
CCSA Annual Conference
Tuesday March 27, 2018

Welcome
Presenters

David Patterson, Ed.D., Director CARSNet (Charter Authorizers Regional Support Network)

Brianna Garcia, Director, Management Consulting Services, School Services of California (SSC)

Darlene Chambers, Ph.D., Senior Vice President National Charter Schools Institute

Debi Deal, CFE Intervention Specialist, FCMAT (Fiscal Crisis & Management Assistance Team)

Miles Dennistinon, Vice President, CSMC (Charter School Management Corporation)
What is CARSNet?
What is CCAP?
Outcomes for the Workshop

• Participants Have an Understanding:
  • Why fiscal viability is critical
  • What are fiscal leading indicators
• Leading indicators developed by CARSNet
• Discussion and your feedback
Why is charter financial oversight critical?

According to the Center for Education Reform, 42% of charter school closures can be attributed to financial deficiencies.
What’s In Ed Code?

**EC 47604.32:** Each chartering authority…shall do all of the following with respect to each charter school under its authority:

...(d) Monitor the fiscal condition of each charter school under its authority
CARSNet Undertook Identifying Fiscal Metrics that Work for California Charter Schools

- Values, Principles and Expectations
- Design Principles
- Authorizers in CA, NACSA, FCMAT, School Services
- Guidance from NACSA, standards being used in other states
Three Categories of Accountability

Metrics - 1

- Near-Term Measures, Sustainability and Financial Compliance
- These are leading indicators for the school
- Work ongoing to consolidate further
<table>
<thead>
<tr>
<th>Measure</th>
<th>Metric</th>
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<tbody>
<tr>
<td><strong>Near-Term Measures</strong></td>
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</tr>
<tr>
<td>1.a</td>
<td>Current ratio</td>
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<tr>
<td>1.b</td>
<td>Unrestricted days cash on hand</td>
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<tr>
<td>1.c</td>
<td>Enrollment variance</td>
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<tr>
<td>1.d</td>
<td>Unduplicated pupil percentage (UPP) variance</td>
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<tr>
<td>1.e</td>
<td>Default</td>
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<tr>
<td><strong>Sustainability Measures</strong></td>
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<tr>
<td>2.a</td>
<td>Total margin</td>
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<tr>
<td>2.b</td>
<td>Debt to asset ratio</td>
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<tr>
<td>2.c</td>
<td>Cash flow monitoring</td>
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<tr>
<td>2.d</td>
<td>Debt service coverage ratio</td>
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<tr>
<td>2.e</td>
<td>Minimum Proportionality Percentage (MPP)</td>
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<td><strong>Financial Compliance Measures</strong></td>
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<tr>
<td>3.a</td>
<td>Financial reporting and compliance requirements</td>
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<tr>
<td>3.b</td>
<td>Generally Accepted Accounting Principles (GAAP)</td>
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Working Smarter, Not Harder

• Using Technology to Make Fiscal Reporting More Timely, Efficient and Transparent

• Epicenter
EVERYTHING YOU NEED, ALL IN ONE LOGIN

From processing charter applications and managing compliance to automating workflow and evaluating performance, Epicenter has everything you need to get results.

Streamline Compliance & Workflow
Assess Academic Performance
Monitor Financial Health
Automate Recurring Activities
Strengthen Communications & Transparency
Manage the Charter Lifecycle
Manage Documents & Reporting
Collaborate Across Organizations
Epicenter Scorecard: Financial Oversight and Monitoring

- Automatically scores defined financial targets
- Only the Scorecard provides trend data
- Populates data in Annual Reports
- Centrally stores and delivers transparent data
- At a glance, provides a portfolio view
Hope Academy

Financial & Compliance Performance Report

Address
1021 Allor Rd
Detroit, MI 48215

Phone
(313) 542-0224

Grades Served
PK - 08

School Code
Various

Term of Agreement
2010 - 2016

School Year: 2016-2017

Financial Condition

- Change in Net Assets: Meets Standards
- Current Ratio: Meets Standards
- Net Asset Ratio: Meets Standards
- Cash on Hand Ratio: Does Not Meet Standards
- Loan Delinquency: Meets Standards

Financial Controls

- Financial Controls - Audit: Exceeds Standards

Reporting

- Document Timeliness: Meets Standards

Legal Compliance

- Legal Compliance: Meets Standards
Epicenter – Quick Overview
On-Line Document Management and Oversight Tool
Panel Discussion
Your Questions and Input - 1

Panelists

• Miles Denniston - Vice President, CSMC (Charter School Management Corporation)
• Debi Deal – CFE – Intervention Specialist, FCMAT (Fiscal Crisis & Management Assistance Team)
Panel Discussion
Your Questions and Input - 2

Leading Questions

1. How will fiscal metrics and ratios help the school and the authorizer identify when a school is doing well, is facing fiscal pressures, or is at serious risk of failure?

2. How effective do you think small charter schools and small authorizers can be in using these fiscal metrics and ratios?

3. What are the two top things CARSNet, CCAP and the authorizing community should be considering in further developing and implementing these standards?
Additional Resources

CARSNet Website
www.carsnet.org

CCAP Website
www.calauthorizers.org
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