



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Finance

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May 1, 2007

TO: Board of Education

FROM: Melody Douglas, Chief Financial Officer

A handwritten signature in black ink that reads "Melody Douglas".

SUBJECT: Charter School Oversight Committee

Enclosed is the draft report from the Charter School Oversight Committee regarding cost of District services to charter schools and administrative recommendations. Supplemental information is also enclosed; it may be useful for the work session on this topic, scheduled for May 7, 2007.

**Charter School Oversight Committee Report to
Kenai Peninsula Borough School District Board of Education
May 1, 2007**

Background: Charter schools receive the benefit of established District programs such as pupil transportation, student nutrition, and special needs services. A request has been made to review each of the District programs used by charter schools to determine appropriate cost allocation systems.

The Charter School Oversight Committee met several times to discuss the intricacies relevant to each of the programs involved and is hereby recommending a course of action in each case.

Pertinent Information: Charter schools pay a pro-rational portion of all utility costs for charter school operations in shared facilities. Charter schools are responsible for all utility costs if a building is occupied solely by a charter school.

Discussions of costs not covered by the indirect cost rate (most District business functions included in the general fund) include pupil transportation, student nutrition services, special education services, workers compensation, maintenance, and property, liability and workers compensation insurance as noted below.

Special Revenue Funds – Pupil transportation and student nutrition program costs are each required to be accounted for in a separate fund by the Alaska Department of Education and Early Development Uniform Chart of Accounts and Account Code Descriptions for Public School Districts (Chart of Accounts). The District receives grant funding for these programs; the student nutrition program also generates revenue through lunch fees. Both of these programs require a transfer of funds from the general fund because operating costs exceed program revenue.

Maintenance costs – In analyzing FY06 and year-to-date FY07 maintenance information, it was determined that only facilities issues that are normally considered costs to the landlord are being authorized. Should other maintenance projects be requested, such costs are and will continue to be the responsibility of the charter school.

Warehouse delivery costs – Analysis of the suggestion to charge charter schools for warehouse delivery services determined that these services are part of the District's Indirect Cost Rate certified by the Department of Education and Early Development. This rate is used to account for the 550 functional area (District Administration Support Services), as outlined in the Alaska Department of Education and Early Development Uniform Chart of Accounts and Account Code Descriptions 2000 Edition.

“Activities of managing and conducting general administrative services of the school district including accounting, payroll and budgeting, purchasing, recruiting and placement, statistical manipulation and reporting, and data processing. Included are collecting and organizing data, converting data to machine-usable form and preparing financial, property, student, personnel, program and community and statistical reports. Included are director/coordinator/manager of fiscal responsibilities, accountants, bookkeepers, and secretaries. Examples of the types of expenditures to include are salaries, employee benefits, supplies, materials, communication, travel, liability insurance (except property and vehicle insurance), interest on current loans, and indirect costs.”

The FY07 indirect costs payable to the District by charter schools is budgeted per preliminary OASIS as follows: Aurora Borealis \$60,373; Fireweed \$16,134, Kaleidoscope \$55,385; Soldotna Montessori \$55,910.

State Statute 14.03.260 Funding for charter school states *“(a) A local school board shall provide an approved charter school with an annual program budget. The budget shall be not less than the amount generated by the students enrolled in the charter school less administrative costs retained by the local school district, **determined by applying the indirect cost rate** approved by the Department of Education and Early Development. The “amount generated by students enrolled in the charter school” is to be determined in the same manner as it would be for a student enrolled in another public school in that school district.” (EED foundation funding explanation and charter school FY07 budget calculations are attached.)*

Rent - Rent is generally to provide a return on investment; the District does not have an investment in schools because they have been built and are maintained by the Kenai Peninsula Borough. The District has access to school facilities on a no-charge basis, therefore, it is inappropriate for the District to charge rent to charter schools.

Recommendations: The Charter School Oversight Committee recommends implementing the following cost allocation systems on an annual basis beginning with FY08:

Pupil Transportation - Charge a pro-rational per pupil share of any general fund transfer of funds to charter schools for students using pupil transportation services per the OASIS 20 day count period.

Student Nutrition Services - Charge a pro-rational per pupil share of any general fund transfer of funds to charter schools for students using student nutrition services per the OASIS 20 day count period.

Workers Compensation Costs - Charge a pro-rational per employee share of total District workers compensation costs to charter schools for total employees on staff per the OASIS 20 day count period.

Gifted and Special Education Services - Direct allocation of staff services shall be charged to charter schools as needed to provide gifted and special education services per individual education plan (IEP) in place to serve charter school students.

Charter schools shall be responsible for supplies needed to deliver services as noted in IEP's for charter school students.

Administrative overhead charges – The cost of administration of the District's special services department shall be pro-rated on a per pupil basis per the OASIS 20 day count period and charged to charter schools as appropriate.

The pupil services department will provide program development, management, and oversight of special education programs and related services in charter schools. The pupil services department will work collaboratively with charter schools to ensure appropriate programs for students, compliance with state and federal regulations and District policies.

Property and Liability Insurance Costs – Charge a pro-rational per pupil share of property and liability insurance costs to charter schools for the number of charter school students per the OASIS 20 day count period.

Communication Plan: It is recommended that District contracts with each of the charter schools be drafted or amended to include these recommendations. A copy of this report will be posted to the District website for public viewing.

Attachments

Funding formula PP presentation
Charter school FY07 budget calculations
Approved Indirect Cost Rate for FY08
Committee worksheet of Charter School Program Expenses
Special education staff allocations – FY07
Sharing Facilities Contract Addendum



Alaska Public School Funding Formula Overview

Presented by
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Senate Bill 36

The current state public school funding formula was adopted under SB 36 in 1998. And was implemented in 1999.

The public school funding formula is defined in Alaska Statute 14.17

This presentation provides an overview of:

1. Calculation of Adjusted Average Daily Membership (ADM)
2. Calculations of Basic Need ~ (*Entitlement*)
3. Components of Basic Need ~ (*Who Pays*)
4. Additional Funds above Basic Need
5. Components of State Aid

Average Daily Membership

ADM Reporting Requirements

- Average Daily Membership - is the number of **enrolled** students during the 20-school-day count period ending on the fourth Friday of October.
- Reports are due within two weeks after the end of the 20-school-day count period.
- Projected student count reports are due November 5.

Who Qualifies as a Student?

Eligibility for State Foundation Funding:

- A child who is 6 years of age before September 1st, and under the age of 20, and has not completed the 12th grade. (AS 14.03.070)
- A child who is 5 years of age before September 1st, following the beginning of the school year, may enter kindergarten. (AS 14.03.080 (d))
- A child with a disability and an active Individualized Education Program (IEP) may enter school at the age of 3 and under the age of 22. (AS 14.30.180 (1))

5 Steps to District Adjusted ADM

USED TO CALCULATE ENTITLEMENT

- Step 1. *Adjust:* ADM for School Size
 Step 2. *Apply:* District Cost Factor
 Step 3. *Apply:* Special Needs Factor
 Step 4. *Add:* Intensive Services Counts
 Step 5. *Add:* Correspondence Student Counts
 = **District Adjusted ADM**



Step 1. Adjust the ADM for School Size

ADM under 10:
Added to the smallest school with an ADM greater than 10

A Community with an ADM of 10 through 100:
Grades K-12 ADM is combined and adjusted once; adjusted as one school.

A Community with an ADM of 101 through 425:
ADM for grades K-6 and 7-12 are adjusted separately; adjusted as two schools.

A Community with an ADM greater than 425:
The ADM of each facility administered separately as one school is adjusted.

* *Alternative* schools with an ADM of less than 200 shall be counted as a part of the school in the district with the *highest* ADM.

* If the ADM is greater than 200 and administered as a separate facility the ADM will be adjusted separately.

* *Charter* school with an ADM of 150 or greater is adjusted as a separate facility

Step 1. Example: Nome City Schools Projected FY08 ADM by School

- Nome Elementary School.....400.00
- Nome-Beltz Jr/Sr High School.....340.00
- Anvil City Science Academy.....44.00
- Nome Youth Facility.....14.00
- Total ADM..... 798.00**

Step 1. Example: Nome City Schools Adding ADM's to the appropriate School in the District

School Size Adjustment

- The alternative schools ADM are added to the highest ADM school in the district before adjusting for size
- A school with a population under 10 should be added to the smallest school in the district.

Nome Elementary + Anvil
400 + 44 = **444.00**

Step 1. Example: Nome City Schools

Reference:	School Size:	Formula:
1.	10-19.99	39.60
2.	20-29.99	39.60 + (1.62 * (ADM - 20))
3.	30-74.99	55.80 + (1.49 * (ADM - 30))
4.	75-149.99	122.85 + (1.27 * (ADM - 75))
5.	150-249.99	218.10 + (1.08 * (ADM - 150))
6.	250-399.99	326.10 + (.97 * (ADM - 250))
7.	400-749.99	471.60 + (.92 * (ADM - 400))
8.	Over 750	793.60 + (.84 * (ADM - 750))

K-6 Adjusted ADM's
(Ref. 7) 471.60 + (.92 * (444.00 - 400)) = 512.08

7-12 Adjusted ADM's
(Ref. 6) 326.10 + (.97 * (340.00 - 250)) = 413.40

(Ref. 1) Youth facility's ADM 14 + 39.60

School Size Adjusted ADM 965.08

Step 2. District Cost Factors

The Department monitors District Cost Factors and submits a report to the Legislature on January 15th every other fiscal year, beginning January 2001.

- Cost factors are specific to each school district.
- Lowest District Cost Factor is 1.000 and the highest is 1.736.

Multiply the School Size Adjusted ADM by the District Cost Factor for Nome:

965.08 x 1.319 = 1,272.94

Step 3. Special Needs Funding

- All categorical programs; special education (except intensive), vocational education, gifted/talented and bilingual/bicultural are block funded at 20%.
- To qualify for funding under this section school districts must file a plan with the department indicating special needs services that will be provided.

AS 14.17.420 (b)

Step 3. Example: Nome City Schools

**Multiply the adjusted ADM (from Step 2) by
the Special Needs Factor**

$$1,272.94 \times \underline{1.20} = \mathbf{1,527.53}$$

(Shown on Column R, page 8)

Step 4. Intensive Services Funding

A school district will receive funding for intensive services students that:

1. Are receiving intensive services and are;
2. Enrolled on the **last day of the 20** school-day count period and who have;
3. Established Individual Education Plan (IEP) for each intensive services student.

An Intensive Services student generates \$26,900.

$$(\text{Intensive Student Count}) \times 5 = \mathbf{\text{Intensive Student Funding}}$$

Step 4. Example: Nome City Schools

**Multiply the Intensive Student Count by 5
and add to the adjusted ADM (from Step 3)**

~Nome City Schools has 4 Intensive Student~

$$4 \times 5 = 20$$

$$1,527.53 + \underline{20} = \mathbf{1,547.53}$$

(Shown on Column U, page 8)

Step 5. Correspondence Programs

Districts offering correspondence programs receive funding based on 80% of correspondence ADM.

Each correspondence student generates \$4,304.

$$(\text{Correspondence ADM}) \times .80 = \mathbf{\text{Level of Correspondence Funding}}$$

Step 5. Example: Nome City Schools

**Multiply the Correspondence Student ADM by 80%
and add to the Adjusted ADM to get Final District
Adjusted ADM. (from Step 4)**

~Nome City Schools has 6 Correspondence Students~

$$6 \times .80 = 4.80$$

$$1,547.53 + \underline{4.80} = \mathbf{1,552.33}$$

(Shown on Column V, page 8)

**BASIC NEED
Entitlement**

**Multiply the district adjusted ADM by the base
student allocation = BASIC NEED**

$$1,552.33 \times \underline{\$5,380} = \mathbf{\$8,351,535}$$

(Shown on Column W, page 9)



**NOME: Summarized
District Adjusted ADM & Basic Need**

Projected ADM for Nome:	798.00 + 6 corresp. = 804.00
Step 1. Adjusted ADM for School Size:	965.08
Step 2. Apply the District Cost Factor:	$\times 1.319$ 1,272.94
Step 3. Apply the Special Needs Factor:	$\times 1.20$ 1,527.53
Step 4. Add Intensive Service Counts: (4.00 x 5 = 20)	± 20.00 1,547.53
Step 5. Add Correspondence Student Counts: (6 x .80 = 4.80)	± 4.80 1,552.33
= District Adjusted ADM	1,552.33
Multiply by \$5,380 the base student allocation	$\times \$5,380$
BASIC NEED:	\$8,351,535

- Components of Basic Need
(Who Pays?)**
- ⇐ Required Local Contribution
 - ⇐ Federal Impact Aid
 - ⇐ State Aid

**SB 174 Full & True Value/Local Effort
Calculation**

As a result of Senate Bill 174: (enacted in 2001)
Beginning FY2002, half of the increased full & true value over 1999 (base year), is added to 1999 base year to determine the full & true value for the purposes of calculating Required Local Effort for education.
(If the full & true value did not increase over the 1999 base year, then the current full & true value stands and is multiplied by .004 mills to reach local effort.)

Calculating Nome's Full and True Value

Nome's 2006 Full Value	252,725,500
Nome's 1999 Full Value	191,926,100
Full Value Increase Difference	60,799,400
Divided in Half	30,399,700
Half of the Increase is Added to 1999 Value	
191,926,100 + 30,399,700 =	222,325,800

Required Local Contribution
Example: Nome City Schools

The **Lesser** or minimum of 4 mills of the education full & true value, but not to exceed 45% of the school districts prior year basic need.

.004 of Tax Base: (Education Full & True Value)
 $.004 \times \$222,325,800 = \mathbf{\$889,303}$

45% of Prior Year Basic Need:
 $.45 \times \$8,157,425 = \$3,670,841$
 (Shown on Column C, page 9)

- Title VIII Federal Impact Aid Payments**
- Title VIII Federal Impact Aid Payments received from March 1 through the last day of February are used for calculations of state aid.
 - The dates on the payment vouchers are used to indicate that a school district has received Title VIII Payments

Title VIII Federal Impact Aid Payments

Example: Nome City Schools

Payments received by the Nome City Schools from March 1 through the end of February.

\$86,382

(amount eligible for Deduction)

(Shown on Column D, page 9)

Impact Aid Percentage

Required Local Contribution
divided by
Budgeted Local Contribution

Budgeted Local Contribution, for the purposes of calculating the Impact Aid percentage is found in the Budgets submitted on July 15th of each year and may consist of:

- Appropriations
- Investment Earnings
- In-Kind Services
- “Other Local”

Title VIII Percentage
Example: Nome City Schools

Required Local: \$ 889,303 = 46.52%

Budgeted Local: \$1,911,850

(This percentage is only derived for City & Boroughs)

(Shown on Column E, page 9)

Impact Aid
Example: Nome City Schools

90% of the Impact Aid received by a school district is multiplied by the Impact Aid Percentage

Nome’s Deductible Impact Aid Calculation:

\$85,947 x 46.52% x 90% = \$35,984

Eligible Impact Aid x Title VIII % x 90% = Deductible Impact Aid

(Shown on Column D, Column E, Column F, page 9)

STATE AID
Nome City Schools

Nome’s State Aid:

Basic Need	\$ 8,351,535
Less Required Local	(889,303)
<u>Less Impact Aid</u>	<u>(35,984)</u>
State Aid	\$ 7,426,248

(Shown on Column G, page 9)

Additional Funds
Above Basic Need

⇨ **Additional Local Contribution**

⇨ **Quality Schools Grant**

⇨ **Supplemental Funding Floor**



Additional Local Contribution
Example: Nome City Schools

The **greater** of 2 mills of the tax base **or** 23% of the district's current year Basic Need can be contributed but not exceeded.

.002 of Full & True Value Tax Base:
.002 x \$252,725,500 = \$505,451

23% of Basic Need:
.23 x \$8,351,535 = **\$1,920,853**

Maximum Local Contribution
Example: Nome City Schools

Required Local Contribution plus Additional Local Contribution

Required Local Contribution:	\$ 889,303
<u>Additional Local Contribution:</u>	<u>+\$1,920,853</u>
Maximum Local Contribution:	\$2,810,156

Quality Schools Grant

AS 14.17.480 explains a district is eligible to receive a quality school funding grant not to exceed the district's Adjusted ADM multiplied by \$16.

Example: Nome City Schools
1,552.33 x \$16 = **\$24,837**

(Column W, page 8 and Column I, page 9)

Supplementary Funding Floor

- ⇨ What is "The Floor"?
- ⇨ How is it established?
- ⇨ How is it adjusted?

"The Floor"

By providing additional funds "The Floor" bridges the transition between the new funding formula implemented in 1999 and the old formula that was in place in 1998.

How "The Floor" was Established

"The Floor" was established in FY1999
FOR EXAMPLE:

Old Formula State Aid	= \$1,100,000
New Formula State Aid	(Less) = \$1,000,000
Supplementary Funding Floor	(Result) = \$100,000

Nome's Transition to New Formula

- > Old Formula State Aid:
FY 99 = **\$5,206,292**
- > New Formula State Aid:
(Less) FY 99 = **\$5,095,932**
- > Supplementary Funding Floor:
(Results) FY 99 = **\$110,360**

Adjustments to the "Floor"

- All** Adjustments to "The Floor" are **reductions!**
- Decreases to "The Floor" occur because of:
- 1) an increase in Basic Need
- OR
- 2) a decrease in ADM.

Supplementary Funding Floor - Adjustment # 1

EXAMPLE
Increase of Basic Need

Floor Adjustment due to Increases in Basic Need began in FY2000
Example: Floor equals \$100,000

FY2008 Basic Need	\$2,100,000
FY2007 Basic Need	<u>\$2,050,000</u>
FY2008 increase over FY2007	\$50,000
40% of the increase over prior year equals the amount the FY2008 floor is reduced	(\$20,000)
FY2007 Funding Floor	<u>\$100,000</u>
Revised funding Floor for FY2008	\$80,000

Supplementary Funding Floor – Adjustment # 2

EXAMPLE
Decrease in ADM

If the ADM falls below 95% of the FY1999 ADM, Then "The Floor" is reduced by the same percentage.

Example: Floor equals \$100,000

If

FY2007 ADM = 86% of FY1999 ADM

Then

$\$100,000 \times 86\% = \$86,000$

& becomes the new Floor amount

"The Floor" has received a 14% reduction.

Establishing Nome City School's Floor

FY 99 OLD FORMULA	= \$5,206,292
FY 99 NEW FORMULA	(\$5,095,932)
Nome's FUNDING FLOOR Established at = \$110,360	
FY 00 No Deduction	= \$110,360
FY01 FLOOR reduced due to increase in Basic Need	(\$14,562)
FY 01 FLOOR BALANCE	= \$95,798
FY 02 FLOOR No reduction floor	(0.00)
FY 02 FLOOR BALANCE	= \$95,798
FY 03 FLOOR reduced due to increase in Basic Need	(73,206)
FY03 FLOOR BALANCE	\$22,592
FY 04 FLOOR reduced due to increase in Basic Need	(49,268)
<i>Difference exceeds FLOOR~Balance set to zero (0.00)</i>	

Supplementary Funding Floor

REMEMBER:

⇐ The floor is reduced by 40% of the **increase** in Basic Need over the prior year.

OR

⇐ The floor is reduced if ADM **decreases** by more than 5%, initially, of the FY1999 ADM.



Components Of State Aid

A Permanent Funding Component of State Aid

Nome's Total State Aid equals:

Calculated State Aid	\$7,426,248
<u>plus</u> the Funding Floor	\$ 0
<u>plus</u> the Quality Schools Grant	\$ 24,837
TOTAL STATE ENTITLEMENT	\$7,451,085

Please Note:

Prorating the Public School Funding Formula

If insufficient funds are appropriated by the legislature to meet the total entitlement, then all components of the Public School Funding Formula Program will be reduced by the same percentage.

AS 14.17.400 (b)

ANY QUESTIONS?

**ESTIMATED FUNDING - AURORA BOREALIS CHARTER SCHOOL
FY2006-07**

FY07 Revenue Calculation

Variables:

FTE Enrollment	178.000	
Is program funded as a separate school per statute (Yes or No)		Yes
ADM if funded as separate school		178.000
ADM if funded as included in largest school (per statute)		
Intensive service students (as included in FTE enrollment)	-	
Correspondence students (not included in FTE enrollment)	-	

Estimated State Foundation Funding

FTE Enrollment		178.000	
ADM as adjusted for school size per above category		248.340	
ADM as adjusted for district cost factor (*1.046)		259.764	
ADM as adjusted for special needs (*1.2)		311.716	
ADM adjustment for intensive service counts (x5)		-	FY
ADM adjustment for correspondence students		-	
Adjusted ADM		311.716	
Base student allocation	Legislative Recommendation	\$ 5,380	
Estimated State Foundation Funding (Basic Need)		\$1,677,034	

Quality Schools Funding

Quality schools funding per adjusted ADM	\$ 16.00	\$ (4,987)	*
Adjusted ADM	<u>311.716</u>	<u>\$ 4,987</u>	*

Total Estimated Revenue Per Capita Funding

		\$1,677,034	
FY07	Less indirect cost rate =	%	
		0.0360	
		\$ 60,373	

Funds available for operation

\$1,616,661

* Per agreement - Aurora Borealis will be included in the District's summer school program

FY07 School Improvement Grant - $\$81 \times 178 = \$14,418$ (this will be posted to your instruction (4100) other (4901) account

**ESTIMATED FUNDING - FIREWEED CHARTER SCHOOL
FY2006-07**

FY07 Projected Enrollment

		%
Fireweed Academy	66.00	8.665
Homer Flex	36.70	4.818
Kenai Alternative	86.55	11.363
Soldotna High	572.40	75.153
	761.65	100.00

FY07 Revenue Calculation

Variables:

- FTE Enrollment**
- Is program funded as a separate school per statute (Yes or No)**
- ADM if funded as separate school
- ADM if funded as included in largest school (per statute)
- Intensive service students (as included in FTE enrollment)
- Correspondence students (not included in FTE enrollment)

Estimated State Foundation Funding

- FTE Enrollment
 - ADM as adjusted for school size per above category
 - ADM as adjusted for district cost factor (*1.046)
 - ADM as adjusted for special needs (*1.2)
 - ADM adjustment for intensive service counts (x5)
 - ADM adjustment for correspondence students
 - Adjusted ADM
 - Base student allocation
 - Estimated State Foundation Funding (Basic Need)
- Governor's Proposal

Quality Schools Funding

Quality schools funding per adjusted ADM	\$ 16.00
Adjusted ADM	<u>83.057</u>

Total Estimated Revenue Per Capita Funding

FY07	Less indirect cost rate	%
		0.0360
	Funds available for operation	

* Per Agreement - Fireweed Charter school will receive \$1,329 from the Curriculum/Assessment Department
Quality Schools Funding is used for summer school by the District - all other charter schools are participating in the District's program

FY07 School Improvement Grant - \$81 x 66 = 5,346 (this will be posted to your instruction (4100) other (4901) account

**ESTIMATED FUNDING - Kaleidoscope Charter School
FY2006-07**

FY07 Revenue Calculation

Variables:

FTE Enrollment	159.000	
Is program funded as a separate school per statute (Yes or No)		Yes
ADM if funded as separate school		159.000
ADM if funded as included in largest school (per statute)		
Intensive service students (as included in FTE enrollment)	-	
Correspondence students (not included in FTE enrollment)	-	

Estimated State Foundation Funding

FTE Enrollment		159.000	
ADM as adjusted for school size per above category		227.820	
ADM as adjusted for district cost factor (*1.046)		238.300	
ADM as adjusted for special needs (*1.2)		285.960	
ADM adjustment for intensive service counts (x5)		-	
ADM adjustment for correspondence students		-	
Adjusted ADM		285.960	
Base student allocation	Governor's Proposal	\$ 5,380	
Estimated State Foundation Funding (Basic Need)		\$1,538,463	

Quality Schools Funding

Quality schools funding per adjusted ADM	\$ 16.00	\$ (4,575)	*
Adjusted ADM	285.960	\$ 4,575	*

Total Estimated Revenue Per Capita Funding

			\$1,538,463
FY07	Less indirect cost rate =	% 0.0360	\$ 55,385
	Funds available for operation		\$1,483,078

* Per agreement - Kaleidoscope will be included in the District's summer school program

FY07 School Improvement Grant - $\$81 \times 159 = \$12,879$ (this will be posted to your instruction (4100) other (4901) account

**ESTIMATED FUNDING - Soldotna Montesorri Charter School
FY2006-07**

FY07 Revenue Calculation

Variables:

FTE Enrollment	161.000	
Is program funded as a separate school per statute (Yes or No)		Yes
ADM if funded as separate school		161.000
ADM if funded as included in largest school (per statute)		
Intensive service students (as included in FTE enrollment)	-	
Correspondence students (not included in FTE enrollment)	-	

Estimated State Foundation Funding

FTE Enrollment		161.000	
ADM as adjusted for school size per above category		229.980	
ADM as adjusted for district cost factor (*1.046)		240.559	
ADM as adjusted for special needs (*1.2)		288.671	
ADM adjustment for intensive service counts (x5)		-	
ADM adjustment for correspondence students		-	
Adjusted ADM		288.671	
Base student allocation	Governor's Proposal	\$ 5,380	
Estimated State Foundation Funding (Basic Need)		\$1,553,049	

Quality Schools Funding

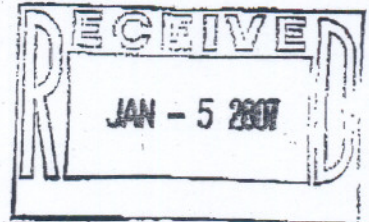
Quality schools funding per adjusted ADM	\$ 16.00	\$ (4,619)	*
Adjusted ADM	288.671	\$ 4,619	*

Total Estimated Revenue Per Capita Funding

			\$1,553,049
FY07	Less indirect cost rate =	% 0.0360	\$ 55,910
	Funds available for operation		\$1,497,140

* Per agreement - Aurora Borealis will be included in the District's summer school program

FY07 School Improvement Grant - $\$81 \times 161 = \$13,041$ (this will be posted to your instruction (4100) other (4901) account



Alaska Department of Education & Early Development

School District Certification and Request for Authorized Indirect Rates

School District Name Kenai Peninsula Borough School District

I certify that the information contained herein has been prepared in accordance with the instructions issued by EED and conforms with the criteria in OMB Circular A-87, and is correct to the best of my knowledge and belief. No costs other than those incurred by this agency have been included in the indirect cost rate application. The same costs that have been treated as indirect costs have not been and will not be claimed as direct costs, and similar types of costs have been accorded consistent treatment. All expenditures detailed on the application form have been made, and records supporting them have been maintained and are available for review and/or audit.

We hereby apply for the following indirect cost rate:

Federal Programs - Restricted with Carry Forward 4.07%

Donna Peterson 12/29/2006
Superintendent's Certification Date

EED USE ONLY

Your proposal has been accepted and the following rate approved:

Federal Programs - Restricted with Carry Forward 4.64%

This rate becomes effective July 1, 2007 and remains in effect until June 30, 2008 and will apply to all eligible federally assisted programs as appropriate.

Federal law or grant conditions may limit the amount of indirect cost or the indirect cost rate. For example, if the approved restricted rate is five percent and the law allows only a three percent rate of recovery, then only indirect cost equal to three percent of the direct costs for that program may be recovered.

Elizabeth M. Sanchez Nudelman 3-14-07
Alaska Department of Education & Early Development Date

Kenai Peninsula Borough School District
 Analysis of Charter School Expenditures
 Based on FY06
 Data

	FY06		
	Enroll	Staff	
Aurora Borealis	178.00	17.11	
Fireweed Acadamy	66.00	6.67	
Kaleidoscope	159.00	14.32	
Soldotna Montesorri	161.00	16.83	
OASIS enrollment	9,389		
Total Staff - all funds	1,113		
<u>Pupil Transportation Expenditures</u>	<u>4,674,831</u>		
Fund Balance Used	82,411		
Number of students funded by EED OASIS total less Connections (9389-709= 8680)	8,680	9.49	per student amount
Aurora Borealis	0		
Fireweed Acadamy	31	\$ 294	
Kaleidoscope	78	\$ 741	
Soldotna Montesorri	58	\$ 551	
	167		
<i>number of participants provided by each school</i>			
<u>Student Nutrition Services</u>	<u>2,985,532</u>		
Free and reduced revenue and paid lunch revenue			
General Fund Transfer of Funds	341,290		
Actual meals serviced	524,662	0.65	per meal allocation
Aurora Borealis	0		

Fireweed Acadamy	1,530	\$ 995
Kaleidoscope	9,350	\$ 6,082
Soldotna Montesorri	11,050	\$ 7,188

estimated number of meals provided by Student Nutrition Services

Special Services

See enclosed information on special services staffing

Maintenance Costs

Review of maintenance costs resulted in only costs normally attributed to the landlord. (separate report generated by maintenance program)

<u>Workers Compensation Costs</u>	<u>595,273</u>	535	Per employe charge
Aurora Borealis	17.11	\$ 9,151	
Fireweed Acadamy	6.67	\$ 3,567	
Kaleidoscope	14.32	\$ 7,659	
Soldotna Montesorri	16.83	\$ 9,001	
<u>Property and Liability Costs</u>	<u>1,158,493</u>	123.39	Per student
Aurora Borealis	178.00	\$ 21,963	
Fireweed Acadamy	66.00	\$ 8,144	
Kaleidoscope	159.00	\$ 19,619	
Soldotna Montesorri	161.00	\$ 19,866	

Kenai Peninsula Borough School District
 Estimated costs per charter school for FY06

Special Services staff to be directly charged in the same manner as all other staff

	<u>Aurora Borealis</u>	<u>Fireweed</u>	<u>Kaleidoscope</u>	<u>Soldotna Montessori</u>
Pupil Transportation	\$ -	\$ 294	\$ 741	\$ 551
Student Nutrition Services	-	995	6,082	7,188
Workers Compensation Insurance	9,151	3,567	7,659	9,001
Property and Liability Insurance	<u>21,963</u>	<u>8,144</u>	<u>19,619</u>	<u>19,866</u>
Proposed Cost Allocation	<u>31,114</u>	<u>13,000</u>	<u>34,101</u>	<u>36,606</u>
Indirect Cost Charges Paid	52,699	9,198	21,905	-
Utilities Paid	<u>33,826</u>	<u>5,000</u> *	<u>10,131</u>	<u>15,000</u>
FY06 Costs	<u>86,525</u>	<u>14,198</u>	<u>32,036</u>	<u>15,000</u>
Estimated Total Costs	<u>\$ 117,639</u>	<u>\$ 27,198</u>	<u>\$ 66,137</u>	<u>\$ 51,606</u>

* budgeted

Charter School Special Education Information 2/13/07

Ratios used to determine staffing:

Elementary resource teachers are staffed at approximately 15:1 (special education students). Each child and their level of need are considered when staffing determinations are made. Resource teachers are also expected to assist with intervention and the RTI process. Speech pathologists are staffed at approximately 60:1; however, this staffing varies greatly depending on needs of the children and service delivery model. School psychologists are staffed at approximately 1000:1 (total students).

Costs of special education services – Kaleidoscope

Resource teacher also serves on Intervention team and school psychologist serves school as needed.

FTE Equivalents

Resource Teacher	.50 FTE
Speech Pathologist	.25 FTE
School Psychologist	.15 FTE
Occupational Therapist	.10 FTE

Currently, one special education teacher spends a portion of her day at the Willow Street location as well as serves Kaleidoscope children at Sears. Some of the children served at Sears are integrated into the Sears Elementary groups.

Costs of special education services – Montessori

FTE Equivalents

Resource Teacher	.50 FTE
Speech Pathologist	.25 FTE
School Psychologist	.15 FTE
Occupational Therapist	---too small to consider impacted

The special education and speech pathologist provide some services with students integrated into Soldotna Elementary groups. Special education personnel serve as needed on intervention teams.

Costs of special education services- Fireweed

FTE Equivalents

Resource Teacher	.10 FTE
Speech Pathologist	.05 FTE
School Psychologist	.10 FTE
Occupational Therapist	---too small to consider impacted

The special education and speech pathologist provide some services with students integrated into West Homer Elementary groups. Special education personnel serve as needed on intervention teams.

Costs of special education services- Aurora Borealis

Evaluations for special education have been done as needed at ABC. No regular psychologist or special education teacher involvement is provided to the intervention team.

FTE Equivalents

SpeechPathologist .05 FTE

Gifted education per charter school

Service delivery to gifted students varies widely depending on student age, parent and student preference, and school priorities. Additionally, gifted students have the option of changing their status to “inactive” if they choose not to participate in the gifted education program. Teachers of the gifted also provide enrichment to students and participate in interventions for students needing additional challenges beyond what the regular curriculum can provide.

The gifted program has a total of 8 certified FTE districtwide with an approximate 32:1 average PTR (includes active gifted students only). Using 32:1, the charter schools would be responsible for the following FTE based on active gifted students as of 4/27/07.

Aurora Borealis	.06 FTE
Fireweed	.13 FTE
Soldotna Montessori	.25 FTE
Kaleidoscope	.31 FTE

Kenai Peninsula Borough School District / Soldotna Montessori Charter School

**Sharing Facilities Contract Addendum
2007-2008**

The Kenai Peninsula Borough School District and Soldotna Montessori Charter School Academic Policy Committee agree to this Contract Addendum regarding sharing facility space for the 2007-2008 school year.

1. Room Usage and Operational Costs

- A. The enrollment at Soldotna Montessori School will not exceed 160 students.
- B. The District will provide 7 classrooms at Soldotna Elementary School.
- C. The District will provide Room 408 for an office area at Soldotna Elementary School for the 2007-2008 school year.
- D. Soldotna Montessori will pay the District approximately \$129,400.00 to cover the pro-rated operational cost associated with sharing a district facility for the 2007-2008 school year (utilities, shared staff, shared supplies, etc.).

4100 Music	10,800
4330 Nursing	18,500
4352 Library	8,200
4600 Custodial	57,000
4600 Building	<u>34,900</u>
	\$129,400

- E. Common Areas: Use and scheduling of the library, gym, and music room will be pro-rated according to the percentage of students attending Soldotna Montessori compared to Soldotna Elementary School population. The enrollment projections for 2007-2008 indicate the pro-rated amount is Soldotna Elementary -64% and Soldotna Montessori -36%.

2. Soldotna Montessori Administrator

- A. Administrator responsibilities involve the management of all daily operations of Soldotna Montessori. Student achievement will match or exceed District goals and State standards.
- B. The administrator shall maintain fiscal management according to District guidelines and State Statutes. This includes the preparation and oversight of the school's budget, with regular accountability to, and approval of, the APC.
- C. The administrator will be the official liaison between the District administration, the APC and the charter school. Frequent open and regular communication will be

maintained with the neighborhood school administrator to insure a successful relationship.

3. Shared Services

Soldotna Montessori agrees to budget a pro-rated amount for the following shared positions, programs, and associated costs, and to be available during the necessary trainings and events:

- a. Custodial services: The custodians will be under the direction and supervision of the head custodian and principal at Soldotna Elementary. The Soldotna Elementary principal will seek input from the charter school administrator.
- b. Specialists (P.E., music, library, etc.): The shared specialists will be under the direction and supervision of the principal at Soldotna Elementary. The Soldotna Elementary principal will seek input from the charter school administrator. The supplies and equipment needed for each of these programs may be shared with all students of both schools.
- c. Repair costs will be shared at a rate agreed upon by both schools at the time of needed repair.
- d. Emergency and safety plans: The building principal will be responsible for emergency and safety training; the charter school is responsible to be present during training.

4. Equipment and Supplies

Soldotna Montessori will purchase their own supplies and equipment needed for operation of their program, or will share in rental costs on an as-needed basis. Staff from Soldotna Montessori will share in the responsibility of care and maintenance of shared equipment, supplies and common spaces.

5. District Policy, State Statute, and Federal Requirement Accountability

Soldotna Montessori Charter School will comply with District Charter School policies, State statutes and Federal requirements during the duration of the charter. The charter school will meet all educational achievement goals and State standards as measured by the benchmark tests, CBM, DIBELS and the other prescribed or required assessments.

This Contract Addendum is for a one-year period, beginning July 1, 2007 and ending June 30, 2008.

Soldotna Montessori	Date	Glen Szymoniak, Asst. Supt.	Date