

# Larchmont Schools

## Financial Update



© EdTec, 2013

**edtec**  
Business and Development Specialists  
for Charter Schools

October 8, 2013

Kelly Theofanis

# Discussion Agenda



- 2012-13 Close: Pending Items (pre-audit)
- 2013-14
  - CA Budget Update: Local Control Funding Formula
  - Forecast Updates
  - Common Core Funding – Public Hearing

# 2012-13 Close: Pending Items



- The following items are still under review and may impact year-end totals:
  - Vacation accruals
  - Child nutrition June entries
  - Pre-EdTec depreciation adjustments
  - Final fundraising amounts
  - SB 740 facilities reimbursement final amounts
- All pending items will be resolved before formal audit (early November) and reviewed by the finance committee.
- Detailed financials will be presented at the next board meeting.

2013-14

CA Budget Update: Local Control Funding Formula  
Forecast Updates  
Common Core Funding – Public Hearing

# California State Budget Overview

With \$2.1B established for LCFF during 2013-14, the CDE has certified the Advance Apportionment with an increase in funding for all schools.

- California's 2013-14 Budget approved in June provided good news:
  - \$2.1B will be distributed via the Local Control Funding Formula
    - This will benefit Larchmont, as charters have been locked out of many categorical funding available to districts
    - Schools with high counts of FRL, ELL, or Foster students will benefit through Supplemental increases to that funding
- Advance Apportionment confirmed a positive outlook:
  - While the CDE is still solidifying the calculations driving the LCFF, it has increased the Advance Apportionment by \$1.5B
  - This results in a 4.62% increase in general purpose funding for all schools
  - Short-term cash outlook is improved, with no fall deferrals
  - EPA funding will be apportioned in quarterly installments as expected
- CDE noted that final LCFF funding will be calculated at P-2.
  - It's possible that the CDE could recertify the Advance Apportionment or make LCFF calculations at P-1, but CDE left the door open for actual calculations to come with P-2
  - This basically amounts to deferral if extra funds aren't apportioned at P-1.

# LCFF: How does this affect Larchmont?

## The Old Version

In order to compare apples-to-apples, the state determines the average per-ADA funding based on the old version revenue streams.

## The New Version

...And then computes its new “target” based on the LCFF calculations.

LCS “Base Rate”:  
\$5,923 per ADA

LCS estimated “Target Rate”:  
\$8,026 per ADA

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Implementation Percentage Towards Goal	11.8%	17.1%	29.7%	20%	25.0%	33%	50%	100%
Total Effective Implementation Percentage	11.8%	26.9%	48.6%	58.9%	69.2%	79.4%	89.7%	100.0%

Assumes  
33%  
FRL/ELL  
schoolwide

- This increase – 11.8% of the way to the charter’s target rate – generates additional general purpose funding for Larchmont. The target rate will depend on enrollment, FRL – subject to change.
- While these calculations rely on the most current budget information, the CDE has noted that figures will be solidified at P-2.

# 2013-14 Forecast Update



- The following items are being finalized as school gets underway and operations settled this year:
  - Revenues
    - LCFF calculations updated for CA adopted budget and implementation.
    - Enrollment to be updated after first 20 days of instruction
    - SB 740 projected reimbursements (depends on enrollment, final improvement expenses)
  - Expenses
    - Salary and benefits – especially around hiring and salary table adjustments were made over the summer.
    - Construction and purchases for 6th Street renovation are nearly complete!
  - Cash Flow – two pleasant surprises for fall
    - No fall deferrals of state aid/LCFF funds
    - LAUSD paying July-January based on combined ADA
- Revised forecast details will be presented at upcoming finance committee and board meetings.

# Common Core Budget – Public Hearing



- The budget act requires the governing board to hold a public hearing on the use of these funds before they are included in a revised budget.
- This funding is in support of the integration of academic content standards in instruction as adopted as in the budget act for K-12.
- The purposes of this funding is to support establishing high-quality instructional programs for all pupils.

<b>Entitlement</b>	<b>135,800</b>
<b>Proposed Budget</b>	
Common Core Coordinator	40,000
Technology	15,800
Instructional Materials	70,000
Professional Development	10,000
<b>Total</b>	<b>135,800</b>

- Funding must be used for:
  - Professional development
  - Instructional materials
  - Integration of content standards through technology-based instruction
- Larchmont will easily meet the funding requirements, restrictions through transition to common core.



Common Core Budget	
	Total
Entitlement	135,800
Common Core Coord.	40,000
Technology	15,800
Instructional materials	70,000
Professional development	10,000
<b>Total Expenses</b>	<b>135,800</b>

**LEAs shall expend funds for the following purposes:**

- Professional development for teachers, administrators, and paraprofessional educators or other classified employees involved in the direct instruction of pupils that is aligned to the academic content standards
- Instructional materials aligned to the academic content standards.
- Integration of these academic content standards through technology-based instruction for purposes of improving the academic performance of pupils, including, but not necessarily limited to, expenditures necessary to support the administration of computer-based assessments and provide high-speed, high-bandwidth Internet connectivity for the purpose of administration of computer-based assessments.



CALIFORNIA  
DEPARTMENT OF  
EDUCATION

**TOM TORLAKSON**

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

August 23, 2013

Dear County Superintendents of Schools:

**NOTICE OF THE FIRST APPORTIONMENT FOR THE  
COMMON CORE STATE STANDARDS IMPLEMENTATION FUNDS  
FISCAL YEAR 2013–14**

This apportionment, in the amount of \$622,006,100, is made from funds provided in Assembly Bill (AB) 86, Section 85 (Chapter 48, Statutes of 2013). Funding is in support of the integration of academic content standards in instruction adopted pursuant to sections 60605.8, 60605.85, 60605.10, 60605.11, and 60811.3 of California Education Code (*EC*) for kindergarten and grades 1 to 12, inclusive, for purposes of establishing high-quality instructional programs for all pupils. This apportionment provides a payment of approximately 50 percent of the 2013–14 entitlements.

School districts, county offices of education, charter schools, and state special schools receiving these funds may encumber the apportioned funds any time during the 2013–14 or 2014–15 fiscal years. As stated in AB 86, Section 85 (d), the local educational agencies (LEAs) shall expend funds for any of the following purposes:

- Professional development for teachers, administrators, and paraprofessional educators or other classified employees involved in the direct instruction of pupils that is aligned to the academic content standards.
- Instructional materials aligned to the academic content standards.
- Integration of these academic content standards through technology-based instruction for purposes of improving the academic performance of pupils, including, but not necessarily limited to, expenditures necessary to support the administration of computer-based assessments and provide high-speed, high-bandwidth Internet connectivity for the purpose of administration of computer-based assessments.

As a condition of receiving these funds, the LEA must develop and adopt a plan delineating how funds shall be spent. The plan shall be explained in a public meeting of the governing board of the LEA before its adoption in a subsequent public meeting. Detailed expenditure information is due to the California Department of Education (CDE) at the end of fiscal year 2014–15. The method and format for this report has yet to be determined.

As stipulated in AB 86, Section 85(b), the CDE is allotting an equal per-pupil amount using prior-year enrollment data. The per-pupil award amounts are estimated at \$200 per pupil using California Longitudinal Public Achievement Data System fall enrollment data as of October 2012 and certified on or before May 24, 2013. Any incremental adjustments to the award amount will be made in the second apportionment in October 2013; however, the CDE does not anticipate large entitlement variations in subsequent apportionments.

Warrants will be mailed to each county treasurer approximately three weeks from the date of this Notice. For standardized account code structure coding, use Resource Code 7405 and Revenue Object Code 8590, All Other State Revenue. Common Core State Standards implementation funds will be subject to the annual audits required by EC Section 41020.

The CDE has sent an e-mail to each county superintendent, addressed to the county's CDEfisc e-mail address, to inform him or her of this apportionment. The e-mail contained a link to the CDE Categorical Programs Web page at <http://www.cde.ca.gov/fg/aa/ca/> where, under the program name, the letter and schedule for this apportionment are posted. The CDE requested that the e-mail be forwarded to all school districts and charter schools in the county.

If you have any questions regarding this program, please contact Barbara Murchison, Program Administrator, Common Core Systems Implementation Office, by phone at 916-319-0387 or by e-mail at [BMurchison@cde.ca.gov](mailto:BMurchison@cde.ca.gov). If you have any questions regarding this apportionment or the payment process, please contact Karen Almquist, Fiscal Consultant, Categorical Allocations and Management Assistance Office, by phone at 916-327-4406 or by e-mail at [KAlmquis@cde.ca.gov](mailto:KAlmquis@cde.ca.gov).

Sincerely,

Jeannie Oropeza, Deputy Superintendent  
Services for Administration, Finance, Technology, and Infrastructure Branch

Last Reviewed: Thursday, August 29, 2013