

Charter Application Review

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First Charter Authorized by Sarasota in 1996

History of the Charter School Application Process

- ▶ Originally, charter school legislation was interpreted on a district by district basis. There was no uniform application process.
- ▶ After many charter school failures, the Office of School Choice was created to establish procedures.
- ▶ The draft application that is currently open for comment is very comprehensive.

Model Florida Charter School Application

- ▶ The Model Florida Charter School Application, issued August 20, 2015, was prepared for the Florida Department of Education by the National Association of Charter School Authorizers.
- ▶ Limits an application to 75 pages for new applications and 100 pages for Charter School Application Addendums for replication and/or educational service providers.
- ▶ Pages must be one sided with no less than 1” margins and 12-point font.

Model Florida Charter School Application

- ▶ The revised model adds needed detail to identify applicant groups that are filing charter school applications in multiple school districts.
- ▶ Allows school districts the ability to modify the model application, if so desired.
- ▶ In the event of a charter appeal to the State Board, proper completion of the Evaluation Instrument will assist the State Board in making their decision.

Model Florida Charter School Application

- ▶ The Model Charter Application increased from 19 to 22 Sections.

New Sections:

- ▶ Professional Development
- ▶ Parent and Community Involvement
- ▶ School Safety and Security
- ▶ Replaced Action Plan with Start up Plan
- ▶ Added addendums for replications and educational service providers

The Finance Officer's Role

Charter Application Review

- ▶ Application Cover Sheet - Five year enrollment
- ▶ Target population and Student Body - Should provide insight into weighted FTE program funding.
- ▶ Organizational Plan - Governance - Should describe how the charter will be financially sustainable.
- ▶ Management and Staffing - Should include all personnel. This will need to be verified against the submitted budget document.

The Finance Officer's Role Charter Application Review

- ▶ Human Resources and Employment - Should include all personnel salary ranges and employment benefits. This will need to be verified against the submitted budget document.
- ▶ Professional Development - Should describe the staff training and development activities This will need to be verified against the submitted budget document.
- ▶ Parent and Community Involvement - Need to determine if any financial commitments are being established that should be included in the budget.

The Finance Officer's Role

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- ▶ Facilities - Should include anticipated utilities and maintenance costs for the facility. This will need to be verified against the submitted budget document. If applicable, any additional funding sources identified in this section should be verified against the budget.
- ▶ Transportation - Should provide information on how the charter will serve eligible students. The budget should reflect both revenues and expenditures for the transportation plan.

The Finance Officer's Role Charter Application Review

- ▶ Food Service - Should indicate plans for contracting services or participation in the National School Lunch Program. The budget document should contain all anticipated revenues and expenditures described in this section.
- ▶ School Safety and Security - Should explain types of security personnel, technology, equipment, etc. The costs associated with school safety and security will need to be verified against the submitted budget.

The Finance Officer's Role Charter Application Review

Budget

- ▶ Review each year of the operating budget, up to a maximum of 5 years of the requested charter term, to ensure it contains all revenues, expenditures and anticipated fund balance.
- ▶ The revenue section should use the Charter School Revenue Estimate Worksheet found on the Florida DOE Office of Funding and Financial Reporting web site. This will be used to determine whether the estimated student FTE by program is consistent between the budget and the application.

The Finance Officer's Role Charter Application Review

Budget

- ▶ A start up budget must be included. It should detail any anticipated costs the applicant will incur prior to receiving any FTE payments. **The start up budget should be consistent with the Start Up Plan, Section #22 of the application, and contain a monthly cash flow of revenues and expenditures for each month of the start up period to the beginning of the first fiscal year of operation.** Evidence of funding for the start up budget should be documented. If the funding is from donors, foundations, etc., letters or memorandums of understanding should be attached.

The Finance Officer's Role Charter Application Review

Budget

- ▶ Federal Start up grants are no longer guaranteed, they are competitive, and as such should not be relied on for the start up operations of the school.
- ▶ If loans are being secured for implementation costs, documentation should be provided detailing the amount and repayment period. The debt payments, including interest expense, must be included in the subsequent years operating budget of the school.

The Finance Officer's Role Charter Application Review

Budget

- ▶ Detailed narrative descriptions should be included with the line item expenditure calculations. These will be used to determine whether the salary, employee benefit, and other non-salary expenditure assumptions identified in the various sections of the application are consistent with the budget.
- ▶ An explanation of the mechanisms the governing board will use to monitor the school's financial health and compliance including any strategies for addressing revenue shortfalls due to lower than expected enrollment.

The Finance Officer's Role Charter Application Review

Budget

- ▶ A monthly cash flow for the first full year of operation must be provided which reflects a fund balance at the end of the first fiscal year of operation of no less than 2% of annual FTE revenues.
- ▶ A description of any planned fundraising efforts.
- ▶ A budget that does not meet these standards is cause for denial of an application. The budget review must be thoroughly documented for areas of non-compliance and material omissions.

The Finance Officer's Role Charter Application Review

Financial Management and Oversight

- ▶ A clear description of how the school's finances will be managed including the name of the responsible individual or contracted entity. If a contracted entity will be used, make sure the cost is included in the budget.
- ▶ This section must include insurance coverage the school will obtain, including applicable health, workers compensation, general liability, property, directors and officers' liability coverage. The associated costs should be reflected in the budget.

The Finance Officer's Role

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Financial Management and Oversight

- ▶ A description of the school's controls to safeguard finances including the plan and procedures for conducting an annual audit as well as regular review by the governing board. The cost of the audit should be contained in the budget.
- ▶ An explanation on how the school will store student and financial records.
- ▶ A description as to how the school will ensure financial transparency to the authorizer and the public, including its plans for public adoption of its budget, and public dissemination of its regular financial reports and annual audit.