

SUBJECT

Blackfoot Charter Community Learning Center Proposed Charter Amendment, Revised Corrective Action Plan, and Fiscal Update

APPLICABLE STATUTE, RULE, OR POLICY

I.C. § 33-5209(2)
IDAPA 08.02.04.301.03

BACKGROUND

Blackfoot Charter Community Learning Center (BCCLC) was originally authorized by Blackfoot School District 55 and began operations in fall 2000. In April 2010, the Public Charter School Commission (PCSC) approved a transfer of authorizing authority to the PCSC.

In December 2011, BCCLC was issued a notice of defect on the grounds of failure to demonstrate fiscal soundness. The school also received a notice of defect on the grounds of material violation of a condition, standard, or procedure set forth in the approved charter with regard to the enrollment cap, which the school had exceeded.

In April 2012, the PCSC denied a proposed charter amendment that would have increased BCCLC's enrollment cap to 600. The denial was based on lack of evidence that BCCLC would be able to obtain affordable financing for the facility necessary to house an increased student population, as well as BCCLC's history of incomplete or unclear submission of materials to the PCSC. Because the school's corrective action plan related to the charter violation relied on the proposed amendment, it became necessary for BCCLC to submit a revised corrective action plan.

DISCUSSION

BCCLC will present a proposed charter amendment intended to bring the school back into compliance with the enrollment cap. However, a revised corrective action plan corresponding with this proposed amendment has not yet been submitted.

The school proposes the addition of two, additional support units for the 2012-13 school year and one, additional support unit each year thereafter until reaching an overall enrollment cap of 378 students. This represents an overall increase of 78 students over the existing enrollment cap.

BCCLC indicates that the school has sufficient facility space for the increased number of students through the 2013-14 school year. At that time, additional modulars will need to be added, which will require the school to lease or purchase additional land adjoining the existing site. Two, adjoining parcels are currently for sale, but information regarding purchase price, zoning requirements, and BCCLC's ability to obtaining financing is unavailable. Similarly, the costs associated with adding more modular classrooms are unknown. PCSC staff requested a five-year

budget projection to address these matters, but this document has not been provided.

As requested by the PCSC, BCCLC has provided a fiscal update for the quarter ending March 31, 2012. PCSC staff has reviewed the budgets provided and makes the following observations:

1. BCCLC was funded during FY12 for salaries for the 2012-13 school year. The school should have accounted for July and August payroll in its FY12 budget; however, a school official reports that this has not been done. As a result, it appears BCCLC will finish FY12 with a deficit. The amount of this deficit is unclear due to lack of clarity regarding other line items (see notated budget for details), but it appears likely that BCCLC will finish the year with a deficit between \$20,000 and \$30,000. BCCLC finished FY11 with a similar deficit.
2. BCCLC intends to obtain a Bank of Idaho loan against its newly-purchased land in the amount of \$45,750 to provide the cash flow necessary to finish out 2011-12 teacher contracts. The loan has a five-year term at 6.5% interest, and monthly payments will be approximately \$950. Documentation regarding the availability of this loan has not been provided despite multiple requests by PCSC staff since January 2012.
3. BCCLC reports that the school does not anticipate further difficulty in building a financial reserve. The reason cited is that, until 2014, BCCLC will not need to purchase and update additional modulars, an expense that has been incurred for each of the past several fiscal years. PCSC staff has been unable to verify this through identification of line items in which BCCLC indicates unanticipated expenditures related to modular updates or maintenance. The school also reports that ADA was lower than anticipated in FY11.
4. FY13 budget projections, provided under the assumption that BCCLC's proposed enrollment increase will be approved, raise questions regarding line items of such significance that a likely FY13 ending balance cannot be determined (see notated budget for details).

In January 2012, BCCLC submitted a corrective action plan with regard to the identified defect of failure to demonstrate fiscal soundness. The plan cites specific means by which BCCLC would end FY12 with an estimated reserve of \$48,000 and notes that, as of January 2012, most of the plan had been implemented. At this time, it appears that any corrective actions taken to date have not been effective in returning the school to fiscal soundness.

IMPACT

No action is required of the PCSC in response to corrective action plans or updates thereto.

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Pursuant to I.C. § 33-5209(3) and IDAPA 08.02.04.301.04, the public charter school must “comply with the terms and conditions of the corrective action plan and...cure the defect at issue within a reasonable time...” If the public charter school fails to comply with the plan and cure the defect, “the authorized chartering entity may provide notice to the public charter school of its intent to revoke the charter.”

The PCSC may, at its discretion, formally acknowledge the lifting of a notice of defect in the event the PCSC believes the school has cured such defect.

If the PCSC determines that the school has failed to cure an identified defect within a reasonable period of time, the PCSC may issue a notice of intent to revoke the charter.

If the PCSC approves the proposed charter amendment, the school will immediately begin operating under the amended charter. If the PCSC denies the proposed charter amendments, the school could appeal this decision to the State Board of Education, or could decide not to proceed any further.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the PCSC consider the proposed expansion in light of the school’s current fiscal status and future facility needs.

Staff further recommends that the PCSC consider whether BCCLC has failed to cure within a reasonable period of time the identified defect regarding failure to demonstrate fiscal soundness.

COMMISSION ACTION

A motion to approve Blackfoot Charter Community Learning Center’s proposed charter amendment related to the enrollment cap.

OR

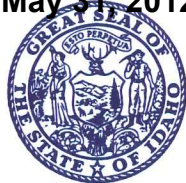
A motion to deny Blackfoot Charter Community Learning Center’s proposed charter amendment related to the enrollment cap.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

May 31, 2012

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May 31, 2012



IDAHO PUBLIC CHARTER SCHOOL COMMISSION

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April 10, 2012

Blackfoot Community Charter Learning Center
Board of Directors
2801 Hunters Loop
Blackfoot, ID 83221

Dear BCCLC Board of Directors:

As you know, the Public Charter School Commission (PCSC) considered several proposed charter amendments submitted by BCCLC at the April 5, 2012, PCSC meeting. The proposed amendments fell into three categories: updated mission statement, measurable student educational standards, and increased enrollment cap.

The PCSC approved the amendment revising BCCLC's mission statement. As the final step of the amendment process, please forward to our office a complete, electronic copy of the revised charter, with legislative formatting removed.

During the meeting, BCCLC withdrew the proposed amendments to the measurable student educational standards. As was indicated at that time, we are happy to work with you on a new proposal regarding this section of the charter, should that be the course of action your board wishes to pursue. Please don't hesitate to let us know how we may be of assistance.

Finally, the PCSC denied the proposed amendment to increase BCCLC's enrollment cap. The denial decision was made based on the following:

1. The proposed enrollment expansion would require BCCLC to construct a new facility by fall 2013. Although BCCLC owns the land on which the facility is intended to be built, it is unclear whether the school will be able to:
 - a. Obtain the financing necessary for construction, and
 - b. Sustain timely fulfillment of its obligations should such financing be received.
2. Historically, BCCLC has frequently been incomplete or unclear in its submission of materials to the PCSC. The PCSC is concerned that expansion will exacerbate the difficulties associated with this issue and encourages BCCLC to continue striving for improvements in open, thorough communication with its authorizer.

May 31, 2012

As you may have realized, the denial of the proposed enrollment cap amendment impacts BCCLC's plan for curing the second defect cited in a December 23, 2011, notice of defect issued to BCCLC. That defect was described as "Material violation of a condition, standard, or procedure set forth in the approved charter, specifically, Tab 2 "Enrollment Cap" with regard to both class sizes and growth rate." In a corrective action plan dated January 19, 2012, BCCLC proposed the charter amendment as the school's means of curing the defect.

In light of the recent denial of the proposed amendment, it would be appropriate for BCCLC to submit an alternative plan for corrective action. Such plan should be considered at the May 31, 2012, PCSC meeting and is therefore due on the usual meeting materials submission deadline, 30 days prior to the meeting. Please feel free to contact us if additional guidance in this regard would be helpful.

Finally, please note that it is a charter school's board that is ultimately responsible to its authorizer. For this reason, we appreciate Mr. Heintzelman's attendance at the April 5, 2012, meeting and look forward to the continued involvement of your board in communications with the PCSC and our staff.

Sincerely,



Tamara L. Baysinger
Public Charter School Commission Director

Cc. Michelle Clement Taylor, School Choice Specialist, State Department of Education
Fred Ball, Administrator, Blackfoot Community Charter Learning Center

**TAB 2
PROPOSED OPERATION AND POTENTIAL EFFECTS
FOR THE PUBLIC CHARTER SCHOOL**

Facilities

In 2005, Blackfoot Charter Community Learning Center moved into its newly constructed building at 2801 Hunters Loop, Blackfoot, Idaho. This 8,300 square foot facility includes eight classrooms, 6 offices, a media center, a commons/cafeteria area, restrooms, a faculty workroom, a large, fenced playground and a paved parking lot. There is room to expand through constructing additional classrooms or even adding portable classrooms on site.

Primary Attendance Area

The primary attendance area is the Blackfoot School District; however, students from other areas may be enrolled as per Idaho Code Section 33-5205(3) (j).

Effects of Enrollment Growth

~~At the beginning of the 2009-2010 school year, BCCLC's waiting list included nearly 150 students. If this transfer petition is approved, the school will add two modular classrooms and increase its enrollment by approximately 40 students for 2010-2011. Another modular unit and 20 students will be added in 2011-2012. A pattern of adding 40 student per year for an additional three year period. Current facilities provide sufficient space for 6 modular classrooms, and approximately 120 additional students. At the end of this 5 year growth cycle, new construction would be necessary.~~

Between Fall 2009 and Spring 2012, BCCLC's waiting list has remained at about 150, even though the school has added about 100 new students. Based on actual student addresses from the Spring 2012 waiting list, it is anticipated that ~~approximately 50%~~ 41% of BCCLC's new growth ~~would~~ will come from surrounding school districts, not Blackfoot. There is no elementary charter school option available in the Snake River, Firth, or Shelley School Districts. Many parents from these areas have placed their students on the BCCLC waiting list, even though little chance exists for them to be enrolled.

Enrollment Cap

~~BCCLC's enrollment cap is 300 378 students in grades K-5. Current~~ The enrollment for 2011-2012 is 220 students. The school's plan is to grow to 300, with will have a cap of ~~50~~ 63 students per grade level as indicated in the chart below, ~~and no more than 25 students per classroom.~~ The school will endeavor to maintain small class sizes. The school's strategic plan for growth will be a gradual process, adding two new support units for the 2012-2013 school year and one new support unit per year thereafter.

Strategic Growth Plan

Classes at BCCLC are multi-age; students are assigned to classrooms based on the best placements to meet their individual needs. BCCLC’s annual enrollment lottery is based on the actual, age-based grade levels of students. That is, students who would be in a given grade at a traditional public school are considered members of that grade for purposes of the enrollment lottery. Each year, students will be selected to fill available seats in accordance with the enrollment caps provided in the chart below.

A list containing the number of grade level openings will be publically posted prior to the lottery each year. Enrollment caps are based on the actual age-based grades of students regardless of classroom placement.

BCCLC’s current facilities can accommodate enrollment growth up through the 2013-14 school year. The goal is to house students at the current facility for the next five years by adding modular classrooms.

Projected BCCLC Grade Enrollment

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
grade	enrolled	enrolled	enrolled	enrolled	enrolled	enrolled
K	64	63	63	63	63	63
1	44	63	63	63	63	63
2	40	44	63	63	63	63
3	27	40	44	63	63	63
4	28	27	40	44	63	63
5	17	28	27	40	44	63
Total:	220	265	300	336	359	378

Blackfoot Charter Community Learning Center March. 31, 2012 -- submitted 5-18-12	Proposed (Board Approved Budget for Fiscal Year)	Actual (Through Most Recent Month End)	Projected (Anticipated Year-End Numbers)	Percentage Used (Actual / Proposed)	Notes (School comments in plain text. PCSC Staff comments in italics.)	State Comparison (Anticipated Year End Numbers for This column for state use only)	Difference Between State and School's Projected
REVENUE							
					Based on 220 confirmed enrollment as of August 21, 2010		
Salary Apportionment	\$459,860.00	\$404,275.40	\$455,348.40	87.91%	from SBA formula	\$455,348.40	\$0.00
Benefit Apportionment	\$82,959.00	\$64,710.04	\$82,144.85	78.00%	from SBA formula	\$82,144.85	\$0.00
Entitlement	\$196,260.00	\$170,624.48	\$192,334.80	86.94%	based on 10 units as calculated by SDE Support Unit Claculation formula Actual came as 9.8 units	\$192,334.80	\$0.00
State Transportation	\$33,200.00	\$55,520.00	\$55,520.00	167.23%		\$60,894.00	\$5,374.00
Lottery	\$7,500.00	\$8,041.00	\$8,401.00	107.21%	<i>Lottery monies are not separate, but are already included in entitlement above. This has been the case for several years</i>	\$0.00	(\$8,401.00)
Other State Funds (Specify)	\$22,800.00	\$13,890.00	\$22,800.00	60.92%	includes remediation funds. Classroom Tech, Reading Initiative, and Remedation account for \$5,456.70. It is unclear what else the school has included in this category. Due to this uncertainty, state column reflects only the amount received to date.	\$13,890.00	(\$8,910.00)
Special Ed - Regular	\$29,018.00	\$29,013.00	\$29,013.00	99.98%		\$29,013.00	\$0.00
Special Ed - ARRA	\$0.00		\$0.00	#DIV/0!		\$0.00	\$0.00
Title I	\$18,097.00	\$33,305.00	\$33,305.00	184.04%	approval pending	\$33,881.00	\$576.00
Federal Title I Funds : ARRA	\$0.00		\$0.00	#DIV/0!		\$0.00	\$0.00
Medicaid Reimbursement	\$0.00		\$0.00	#DIV/0!		\$0.00	\$0.00
Title IIA	\$0.00	\$4,450.00	\$4,450.00	#DIV/0!		\$4,512.00	\$62.00
Local Revenue (Specify)	\$2,120.00	\$543.75	\$2,120.00	25.65%	<i>Because this is reported to be a PAC donation (fundraising), the state column reflects only the amount received to date</i>	\$543.75	(\$1,576.25)
Federal Startup Grant				#DIV/0!			\$0.00
Other Grants (Specify)				#DIV/0!			\$0.00
Fundraising				#DIV/0!			\$0.00
Interest Earned	\$120.00	\$67.15	\$120.00	55.96%	From bank accounts	\$120.00	\$0.00
Other (Specify)			\$24,000.00	#DIV/0!	REAP Grant approved but not yet received. State column removes grant revenue because grant expenditures are not included below.	\$0.00	(\$24,000.00)
Other (Specify)			\$45,750.00	#DIV/0!	Bank Loan State column removes this amount because a loan should not be considered revenue	\$0.00	(\$45,750.00)
TOTAL REVENUE	\$851,934.00	\$784,439.82	\$955,307.05	92.08%		\$872,681.80	(\$82,625.25)
EXPENDITURES							
100 Salaries							
					includes IT/networking consultant State column includes \$90,210 for finishing out teacher contracts for 2011-12 school year. School received payment for these salaries during FY12 and should have budgeted for those expenses in FY12, though the final paychecks will be cut in July and August. The \$90,210 number was provided by the school.		
Teachers	\$289,962.00	\$218,170.36	\$289,962.00	75.24%		\$380,172.00	\$90,210.00
Special Education	\$31,500.00	\$22,995.10	\$31,500.00	73.00%	1.0 FTE	\$31,500.00	\$0.00
Instructional Aides	\$46,300.00	\$35,188.00	\$46,300.00	76.00%	5.25 FTE	\$46,300.00	\$0.00
Classified/Office	\$12,210.00	\$9,212.63	\$12,210.00	75.45%	.80 FTE	\$12,210.00	\$0.00
Administration	\$63,650.00	\$46,575.00	\$63,650.00	73.17%	1.0 FTE	\$63,650.00	\$0.00
Maintenance	\$21,500.00	\$19,398.25	\$21,500.00	90.22%	custodial position	\$21,500.00	\$0.00
Other (Specify)	\$12,500.00	\$10,728.54	\$12,500.00	85.83%	bus drivers	\$12,500.00	\$0.00
Other (Specify)	\$3,500.00	\$2,866.31	\$3,500.00	81.89%	new ramp for modular classroom	\$3,500.00	\$0.00
Total Salaries	\$481,122.00	\$365,134.19	\$481,122.00	75.89%		\$571,332.00	\$90,210.00
200 Employee Benefits							
PERSI/FICA/Benefits	\$57,500.00	\$49,520.88	\$57,500.00	86.12%	PERSI		
Other (Specify)	\$67,500.00	\$49,275.11	\$67,500.00	73.00%	health insurance benefits		
Total Benefits	\$125,000.00	\$98,795.99	\$125,000.00	79.04%		\$125,000.00	
300 Purchased Services							
Management Services				#DIV/0!			
Staff Dev/Title IIA	\$0.00		\$0.00	#DIV/0!	costs included in teacher contracts		
Legal Pub/Advertising	\$230.00	\$187.50	\$230.00	81.52%			
Legal Services	\$0.00		\$0.00	#DIV/0!			
Special Education	\$4,750.00	\$3,245.76	\$4,750.00	68.33%	Speech and Occupational therapy		
Liability & Property Ins	\$7,500.00	\$1,533.50	\$7,500.00	20.45%	lower due to previous year overcharge		
Substitute Teachers	\$3,300.00	\$3,755.69	\$3,755.69	113.81%	some paid form title II		
Board Expenses	\$500.00	\$421.00	\$500.00	84.20%			

Computer Services	\$0.00		\$0.00	#DIV/0!		
Transportation	\$2,400.00	\$390.97	\$2,400.00	16.29%	bus driver training, tracher inservice expenses	
Travel	\$2,200.00	\$1,887.70	\$2,200.00	85.80%	estimated 3 trips to Boise, 2 to Twin Falls	
Other (Specify)	\$8,000.00	\$3,558.66	\$8,000.00	44.48%	building care and maintenance	
Other (Specify)	\$0.00		\$0.00	#DIV/0!		
Total Services	\$28,880.00	\$14,980.78	\$29,335.69	51.87%		\$29,335.69
Facilities				#DIV/0!		
Building Lease	\$0.00		\$0.00	#DIV/0!		
Land Lease	\$0.00		\$0.00	#DIV/0!		
Modular Lease	\$0.00		\$0.00	#DIV/0!		
Utilities, Phones, Lndscp	\$17,400.00	\$10,944.76	\$14,400.00	21.58%		
Site Preparation	\$0.00		\$0.00	#DIV/0!		
Other (Specify)				#DIV/0!		
Other (Specify)				#DIV/0!		
Total Facilities	\$17,400.00	\$10,944.76	\$14,400.00	62.90%		\$14,400.00
400 Supplies and Maintenance						
Textbooks	\$24,000.00	\$10,603.56	\$24,000.00	44.18%		
School Supplies	\$6,800.00	\$7,831.23	\$7,831.23	115.17%	instructional consumables and supplies	
Power School				#DIV/0!		
Custodial Supplies	\$8,200.00	\$4,293.69	\$8,200.00	52.36%	cleaning and maintenance supplies	
Other (Specify)	\$3,000.00	\$3,087.68	\$3,087.68	102.92%	pupil transportation supplies	
Other (Specify)				#DIV/0!		
Total Supplies	\$42,000.00	\$25,816.16	\$43,118.91	61.47%		\$43,118.91
500 Capital Objects						
Furniture				#DIV/0!		
Technical AV Equipment				#DIV/0!		
Other (Specify)	\$11,500.00	\$12,978.00	\$12,978.00	112.85%	purchase of 2 classroom modular unit	
Other (Specify)				#DIV/0!		
Other (Specify)				#DIV/0!		
Other (Specify)				#DIV/0!		
Total Capital Objects	\$11,500.00	\$12,978.00	\$12,978.00	112.85%		\$12,978.00
Debt Service						
Specify	\$73,586.00	\$41,928.21	\$73,586.00	56.98%	Bank of Idaho loan initiated in 2009	
Specify				#DIV/0!		
Specify				#DIV/0!		
Total Debt Service	\$73,586.00	\$41,928.21	\$73,586.00	56.98%		\$73,586.00
Grant Purchases						
Specify				#DIV/0!		
Specify				#DIV/0!		
Specify				#DIV/0!		
Specify				#DIV/0!		
Specify				#DIV/0!		
Total Grant Purchases	\$0.00	\$0.00	\$0.00	#DIV/0!		\$0.00
Reserve Fund				#DIV/0!		
Building Fund				#DIV/0!		
Total Expenses	\$779,488.00	\$570,578.09	\$779,540.60	73.20%		\$869,750.60
Carryover from Previous FY	(\$24,281.00)	\$0.00	(\$24,281.00)	0.00%	Per FY11 independent fiscal audit, this deficit accounts for summer payroll to finish out 2010-11 teacher contracts. Therefore, it is appropriate to assume that the FY11 bottom line must account for summer payroll to finish out 2011-12 teacher contracts. This is reflected in the state column for teacher salary expenditures above, and in the bottom line below.	(\$24,281.00)
Reserve/(Deficit)	\$48,165.00	\$213,861.73	\$151,485.45	444.02%	BCCLC anticipates using a \$45,750 bank loan for the necessary cash flow to make payroll over the summer	(\$21,349.80)

Blackfoot Charter Community Learning Center FY13 -- submitted 5-18-12, assumes approval of enrollment increase	Proposed Budget	Notes	State Comparison This column for state use only.	Difference from "Current Fiscal Year"	
REVENUE		based on enrollment of 252 student			
Local Revenue	\$2,500.00	from parent activity committee. State column assumes \$0 since donations should not be relied upon.	0.00	\$380.00	reflects projected from "current FY"
State Revenue					
Entitlement	\$218,737.00	11.8 units as calculated by SDE formula	218,737.00	\$26,402.20	reflects State actual from "current FY"
Wages					
Administration	\$53,862.00	Based on SDE formula for FY13	53,862.00		
Teachers	\$402,063.00	Based on SDE formula for FY13	402,063.00		320000
Classified	\$80,112.00	Based on SDE formula for FY13	80,112.00	\$80,688.60	reflects all salaries compared to State actual from "current FY"
Medicaid				\$0.00	reflects projected from "current FY"
Benefit	\$96,701.00	Based on SDE formula for FY13	96,701.00	\$14,556.15	reflects State actual from "current FY"
Transportation	\$55,520.00	Transportation revenue should be tied to transportation expenditures from the previous year, at a reimbursement rate of approximately 85%. BCCLC's transportation expenses from FY12 are shown as \$14,900 (bus drivers plus transportation expense), indicating that this revenue assumption is unrealistically high. State column reflects revenue at 85% of FY12 expenditures. This matter is likely confused by the sharing of transportation expenses with ISTCS, as the accounting behind this arrangement is presently unclear.	12,665.00	(\$5,374.00)	
Federal Revenue					
Title I	\$33,305.00		33,305.00	(\$576.00)	reflects State actual from "current FY"
Special Ed	\$31,000.00		31,000.00	\$1,987.00	reflects State actual from "current FY"
Title II	\$4,500.00		4,500.00	\$4,500.00	reflects State actual from "current FY"
Startup Grant				\$0.00	reflects State actual from "current FY"
Other Sources (Specify)					
Other Sources (Specify)					
Other Sources (Specify)					
Total Revenue before holdback	\$978,300.00		932,945.00	\$122,563.95	
EXPENDITURES					
100 Salaries					
Teachers	\$369,240.00	12.0 FTE It appears that BCCLC anticipates spending only \$4,068 more on teacher salaries compared to last year despite an enrollment increase of 2 support units. This difference may be due to lack of inclusion of summer 2013 salaries in this projection. The state comparison column includes the summer payroll at 10% of total revenue for the year, an estimate provided by the school.	467,070.00	4,068.00	reflects school projection from "current FY" minus \$15k IT personnel (estimate based on FY13 projection of \$15k for IT personnel since categories were combined in FY12).
Admin	\$63,650.00	1.0 FTE	63,650.00	0.00	reflects projected from "current FY"
Classified	\$61,300.00	6.25 FTE includes paraeducators and office personnel	61,300.00	2,790.00	reflects projected from "current FY"
Special education	\$31,500.00	1 FTE	31,500.00	0.00	reflects projected from "current FY"
Other (Specify)		Per BCCLC, custodial expense has been moved to purchased services.		(21,500.00)	reflects projected from "current FY"
Other (Specify)		Per BCCLC, bus driver expense has been moved to purchased services.		(12,500.00)	reflects projected from "current FY"
Total Salaries	\$525,690.00		623,520.00	(27,142.00)	
200 Benefits					
Benefit Dollars					
PERSI/Payroll taxes	\$62,400.00				
Other (Specify)	\$73,500.00	medical insurance			
Total Benefits	\$135,900.00		135,900.00	\$10,900.00	reflects projected from "current FY"
300 Purchased Services					
Transportation	\$65,400.00	to ISTCS for all transportation services	65,400.00	\$63,000.00	reflects projected from "current FY"
Special Education	\$4,400.00	for speech therapy	4,400.00	(\$350.00)	reflects projected from "current FY"
Proctor costs					
Legal				\$0.00	reflects projected from "current FY"
Insurance	\$16,800.00		16,800.00	\$9,300.00	reflects projected from "current FY"
Copier Lease	\$2,600.00		2,600.00	\$2,600.00	
Printer Lease				\$0.00	
Facility Lease	\$0.00			\$0.00	reflects projected from "current FY"
Utilities	\$23,100.00		23,100.00	\$8,700.00	reflects projected from "current FY"
Professional Development	\$4,500.00	Smartbaord training, conference travel, love and logic seminar	4,500.00	\$4,500.00	reflects projected from "current FY"
Technology	\$15,000.00	IT support services	15,000.00	\$15,000.00	reflects projected from "current FY"
Management Services				\$0.00	reflects projected from "current FY"

May 31, 2012

UPCOMING FISCAL YEAR BUDGET COMPARISON

Legal Publications/Advertising	\$1,200.00		1,200.00	\$970.00	reflects projected from "current FY"
Substitute Teachers	\$3,600.00		3,600.00	(\$155.69)	reflects projected from "current FY"
Board Expenses	\$600.00		600.00	\$100.00	reflects projected from "current FY"
Other (Specify)	\$31,500.00	building custodial and Maint.	31,500.00		
Other (Specify)					
Total Purchased Services	\$168,700.00		168,700.00	\$103,664.31	
Supplies & Materials					
Teacher/Classroom	\$22,000.00	<i>Per BCCLC, expanded enrollment will require furniture purchases. It is unclear whether this expense is included here</i>	22,000.00	\$14,168.77	reflects projected from "current FY"
Office	\$6,200.00		6,200.00	\$6,200.00	Not in 2010 budget.
Janitorial	\$1,500.00		1,500.00	(\$6,700.00)	reflects projected from "current FY"
Textbooks	\$13,780.00		13,780.00	(\$10,220.00)	reflects projected from "current FY"
Other (Specify)					
Other (Specify)					
Total Supplies & Materials	\$43,480.00		43,480.00	\$3,448.77	
Grant Expenditures					
Specify					
Specify					
Specify					
Total Grant Expenditures	\$0.00				
Capital Outlay				\$0.00	
Total Capital Outlay	\$0.00			\$0.00	
Debt Retirement				\$0.00	
Total Debt Retirement	\$84,986.00		84,986.00	\$0.00	
Insurance & Judgements				\$0.00	
Total Insurance & Judgements	\$0.00		0.00	\$0.00	
Transfers				\$0.00	
Total Transfers	\$0.00		0.00	\$0.00	
Contingency Reserve	\$0.00				
Building Fund	\$19,544.00		0.00		
Total Expenditures	\$978,300.00		\$1,056,586.00	\$90,871.08	
Carryover from Previous FY	\$151,485.45	Reflects projected reserve/(deficit) from "current year" worksheet	(21,349.80)		
Reserve/(Deficit)	\$151,485.45		(\$144,990.80)		

May 31, 2012

**Blackfoot Charter Community Learning Center
Corrective Action Plan
January 19, 2012**

Defect #1 Failure to demonstrate fiscal soundness as defined by I.C. 33-5209(2)(d).

This code states the following:

(d) Failed to demonstrate fiscal soundness. In order to be fiscally sound, the public charter school must be:

- (i) Fiscally stable on a short-term basis, that is, able to service all upcoming obligations; and
- (ii) Fiscally sustainable as a going concern, that is, able to reasonably demonstrate its ability to service any debt and meet its financial obligations for the next fiscal year;

During FY11, BCCLC recognized that in order to continue to grow and meet the demand for charter education in this area, the school would be required to plan well into the future. With this in mind, the Board developed a 10 year strategic growth plan. As this plan evolved, it became evident that new construction would be essential. Given this, the board made decisions to purchase 1) a new school bus and 2) purchase approximately 4 acres of land. These decisions were not lightly considered. It was recognized that the FY12 budget would need to be scaled back in order for the school to remain fiscally sound. The following action plan was developed and implemented at that time.

1. The FY12 budget was carefully developed to ensure all fiscal obligations could be met.
2. Major reductions would be implemented in the following areas:
 - Media center expenses
 - Field trips and other transportation expenses
 - New software purchases
 - New equipment purchases
 - Teacher and administrative travel and purchased services
 - Employee medical benefits
3. Mr. Elzo White, retired Superintendent from Snake River School District #52, along with the Board of Directors would review monthly expenses to ensure fiscal soundness.
4. The budget will provide a reserve balance at the end of the fiscal year
5. A part time grant writer would be employed to help the school find and secure additional funding sources.
6. A backup plan in case of emergency would be developed and include:
 - Additional areas, including personnel expenses where cuts could be made
 - Options for increased revenue, include bank assistance

7. Development of an FY13 budget that would continue to meet all expenses and continue to build the reserve balance

Progress in meeting this plan:

1. A balanced FY12 Budget was developed and is being carefully followed
2. This budget included reductions in all areas listed. All paraeducators were moved to part time status. Medical benefit expenses were reduced for all employees.
3. In addition to monthly budget reviews, Mr. White has met with Mr. Ball periodically
4. The FY12 budget provides for an estimated \$48,000 reserve
5. A part time grant writer has been hired. Currently BCCLC has received over \$22,000 from her efforts.
6. In case of emergency, BCCLC has a plan to eliminate certain classified positions; also a mortgage loan for the land already purchased is available, if needed from Bank of Idaho
7. The FY13 projected budget has been developed and will continue to ensure fiscal soundness. A copy of this was submitted in the Budget Template.

As of January 1, 2012 the fiscal year is 50% completed. BCCLC is on track, having expended 49% of its budget at this point.

Defect #2 Material violation of a condition, standard or procedure set forth in the approved charter, specifically Tab 2 "Enrollment Cap" with regards to both class sizes and growth rate.

BCCLC has developed proposed revisions to its charter that address the class size and growth rate concerns. These were not finalized in time to meet the 30 day submission requirement; hence they were not included in the school's Annual Report. All charter amendments have gone to the SDE for a sufficiency review. However, based on Ms. Keelie Campbell's Oct. 25, 2011 email indicating that amendments dealing with enrollment do not need the SDE sufficiency review, BCCLC proposes the following amendments to Tab 2 of its charter:

Effects of Enrollment Growth

~~At the beginning of the 2009-2010 school year, BCCLC's waiting list included nearly 150 students. For 2011-2012 2010-11, the school will add two modular classrooms and increase its enrollment by approximately 40 students for 2010-2011. Another modular unit and 20 students will be added in 2011-2012. This pattern of adding 20- approximately 40 students each year will be followed for an addition eight year period. Current facilities provide sufficient space for 6 modular classrooms, and approximately 120 additional students. By the end of the 2012-2013 school year, new construction will be necessary.~~

Enrollment Cap

BCCLC's enrollment cap is ~~300~~ 600. Current enrollment is 220 students. The school's ~~plan is to grow to 300, with~~ will have a cap of ~~50~~ 100 students per grade level, and no more than 25 students per classroom. ~~The school will endeavor to maintain small class sizes.~~ The school's strategic plan for growth will be a gradual process, adding ~~one~~ two new class per year.

Strategic Growth Plan

In order to manage growth and ensure an unbiased student selection process, BCCLC's strategic growth model is designed to build from the bottom up. That is, new classes will be added at the kindergarten level and expansion above that will occur as these students move each year. By following this model, there will never be a time when large numbers of students enters the school at a grade beyond kindergarten. The number of openings in grades above kindergarten will primarily be determined by non-returning individuals.

Because classes at BCCLC are multi-age, at the end of each school year students are assigned to their next year's classroom based on the best placement to meet their individual needs. Each classroom generally follow a grade-level curriculum, but individual differentiation is key to meeting each student's needs. To illustrate, a classroom may have second, third, and fourth grade students with a curriculum that is predominantly fourth grade. Placement in that classroom is not based on age; nonetheless, when openings occur for new students, these would be filled from the fourth grade lottery list.

By adopting this growth model, BCCLC recognizes that for a number of years grade level numbers will be uneven and skewed toward the lower end, but over time these will balance out.