



California Charter
Schools Association

Business Managers' Meeting January 2019

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Agenda

- State and Federal Updates
- Budget & Prop 98 Updates
- LCFF rates and calculations
- Early Education
- COI
- Other Updates
- Legislative Updates
- Workshops
- Deadlines

Information in this presentation is accurate as of the posting date. Updates will be provided as the budget process continues. Be sure to sign up for our Weekly Member Digest and Capitol Updates for up to the minute information.

Major Updates

- LCFF funding increased by COLA 3.46%
- Universal Pre-School for all low income students within 3 years
- Maintenance Factor repaid
- No new one-time discretionary funds
- Declining enrollment statewide
- SB 740 funded, shortfall anticipated
- Small Mandate Block Grant rate increase reflecting COLA
- Increase to Rainy Day Fund – will now be fully funded at \$15.3B (10.7% of revenues statutory limit)
- \$1.3B one time funds housing development
- Movement toward Universal Health Care
- Expansion of Family and Medical Leave up to 6 months
- Tuition freeze for higher ed



State Economic Overview

- UCLA predicts overall positive state economic situation with positive projections for budget year. Unemployment rate is holding steady around 4.1% (resulting in fewer costs for support services and additional funds for other programs).
- Economic growth dependent on increased wages, job growth and limited inflation
- Gov. budget assumptions are aligned with LAO total revenue predictions for current and budget years; optimistic for out years
- PIT, Sales Tax and Corporate tax expectations predictions vary per Gov, UCLA and LAO
- Identified threats to state economy include: NAFTA uncertainty; trade tensions with China; state policy conflicts with the Feds; statewide housing crisis (population decline); uneasy stock market; aging citizens

Federal Impact & Concerns

- Inflation is increasing which is reflected in COLA rates.
- Interest rates are increasing, which is reflecting an out of control federal deficit coupled with higher wages, and higher inflation
- Predictions of 3% GDP growth in 2018; 2% in 2019; 1% 2020 – slowing economic growth.
- Prediction for recession 1/6 in 2019; 1/3 in 2020
- Increased deficit from \$400 Billion to \$1.4 Trillion in 2022
- 3 key federal concerns:
 - Continued trade tension China & US
 - Federal Reserve increased interest rates
 - Federal budget deficits



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Issues

- LCFF has now been fully implemented and no plans to increase target levels
- No new one time discretionary grants
- No increase in AB 602 funding rates
- Little details provided for one time SPED expansion and for pre-school initiatives
- The STRS/PERS increased costs will continue to derail school budgets and only modest one time state contribution
- Likely barrage of anti charter bills we will be unable to counter
- Increase reserve levels while you can! 17% district average. 60-90 days of expenses The GFOA recommends minimum of 2 months payroll



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2019-2020 LCFF Rates

| Grade Span | 2018-19 Base Grant Per ADA | 3.46% COLA | 2019-20 Base Grant Per ADA |
|-------------------|---------------------------------------|-------------------|---------------------------------------|
| K-3 | \$7,459 | \$258 | \$7,717 |
| 4-6 | \$7,571 | \$262 | \$7,833 |
| 7-8 | \$7,796 | \$270 | \$8,066 |
| 9-12 | \$9,034 | \$313 | \$9,347 |



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2018-2019 Grade Span Adjustments

| Grade Span | 2019-20 Base Rate | Grade Span | 2019-20 Adjusted Base Grant |
|-------------------|--------------------------|-------------------|------------------------------------|
| K-3 | \$7,717 | \$803 | \$8,520 |
| 4-6 | \$7,833 | – | \$7,833 |
| 7-8 | \$8,066 | – | \$8,066 |
| 9-12 | \$9,347 | \$243 | \$9,590 |



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Supplemental and Concentration Grants

| Grade Span | 2019-20 Adjusted Grants Per ADA | 20% Supplemental Grant – Total UPP | 50% Concentration Grant – UPP Above 55% |
|-------------------|--|---|--|
| K-3 | \$8,520 | \$1,704 | \$4,260 |
| 4-6 | \$7,833 | \$1,567 | \$3,917 |
| 7-8 | \$8,066 | \$1,613 | \$4,033 |
| 9-12 | \$9,590 | \$1,918 | \$4,795 |

Special Education

- \$576M additional funding for students identified as **both** SWD (Students With Disabilities) **and** as unduplicated students
- \$186M is one time monies
- To supplement services not currently included in IEP's and to provide preventative services to reduce needs in future years
- Funds can be used to adopt new strategies for SPED outcomes, and expand existing MTSS supports
- Allocated in addition to AB 602 funds
- Little further detail known
- COLA increase of 3.46% to 602 rates



Early Education

| Full-Day Kindergarten | Full-Day Preschool |
|--|---|
| <p data-bbox="117 554 933 665">Addresses facility barriers to full-day kindergarten</p> <p data-bbox="117 682 933 793">Administered by the Office of Public School Construction</p> <p data-bbox="146 839 904 951">An estimated 750 new classrooms and 1,400 retrofitted classrooms</p> <p data-bbox="359 1039 691 1099">\$750 million</p> | <p data-bbox="1000 554 1769 793">\$124.9 million for full-day non-LEA State Preschool slots with the goal of adding 200,000 more slots by 2021-22</p> <p data-bbox="973 839 1792 1079">Shifting \$297.1 million for non-LEA part-day slots from Proposition 98 to allow community-based providers to access full-day, full-year</p> <p data-bbox="993 1125 1773 1236">Eliminates demonstration of family need for full-day preschool</p> <p data-bbox="1217 1325 1549 1385">\$422 million</p> |



SB 740

- Retains funding at the 2018-19 level of \$136.8 million
- Does not include additional funding
- Does not include COLA
- Does not include funding for growth in 2019-2020
- Maximum allowable per-pupil rate will increase from \$1,147 in 2018-19 to \$1,187 in 2019-20
- CA School Finance Authority estimates a potential shortfall of \$20M
- Could result in a proportionate decrease in funding
- CCSA monitoring and will evaluate again in May



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SB 740

- LAST year changes:
 - Eliminating automatic backfill when oversubscribed
 - Funding lease costs first, over other costs, if oversubscribed
 - Capping growth in costs at K-14 COLA, without an appraisal
 - Requires independent appraisals for new leases (at or below market value)
 - The initial apportionment of 50% of the estimated annual entitlement will now be provided by October 31 of each fiscal year
- <http://www.treasurer.ca.gov/csfa/csfgp/index.asp>.



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STRS Employer Rates

\$3 billion one-time non-Proposition 98 General Fund payment to CalSTRS to reduce long-term liabilities for employers.

| Year | STRS Employer Contribution Rate (Per AB 1469) | Governor's Proposed Revised Rate |
|---------|---|----------------------------------|
| 2018-19 | 16.28% | 16.28% |
| 2019-20 | 18.13% | 17.1% |
| 2020-21 | 19.10% | 18.1% |
| 2021-22 | 19.10% | 18.6% |
| 2022-23 | 19.10% | 18.6% |



Other Funding Factors SSC

LCFF DARTBOARD FACTORS

| Factors | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|---------|---------|---------|---------|---------|
| Department of Finance Gap Funding Percentage | 100.00% | – | – | – | – |
| COLA ^{1,2} | 3.70% | 3.46% | 2.86% | 2.92% | 2.90% |

PLANNING FACTORS

| Factors | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | |
|---------------------------------------|----------------------|---------|---------|---------|---------|---------|
| Statutory COLA ³ | 2.71% | 3.46% | 2.86% | 2.92% | 2.90% | |
| California CPI | 3.58% | 3.18% | 3.05% | 2.92% | 3.15% | |
| California Lottery | Unrestricted per ADA | \$151 | \$151 | \$151 | \$151 | |
| | Restricted per ADA | \$53 | \$53 | \$53 | \$53 | |
| Mandate Block Grant (District) | Grades K-8 per ADA | \$31.16 | \$32.24 | \$33.16 | \$34.13 | \$35.12 |
| | Grades 9-12 per ADA | \$59.83 | \$61.90 | \$63.67 | \$65.53 | \$67.43 |
| Mandate Block Grant (Charter) | Grades K-8 per ADA | \$16.33 | \$16.90 | \$17.38 | \$17.89 | \$18.41 |
| | Grades 9-12 per ADA | \$45.23 | \$46.79 | \$48.13 | \$49.54 | \$50.98 |
| One-Time Discretionary Funds per ADA | \$184 | – | – | – | – | |
| Interest Rate for Ten-Year Treasuries | 2.87% | 3.19% | 3.19% | 3.20% | 3.30% | |
| CalPERS Employer Rate ⁴ | 18.062% | 20.70% | 23.40% | 24.50% | 25.00% | |
| CalSTRS Employer Rate ⁵ | 16.28% | 17.10% | 18.10% | 18.10% | 17.60% | |

School Services “crystal ball” DOF provided COLA estimates



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Minimum Wage

- Minimum Wage increases impact long term planning
- Check local rates

| Year | Minimum Wage for Employers with Less Than 26 Employees | Minimum Wage for Employers with 26 or more Employees |
|-----------------|--|--|
| January 1, 2018 | \$10.50 | \$11.00 |
| January 1, 2019 | \$11.00 | \$12.00 |
| January 1, 2020 | \$12.00 | \$13.00 |
| January 1, 2021 | \$13.00 | \$14.00 |
| January 1, 2022 | \$14.00 | \$15.00 |
| January 1, 2023 | \$15.00 | \$15.00 |

- No new CTE funding for budget year
- 2018 Budget included \$300M in two ongoing programs:
- \$150M to establish new pathway (SWP)
 - Must work with their regional consortium and Community College District
 - Preference for areas with high unemployment (33%), higher ADA in grades 7-12 (33%) & resulting in higher job openings (34%)
- \$150M in existing programs (Incentive)
 - 2:1 matching grant requirement
 - 3 year MOE
 - Higher preference if in a JPA
 - Must have operated a program in 2014-2015
 - Application due January 25



Preschool

- \$10M to create comprehensive child care and universal preschool roadmap
- COLA increases to state programs
- \$500M preschool facility bond measure 2020 ballot

State Preschool Rates

| | Daily Per ADA | Annual Per ADA |
|----------|---------------|----------------|
| Part-Day | \$30.94 | \$5,414 |
| Full-Day | \$49.95 | \$12,489 |



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Other Funds

- Prop 39 Clean Energy ongoing grant funding for energy projects. Over \$78M still remains
- Lottery: \$164M (\$151 unrestricted; \$53 restricted)
<https://www.cde.ca.gov/fg/aa/lo/>
- COLA increases to programs: SPED, Nutrition, Mandates, Pre-Schools, Adult Ed, and others
- Teacher Residency Grant award announcements in April

Mandate Block Grant Rates:

| Grade Span | School Districts | Charter Schools | COEs |
|------------|------------------|-----------------|---------|
| K-8 | \$32.24 | \$16.90 | \$33.32 |
| 9-12 | \$61.90 | \$46.79 | \$62.99 |

COI

- AG opinion on four questions. Are charters:
 - Subject to the Brown Act
 - Subject to Gov. Code 1090
 - Subject to the Political Reform Act
 - Records subject to review and inspection by a grand jury
- All answered yes. Charters are public schools and local governmental entities and exemptions not covered under Mega Waiver.
- AG opinions not law.
- Gov. Newsom identified charter transparency as a critical issue, wants to resolve this year and classify as “Urgency” legislation
- Geographical boundaries and meeting jurisdictions not addressed



Implications

- Employees not permitted to serve on governing board (often required by authorizers)
- Lack of employee representation could result in increased union interest
- Board members must file Form 700's (most do already)
- Schools must turn over records to grand juries (however many records are confidential)
- Board members may not be conflicted by business interests (rural communities impacted)
- CMO and NCB multi jurisdictional schools need geographical flexibilities
- Carve out options will be pursued for board members per AB 276 last year

Legislative Update

- Early in the new year
- CCSA running our SPED legislation (looking for sponsor)
- Seeking percentage reimbursements for schools with high needs SPED students if placed in a majority inclusive setting
- Details are in flux, but intent is to help schools hardest hit

- Running Shirley Weber (low performing students) bill again. Expand funding for and include low performing students in unduplicated counts. Last year one time grant of \$300M

- Opposition to AB 221 (Garcia, Christina) which prohibit TFA teachers in schools with 40% or higher low-income population (including charters)

- Protect autonomy, flexibility and access to charters

AB 1871 (FRPM)

- New charter school requirement
- May be a challenge to some schools
- One nutritionally balanced meal per instructional day
- Compliance by July 1, 2019
- New schools have one year for compliance
- NCB schools have flexibilities:
 - Meals provided for eligible students if on site for instructional purposes for 2+ hours
 - On site is defined to include school site, resource center, meeting space, or other satellite facility
 - No requirement to implement the Federal program – however could receive compensation
 - Charters can join existing program (i.e. district offerings)
- Issues? Let us know

AB 1747 (School Safety Plans)

- AB 1747 School Safety Plans: Will require charter schools to create comprehensive school safety plans as a part of the charter petition process and renewal
- https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1747
- Include safety topics listed in Ed Code 32282(a)(2) (A) –(H)
- Process for criminal incidents (e.g. shooter on campus)
- Annual March 1 update

AB 2601 (Sexual Health Education)

- *Education Code* sections 51930–51939
- To provide pupils with the **knowledge** and **skills** necessary to protect their sexual and reproductive health from HIV and other sexually transmitted infections and from unintended pregnancy.
- To provide pupils with the **knowledge** and **skills** they need to develop healthy attitudes concerning adolescent growth and development, body image, gender, sexual orientation, relationships, marriage, and family
- Instruction shall be **at least once** in junior high/middle school and **at least once** in high school
- Comprehensive sexual health education” means education regarding human development and sexuality, including education on pregnancy, contraception, and sexuality transmitted infections.
- Requires training for all staff providing HIV education; requires schools provide written notices to parents; permits parents the right to opt out; prohibits charters from requiring active parental consent (opt in)
- Stay tuned for Spring webinar and Knowledge Brief – partnership with ACLU

Anti Charter Legislation

Likely barrage of anti charter bills we will be unable to counter:

- District deny based on fiscal impact of charters
- SPED quotas
- stripping charters of appeals rights
- Authorizers right to appoint majority of board members
- Require charters to participate in STRS and PERS
- Field Act requirements
- Prevailing wages
- Potential MORATORIUM on charters beginning in 2019
- SB 740 funding eliminated or reduced



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Political Action!

- Be an ambassador for charter schools
- Ensure your families join Charter Nation
- Answer our calls for action (Capitol Updates each Thursday)
- Form a PAC to have a mobilize action plan
- Work on political campaigns and hold local candidates accountable
- Run for office or support someone who is
- Politics at the local level increasingly more important

STAND FOR ALL STUDENTS

RALLY

**WEST CAPITOL LAWN
SACRAMENTO**

**MARCH
13
2019**

3PM - 4PM

**SAVE
THE
DATE**

Join us in demonstrating that a powerful and united charter school community is here to stand for all students! Let's make our voices heard in Sacramento for policies that lift up all public schools, including charter schools.

**TO SHOW YOUR SUPPORT,
REGISTER BY FEB 25
BY VISITING:**

info.ccsa.org/rally-registration



January 2019 Deadlines

- 23 Learning Communities for School Success Program applications due to the CDE. Approved LEAs will receive \$50 per 2018–19 enrolled student for each year of the three-year grant. Minimum three-year grants for LEAs with 100 or less enrollment will be \$15,000. Maximum LEA grants will be \$2,000,000 for three-year grant period.
www.cde.ca.gov/fg/fo/profile.asp?id=5266
- 25 California Career Technical Education Incentive Grant 2018-19 applications due to the CDE by this date. www.cde.ca.gov/fg/fo/profile.asp?id=5288
- 28 Deadline for charter schools to submit an appeal to the SBE to be reviewed at the May SBE meeting. www.cde.ca.gov/sp/cs/re/sbeappeals.asp
- 28 CALPADS Fall 1 amendment window closes. www.cde.ca.gov/ds/sp/cl/rptcalendar.asp



February 2019 Deadlines

- 1 Deadline to publish 2017-2018 SARC in the 2018–19 school year.
www.cde.ca.gov/ta/ac/sa/
- 1 Deadline for district to submit preliminary Proposition 39 proposal.
www.ccsa.org/2010/05/proposition-39.html#tab-making_a_request
- 1 Deadline for continuing schools with funding determinations that expire at the end of 2018–19 to submit a funding determination request to the CDE.
www.cde.ca.gov/sp/cs/as/nclrbifunddet.asp
- 1 Emerging CMO Fund applications due to the Charter School Growth Fund. Maximum of 500K per recipient. <http://submit.chartergrowthfund.org/>
- 15 Tax exemption form due to county tax assessor office.
www.calcharters.org/2010/06/facilities-tax-exemption.html

February 2019 Deadlines (continued)

20 Certification of the 2018-19 First Principal Apportionment

www.cde.ca.gov/fg/aa/pa/ataglance1819.pdf

22 Charter School Revolving Loan Fund applications due to the CSFA. Up to \$250,000 per recipient. www.treasurer.ca.gov/csfa/csrlf/index.asp

22 Deadline for charter schools whose petitions will be reviewed at the May SBE meeting to submit their Charter Submission Packages to the CDE.

www.cde.ca.gov/sp/cs/re/chrterpkg.asp

27 E-rate Form 470, Description of Services Requested and Certification Form, due.

www.usac.org/sl/tools/forms/

28 Consolidated Application (Con App) Winter Release due to CDE via CARS reporting software. www.cde.ca.gov/fg/aa/co/carsschedule.asp



March 2019 Deadlines

- 1 Deadline for a charter school to respond to a district's preliminary Proposition 39 proposal. www.ccsa.org/2010/05/proposition-39.html#tab-making_a_request
- 1 Audit Adjustments to CALPADS data due for all years prior to 2018-19; auditor concurrence required. www.cde.ca.gov/fg/aa/pa/ata glance1819.pdf
- 11 Youth Engagement to Address Tobacco-Related Disparities Program applications due to the CDE. www.cde.ca.gov/fg/fo/profile.asp?id=5304
- 15 New charter petitions must be approved before this date to remain eligible for Proposition 39 facilities in the following year.
www.ccsa.org/2010/05/proposition-39.html#tab-making_a_request
- 15 Second interim financial report due to chartering agency and County Office of Education. Education Code 47604.33(a)(3)]



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March 2019 Deadlines (continued)

22 Fall 2 CALPADS data final certification deadline.

www.cde.ca.gov/ds/sp/cl/rptcalendar.ASP

27 E-rate Form 471, Services Ordered and Certification Form

due. www.usac.org/sl/tools/forms/

Late month Second 2018-2019 quarterly lottery apportionment expected from the state. www.cde.ca.gov/fg/aa/lo/

2019 Upcoming Workshops

| | | | |
|---------|--------------------|---|-------------------|
| Jan 23 | 10 AM – 12 PM | Business Managers' Meeting | Webinar |
| Jan 24 | 10 AM – 12 PM | Business Managers' Meeting | Webinar |
| Jan 28 | 4 PM – 5:30 PM | Business Managers' Meeting | Webinar |
| Jan 30 | 10 AM – 4 PM | Finance Academy | Sacramento |
| Jan 31 | 10 AM – 4 PM | Finance Academy | Bay Area |
| Feb 1 | 10 AM – 12 PM | Business Managers' Meeting | Webinar |
| Feb 4 | 10 AM – 1 PM | CA Teacher Credentialing 101 | San Diego |
| Feb 5 | 10 AM – 1 PM | CA Teacher Credentialing 101 | Los Angeles |
| Feb 21 | 10 AM – 4 PM | Finance Academy | Los Angeles |
| Feb 22 | 10 AM – 4 PM | Finance Academy | San Diego |
| March 6 | 10 AM – 2 PM | Why Data Matters (CALPADS, LCFF & more) | Los Angeles |
| March 7 | 10 AM – 2 PM | Why Data Matters (CALPADS, LCFF & more) | Bay Area |
| May 8 | 10:30 AM – 1:30 PM | Governance Academy | Los Angeles |
| May 9 | 10 AM – 1 PM | Governance Academy | San Diego |
| TBD | 10 AM – 2 PM | Governance Academy | Bay Area & online |
| TBD | 6 PM – 9 PM | Governance Academy | Sacramento |
| May 29 | 10 AM – 12 PM | Business Managers' Meeting | Webinar |
| May 30 | 10 AM – 12 PM | Business Managers' Meeting | Webinar |
| June 4 | 4 PM – 5:30 PM | Business Managers' Meeting | Webinar |
| June 5 | 10 AM – 12 PM | Business Managers' Meeting | Webinar |



CALIFORNIA

CHARTER SCHOOLS

CONFERENCE

26TH ANNUAL

MARCH 11-14, 2019
SACRAMENTO, CA

ATTEND

EXHIBIT

PRESENT

PROGRAM

LOGIN

REGISTER NOW

March 11-14 Sacramento CA

**For further information and to register,
please go to: CharterConference.org**



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www.ccsa.org/2010/06/planning-calendar.html