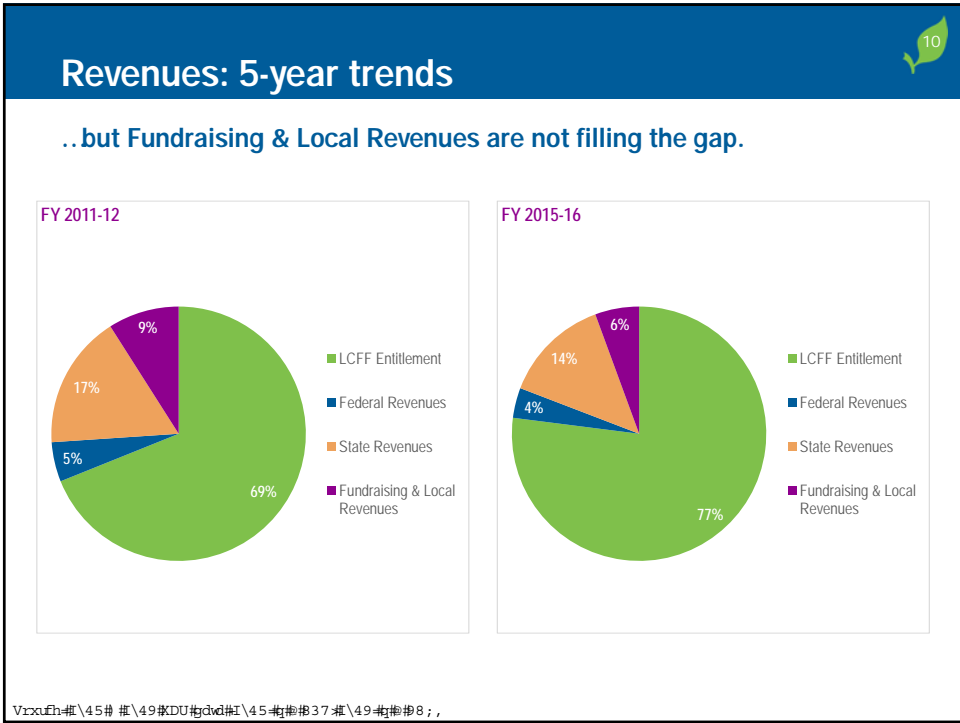
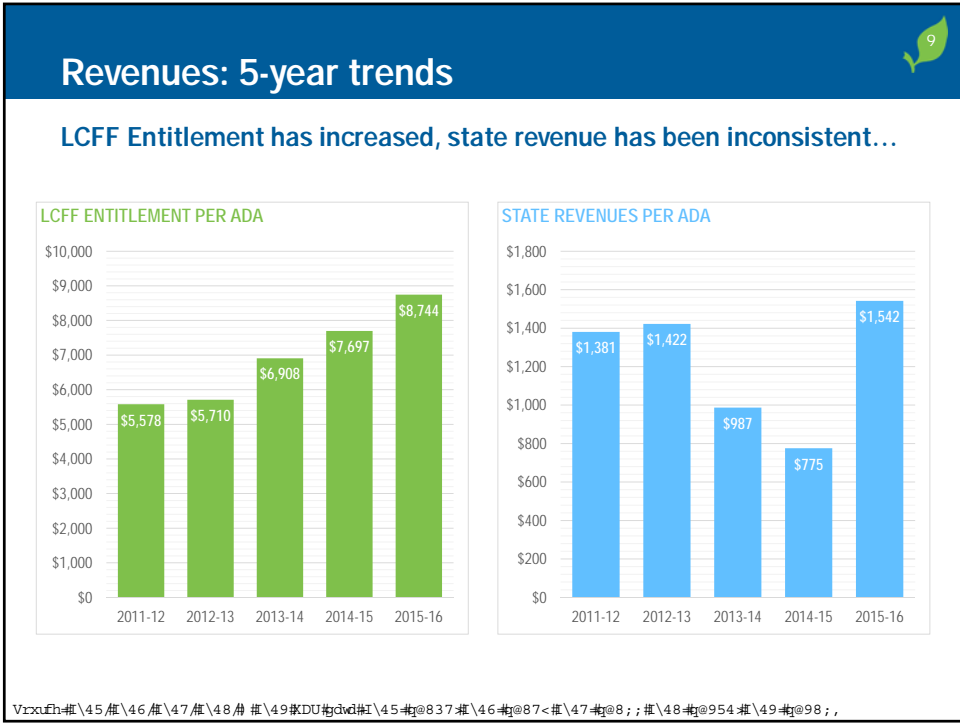
Methodology

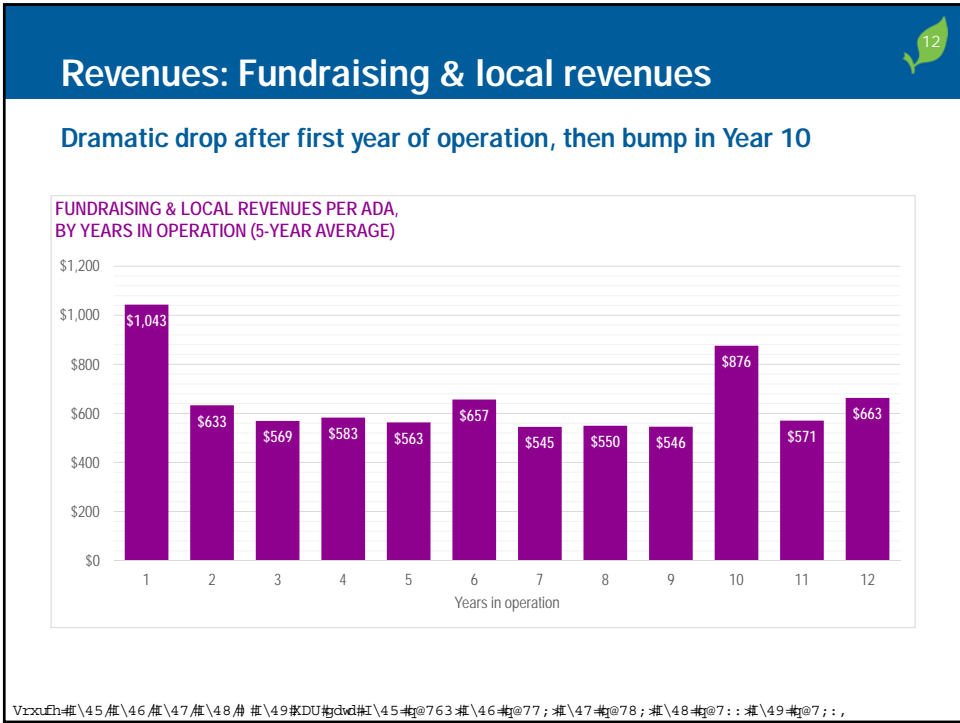
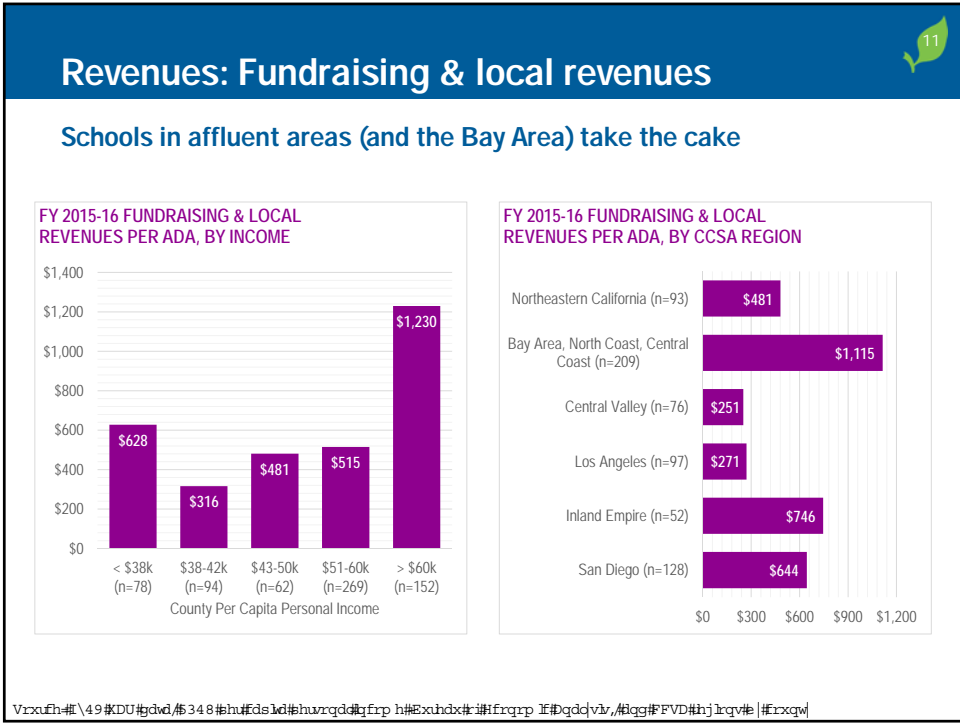
- **Aggregated and linked related data in QlikView**
 - Created categories for comparison (ADA, region, income, years in operation)
- **Analyzed data in Microsoft Excel**

Revenues

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Revenues: Benchmark application

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Fundraising

Discussion questions

- Who leads fundraising activities?
- How is success measured?
- Which fundraisers are the most successful?
- Others?

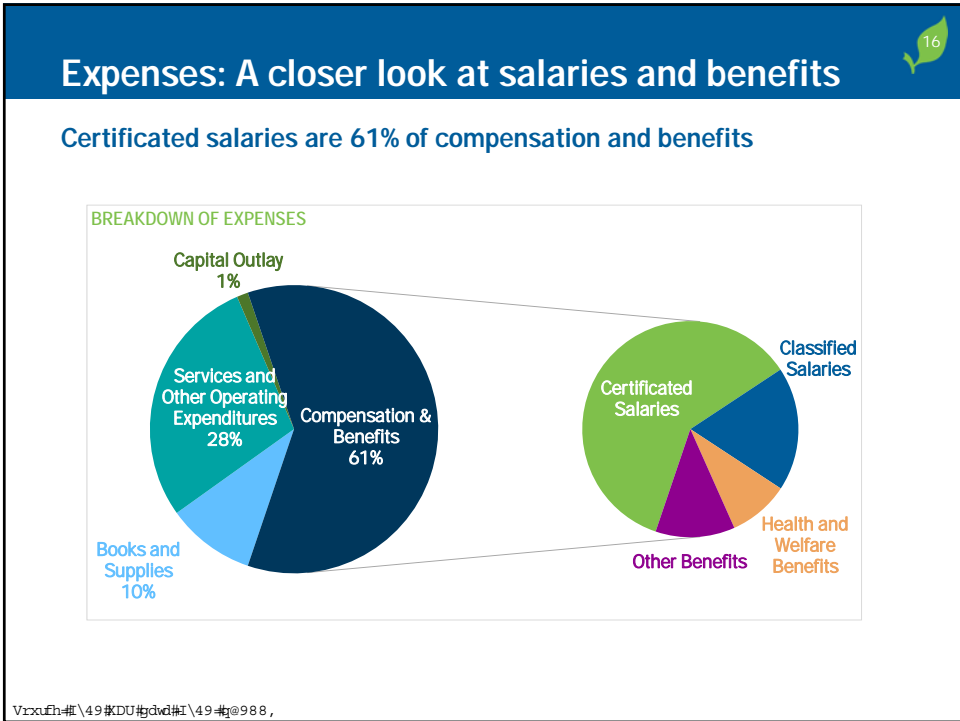
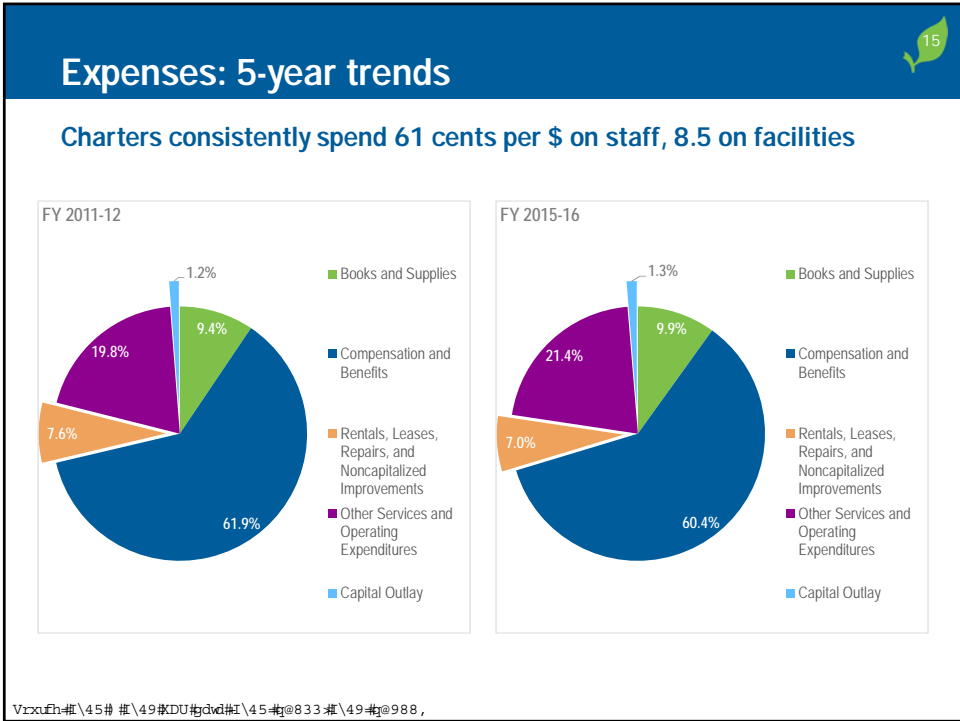
Limitations of data, benchmarks

- "Catch-all" category
- Coding inconsistencies
- Investment of time, money
- Others?

Expenses

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Teacher Salaries: 3-year Trends

The average teacher salary has increased 3-4% each year

AVERAGE TEACHER SALARY

Fiscal Year	Average Salary
2012-2013	\$51k
2013-2014	\$52k
2014-2015	\$54k

- **Teacher Salary Data**
 - Comprised of all salaries coded to 1100 (including substitutes)
 - May not include
 - Stipends
 - PTO Payouts
 - Bonuses
 - Other benefits
 - Cost of living and salary vary widely with geography, age of employees, years of experience, union status, etc.

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Teacher Salaries: What does the future look like?

If salary increases continue to follow the same trend, then the average could reach \$60K in 2019

FORECASTED AVERAGE SALARIES

Year	Actual Average	Forecast	Lower Confidence Bound	Upper Confidence Bound
2013	\$51,000			
2014	\$52,000			
2015	\$54,000			
2016		\$56,000	\$55,500	\$56,500
2017		\$58,000	\$57,500	\$58,500
2018		\$60,000	\$59,000	\$61,000
2019		\$62,000	\$60,500	\$63,500

- Actual Average
- Forecast
- Lower Confidence Bound
- Upper Confidence Bound

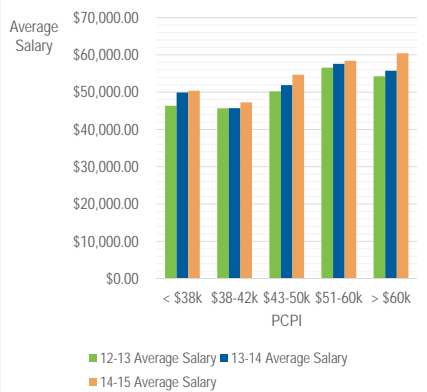
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Teacher Salaries: Does location matter?

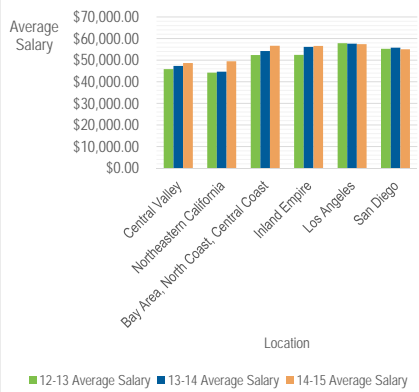
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Average salaries tend to be higher in counties with a greater PCPI as well as in big cities

TEACHER SALARIES BY COUNTY PCPI



TEACHER SALARIES BY LOCATION



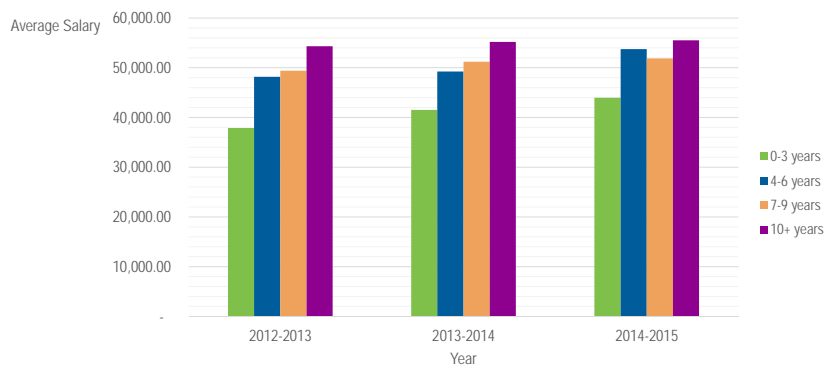
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Teacher Salaries: Older the school, higher the pay

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Average salaries are higher the longer a school is open

AVERAGE TEACHER SALARY BY SCHOOL AGE



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Teacher Salaries: School size matters 21

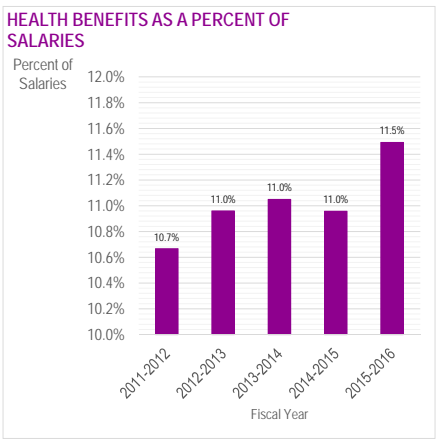
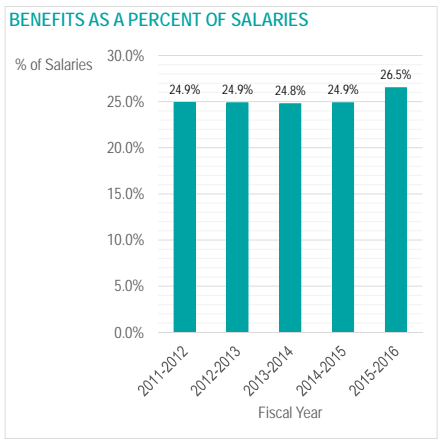
Average salaries increase as the school size increases



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Benefits: In comparison to salaries 22

On average, charters spent 24.9% of salary costs on benefits. There was an increase in 2016 to 26.5%.



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Benefits: How much do we spend on health?

Large schools spend more on health and welfare per employee

HEALTH & WELFARE BENEFITS PER EMPLOYEE

LEAADA	2013	2014	2015
<150	~4,200	~4,500	~5,000
150-299	~6,500	~6,800	~7,500
300-399	~7,200	~7,500	~7,800
400-599	~7,500	~7,800	~8,000
600+	~7,800	~8,500	~9,000

- **Health & Welfare Benefits**
 - Includes all items coded to 3400
- **Employee Count**
 - Includes all employees in the average
- **Cost:**
 - Small schools pay an average \$5K per employee
 - Large schools pay an average of \$9K per employee
- **Items to Note**
 - Assumes everyone receives H&W, could be understated
 - Depends on the options available to schools (family vs. single plan)

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Expenses: Benchmark application

Teacher salaries & benefits

Discussion questions

- Are salary schedules useful?
- How are benefits determined?
- How can schools budget for increasing benefits rates?

Limitations of data, benchmarks

- No FY 2012 data or FY 2016 data (yet)
- 1100 (Teacher Salaries) = “catch-all”
- No distinction of who has benefits
- Others?

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Expenses: Facility cost trends

School facility costs have increased markedly during economic recovery

APPROXIMATE FACILITY COSTS PER ADA

Year	Capital Outlay	Rentals, Leases, Repairs, and Noncapitalized Improvements	Total
2011-12	\$93	\$479	\$572
2012-13	\$83	\$458	\$541
2013-14	\$123	\$467	\$590
2014-15	\$123	\$512	\$635
2015-16	\$130	\$579	\$709

- “Rent”**
 - Includes repairs/improvements and equipment leases
 - 24% increase from FY12 to FY16
 - FY12 middle 50%: \$199-\$901/ADA
 - Median: \$493/ADA
 - FY16 middle 50%: \$298-\$1,136/ADA
 - Median: \$632/ADA
- Capital Outlay**
 - Includes land/land improvements and equipment
 - 40% increase from FY12 to FY16
 - FY12 middle 50%: \$0-95/ADA
 - Median: \$21/ADA
 - FY16 middle 50%: \$1-147/ADA
 - Median: \$41/ADA

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Expenses: Facility grants

Schools with SB740 subsidy still pay their “fair share” of rent

Year	SB740 funding	Other funding
2011-12	\$316	\$522
2012-13	\$438	\$596
2013-14	\$571	\$506
2014-15	\$617	\$506
2015-16	\$622	\$569

*Schools with CSFIG paid \$1,133/ADA in 2015-16 (n=24)

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Expenses: Benchmark application

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Facility costs

Discussion questions

- When should schools rent or own? Pros/cons?
- (If renting) How critical are facility grants?
- How do facility arrangements impact the budgeting process?

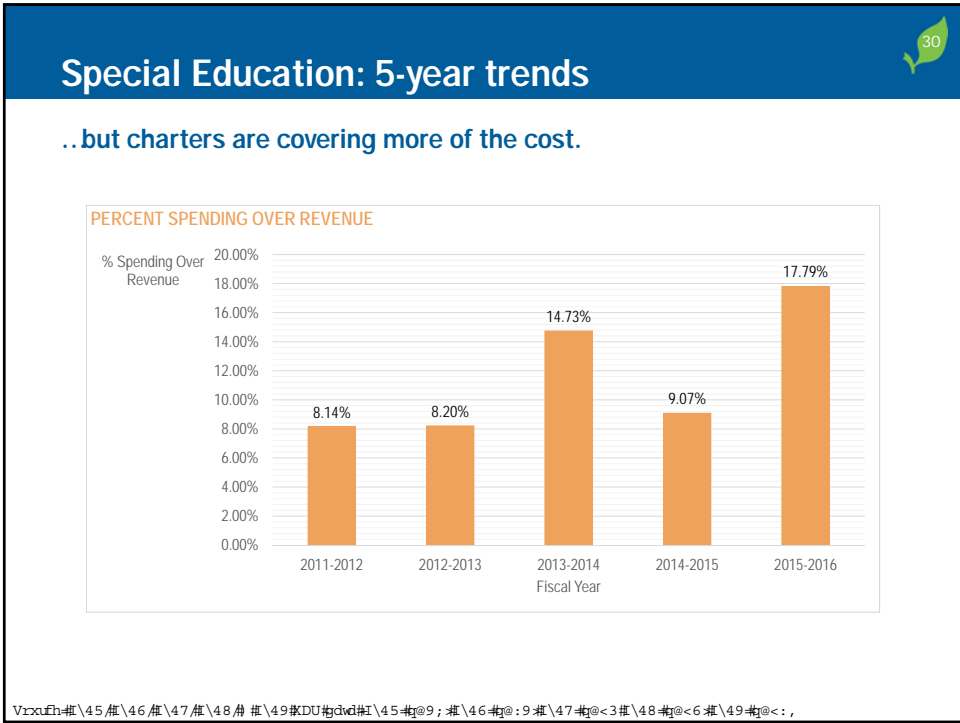
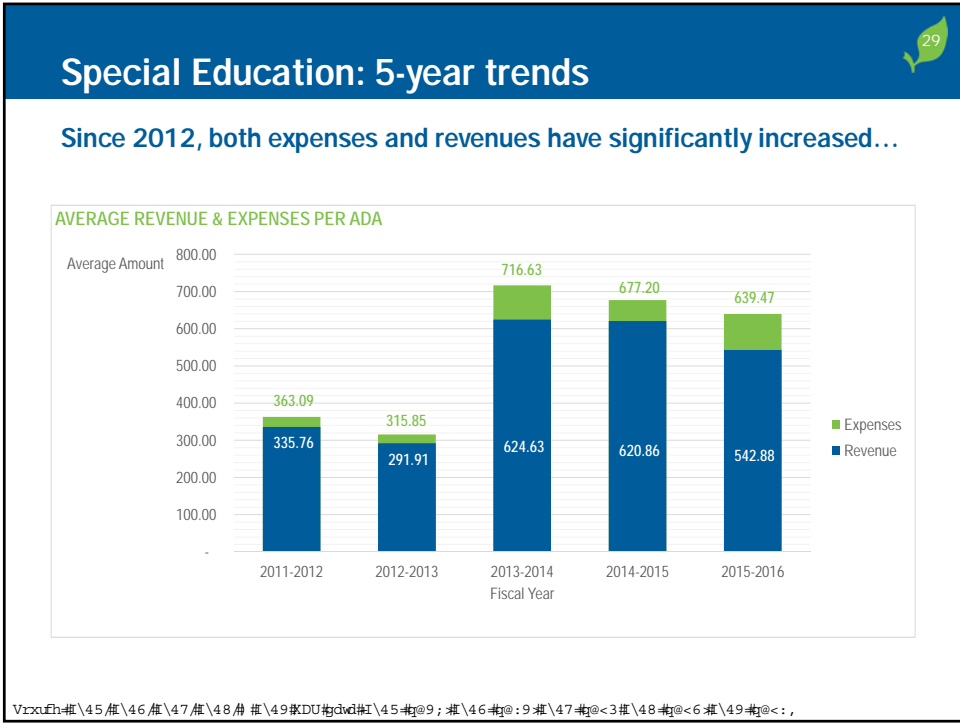
Limitations of data, benchmarks

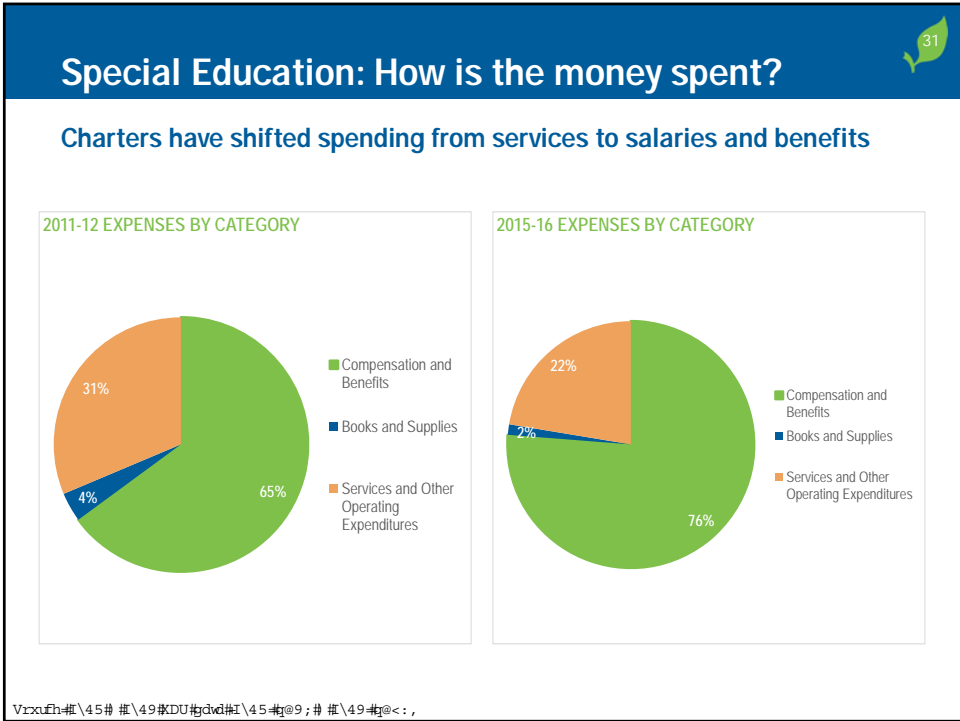
- Rent vs. own?
- Repairs, equipment leases included
- Others?

Special Education

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Special Education: Benchmark application

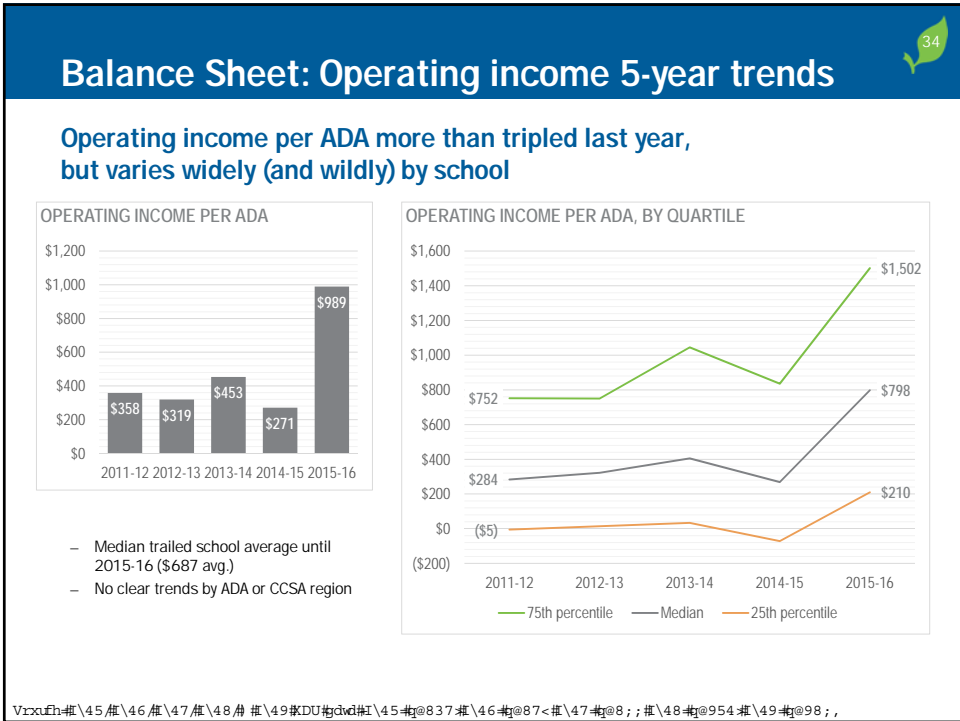
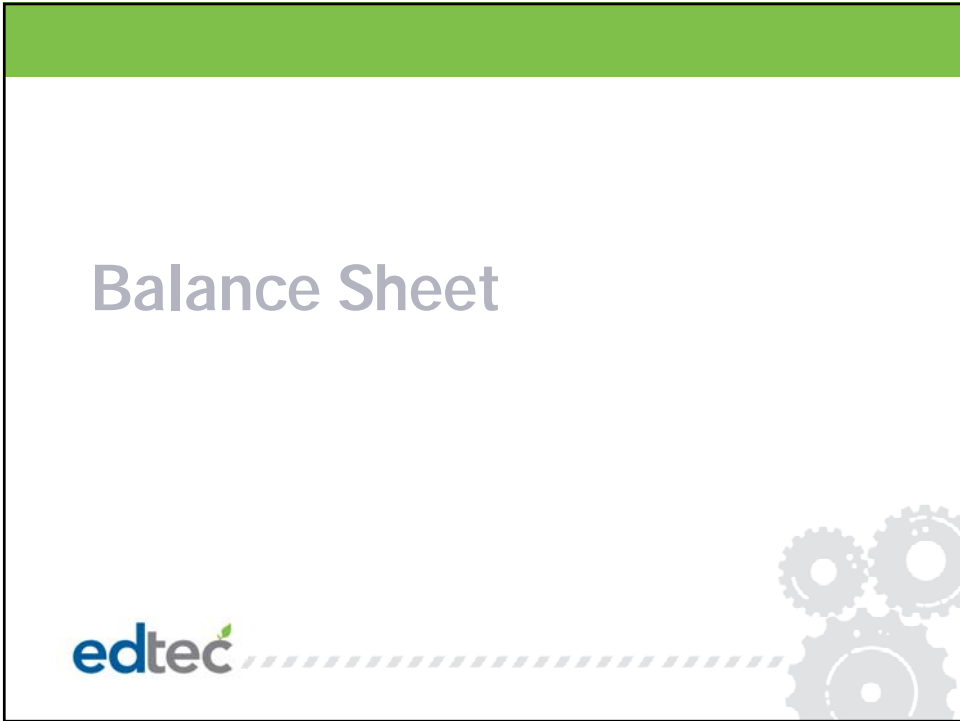
Special Education

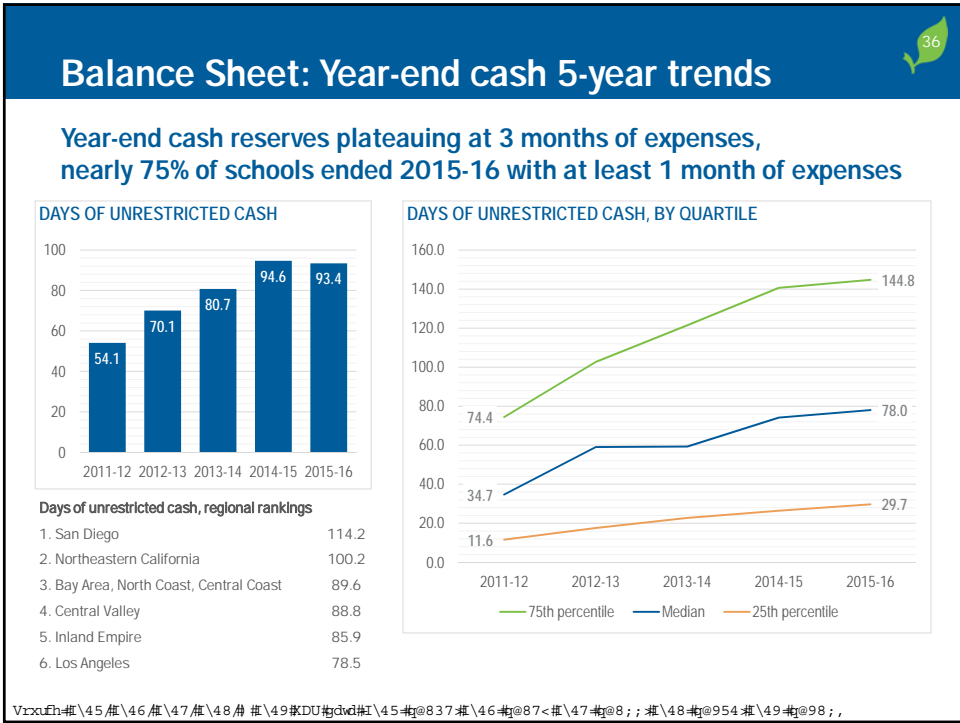
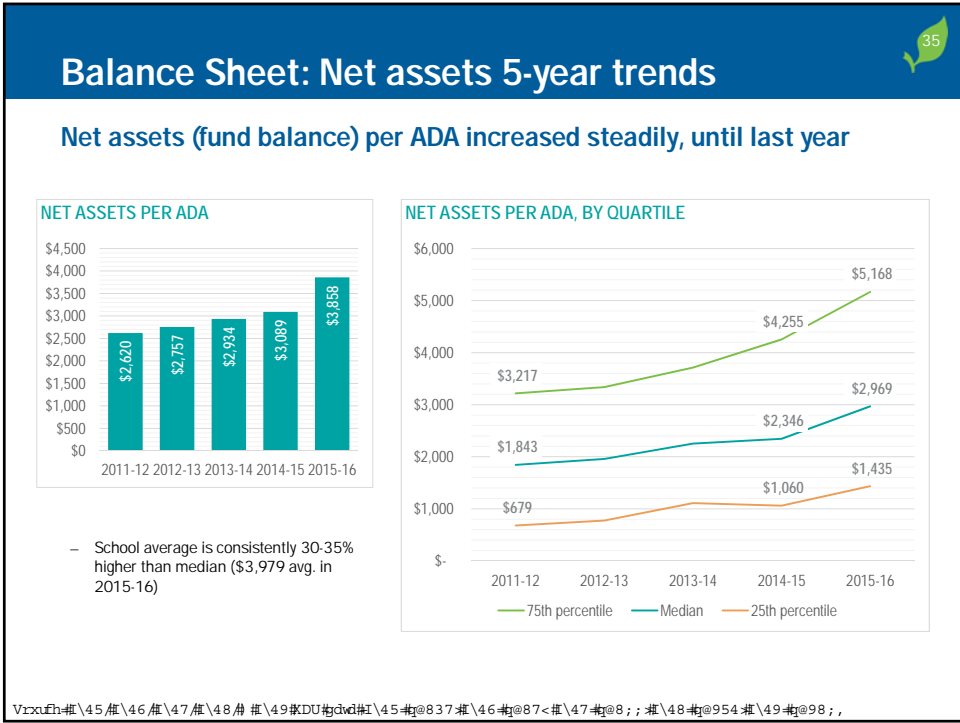
Discussion questions

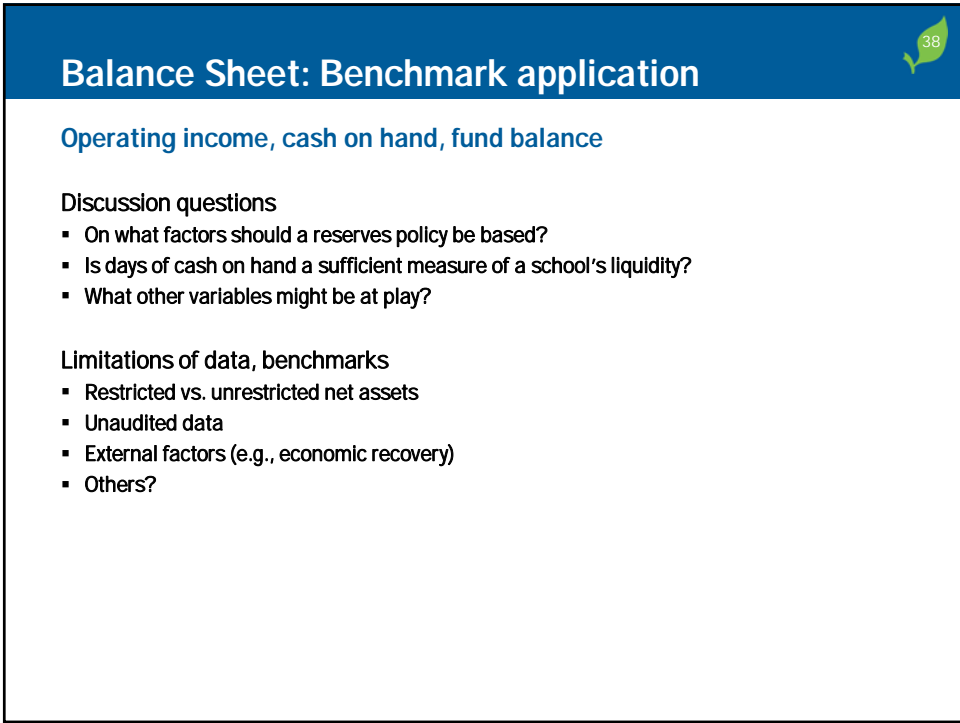
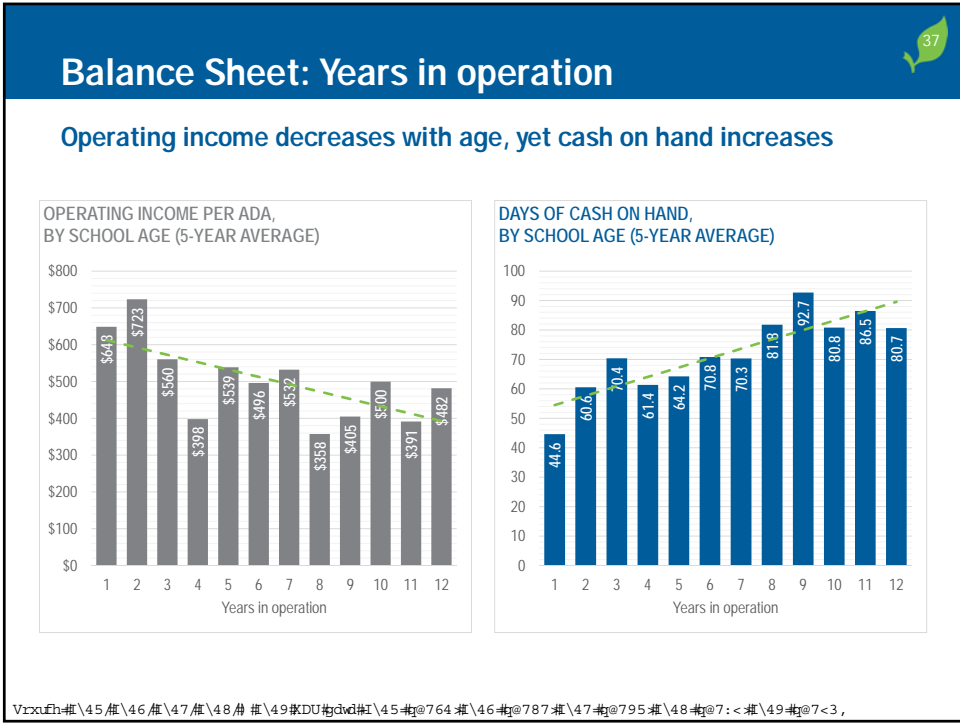
- What percent of expenses does your charter cover from the general fund?
- Are you a part of a district or charter SELPA?
- What are some challenges with running a SpEd program?

Limitations of data, benchmarks

- Only include schools reporting with SACS form
- Does not take into account special education population
- SELPA vs. Non-SELPA
- Only considered 3310-0 and 6500-0 resources
- Others?







Thank you!

ADDITIONAL QUESTIONS? CONTACT US:

Aubrey Marsh: aubrey.marsh@edtec.com

Nick Fradkin: nick.fradkin@edtec.com

Juan Carlos Ramirez: Jramirez@paralosninos.org



510.663.3500 • askus@edtec.com • edtec.com

