

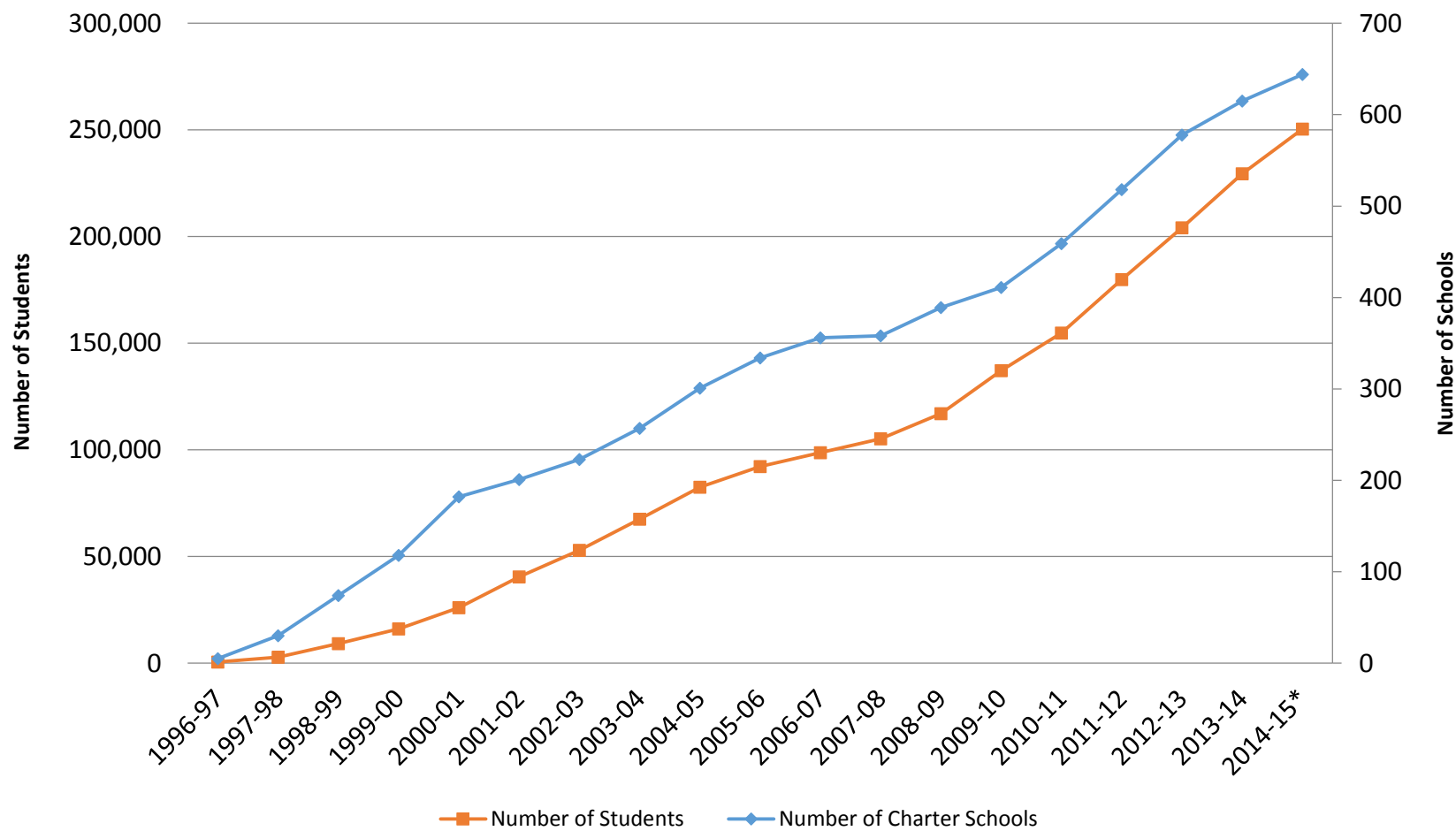


# Monitoring Charter Schools

FSFOA, Fall 2015 Conference, Mini Session

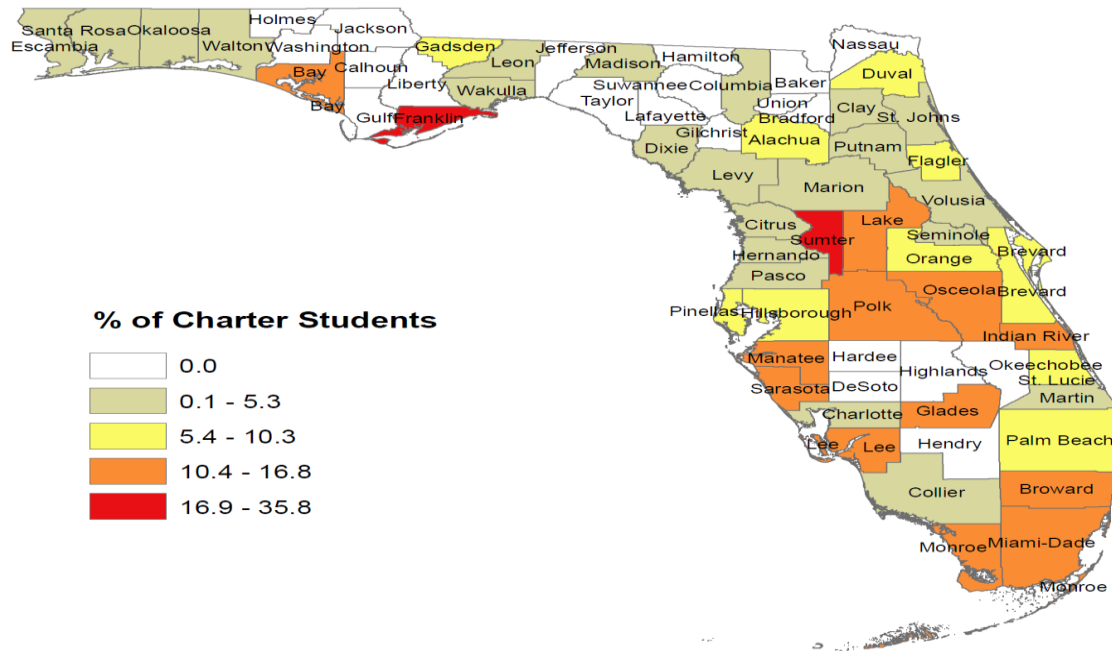
Presenter: Link Jarrett

## Historical Growth

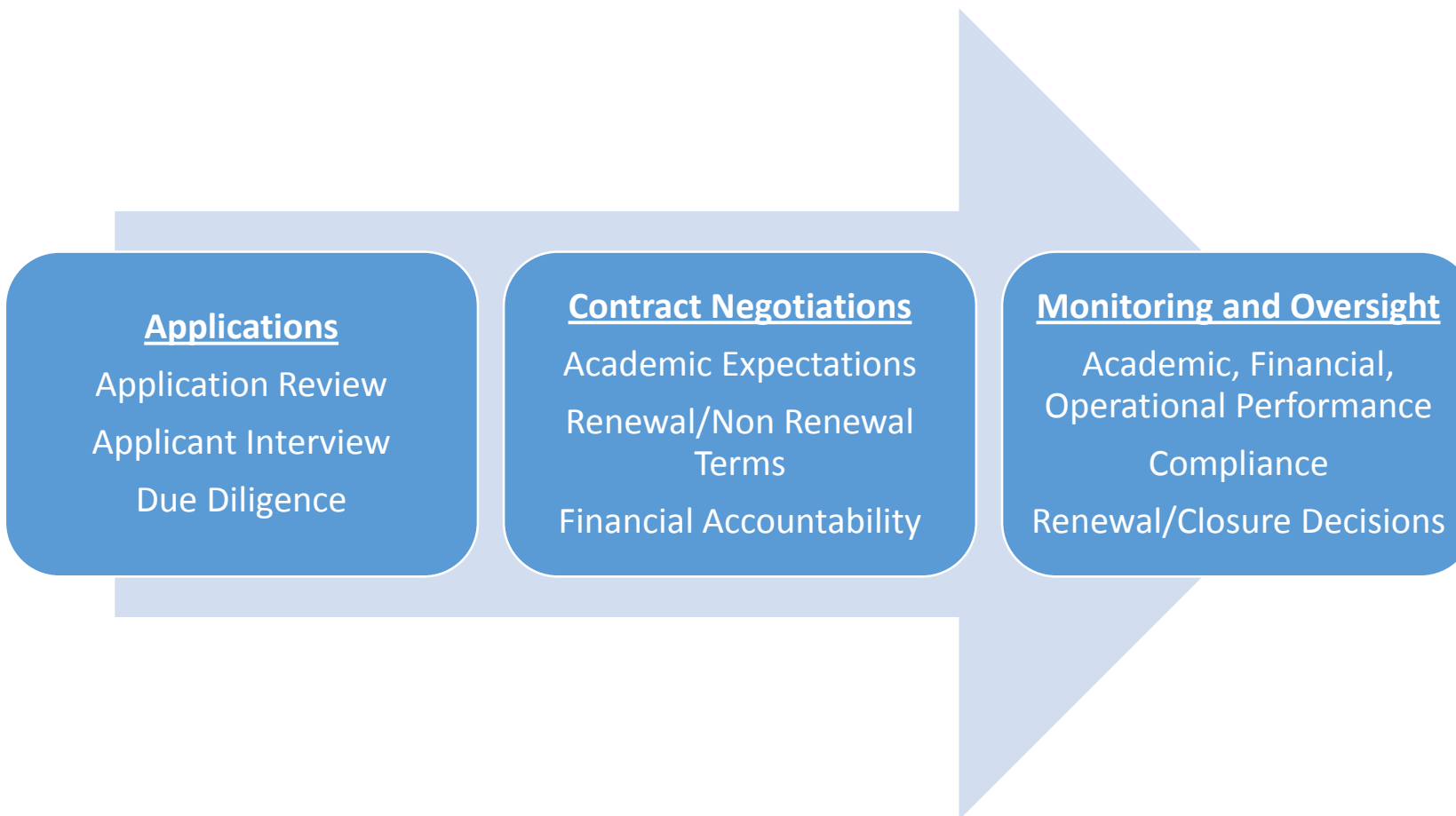




### Charter Students as a Percentage of Total Public School Membership 2014-15



# Charter School Authorizing Process



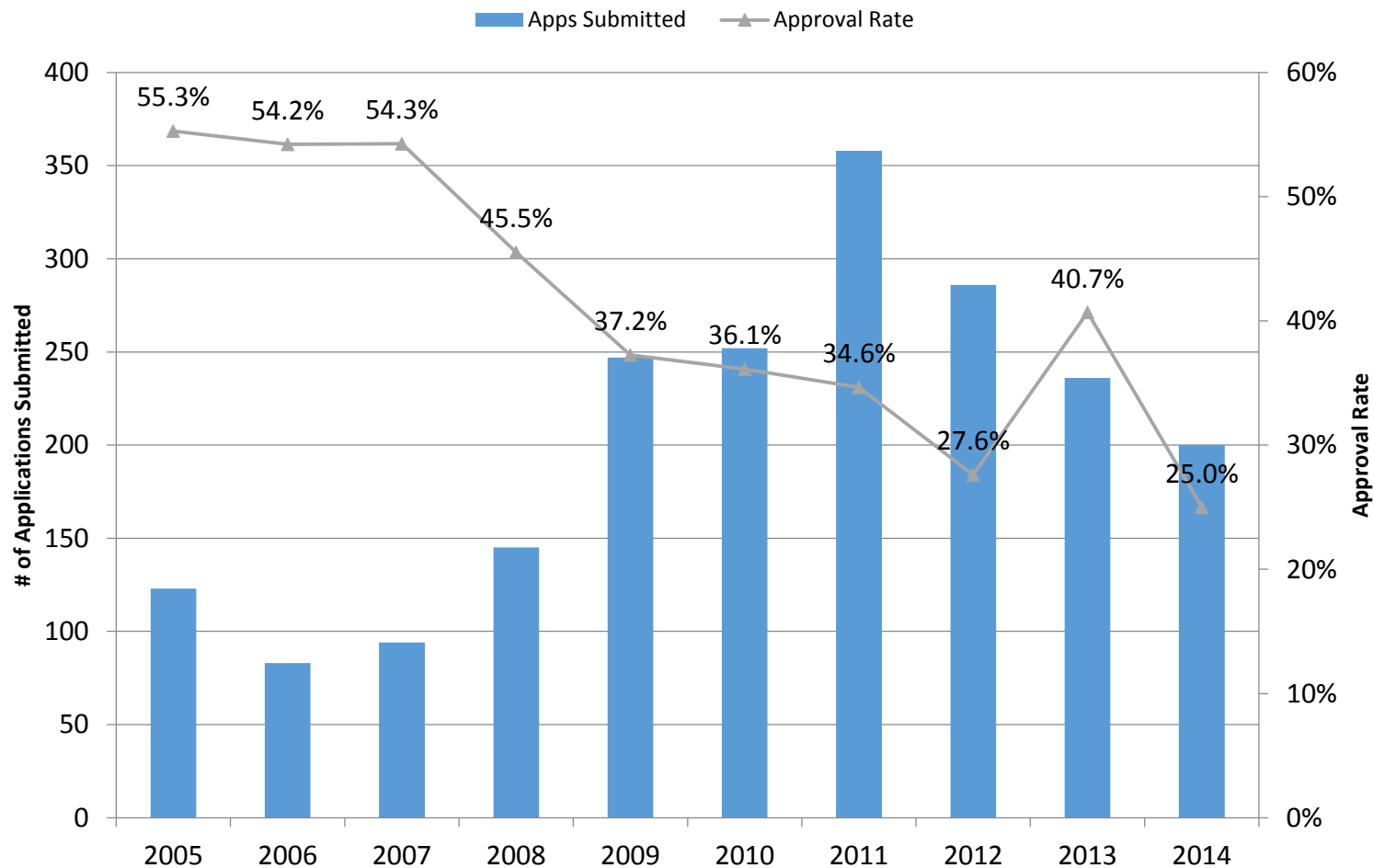
## Model Forms for Charter Schools and Sponsors

- Model Forms
  - Charter School Application
  - Application Evaluation Instrument
  - Charter School Standard Contract
- Purpose
  - Ensure rigor and consistency
  - Set high standard for charter approvals and performance

## Model Charter School Application

- Required for all applicants
- Developed in consultation with districts, operators, and national experts (2009)
- Districts may request information of the applicant in addition to what is on the model application
- Recent and proposed revisions

# History of Application Approval Rate



# Model Charter School Application Recent Revisions

- Applicant History Worksheet
  - Adopted by State Board of Education -June 2015
  - Completed by applicants with previous charter school experience
    - Individual (leadership), governing board, management company
  - 5 years of data per charter school
    - Status (active/closed)
    - Enrollment and Free and Reduced Lunch%
    - Academic performance
      - Grade/School Improvement Rating
    - **Financial performance**
      - **Fund balance**
      - **Financial emergency condition**

# Model Charter School Application Proposed Revisions

- Substantial revisions to current application
- Collaborative effort
  - National Association of Charter School Authorizers (NACSA)
  - Districts and Operators
    - Florida Association of Charter School Authorizers (FACSA)
    - Florida Charter School Alliance
    - Florida Consortium of Public Charter Schools
- Rule workshops September 21-22, 2015
- Projected adoption by State Board of Education: January 2016



## Current Management Section

- Describe the management structure of the school. Include job descriptions for teachers and each administrative position that identify key roles, responsibilities and accountability.
- Outline the criteria and process that will be used to select the school's leader.
- Provide a staffing plan for each year of the charter term aligned with the school's projected enrollment as detailed on the cover page of this application.
- Explain the school's plan for recruitment, selection, and development.

## Proposed Management Section

- Submit as Attachment J organization charts that show the school governance, management, and staffing structure in
  - The first year of school operations
  - At the end of the charter term; and
  - When the school reaches full capacity, if in a year beyond the first charter term.
- Each organization chart should clearly delineate the roles and responsibilities of and lines of authority and reporting among the governing board, staff, and any related bodies (such as advisory bodies or parent/teacher councils), and any external organizations that will play a role in managing the school. **The organization charts should also specifically document lines of authority and reporting within the school.**
- Identify the principal / head of school candidate **and explain why this individual is well-qualified to lead the proposed school in achieving its mission.** Summarize the proposed leader's academic and organizational leadership record. **Provide specific evidence that demonstrates capacity to design, launch, and manage a high-performing charter school.** If the proposed leader has never run a school, describe any leadership training programs that (s)he has completed or is currently participating in. Discuss the evidence of the leader's ability to effectively serve the anticipated population. Also provide, as Attachment K, the proposed job description and resume for this individual.
- --OR--
- If no candidate has been identified, discuss the process and timeline for recruiting, selecting, and hiring the school leader. Describe the criteria to be used in selecting this leader, and provide as Attachment L the position's qualification requirements. **What are the key skills and competencies for the school leader? What qualities must the school leader have for this school to be successful?**
- Describe the management structure of the school. As Attachment M provide job descriptions for each administrative or leadership position that identifies key roles, responsibilities, and accountability.
- Provide a staffing plan for each year of the charter term that includes all anticipated personnel and is aligned with the school's projected enrollment and with all other sections of the application. Provide as Attachment N the proposed job description and qualification requirements for the school's teachers.
- Explain the school's plan for recruitment, selection, and development of a highly qualified and appropriately certified instructional staff that is aligned with applicable federal laws and state requirements as well as the school's design.



## Current Budget Section

- Provide an operating budget covering each year of the requested charter term that contains revenue projections, expenses and anticipated fund balances. The budget should be based on the projected student enrollment indicated on the cover page of the application.
- Provide a start-up budget that contains a balance sheet, revenue projections, including source of revenues, expenses, and anticipated fund balance. The start-up budget must cover any period prior to the beginning of FTE payments in which the school will expend funds on activities necessary for the successful start-up of the school.
- Provide a detailed narrative description of the revenue and expenditure assumptions on which the operating and start-up budget are based.
- *The budget narrative should provide sufficient information to fully understand how budgetary figures were determined.*
- Explain how the governing board will monitor the budget, including a strategy for addressing revenue shortfalls due to lower than expected enrollment.
- Provide monthly cash flow projections for the school's start-up period (i.e. from the date on which the application is approved to the beginning of the first fiscal year of operation) through the first year of operation.
- Describe the school's fundraising plan, if applicable. Report on the current status of any fundraising efforts, including verification of any fundraising monies reported in the school's start-up or operating budgets.

## Proposed Budget Section

- Provide an operating budget covering each year of the requested charter term that contains revenue projections (using the Florida charter school revenue estimate worksheet as Attachment U), expenses, and anticipated fund balances. The budget should be based on the projected student enrollment indicated on the cover page of the application.
- Provide a start-up budget that contains a balance sheet, revenue projections, including source of revenues, expenses, and anticipated fund balance. The start-up budget must cover any period prior to the beginning of FTE payments in which the school will expend funds on activities necessary for the successful start-up of the school.
- **If sources of funding are anticipated beyond those typically provided by local, state, and federal governments (such as funding from foundations, donors, grants), provide evidence of such funding (e.g. MOU, letters) as Attachment V.**
- Provide a detailed narrative description of the line-item revenue and expenditure assumptions on which the operating and start-up budget are based. The budget narrative should provide sufficient information to fully understand how budgetary figures were determined.
- Describe the strategy for adjusting the proposed budget should the number of enrolled students fall short of projections and/or anticipated receipt of any funding does not materialize.
- Provide monthly cash flow projections for the school's start-up period (i.e. from the date on which the application is approved to the beginning of the first fiscal year of operation) through the first year of operation.

## Standard Contract

- Authorized in 2013
- Developed in two stages
  - Draft to Legislature November 1, 2013
  - Rule adopted November 2014
    - Rule making initiated at conclusion of 2014 session
    - Six rule development workshops
- May be amended by parties
  - Standard contract must be starting point for negotiations
  - Does not become default if parties cannot agree

## Standard Contract: Provisions

- Approved application is incorporated
- Assets considered public unless otherwise documented
- District may withhold payment to cover cost of school's final audit
- If actual enrollment is less than 75% of projected enrollment, school must adopt revised budget
- Funding adjusts immediately if actual enrollment is less than 75% of projected enrollment for initial FEFP payments
- District may withhold FEFP payments if school's certificates expire
- District may withhold FEFP payments if school fails to submit monthly financial reports or annual audit

## Statutory Accountability: Financial

- Sponsor shall monitor the revenues and expenditures of the charter school
- Charter school may be terminated for failure to meet generally accepted standards of fiscal management
- Charter school may be terminated if charter school has two consecutive audits with a financial emergency condition

## Reporting Requirements in Law

- Monthly financial statement that contains balance sheet and statement of revenues, expenditures and changes in fund balance
- Annual audit
- Annual program cost report
- Annual progress report
  - Student achievement data
  - Financial status
  - Documentation of current facilities in use
  - Descriptive information about personnel, including salaries and benefits



# Uniform Monthly Financial Statement

Governmental Accounting Standards Board (GASB) Monthly Financial Form  
(School Name) with MSID Number ( )  
County, Florida  
Balance Sheet (Unaudited)  
(DATE)

	Accounts	General Fund	Special Revenue Fund	Debt Service	Capital Outlay	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	1110	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1160					-
Grant receivables	1130					-
Other current assets	12XX					-
Deposits	1210					-
Due from other funds	1140					-
Other long-term assets	1400					-
<b>Total Assets</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts payable	2120	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries, benefits, and payroll taxes payable	2110, 2170, 2330					-
Deferred revenue	2410					-
Notes/bonds payable	2180, 2250, 2310, 2320					-
Lease payable	2315					-
Other liabilities	21XX, 22XX, 23XX					-
<b>Total Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>						
Nonspendable	2710					-
Restricted	2720					-
Committed	2730					-
Assigned	2740					-
Unassigned	2750					-
<b>Total Fund Balance</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# Uniform Monthly Financial Statement

FTE Projected FTE Actual	(School Name) with MSID Number (____) County, Florida Statement of Revenue, Expenditures, and Changes in Fund Balance (Unaudited) For Month or Quarter Ended and For the Year Ending ____ (DATE) ____																				
	% Percent of Projected																				
	General Fund				Special Revenue				Debt Service				Capital Outlay				Total Governmental Funds				
Account Number	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	
<b>Revenue</b>																					
<b>FEDERAL SOURCES</b>																					
Federal direct	3100	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%
Federal through state and local	3200																				
<b>STATE SOURCES</b>																					
FEPP	3310																				
Capital outlay	3397																				
Class size reduction	3355																				
School recognition	3361																				
Other state revenue	33XX																				
<b>LOCAL SOURCES</b>																					
Interest	3430																				
Local capital improvement tax	3413																				
Other local revenue	34XX																				
<b>Total Revenue</b>																					
<b>Expenditures</b>																					
<b>Current Expenditures</b>																					
Instruction	5000																				
Instructional support services	6000																				
Board	7100																				
School administration	7300																				
Facilities and acquisition	7400																				
Fiscal services	7500																				
Food services	7600																				
Central services	7700																				
Pupil transportation services	7800																				
Operation of plant	7900																				
Maintenance of plant	8100																				
Administrative technology services	8200																				
Community services	9100																				
Debt service	9200																				
<b>Total Expenditures</b>																					
<b>Excess (Deficiency) of Revenue Over Expenditures</b>																					
<b>Other Financing Sources (Uses)</b>																					
Transfers in	3600																				
Transfers out	9700																				
<b>Total Other Financing Sources (Uses)</b>																					
<b>Net Change in Fund Balance</b>																					
Fund balances, beginning																					
Adjustments to beginning fund balance																					
<b>Fund Balance, Beginning as Restated</b>																					
<b>Fund Balance, Ending</b>		\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%

## Expedited Reviews and Financial Corrective Action

- Districts can require financial corrective action plans if:
  - Charter fails to comply with reporting requirements
  - Audit reveals financial condition or deteriorating financial condition
  - Review of monthly financial statement reveals deteriorating financial condition. This may include, but is not limited to the following situations:
    - Enrollment less than 70% of projected
    - Enrollment insufficient to generate necessary revenues
    - Actual expenses exceed budgeted expenses for three consecutive months
    - Unbudgeted need arises for which school has insufficient reserves

## Sponsor (District) Authority to Close Charter School

- Statutory authority
  - Failure to participate in the state's education accountability system created in section 1008.31, Florida Statutes
  - Failure to meet the requirements for student performance stated in the charter contract
  - Failure to meet generally accepted standards of fiscal management
  - Violation of law
  - Other good cause shown
- Contractual terms
  - Standard contract includes 18 good cause reasons for termination or non-renewal

## Links to Forms

- Model Forms- <http://www.fldoe.org/schools/school-choice/charter-schools/charter-school-reference>
  - Model application
  - Application evaluation instrument
  - Standard contract
  - Monthly financial statements forms
- Revisions to Model Application
  - <http://www.fldoe.org/schools/school-choice/charter-schools/charter-school-reference/rules-under-development.shtml>



[www.FLDOE.org](http://www.FLDOE.org)



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