

SUBJECT

Heritage Community Charter School Corrective Action Plan and High School Pilot Program Report

APPLICABLE STATUTE, RULE, OR POLICY

I.C. § 33-5209
IDAPA 08.02.04.301

BACKGROUND

Heritage Community Charter School (HCCS) is a public charter school authorized by the Public Charter School Commission (PCSC). Located in Caldwell, HCCS opened in fall 2011 and served students in grades K-12 using a bi-lingual (English/Spanish), classical education model.

At the May 31 PCSC meeting, the PCSC moved to issue to HCCS a notice of defect (NOD) on multiple grounds.

Additionally, upon approval of the charter, the PCSC and HCCS agreed that the school's high school program was to be operated as a pilot. After each of the first several years of operation, the administrator would prepare a report to assist the board with determining the future of the high school program.

DISCUSSION

HCCS will present a corrective action plan (CAP) addressing the identified defects in the following manner:

- The school believes the teaching of Latin was done in accordance with the charter, which allows for the teaching of Latin roots only during the first year of operation. This was addressed through the Language Arts curriculum. HCCS has hired a certified Latin teacher for the 2012-13 school year. He will be teaching Latin roots and Level I Latin.
- At the time of the May 31 PCSC meeting, an annual secondary report had not been prepared by the school. However, the report has since been completed in the form of a PowerPoint presentation that is included with these meeting materials.
- HCCS applied for accreditation on May 18, 2012. They are collaborating with AdvancED to work through this process, which will take place mostly during the upcoming school year. Although HCCS' board has recently decided to suspend the high school program, they have indicated that they will move forward with plans for obtaining accreditation, as it is hoped the high school program can be built back one grade at a time. School officials are exploring the possibility of accrediting grades K-8 in order to help facilitate the high school accreditation process.

HCCS has not addressed the possibility of assisting any families whose students may be required to re-take coursework completed during the 2011-12 school year, for which accreditation is unavailable.

- HCCS failed to meet their measurable student educational standards (MSES) related to recitation of school and class creeds. As part of the CAP, staff will be trained prior to the opening of the 2012-13 school year to ensure emphasis is placed on meeting this standard.
- The school's expenditure website has been updated and includes all required information. It appears that the school has returned to compliance in this area.
- Mr. Castaneda, the new school administrator, has applied for Idaho certification and anticipates the process will be completed by mid-July. The school reports that Mr. Buck will be a teacher, classical education specialist, and assistant to Mr. Castaneda. He will not perform administrative level duties. The SDE anticipates issuing a 5-year renewable administrator certification to Mr. Castaneda and a 3-year interim elementary certificate to Mr. Buck once fingerprint checks have cleared, indicating that the school will be compliant in this area.

HCCS will also provide a high school pilot program report. At its June meeting, the HCCS board elected to discontinue the high school program, due mostly to inadequate resources. The school anticipates future submission of a proposed charter amendment permitting the provision of grades K-8 for the 2012-13 school year, followed by the addition of one high school grade per year beginning in fall 2013.

The school indicates that it ended FY12 with a positive fund balance of approximately \$141,000. HCCS projects that 2012-13 enrollment will be sufficient to enable the school to remain fiscally viable despite the absence of a secondary program.

IMPACT

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

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.

July 24, 2012

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.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the PCSC consider cured the identified defects with regard to Latin instruction, maintenance of an expenditure website, and administrative certification.

Staff further recommends that the PCSC require HCCS to submit a fiscal and enrollment update at the beginning of the 2012-13 school year.

COMMISSION ACTION

Any action would be at the discretion of the PCSC.

July 24, 2012

THIS PAGE IS LEFT INTENTIONALLY BLANK

July 24, 2012



IDAHO PUBLIC CHARTER SCHOOL COMMISSION

650 W. State Street • P.O. Box 83720 • Boise, ID 83720-0037
208/334-2270 • FAX: 208/334-2632
e-mail: charter@osbe.idaho.gov

June 1, 2012

Board of Directors
Heritage Community Charter School
1803 E. Ustick Road
Caldwell, ID 83605

Dear HCCS Board of Directors:

As you are aware, Idaho Code § 33-5209 requires the authorized chartering entity of a public charter school to provide written notice of defect to any school which it has reason to believe has committed a defect. The letter is to serve as written notice of defect to Heritage Community Charter School on the following grounds:

1. Material violation of a condition, standard, or procedure set forth in the approved charter, specifically with regard to:
 - Offering students Latin instruction in grades 7-12 (Tab 3, Standard 4 and Standard 5);
 - Preparation by the administrator of an annual secondary school report for the board's review, and board analysis of secondary school operations (Appendix I); and
 - Ensuring that HCCS will be accredited (Tab 4, Provision Ensuring State Accreditation and Tab 5, Annual Financial and Programmatic Audits).
2. Failure to substantially meet any of the student educational standards identified in the approved charter, specifically, Tab 4, MSES 3, referring to recitation of creeds.
3. Violation of a provision of law, specifically:
 - Idaho Code § 33-119 and IDAPA 08.02.02.140 regarding secondary school accreditation;

Printed on Recycled Paper

July 24, 2012

- Idaho Code § 33-357 regarding maintenance of an internet based expenditure website; and
- IDAPA 08.02.02.026 regarding administrative certification.

In accordance with IDAPA 08.02.04.301.03, please submit to the PCSC office by July 2, 2012, a corrective action plan detailing the means by which this defect will be cured.

Sincerely,



Tamara L. Baysinger
Public Charter School Commission Director

Cc: Alan Reed, Chairman, PCSC
Michelle Clement Taylor, School Choice Specialist, SDE
Jean Taylor, Interim Administrator, HCCS

July 24, 2012

YORGASON
LAW OFFICES, PLLC

AMENDED

July 3, 2012

SENT VIA E-MAIL TO: Keelie.Campbell@osbe.idaho.gov

Ms. Tamara Baysinger
Public Charter School Commission Director
Idaho Public Charter School Commission
650 W. State Street
P.O. Box 83720
Boise, Idaho 83720-0037

RE: AMENDED Response to Heritage Community Charter School Notice of Defect,
June 1, 2012

Ms. Baysinger:

I am writing to you as the attorney for the Heritage Community Charter School ("HCCS"). HCCS submits this corrective action plan in response to the Notice of Defect, dated June 1, 2012.

Defect 1. Material violation of a condition, standard or procedure set forth in the approved charter, specifically with regard to:

Offering students Latin instruction in grades 7-12 (Tab 3, Standard 4 and Standard 5).

The HCCS charter provides that students in grades 7-12 will be taught Latin. Specifically, Tab 3 of the charter covers the Educational Thoroughness Standards, with the relevant references to Latin in Standard 4 and Standard 5 (a full copy of Tab 3, Standards 4 and 5 is attached hereto as Exhibit A):

Standard 4:

Secondary (Grades 7-12):

The philosophy and purpose are the same for the secondary program with a greater emphasis on college preparation. Students who have completed five or more years of elementary instruction at HCCS should be able to demonstrate bi-literate proficiency. Core classes will be taught in English in the secondary program. Spanish instruction, however, may continue through elective classes if the board of directors determines the need for additional Spanish instruction. *Students in grades 7-12 will receive instruction in Latin which will prepare them for post-secondary study and enhance their overall understanding of languages.* (Emphasis added.)

CHRIS YORGASON
chris@yorgasonlaw.com

6200 N MEEKER PLACE
BOISE, ID 83713

P: (208) 861-3332
F: (208) 375-3271

Standard 5:

Secondary students (grades 7-12) will engage in a challenging course of study that includes courses in all core content areas. By full implementation, HCCS expects students to complete six years of instruction in math beginning with pre-algebra in 7th grade; six years of instruction in laboratory science; six years of instruction in English/language arts and six years of instruction in social studies. In addition, students will complete requirements in humanities, health, speech, physical education and elective courses. *HCCS will offer students the opportunity to take Latin in grades 7 through 12 and advanced Spanish classes including dual credit and/or AP Spanish. (Emphasis added.)*

Not cited in the Notice of Defect, but relevant to the requirement to teach Latin, is Appendix H of the HCCS charter, which discusses the Dual Language Implementation Draft Plan. Appendix H contains two models – typical practice and best practice. Under both models, the first year of the school (2011-12) involved the teaching of only Latin roots to grades 7 through 12. (Appendix H is attached hereto as Exhibit B.) When Commission staff visited HCCS on May 18, 2012, they observed and reported that this standard was met, “Latin instruction this year included only Latin roots as part of the Language Arts curriculum.” (See *Heritage Community Site Visit Report, May 18, 2012*, page 3, attached hereto as Exhibit C.)

The teaching of Latin at HCCS during the 2011-12 school year was done in accordance with the charter, including Tab 3 and Appendix H. HCCS has hired Mr. Matt Harris to teach Latin during the 2012-13 school year. (A copy of Mr. Harris’ contract is attached hereto as Exhibit D.) It does not appear that an actual defect exists in the instruction of Latin, but HCCS taught Latin roots during the 2011-12 school year has hired a teacher to teach Latin roots and Level I Latin next year, which should correct any defect that may exist.

Preparation by the administrator of an annual secondary school report for the board’s review and board analysis of secondary school operations (Appendix I).

The HCCS charter, Appendix I, provides:

The HCCS administrator will prepare an annual secondary school report for the HCCS board to review during the first five years of operation. The HCCS administrator and board members will analyze academic achievement data and secondary school operations and make adjustments to the program to ensure program success.

At the time of the Commission meeting on May 31, 2012, the annual secondary school report had not been completed and delivered to the HCCS board. However, that report has now been

completed by the administrator and has been forwarded to the HCCS board and to Commission staff. (A separate copy of that report is attached to this response s Exhibit E.)

AMENDED July 3, 2012:

At the HCCS board's regularly scheduled June meeting on June 26, 2012, the board and administration discussed the annual report on the high school pilot program and analyzed both the academic achievement data and secondary school operations of the high school.

After a review of the annual report, the board held a lengthy discussion with staff and parents about the future of the high school pilot program. As part of that discussion, the board reviewed three different budget options: 1) keeping the high school; 2) dropping the high school but keeping K-8 (with 8th grade having only 30 students and all other grades having 60); and 3) dropping the high school and keeping K-8 with all grades having 60 students. All in attendance were allowed to participate in the conversation and the board listened to comments regarding which plan was the best financially, how stakeholders (staff, K-8 students, high school students, etc.) would be impacted, how the Commission might respond, etc.)

At the end of the conversation, the board took an informal poll of all attendees and an overwhelming majority (approximately 75-80%) of those in attendance supported dropping the high school and proceeding with a K-8 with 60 students in all grades. The board then moved to terminate the high school pilot program for the 2012-13 school year, with the intention of restarting the high school program in the 2013-14 school year and building the high school one grade at a time, subject to approval by the Commission. As a result of this decision, the board agreed to work with all 2011-12 secondary students (about 28) to facilitate the transfer of their credits to other schools and to retain all staff currently employed at the school (which was discussed as part of the budget presentations).

Ensuring that HCCS will be accredited (Tab 4, Provision Ensuring State Accreditation and Tab 5, Annual Financial and Programmatic Audits).

Tab 4 and Tab 5 of the HCCS charter discuss accreditation. The relevant portions of those Tabs, attached hereto as Exhibit F, read as follows:

Tab 4

Provision Ensuring State Accreditation

Heritage Community Charter School will be accredited through the Northwest Association of Accredited Schools (NAAS). Training will be obtained for properly applying for accreditation including the correct procedures for submitting reports.

Tab 5

July 24, 2012

Accreditation-related visits and/or reports will be completed in a timely manner and copies will be submitted to the school's authorizing entity if and when applicable.

HCCS failed to timely apply for accreditation for the 2011-12 school year. In conversations with Ms. Vicky Reynolds, at AdvancED (formerly of Northwest Association of Accredited Schools), the HCCS accreditation application was submitted on May 18, 2012. At this time, the process going forward is unclear. Ms. Reynolds indicated that she will be receiving training in July on AdvancED's accreditation process, and until then will not know the full details of the accreditation process.

Despite not knowing all the details, Ms. Reynolds has provided some initial guidance, which includes a review of materials on the AdvancED website. A review of the process on the website does appear to require that HCCS conduct a self-assessment prior to the official visits from the accreditation team. While most of this work will need to be completed in the next school year, HCCS has already acquired some of the materials from AdvancED in preparation for this assessment. AdvancED will also conduct a readiness visit and a formal site visit, before awarding accreditation.

Due to the fluidity involved in the transition between Northwest Association of Accredited Schools and AdvancED and any decisions regarding the future of the high school pilot program, it is difficult to lay out a specific plan to achieve accreditation. However, the HCCS board and its new administrator, Mr. Castaneda, are committed to working closely with AdvancED to ensure that the accreditation process is followed and accreditation can be achieved as early as possible.

It should also be noted that HCCS is currently working with neighboring schools to help facilitate the transfer process for any high school students choosing to transfer out of HCCS. The process is consistent with the process for other students transferring from other unaccredited education options (such as home schools, private schools, etc.).

AMENDED July 3, 2012:

As a result of the board's decision to stop the high school pilot program for the 2012-13 school year, HCCS would not be required to be accredited for the remaining K-8 grades. However, in anticipation of achieving accreditation for the high school in the 2013-14 school year, HCCS is committed to continue to work with AdvancED to ensure that all accreditation steps are undertaken in a timely manner and that HCCS will be fully prepared for the accreditation process. HCCS may also explore the option of accrediting its K-8 grades, if that would facilitate the accreditation process for the future high school grades.

CHRIS YORGASON
chris@yorgasonlaw.com

6200 N MEEKER PLACE
BOISE, ID 83713

P: (208) 861-3332
F: (208) 375-3271

Defect 2. Failure to substantially meet any of the student educational standards identified in the approved charter, specifically, Tab 4, MSES 3, referring to recitation of creeds.

The referenced measurable student education standard, attached hereto as Exhibit G, reads as follows:

Standard 3: Students will be able to recite a school, class, or personal creed after 6 consecutive months at Heritage Community Charter School assessed by the classroom/advisory teacher using the following measurements:

Grades K – 6:

- 85% of students participating in a flawless recitation of a school or class creed as part of a whole group (class) setting.
- 85% of students individually reciting a grade appropriate class creed flawlessly, with a maximum of two prompts.

Grades 7-12

- 85% of students participating in a flawless recitation of a school or class creed as part of a whole group (class) setting.
- 85% of students individually reciting a flawless class or personal creed.

HCCS did not meet this measurable standard during the 2011-12 school year. In preparation for the 2012-13 school year, HCCS will engage in specific training with all staff prior to the beginning of the school year to ensure that each staff member is aware of the standard and that an emphasis is placed on meeting the standard.

Defect 3. Violation of a provision of law, specifically:

Idaho Code §33-119 and IDAPA 08.02.02.140 regarding secondary school accreditation.

33-119. ACCREDITATION OF SECONDARY SCHOOLS -- STANDARDS FOR ELEMENTARY SCHOOLS. The state board shall establish standards for accreditation of any secondary school and set forth minimum requirements to be met by public, private and parochial secondary schools, and those in chartered school districts, for accredited status; and the board may establish such standards for all public elementary schools as it may deem necessary. The board may withdraw accreditation from any secondary school after such period as it may establish when it has been determined that such school has failed or neglected to conform to accreditation standards; and it may reinstate such school as accredited when in its judgment such school has again qualified for accredited status. The board may further establish minimum requirements which any pupil shall meet to qualify for graduation from an accredited secondary school.

"Secondary school" for the purposes of this section shall mean a school which, for operational purposes, is organized and administered on the basis of grades seven (7) through twelve (12), inclusive, or any combination thereof.

"Elementary school" for the purposes of this section shall mean a school which, for operational purposes, is organized and administered on the basis of grades one (1) through six (6), inclusive, one (1) through eight (8), inclusive, or any combination of grades one (1) through eight (8), inclusive.

08.02.02140. ACCREDITATION.

All public secondary schools, serving any grade(s) 9-12, will be accredited. Accreditation is voluntary for elementary schools, grades K-8, and private and parochial schools. (Section 33-119, Idaho Code)

01. Continuous School Improvement Plan. Schools will develop continuous school improvement plans focused on the improvement of student performance.

02. Standards. Schools will meet the accreditation standards of the Northwest Accreditation Commission.

03. Reporting. An annual accreditation report will be submitted to the State Board of Education.

Please see the discussion above regarding the ongoing accreditation process. (Defect No. 1.c.)

Idaho Code §33-357 regarding maintenance of an internet based expenditure website.

The relevant portions of Idaho Code §33-357 provide as follows:

(2) (a) No later than December 1, 2011, each education provider shall develop and maintain a publicly available website where the education provider's expenditures are posted in a nonsearchable PDF format, a searchable PDF format, a spreadsheet or in a database format.

(b) The internet based website shall include the following data concerning all expenditures made by the education provider:

- (i) The name and location or address of the entity receiving moneys;
- (ii) The amount of expended moneys;
- (iii) The date of the expenditure;
- (iv) A description of the purpose of the expenditure, unless the expenditure is self-describing;
- (v) Supporting contracts and performance reports upon which the expenditure is related when these documents already exist;

- (vi) To the extent possible, a unique identifier for each expenditure;
 - (vii) The annual budget approved by the education provider's governing board, to be posted within thirty (30) days after its approval; and
 - (viii) Any current master labor agreements approved by the education provider's governing board.
- (c) The expenditure data shall be provided in an open structured data format that may be downloaded by the user.
 - (d) The internet based website shall contain only information that is a public record or that is not confidential or otherwise exempt from public disclosure pursuant to state or federal law.
- (3) The education provider shall:
- (a) Update the expenditures contained on the internet based website at least monthly;
 - (b) Archive all expenditures, which shall remain accessible and on the internet based website for a number of years, consistent with state law regarding keeping and retention of records;
 - (c) Make the internet based website easily accessible from the main page of the education provider's website; and
 - (d) The website shall include those records beginning on the effective date of this act on July 1, 2011, and all data prior to that date shall be available by way of a public records request.

The HCCS website now contains all information and is properly updated as required by Idaho Code.

IDAPA 08.02.02.026 regarding administrative certification.

08.02.02.026. ADMINISTRATOR CERTIFICATE.

Every person who serves as a superintendent, a secondary school principal, or principal of an elementary school with eight (8) or more teachers (including the principal), or is assigned administrative duties over and above those commonly assigned to teachers, is required to hold an Administrator Certificate. The certificate may be endorsed for service as a school principal, a superintendent, or a director of special education and related services. Assistant superintendents are required to hold the Superintendent endorsement. Assistant principals or vice-principals are required to hold the Principal endorsement. Applicants for the Director of Special Education and Related Services endorsement will hold that endorsement on an Administrator Certificate. Possession of an Administrator Certificate does not entitle the holder to serve as a teacher at a grade level for which the educator is not qualified or certificated. All administrator certificates require candidates to meet the following competencies of the Idaho Foundation Standards for School Administrators: Visionary and Strategic Planning, Instructional Leadership, Management

and Organizational Leadership, Family and Community Partnerships, Professional and Ethical Leadership, and Governance and Legal Leadership.

01. School Principal Endorsement (Pre-K-12). To be eligible for an Administrator Certificate endorsed for School Principal Pre-K-12, a candidate must have satisfied the following requirements:

- a. Hold a master's degree from an accredited college or university.
- b. Have four (4) years of full-time certificated experience working with students, Pre-K-12, while under contract in an accredited school setting.
- c. Have completed an administrative internship in a state-approved program, or have one (1) year of experience as an administrator in grades Pre-K-12.
- d. Provide verification of completion of a state-approved program of at least thirty (30) semester credit hours, forty-five (45) quarter credit hours, of graduate study in school administration for the preparation of school principals at an accredited college or university. This program shall include the competencies of the Idaho Foundation Standards for School Administrators: Visionary and Strategic Planning, Instructional Leadership, Management and Organizational Leadership, Family and Community Partnerships, Professional and Ethical Leadership, and Governance and Legal Leadership.
- e. An institutional recommendation is required for a School Principal Pre-K-12 Endorsement.

02. Superintendent Endorsement. To be eligible for an Administrator Certificate with a Superintendent endorsement, a candidate must have satisfied the following requirements:

- a. Hold an education specialist or doctorate degree or complete a comparable post-master's sixth year program at an accredited college or university.
- b. Have four (4) years of full-time certificated/licensed experience working with Pre-K-12 students while under contract in an accredited school setting.
- c. Have completed an administrative internship in a state-approved program for the superintendent endorsement or have one (1) year of out-of-state experience as an assistant superintendent or superintendent in grades Pre-K-12.
- d. Provide verification of completion of an approved program of at least thirty (30) semester credit hours, or forty-five (45) quarter credit hours, of post-master's degree graduate study for the preparation of school superintendents at an accredited college or university. This program in school administration and interdisciplinary supporting areas shall include the competencies in Superintendent Leadership, in addition to the competencies in the Idaho Foundation Standards for School Administrators: Visionary and Strategic Planning, Instructional Leadership, Management and Organizational Leadership, Family and Community Partnerships, Professional and Ethical Leadership, and Governance and Legal Leadership.
- e. An institutional recommendation is required for a School Superintendent Endorsement.

03. Director of Special Education and Related Services Endorsement (Pre-K-12). To be eligible for an Administrator Certificate endorsed for Director of Special Education and Related Services Pre-K-12, a candidate must have satisfied all of the following requirements:
- a. Hold a master's degree from an accredited college or university.
 - b. Have four (4) years of full-time certificated/licensed experience working with students Pre-K-12, while under contract in a school setting.
 - c. Obtain college or university verification of demonstrated the competencies of the Idaho Foundation Standards for School Administrators: Visionary and Strategic Planning, Instructional Leadership, Management and Organizational Leadership, Family and Community Partnerships, Professional and Ethical Leadership, and Governance and Legal Leadership.
 - d. Obtain college or university verification of demonstrated competencies in the following areas, in addition to the competencies in the Idaho Foundation Standards for School Administrators: Concepts of Least Restrictive Environment; Post-School Outcomes and Services for Students with Disabilities Ages Three (3) to Twenty-one (21); Collaboration Skills for General Education Intervention; Instructional and Behavioral Strategies; Individual Education Programs (IEPs); Assistive and Adaptive Technology; Community-Based Instruction and Experiences; Data Analysis for Instructional Needs and Professional Training; Strategies to Increase Program Accessibility; Federal and State Laws and Regulations and School District Policies; Resource Advocacy; and Technology Skills for Referral Processes, and Record Keeping.
 - e. Have completed an administrative internship/practicum in the area of administration of special education and related services.
 - f. An institutional recommendation is required for Director of Special Education and Related Services Pre-K-12 Endorsement.

When HCCS began its operations, it hired Dr. Christine Ivie to serve as its administrator. In December 2011/January 2012, Dr. Ivie became ill and was placed on indefinite medical leave. In an effort to act quickly to have an administrator at the school, HCCS hired Jean Taylor to serve as the interim administrator. Ms. Taylor applied for and received her provisional administrator certification and has served diligently and faithfully as the HCCS administrator since Dr. Ivie's departure.

Looking forward to the 2012-13 school year, HCCS conducted interviews and hired a new administrator, Mr. Javier Castaneda. Mr. Castaneda has worked as an administrator in Oregon for several years and has submitted his application for an administrator certification in Idaho. Mr. Castaneda's contract officially begins on July 16, 2012, and he should have his certification complete by the Commission's July meeting.

HCCS also hired Mr. Archie Buck. Mr. Buck has been hired as a classroom teacher, a classical education specialist and an assistant to Mr. Castaneda. Mr. Buck is not currently an

July 24, 2012

administrator and, consequently, does not and will not perform administrator-level duties over and above those commonly assigned to teachers. Mr. Buck has worked as a teacher in Oregon and has applied for his Idaho teaching certificate.

According to the most recent communication with the State, the only delay in Mr. Castaneda's and Mr. Buck's applications is in waiting for the fingerprint check to clear. Once the fingerprint check is completed, Mr. Castaneda will be issued a 5-year, renewable Principal certification and Mr. Buck will be issued a 3-year Idaho Interim Certificate (Standard Elementary: All Subjects K-8). (A copy of the email from Mr. Jerry Jensen, Idaho State Department of Education, to Ms. Jean Taylor, Acting Principal HCCS, dated Monday, June 18, 2012, is attached hereto as Exhibit H.) The current and future administrators fully satisfy all legal requirements.

In summary, HCCS has either fully satisfied all legal requirements under its charter and Idaho statutes or has put in place a plan to ensure the future compliance of those items that cannot be fully resolved at this time. HCCS respectfully requests that the Notice of Defect, issued on June 1, 2012, be removed.

Sincerely,



Christopher E. Yorgason, Attorney
Heritage Community Charter School

cc: HCCS Board

July 24, 2012

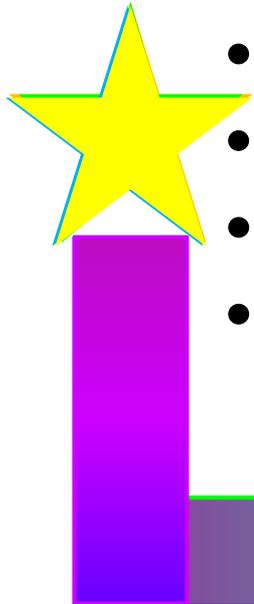
Secondary Pilot Program Report



Heritage Community Charter School
2011-2012

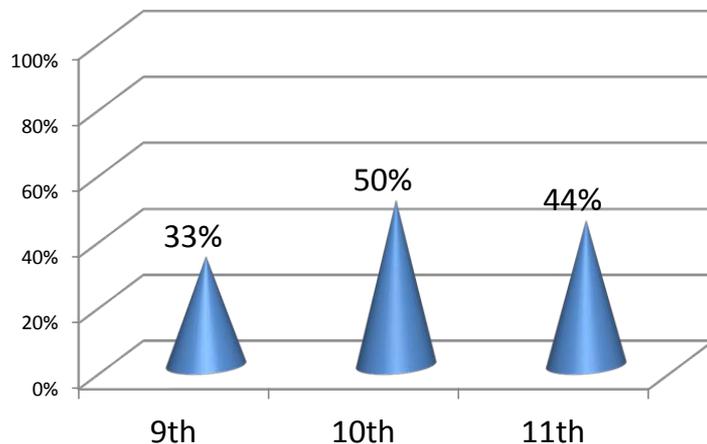
Charter: The Dream

- Planned for a rigorous curriculum
 - Core Knowledge Sequence
 - 52 credits for graduation (state=46)
- College prep program
- Advanced opportunities
- College credits before graduating
- Special programs available to help meet unique needs.



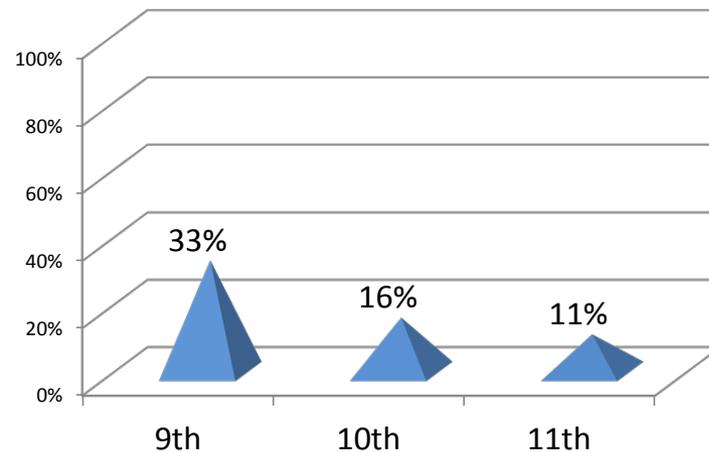
The Reality: HCCS Student Population

HCCS Students from Alternative Programs



44% of the HCCS high school enrollment came from alternative high schools or alternative programs classified as “at-risk”.

Students with IEPs/504 Plans



19% of HCCS high school students came identified with a disability that significantly impacts their education.

Poverty is also a factor with 75% of students enrolled in HCCS qualifying for free or reduced lunches.

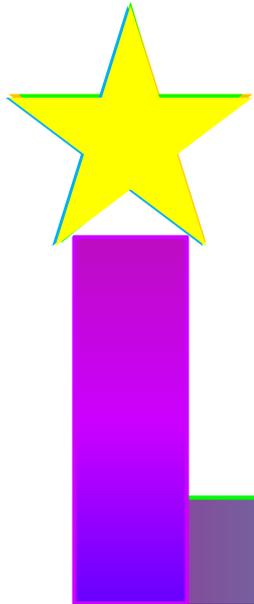
HCCS Strengths

- Fully certified staff endorsed in their assigned content areas
 - Offered 997 hours of instruction (990 required)
 - Small class sizes
 - Access to all required coursework either with an onsite teacher or via Idaho Digital Learning Academy (IDLA) with onsite staff support
 - Leadership opportunities for students who would be overlooked in larger schools
 - Supports in place for students with disabilities
-

Challenges

- Few choices of electives
- Teachers taught several different classes, requiring a lot of preparation time after school hours.
- IDLA was a poor fit for many students.
- Creating the ideal school culture was a struggle (discipline issues).
- Instructional resources were limited due to a reduced budget. (State lost federal dollars resulting in a \$200,000 shortfall to HCCS).
- Accreditation was delayed.

What Do High School Students Think About HCCS?



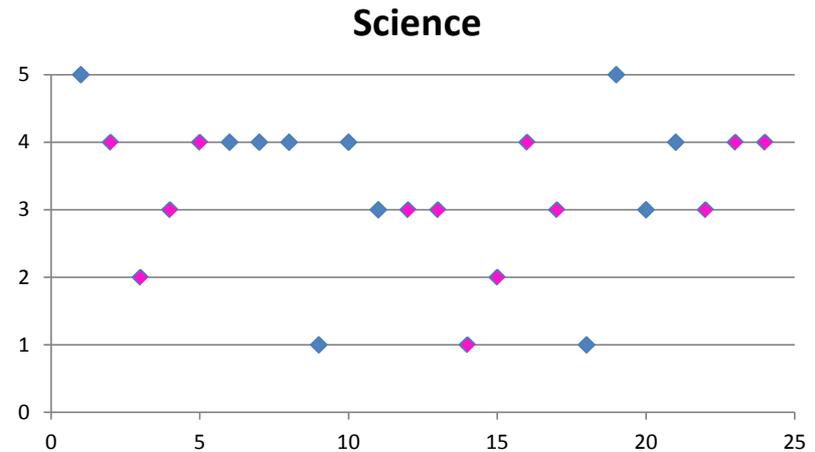
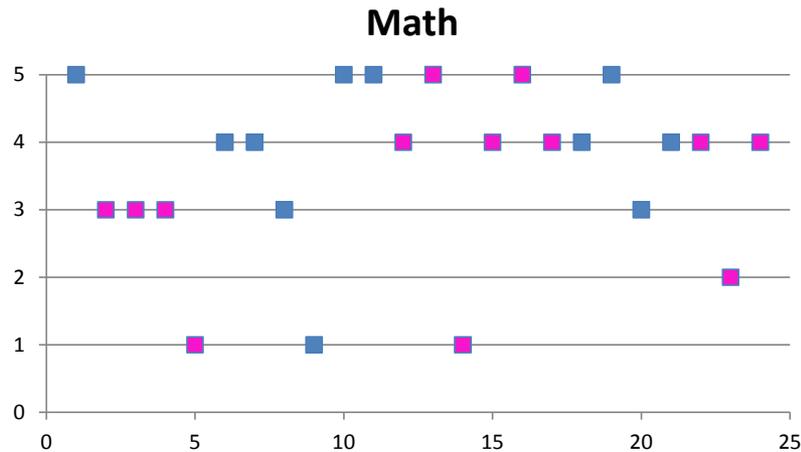
Student Satisfaction Survey
2011-2012

H.S. Student Survey: Academics

1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

Male=Blue

Female=Pink



63% of students agreed, or strongly agreed, they made a noticeable improvement in math this year.
17% disagreed.
Of those who disagreed, 75% were female.

50% of students agreed, or strongly agreed, they made a noticeable improvement in science this year.
21% disagreed.
Of those who disagreed, 60% were female.

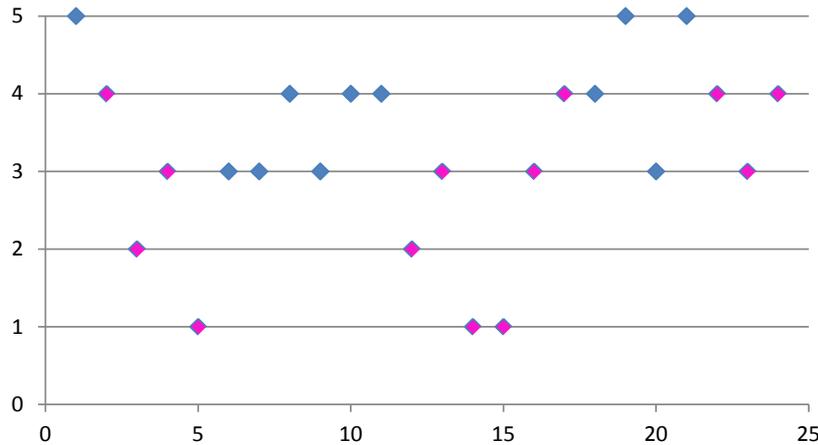
H.S. Student Survey: Academics

1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

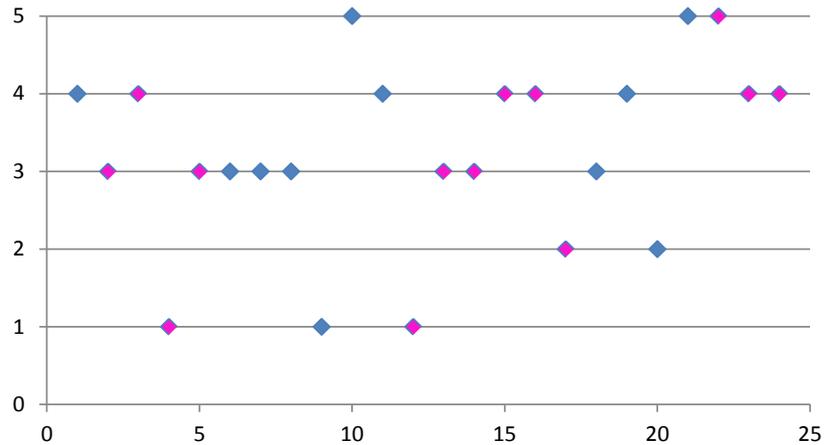
Male=Blue

Female=Pink

English



History



46% of students agreed, or strongly agreed, they made a noticeable improvement in English this year.
21% disagreed.

46% of students agreed, or strongly agreed, they made a noticeable improvement in History this year.
21% disagreed.

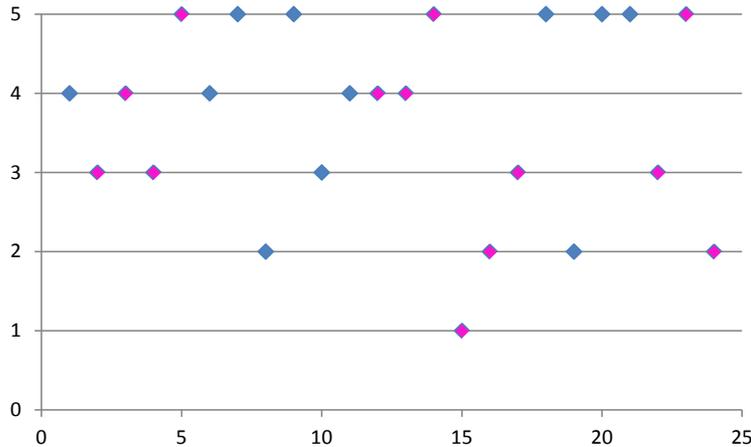
H.S Student Survey: Academics

1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

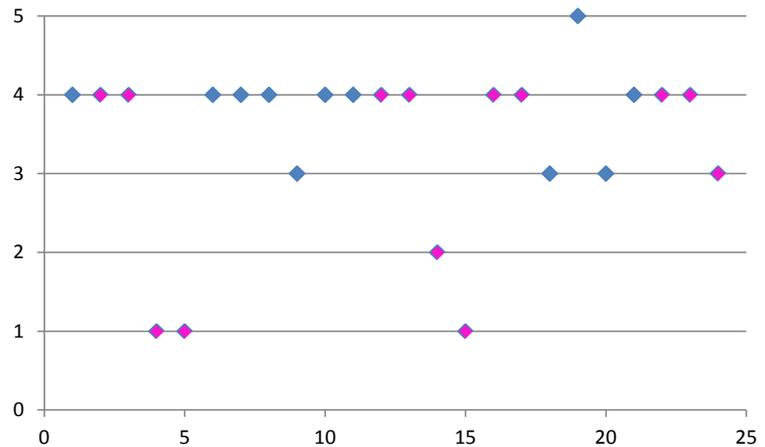
(11) Male=Blue

(13) Female=Pink

Work is more difficult at HCCS



I am learning to think & communicate effectively



58% of students agreed, or strongly agreed, the classwork at HCCS is more difficult than at their last school.
21% disagreed.

67% of students agreed, or strongly agreed, they are learning to think and communicate effectively at HCCS.
21% disagreed.

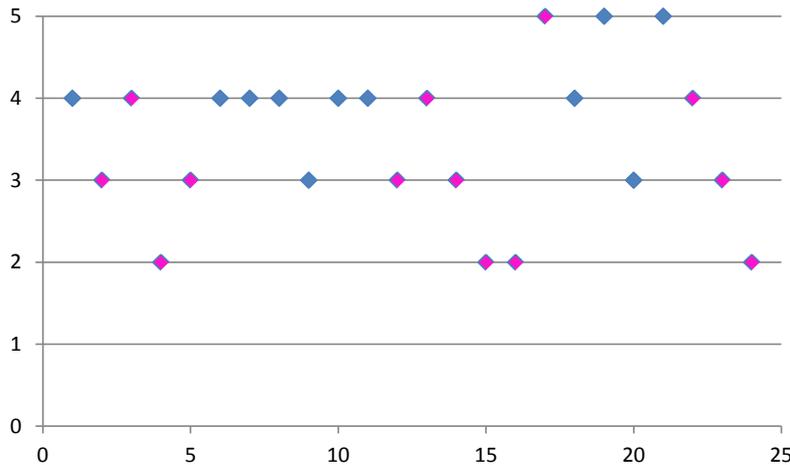
H.S. Student Survey: School Culture

1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

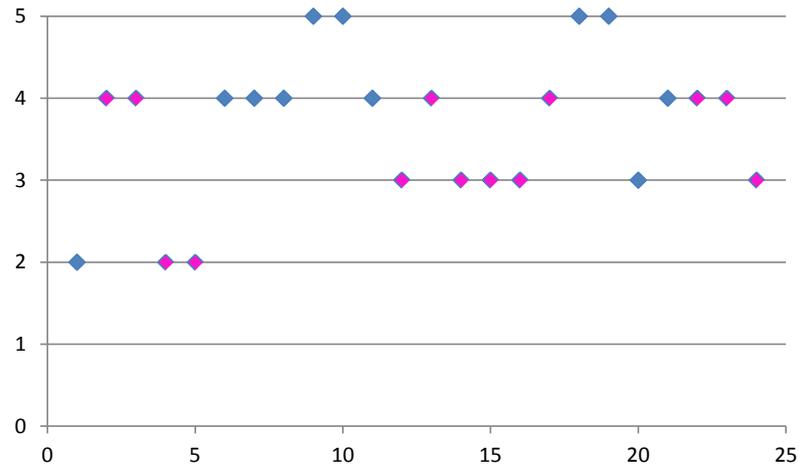
Males=Blue

Females=Pink

Feel Valued & Included



Feel Safe



54% of students agreed, or strongly agreed, they feel valued and included at HCCS.
17% disagreed.

63% of students agreed, or strongly agreed, they feel safe at HCCS.
13% disagreed.

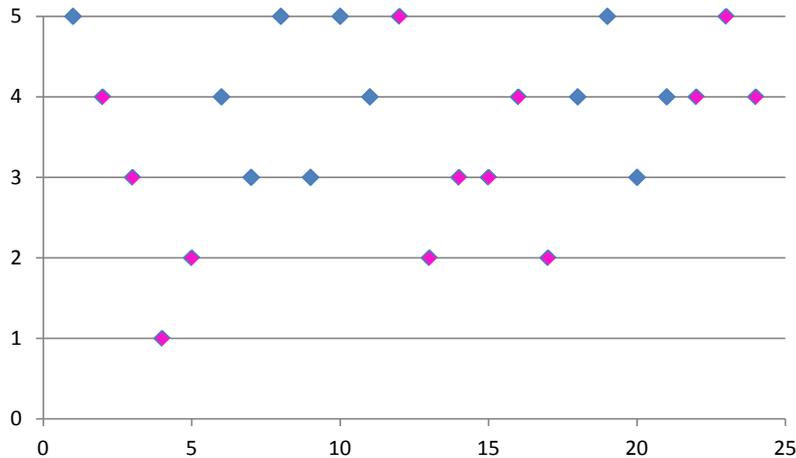
Student Survey: Student Relations

1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

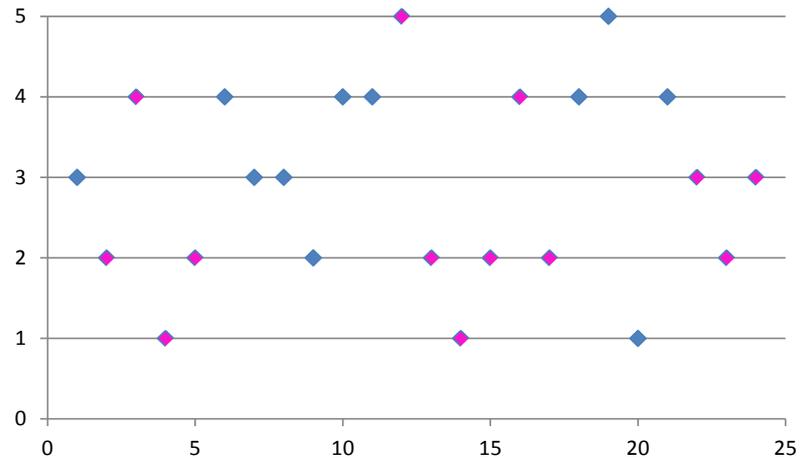
Male=Blue

Female=Pink

Respect is Encouraged



Respect is Practiced



58% agreed, or strongly agreed, that students are encouraged to treat one another with respect at HCCS.
17% disagreed.

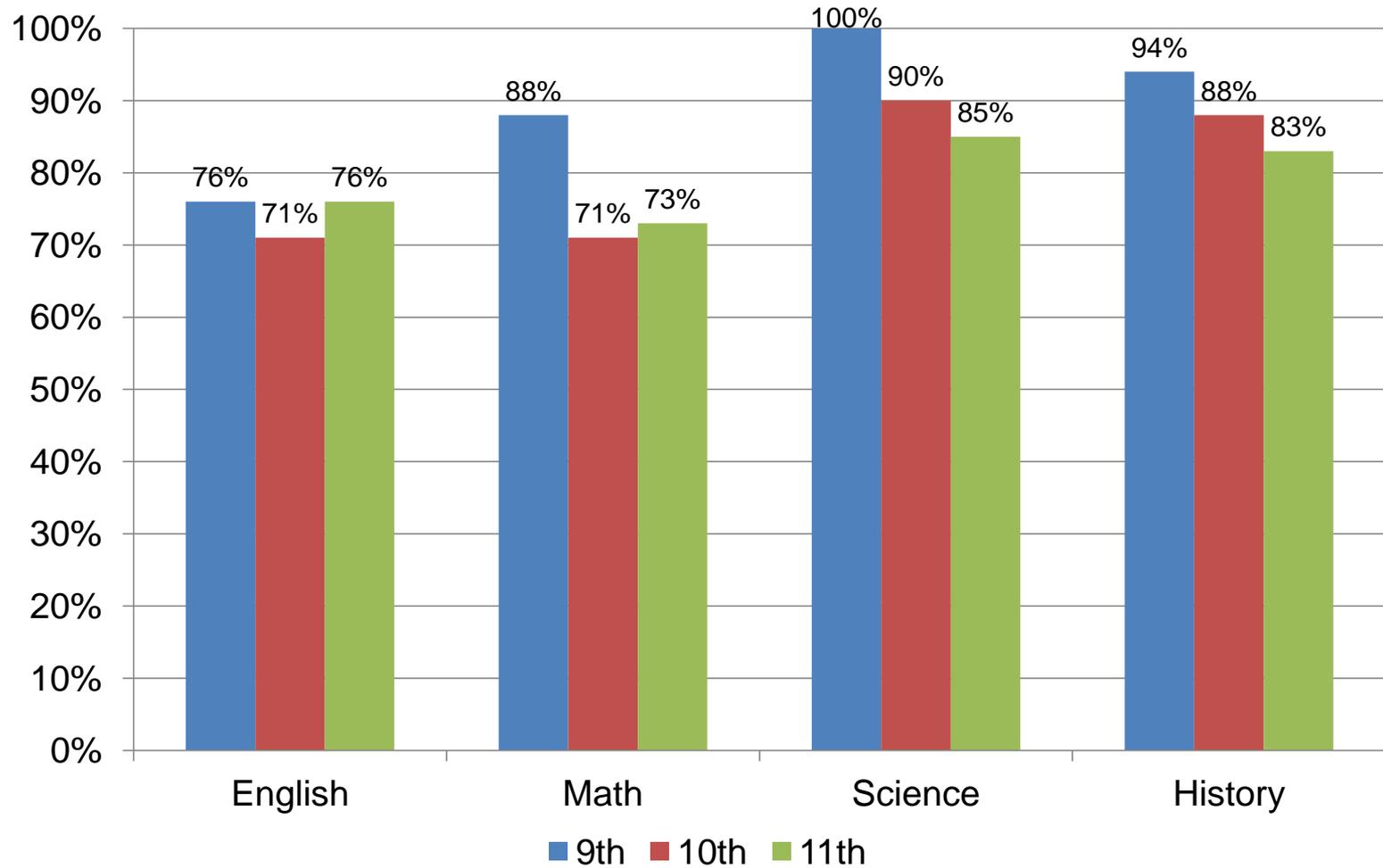
38% agreed, or strongly agreed, students at HCCS do treat one another with respect.
42% disagreed.

How Did Students Do This Year?

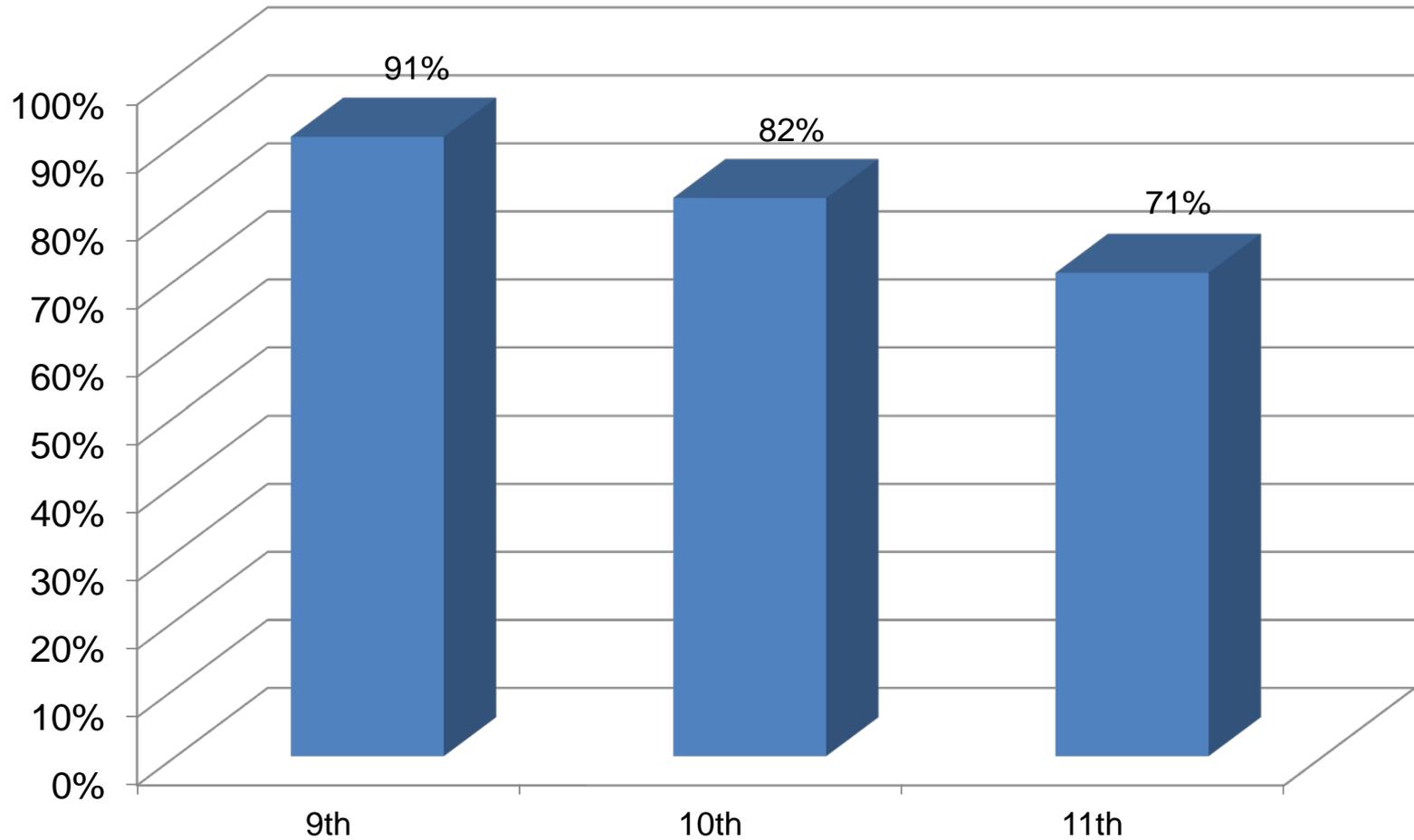


2011-2012

Percentage of Students Passing Subjects

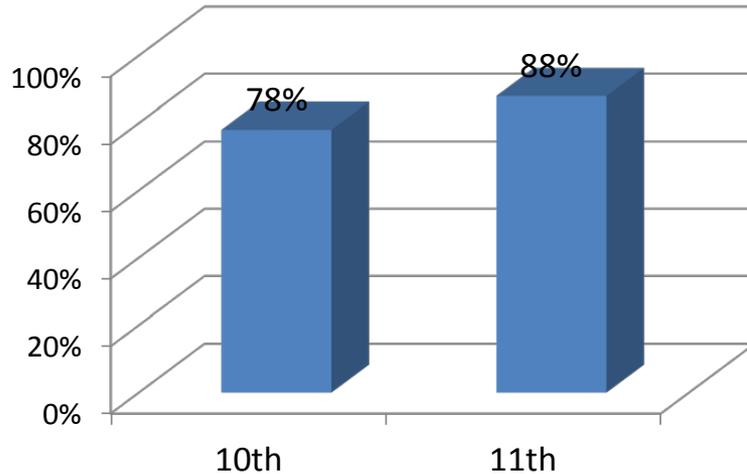


Percentage of Credits Earned

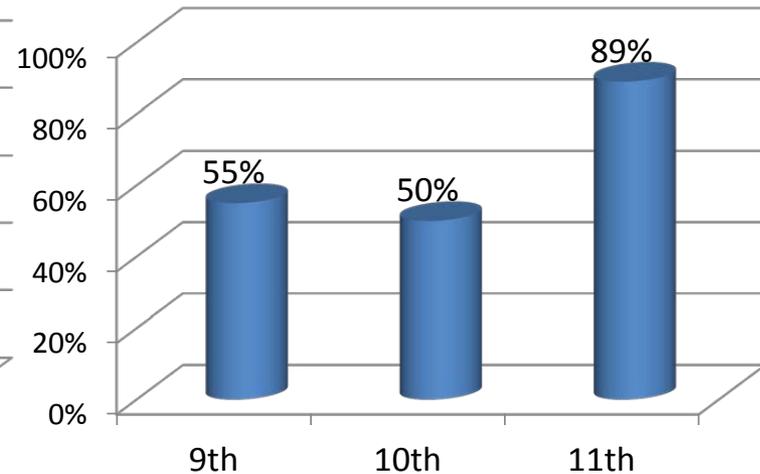


Many At-Risk for Late Graduation

Percentage of Students Who Entered HCCS with a Credit Deficiency



'11-'12 Completers At-Risk for Not Graduating on Time



Reasons:

Students fell behind due to failing grades or not taking enough classes (seminary and other reasons).

Budget Concerns

- Expanding the high school enrollment will require additional space and cost.
 - Additional teachers will be needed.
 - Funding is based on student enrollment.
 - 10 students disenrolled after learning accreditation was delayed.
 - There are only 11 high school students on the waiting list, making it unlikely there will be full high school enrollment in the upcoming year to generate needed revenue.
-

Pilot H.S. Summary

- Even though HCCS provides a challenging curriculum, some students excelled, students who also did well in their past schools.
 - Students with disabilities received supports that enabled them to earn most of their credits.
 - With 52 credits required for graduation:
 - Class of 2013: 89% are unlikely to graduate on time.
 - Class of 2014: 50% are unlikely to graduate on time.
 - Class of 2015: 55% are unlikely to graduate on time.
 - Full enrollment is unlikely without additional recruitment.
 - Budget is inadequate to provide portables and additional teachers. Need additional revenue.
-

July 24, 2012

HCCS
2012/2013 Budget Template
Caldwell, Id

| | FY 2012-2013 #1 | | | FY 2012-2013 #2 | | | FY 2012-2013 #3 | | | Variances | |
|---------------------------------------|----------------------|----------|-------------|----------------------------------|-------------|-------------|---------------------|----------|-------------|-----------|------------------------------|
| | K-12 Full enrollment | | | K-8 partial 8th grade enrollment | | | K-8 Full enrollment | | | | |
| | Number | Rate | Amount | Number | Rate | Amount | Number | Rate | Amount | | |
| Number of Students | 580 | | | 510 | | | 540 | | | | -70 -40 |
| Revenues: | | | | | | | | | | | |
| State Apportionment | | \$ 3,800 | \$2,204,023 | | \$ 3,619 | \$1,845,789 | | \$ 3,702 | \$1,998,959 | | -\$358,234 -\$205,064 |
| State Transportation | | 75% | 165,000 | | 75% | 165,000 | | 75% | 165,000 | | \$0 \$0 |
| Nutrition Program | \$ - | | 170,000 | \$ - | | 170,000 | \$ - | | 170,000 | | \$0 \$0 |
| Title 1 | | | 148,000 | | | 148,000 | | | 148,000 | | \$0 \$0 |
| Title IIA | | | 22,000 | | | 22,000 | | | 22,000 | | \$0 \$0 |
| IDEA VI-B | | | 65,000 | | | 65,000 | | | 65,000 | | \$0 \$0 |
| Fundraising/PTSO | | | 7,500 | | | 7,500 | | | 7,500 | | \$0 \$0 |
| Student Fees/IDs | | 35 | 20,300 | | 35 | 17,850 | | 35 | 18,900 | | -\$2,450 -\$1,400 |
| Classroom Technology | | | 15,832 | | | 15,832 | | | 15,832 | | \$0 \$0 |
| Other State Funds(SED,Math/Science) | | | 37,095 | | | 37,095 | | | 37,095 | | \$0 \$0 |
| Medicaid (Idaho State Billing Svcs) | | | 15,000 | | | 15,000 | | | 15,000 | | \$0 \$0 |
| LEP | | | 4,080 | | | 4,080 | | | 4,080 | | \$0 \$0 |
| Interest | | | 100 | | | 100 | | | 100 | | \$0 \$0 |
| Total Revenues | | | \$2,873,930 | | | \$2,513,246 | | | \$2,667,466 | | -\$360,684 -\$206,464 |
| Expenses: | | | | | | | | | | | |
| Salaries: | | | | | | | | | | | |
| Certified Administration | \$ 85,000 | 1 | \$85,000 | 1 | \$85,000 | 1 | \$85,000 | 1 | \$85,000 | | \$0 \$0 |
| Teachers | | 25 | \$815,696 | 21 | \$696,655 | 21 | \$696,655 | 21 | \$696,655 | | -4 -\$119,041 -\$119,041 |
| Counselor | \$ 46,768 | 1 | \$46,768 | 1 | \$46,768 | 1 | \$46,768 | 1 | \$46,768 | | \$0 \$0 |
| Title 1 Coordinator | \$ 37,164 | 1 | \$37,164 | 1 | \$37,164 | 1 | \$37,164 | 1 | \$37,164 | | \$0 \$0 |
| Title 1 Math | \$ 31,750 | 1 | \$31,750 | 2 | \$31,750 | 2 | \$31,750 | 2 | \$31,750 | | \$0 \$0 |
| Fed Programs Director | \$ 50,000 | 1 | \$50,000 | 1 | \$50,000 | 1 | \$50,000 | 1 | \$50,000 | | \$0 \$0 |
| Special Ed/SLP | \$ 31,750 | 1 | \$31,750 | 2 | \$31,750 | 2 | \$31,750 | 2 | \$31,750 | | \$0 \$0 |
| Classified Nutritional Program | \$ 24,000 | 1 | \$24,000 | 1 | \$24,000 | 1 | \$24,000 | 1 | \$24,000 | | \$0 \$0 |
| Maintenance/Other | \$ 20,800 | 1 | \$20,800 | 1 | \$20,800 | 1 | \$20,800 | 1 | \$20,800 | | \$0 \$0 |
| Classified/Office Staff | \$ 44,800 | 2 | \$44,800 | 2 | \$44,000 | 2 | \$44,000 | 2 | \$44,000 | | -\$800 -\$800 |
| IT Manager-ISEE/PS | \$ 47,000 | 1 | \$47,000 | 1 | \$47,000 | 1 | \$47,000 | 1 | \$47,000 | | \$0 \$0 |
| Instructional Aids/Substitutes-Gen Ed | | | \$70,000 | | | \$50,000 | | | \$50,000 | | -\$20,000 -\$20,000 |
| Instructional Aids-SPED | | | \$10,000 | | | \$10,000 | | | \$10,000 | | \$0 \$0 |
| Instructional Aids-Title 1 | | | \$20,000 | | | \$20,000 | | | \$20,000 | | \$0 \$0 |
| Lunch workers | | | \$20,000 | | | \$20,000 | | | \$20,000 | | \$0 \$0 |
| Total Salaries | | 36 | \$1,354,728 | 34 | \$1,214,887 | 34 | \$1,214,887 | 34 | \$1,214,887 | | -\$139,841 -\$139,841 |
| Benefits: | | | | | | | | | | | |
| Retirement/PERSI | 11.6% | | \$142,611 | 11.7% | | \$129,884 | 11.7% | | \$129,884 | | -\$12,727 -\$12,727 |
| Health/Life Insurance | 325 | 36 | 140,400 | 325 | 34 | 132,600 | 325 | 34 | 132,600 | | -2 -\$7,800 -\$7,800 |
| Payroll Taxes | 7.7% | | 103,637 | 7.7% | | 92,939 | 7.7% | | 92,939 | | -\$10,698 -\$10,698 |
| Workers Compensation | 1.1% | | 8,000 | 1.1% | | 8,000 | 1.1% | | 8,000 | | \$0 \$0 |
| Total Benefits | | | \$394,648 | | | \$363,423 | | | \$363,423 | | -\$31,225 -\$31,225 |
| Operating Expenses: | | | | | | | | | | | |
| Fundraising/PTSO | | | \$7,500 | \$ 10.00 | | \$7,500 | \$ 10.00 | | \$7,500 | | \$0 \$0 |
| Textbooks | \$ 20.00 | | \$7,500 | \$ 10.00 | | \$7,500 | \$ 10.00 | | \$7,500 | | \$0 \$0 |
| Testing & Assessment | | | \$2,000 | | | \$2,500 | | | \$2,500 | | \$500 \$500 |
| Copy Machine Lease | | | \$15,000 | | | \$15,000 | | | \$15,000 | | \$0 \$0 |
| Equipment/ Furniture | | | \$5,000 | | | \$5,000 | | | \$5,000 | | \$0 \$0 |
| Technology | | | \$15,832 | | | \$15,832 | | | \$15,832 | | \$0 \$0 |
| Special Ed services/IDEA/Gen | | | \$25,000 | | | \$25,000 | | | \$25,000 | | \$0 \$0 |
| Special Ed Supplies | | | \$5,000 | | | \$5,000 | | | \$5,000 | | \$0 \$0 |
| Title 1 Supplies | | | \$10,000 | | | \$10,000 | | | \$10,000 | | \$0 \$0 |
| Legal | | | \$12,000 | | | \$12,000 | | | \$12,000 | | \$0 \$0 |
| Accounting/ Audit fee | | | \$5,000 | | | \$5,000 | | | \$5,000 | | \$0 \$0 |
| Marketing/Legal Publications | | | \$2,000 | | | \$2,000 | | | \$2,000 | | \$0 \$0 |
| Utilities | | | \$35,000 | | | \$35,000 | | | \$35,000 | | \$0 \$0 |
| Liability & Property Insurance | | | \$11,000 | | | \$11,000 | | | \$11,000 | | \$0 \$0 |
| Staff Development | | | \$22,000 | | | \$22,000 | | | \$22,000 | | \$0 \$0 |
| Rents and Leases | | | \$493,889 | 17% | | \$493,889 | 20% | | \$493,889 | 20% | \$0 \$0 |
| Portables/secondary fac | \$ 7,944.00 | 2 | \$15,888 | 1% | | \$0 | 0% | | \$0 | | -\$15,888 -\$15,888 |
| Permits and fees | \$ 20,000.00 | 2 | \$40,000 | | | \$0 | | | \$0 | | -\$40,000 -\$40,000 |
| Custodial supplies | | | \$10,000 | | | \$10,000 | | | \$10,000 | | \$0 \$0 |
| High School Lockers | | | \$3,500 | | | \$0 | | | \$0 | | -\$3,500 -\$3,500 |
| Supplies - admin-HR/ postage | | | \$5,000 | | | \$5,000 | | | \$5,000 | | \$0 \$0 |
| Grounds & Maintenance | | | \$2,000 | | | \$2,000 | | | \$2,000 | | \$0 \$0 |
| Professional fees/Board Exp | | | \$0 | | | \$0 | | | \$0 | | \$0 \$0 |
| Total Operating Expenses | | | \$742,609 | | | \$683,721 | | | \$683,721 | | -\$58,888 -\$58,888 |
| Program Expenses: | | | | | | | | | | | |
| Transportation | \$ 365 | | \$220,000 | \$ 365 | | \$220,000 | \$ 365 | | \$220,000 | | \$0 \$0 |
| Nutrition Program | \$ - | | 113,652 | \$ - | | 113,652 | \$ - | | 113,652 | | \$0 \$0 |
| Total Program Expenses | | | \$333,652 | | | \$333,652 | | | \$333,652 | | \$0 \$0 |
| Total Expenses | | | \$2,825,637 | | | \$2,595,683 | | | \$2,595,683 | | -\$229,954 -\$229,954 |
| Net Operating Income/(Loss) | | | \$48,293 | | | -\$82,437 | | | \$71,783 | | -\$130,730 \$23,490 |
| Beginning Fund Balance | | | 0 | | | 0 | | | 0 | | \$0 \$0 |
| Ending Fund Balance | | | 48,293 | | | -\$82,436 | | | 71,784 | | -\$130,729 \$23,491 |
| Support Units | | 30.7 | | 25.22 | | | 27.62 | | | | |
| Discretionary | 604974 | | | 496985 | | | 544280 | | | | |
| Benefit | 244382 | | | 206137 | | | 219165 | | | | |
| SBA | 1354667 | | | 1142667 | | | 1235514 | | | | |

| Heritage Community Charter School, Through 30June12 | Proposed (Board Approved Budget for Fiscal Year) | Actual (Through Most Recent Month End) | Projected (Anticipated Year-End Numbers) | Percentage Used (Actual / Proposed) | Notes |
|-----------------------------------------------------|--------------------------------------------------|----------------------------------------|------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REVENUE | | | | | |
| Salary Apportionment | \$1,186,106.00 | \$1,188,118.00 | \$1,188,118.00 | 100.17% | First Reporting Period 26.5 Support units, 512 students per updated ISEE reporting and clarification with Greg Berj |
| Benefit Apportionment | \$228,520.00 | \$201,700.00 | \$201,700.00 | 88.26% | |
| Entitlement | \$500,463.00 | \$520,089.00 | \$520,089.00 | 103.92% | |
| State Transportation | \$146,775.00 | \$156,134.00 | \$156,134.00 | 106.38% | Based on 75% reimbursement on actual costs as we are looking to be slightly over the cap per student to receive full funding-confirmed by Brandon Phillips at the SDE |
| Lottery | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Other State Funds (Specify) | \$0.00 | \$57,864.35 | \$57,864.35 | #DIV/0! | Classroom Technology/Idaho Reading Initiative/Math & Science Initiative/Prof Dev Grant |
| Special Ed - Regular | \$70,000.00 | \$53,596.00 | \$53,596.00 | 76.57% | Carryover \$10,600 |
| Special Ed - ARRA | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Title I | \$130,000.00 | \$108,129.00 | \$108,129.00 | 83.18% | Anticipate carrying over the maximum allowed 15% of \$141,382 allocation to next fiscal year |
| Federal Title I Funds : ARRA | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Medicaid Reimbursement | \$15,000.00 | \$0.00 | \$0.00 | 0.00% | Getting set up with Idaho medical billing to begin claims - NA until FY13 |
| Title IIA | \$0.00 | \$3,108.00 | \$3,108.00 | #DIV/0! | Anticipated carry over of remaining allocation - Total allocation \$19,052 |
| Local Revenue (Specify) | \$125,000.00 | \$0.00 | \$0.00 | 0.00% | |
| Federal Startup Grant | \$0.00 | \$59,001.00 | \$59,001.00 | #DIV/0! | Start up purchases for amendment and items purchased in July 2011 |
| Other Grants (Specify) | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Fundraising | \$10,000.00 | \$7,560.00 | \$7,560.00 | 75.60% | |
| Interest Earned | \$0.00 | \$135.50 | \$135.50 | #DIV/0! | |
| Other (Specify) | \$0.00 | \$181,818.00 | \$181,818.00 | #DIV/0! | Food Service Revenue |
| Other (Specify) | \$0.00 | \$33,719.00 | \$33,719.00 | #DIV/0! | Lunaria League-Blue Cross Childhood Obesity Grant (\$21,060), School Fees \$12,655 |
| TOTAL REVENUE | \$2,411,864.00 | \$2,570,971.85 | \$2,570,971.85 | 106.60% | |
| EXPENDITURES | | | | | |
| 100 Salaries | | | | | |
| Teachers | \$809,880.00 | \$748,703.00 | \$748,703.00 | 92.45% | |
| Special Education | \$117,990.00 | \$71,749.00 | \$71,749.00 | 60.81% | |
| Instructional Aides | \$82,422.00 | \$0.00 | \$0.00 | 0.00% | |
| Classified/Office | \$150,498.00 | \$64,192.00 | \$64,192.00 | 42.65% | Instructional Aides included in Classified |
| Administration | \$95,004.00 | \$242,967.00 | \$242,967.00 | 255.74% | Administrator change and classified staff included in Admin |
| Maintenance | \$10,944.00 | \$10,541.00 | \$10,541.00 | 96.32% | Hired janitor 2/12 |
| Other (Specify) | \$0.00 | \$46,476.00 | \$46,476.00 | #DIV/0! | Food Service |
| Other (Specify) | \$0.00 | \$85,615.00 | \$85,615.00 | #DIV/0! | Title 1 |
| Total Salaries | \$1,266,738.00 | \$1,270,243.00 | \$1,270,243.00 | 100.28% | |
| 200 Employee Benefits | | | | | |
| PERSI/FICA/Benefits | \$333,449.00 | \$304,213.00 | \$304,213.00 | 91.23% | |
| Other (Specify) | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Total Benefits | \$333,449.00 | \$304,213.00 | \$304,213.00 | 91.23% | |
| 300 Purchased Services | | | | | |
| Management Services | \$0.00 | \$2,089.00 | \$2,089.00 | #DIV/0! | |
| Staff Dev/Title IIA | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | Remaining balance of \$19,052 to be carried over. Final expenditure date is 9/2011 |
| Legal Pub/Advertising | \$0.00 | \$526.00 | \$526.00 | #DIV/0! | Legal publications, no advertising |
| Legal Services | \$10,000.00 | \$8,918.00 | \$8,918.00 | 89.18% | |
| Special Education | \$20,000.00 | \$24,672.00 | \$24,672.00 | 123.36% | And Title 1 |
| Liability & Property Ins | \$24,000.00 | \$12,082.00 | \$12,082.00 | 50.34% | |
| Substitute Teachers | \$7,500.00 | \$7,727.00 | \$7,727.00 | 103.03% | Not purchased svcs-should be included in salaries above |
| Board Expenses | \$0.00 | \$4,325.00 | \$4,325.00 | #DIV/0! | Brian Carpenter Board Training |
| Computer Services | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | IT staff employed at school |
| Transportation | \$195,700.00 | \$219,810.00 | \$219,810.00 | 112.32% | Based on bus ridership, routes: final report evaluation with Brown Bus. |
| Travel | \$0.00 | \$15,514.00 | \$15,514.00 | #DIV/0! | Admin, Student activities, Secondary Music |
| Other (Specify) | \$8,250.00 | \$18,252.00 | \$18,252.00 | 221.24% | Copy Machine lease and service agreement, IDLA classes, Nutrition purchased svcs |
| Other (Specify) | \$12,500.00 | \$27,504.00 | \$27,504.00 | 220.03% | Audit fees - programmatic and fiscal, Professional organization fees, bookkeeping services, bank fees |
| Total Services | \$277,950.00 | \$341,419.00 | \$341,419.00 | 122.83% | |
| Facilities | | | | | |
| Building Lease | \$388,216.00 | \$399,486.00 | \$399,486.00 | 2.30% | Partial Month August 2011 Rent, paid lease through June 2012 |
| Land Lease | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Modular Lease | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |

July 24, 2012

CURRENT FISCAL YEAR BUDGET COMPARISON

| | | | | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------|------------------------------------------------------------------------------------------|
| Utilities, Phones, Lndscp | \$41,000.00 | \$35,482.00 | \$35,482.00 | 18.85% | |
| Site Preparation | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Other (Specify) | \$2,500.00 | \$0.00 | \$0.00 | 0.00% | Blue Cross Obesity kitchen/garden grant |
| Other (Specify) | \$9,000.00 | \$9,432.00 | \$9,432.00 | 2442.33% | Grounds & Maintenance, lawn care, snow removal, Janitorial Services, Freezer installator |
| Total Facilities | \$440,716.00 | \$444,400.00 | \$444,400.00 | 100.84% | |
| 400 Supplies and Maintenance | | | | | |
| Textbooks | \$0.00 | \$13,536.00 | \$13,536.00 | #DIV/0! | Title 1, Media library, Title IIA |
| School Supplies | \$2,500.00 | \$25,238.00 | \$25,238.00 | 1009.52% | Fundraising, school supplies, SPED supplies |
| Power School | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | Annual license renewal-prepaid for FY13, |
| Custodial Supplies | \$8,000.00 | \$10,446.00 | \$10,446.00 | 130.58% | Building Care/Grounds Supplies |
| Other (Specify) | \$0.00 | \$938.72 | \$938.72 | #DIV/0! | Blue Cross Obesity kitchen/garden grant |
| Other (Specify) | \$0.00 | \$126,465.00 | \$126,465.00 | #DIV/0! | Food Service-Child Nutrition |
| Total Supplies | \$10,500.00 | \$176,623.72 | \$176,623.72 | 1682.13% | |
| 500 Capital Objects | | | | | |
| Furniture | \$0.00 | \$9,226.00 | \$9,226.00 | #DIV/0! | Middle school furniture |
| Technical AV Equipment | \$0.00 | \$15,122.02 | \$15,122.02 | #DIV/0! | Included in Technology grant |
| Other (Specify) | \$10,000.00 | \$10,494.00 | \$10,494.00 | 104.94% | School Nutrition Start up expenses |
| Other (Specify) | \$0.00 | \$7,801.21 | \$7,801.21 | #DIV/0! | Blue Cross Obesity kitchen/garden grant-carryover \$8739 in revenue |
| Other (Specify) | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | Food Service-Child Nutrition |
| Other (Specify) | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Total Capital Objects | \$10,000.00 | \$42,643.23 | \$42,643.23 | 426.43% | |
| Debt Service | | | | | |
| Specify | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Specify | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Specify | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Total Debt Service | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Grant Purchases | | | | | |
| Specify | \$0.00 | \$52,495.00 | \$52,495.00 | #DIV/0! | Final Federal Startup Grant purchases |
| Specify | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Specify | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Specify | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Specify | \$0.00 | \$0.00 | \$0.00 | #DIV/0! | |
| Total Grant Purchases | \$0.00 | \$52,495.00 | \$52,495.00 | #DIV/0! | |
| Reserve Fund | | | \$0.00 | #DIV/0! | |
| Building Fund | | | | #DIV/0! | |
| Total Expenses | \$2,339,353.00 | \$2,632,036.95 | \$2,632,036.95 | 112.51% | |
| Carryover from Previous FY | | \$202,278.00 | \$202,278.00 | #DIV/0! | |
| Reserve/(Deficit) | \$72,511.00 | \$141,212.90 | \$141,212.90 | 194.75% | |

July 24, 2012

UPCOMING FISCAL YEAR BUDGET COMPARISON

| Heritage Community Charter, FY13-2012-2013 | Proposed Budget | Notes |
|-----------------------------------------------|-----------------------|------------------------------------------------------------------------------------|
| REVENUE | | |
| Local Revenue | | |
| State Revenue | | |
| Entitlement | \$544,280.00 | Estimated enrollment of 540 generating 27.6 support units-K-8 only, no high school |
| Wages | | |
| Administration | \$90,317.00 | |
| Teachers | \$938,180.00 | |
| Classified | \$194,097.00 | |
| Medicaid | \$15,000.00 | |
| Benefit | \$220,556.00 | |
| Transportation | \$165,000.00 | Reimbursement at 75% |
| Federal Revenue | | |
| Title I | \$148,000.00 | |
| Special Ed | \$65,000.00 | |
| Title II | \$22,000.00 | |
| Startup Grant | \$0.00 | |
| Other Sources (Specify) | \$26,400.00 | Fundraising/ Student fees |
| Other Sources (Specify) | \$170,000.00 | School Nutrition revenue |
| Other Sources (Specify) | \$57,107.00 | LEP/Interest/SED/Math & Science initiative/Classroom technology |
| Total Revenue before holdback | \$2,655,937.00 | |
| PROPOSED HOLDBACK | | Holdbacks should be estimated at a minimum of 5% - 5.5% for FY 2011. |
| Teacher Salaries | | |
| Classified Salaries | | |
| Admin Salaries | | |
| Benefits | | |
| Entitlement | | |
| Transportation | | |
| Total Holdback | \$0.00 | |
| Total Revenue after holdback | \$2,655,937.00 | |
| EXPENDITURES | | |
| 100 Salaries | | |
| Teachers | \$733,423.00 | |
| Admin | \$85,000.00 | |
| Classified | \$256,600.00 | |
| Special education | \$80,500.00 | |
| Other (Specify) | \$88,914.00 | Title 1 |
| Other (Specify) | | |
| Total Salaries | \$1,244,437.00 | |
| 200 Benefits | | |
| Benefit Dollars | \$0.00 | |
| PERSI/Payroll taxes | \$340,465.00 | Persi/payroll taxes/Health/dental/vision benefits |
| Other (Specify) | \$8,000.00 | Workers Comp |
| Total Benefits | \$348,465.00 | |
| 300 Purchased Services | | |
| Transportation | \$220,000.00 | |
| Special Education | \$25,000.00 | |
| Proctor costs | \$2,000.00 | testing and assessment |
| Legal | \$12,000.00 | |
| Insurance | \$0.00 | Listed below |
| Copier Lease | \$15,000.00 | |
| Printer Lease | \$0.00 | |
| Facility Lease | \$493,889.00 | |
| Utilities | \$35,000.00 | |
| Professional Development | \$22,000.00 | Title IIA |
| Technology | \$15,832.00 | |
| Management Services | \$0.00 | |
| Legal Publications/Advertising | \$2,000.00 | |

July 24, 2012

UPCOMING FISCAL YEAR BUDGET COMPARISON

| | | |
|-----------------------------------------|-----------------------|--------------------------------------------------------------------|
| Substitute Teachers | \$0.00 | Included in classified salaries \$5,000 |
| Board Expenses | \$0.00 | |
| Other (Specify) | \$5,000.00 | Audit fees |
| Other (Specify) | \$0.00 | |
| Total Purchased Services | \$847,721.00 | |
| Supplies & Materials | | |
| Teacher/Classroom | \$15,000.00 | |
| Office | \$5,000.00 | |
| Janitorial | \$10,000.00 | |
| Textbooks | \$7,500.00 | |
| Other (Specify) | \$7,000.00 | grounds and maintenance/equipment and furniture |
| Other (Specify) | \$113,652.00 | School nutrition expenditures |
| Total Supplies & Materials | \$158,152.00 | |
| Grant Expenditures | | |
| Specify | | |
| Specify | | |
| Specify | | |
| Total Grant Expenditures | \$0.00 | |
| Capital Outlay | | |
| Total Capital Outlay | \$0.00 | |
| Debt Retirement | | |
| Total Debt Retirement | \$0.00 | |
| Insurance & Judgements | \$11,000.00 | |
| Total Insurance & Judgements | \$11,000.00 | |
| Transfers | | |
| Total Transfers | \$0.00 | |
| Contingency Reserve | \$0.00 | |
| Building Fund | \$0.00 | |
| Total Expenditures | \$2,609,775.00 | |
| Carryover from Previous FY | \$141,212.90 | Reflects projected reserve/(deficit) from "current year" worksheet |
| Reserve/(Deficit) | \$187,374.90 | |