

July 17, 2012

SUBJECT

Blackfoot Charter Community Learning Center Proposed Charter Amendment and Revised Corrective Action Plans

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 May 2012, the PCSC delayed a decision on a proposed amendment to increase enrollment, which would have cured the identified defect, because corresponding budgets were not submitted. Additionally, the PCSC requested an updated Corrective Action Plan (CAP) regarding BCCLC's failure to demonstrate fiscal soundness, because although the steps in the original CAP had been followed, it appeared the school had not returned to a state of fiscal stability.

DISCUSSION

BCCLC will present a proposed charter amendment intended to bring the school back into compliance with the enrollment cap. A revised CAP corresponding with this proposed amendment is also included with these materials.

The school proposes the addition of up to two support units for each of the next five school years, gradually expanding to 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 uncertain.

BCCLC has provided five-year budget projections estimating the school's relative fiscal status should the proposed amendment be approved or denied. Due to

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uncertainties regarding the projections, including the FY12 carryover that will establish a baseline for the five-year budgets, evaluation of the validity of these budgets is difficult.

BCCLC has also provided an updated CAP with regard to the identified defect of failure to demonstrate fiscal soundness. At this time, insufficient information is available to determine whether or not the school has returned to fiscal soundness as defined by I.C. 33-5209(2)(d). The CAP includes a commitment to provide monthly updates regarding progress in working the plan to correct the defect.

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.

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 amendment, 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 approve the proposed charter amendment with regard to increased enrollment at BCCLC.

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 _____

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Blackfoot Charter Community Learning Center
Corrective Action Plan
July 24, 2012 (submitted 6/25/12)

Defect: 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.

This defect was issued because BCCLC exceeded its current charter limit of no more than 50 students per grade level.

Corrective Action

1. Prior to each year’s lottery, BCCLC Board of Directors will determine the number of opening available in each grade for the upcoming year.
2. These numbers will ensure that BCCLC does not exceed its enrollment cap.
3. These numbers will be publically posted prior to the lottery.
4. Numbers will also be reported to the PCSC.
5. To correct the existing over-enrollment, BCCLC proposes the following amendment to its charter: (original submission has been replaced with the following, updated version of the proposed amendment)

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 enroll approximately 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 no more than two new support units per year between the 2012-2013 school year and the 2016-2017 school year for the 2012-2013 school year and one new support unit per year thereafter. The actual number of students in each grade level may vary somewhat from the projections in the chart below, but total enrollment will not exceed the projected totals for any given year.

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

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BCCLC 5 Year Budget Projection with Amendment

ACCOUNT	GENERAL FUN DESCRIPTION	2012-13	2013-14	2014-15	2015-16	2016-17
	<u>Enrollment</u>	265	300	336	359	378
	<u>funding units</u>	11.4	13.1	14.8	16.0	16.9
320000	BUDGET BALANCE CARRY FORWARD	24,000	24,000	52,080	101,460	138,900
415000	EARNINGS ON INVESTMENT - GEN FUND	120	225	275	300	300
419200	CONTRIBUTIONS/GRANTS RECEIVED	5,000	0	0	0	0
419900	OTHER LOCAL REVENUE	4,404	2,500	3,000	3,000	3,000
431100	BASE STATE SUPPORT PROGRAM	760,686	861,223	967,312	1,043,696	1,102,323
431200	TRANSPORTATION SUPPORT	61,174	0	0	0	0
431800	STATE BENEFIT APPORTIONMENT	96,701	108,794	121,890	131,403	138,780
437000	IDAHO STATE LOTTERY REVENUE	8,200	8,200	8,200	8,200	8,200
439000	OTHER STATE REVENUE	8,100	9,600	9,800	10,100	10,600
442000	INDIRECT FEDERAL REVENUE	0	0	0	0	0
451000	LOAN PROCEEDS	0	0	0	0	0
460000	TRANSFERS FROM OTHER FUNDS	0	0	0	0	0
	TOTAL REVENUES:	968,385	1,014,542	1,162,557	1,298,159	1,402,103
512100	SALARIES-ELEMENTARY SCHOOL	422,000	462,650	529,275	601,584	612,176
512103	SUBSTITUTES	3,350	4,428	4,998	4,900	5,000
512200	EMPLOYEE BENEFITS - ELEM SCHOOL	142,200	152,020	162,870	171,333	180,175
512203	SUBSTITUTE BENEFITS	600	650	740	800	900
512300	TRAVEL/PURCHASED SERVICE	1,400	3,200	4,500	5,200	6,600
512302	ELEMENTARY SCH PUR. SER. DEV-STAFF	0	0	0	0	0
512400	SUPPLIES - ELEMENTARY SCHOOL	7,000	8,000	10,500	11,000	12,000
512450	ELEM SCH CURRICULUM SUPPLIES	10,000	17,620	24,000	29,000	29,000
512490	EXPENSED FURNITURE & EQUIPMENT	3,000	4,000	5,000	9,600	7,000
512500	EQUIPMENT -ELEMENTARY SCHOOL	7,581	18,000	59,000	22,998	30,300
	TOTAL ELEM SCHOOL PROGRAM:	597,131	670,568	800,883	856,415	883,151
521100	SALARIES - EXCEPTIONAL CHLD PROG	16,500	17,700	16,900	17,100	17,300
521200	BENEFITS - EXCEPTIONAL CHLD PROG	6,500	6,590	7,320	7,380	7,410
521300	TRAVEL/PURCHASED SER-EXCPT CHLD					
	TOTAL EXCEPT CHILD	23,000	24,290	24,220	24,480	24,710

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BCCLC 5 YEAR BUDGET WITH AMENDMENT PAGE 2

ACCOUNT	DESCRIPTION	2012-13	2013-14	2014-15	2015-16	2016-17
641100	SALARIES - SCHOOL ADMINISTRATION	63650	63650	51360	51360	52000
641200	BENEFITS - SCHOOL ADMINISTRATION	20,000	20,000	16,780	16,780	17,000
641300	TRAVEL/PURCHASED SERVICES-SCH ADM	3,450	4,000	4,200	4,600	4,600
641350	PURCHASED SERVICES-IT SUPPORT	6,500	6,500	6,700	6,800	6,900
641400	SUPPLIES - SCHOOL ADMINISTRATION	3,000	3,000	3,300	3,600	3,900
641500	EQUIPMENT - SCHOOL ADMINISTRATION	0	10,100	1,400	0	3,600
641700	PROPERTY/LIABILITY INSURANCE	7,500	7,700	7,900	8,100	8,200
	TOTAL SCHOOL ADMINISTRATION:	104,100	114,950	91,640	91,240	96,200
651100	SALARIES - BUSINESS OPERATIONS	9,540	9,540	10,000	12,000	12,000
651200	BENEFITS - BUSINESS OPERATIONS	10,500	10,500	11,100	11,300	11,300
651300	PURCHASED SERVICE - BUSINESS OPN	4,400	4,400	4,600	4,800	4,800
	TOTAL BUSINESS OPERATION:	24,440	24,440	25,700	28,100	28,100
661100	SALARIES - BUILDING CARE	0	0	0	0	0
661200	BENEFITS - BUILDING CARE	0	0	0	0	0
661300	PURCHASED SERVICE - BUILDING CARE	26,500	27,000	27,500	28,000	28,000
661400	SUPPLIES - BUILDING CARE	3,500	4,400	4,500	4,740	4,740
661500	CAPITAL OBJECTS	0	0	0	25,000	0
664300	PURCHASE SERVICE - BUILDINGS	3,000	3,200	3,200	4,300	4,800
664310	PURCHASE SERVICE - UTILITIES	15,400	17,000	18,500	21,000	21,500
664321	BUILDING RENTAL	0	0	0	5,000	5,000
664400	SUPPLIES - BUILDING	3,000	3,200	3,300	4,400	4,400
665300	MAINTENANCE - GROUNDS PURCHASES	4,000	4,200	4,200	8,760	4,500
665400	Maintenance - Grounds Supplies	2,100	2,800	2,800	3,100	3,100
667500	EQUIPMENT - SECURITY PROGRAM	660	0	0	0	0
	TOTAL BUILDINGS CARE/MAINTENANCE:	58,160	61,800	64,000	104,300	76,040
681100	PUPIL - TO SCHOOL TRANS - SALARIES					
681200	PUPIL - TO SCHOOL TRANS - BENEFITS					
681300	PURCHASE SERVICE - TRANS	70,350	11,220	11,670	12,000	12,400
681310	Purchase Service Training					

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BCCLC 5 YEAR BUDGET WITH AMENDMENT PAGE 3

ACCOUNT	DESCRIPTION	2012-13	2013-14	2014-15	2015-16	2016-17
681400	PUPIL - TO SCHOOL TRANS. SUPPLIES					
681410	Transportation - Fuel					
681500	CAPTIAL OBJECTS		12,280			
	TOTAL TRANS PROGRAM:	70,350	23,500	11,670	12,000	12,400
810800	transfer to other FUNDS	0	0	0	0	0
911600	DEBT SERVICE	67,204	67,204	67,204	67,204	65,912
950000	CONTINGENCY RESERVE	24,000	52,080	101,460	138,900	240,300
	TOTAL :	91,204	119,284	168,664	206,104	306,212
	TOTAL EXPENDITURES	968,385	1,014,542	1,162,557	1,298,159	1,402,103
Federal Funds						
	IDEA	31,000	31,300	31,600	32,000	32,200
	Title I	33,305	33,605	33,900	34,100	34,500
	Title II	4,500	5,000	5,100	5,200	5,400
	REAP	28,000	28,000	28,000	29,000	29,000
	Total Federal:	96,805	97,905	98,600	100,300	101,100

BUDGET NOTATIONS FOR BCCLC BUDGET PROJECTION

REVENUE:

1. All revenue calculations are based on the following FY13 SDE formula worksheets:
 - Charter Support Unit Calculation Template
 - Salary Based Apportionment Charter Template
 - Estimating State M and O Revenues
2. The \$5,000 grant listed for FY13 is the Albertson's Project Leads grant.
3. Other Local Revenue estimates are based on historical contributions from the PAC.
4. Other State Revenue estimates include Classroom Technology, Idaho Reading Initiative, and Remediation funds.
5. In FY13 BCCLC will receive transportation reimbursement from FY12; thereafter, ISTCS will receive all reimbursement and BCCLC will only pay the non-reimbursable costs for its proportion of students.

EXPENDITURES:

1. Most staff development costs, including travel and purchased services will be covered from Title I and Title II funds.
2. Major equipment purchases in FY14, FY15, and FY17 include projected technology upgrades.
3. Exceptional Child expenses are above and beyond Federal IDEA funds.
4. FY15, administrative costs will decline due to retirement of current administrator.
5. Major administrative equipment expenses in FY14 and FY17 are for office technology upgrades.
6. Business operations expenses include a part time business manager and financial audit expenses.
7. Building care/custodial services are contracted out.
8. FY16 capital objects includes purchase, deliver, setup, and furnishing of 1 two-room modular unit.
(Our transportation director has trucks and equipment to move and setup moduars.)
9. FY16 Building Rental expense includes anticipated land lease/purchase costs for modulars.
10. Student transportation purchased services is the estimated payment to ISTCS for transporting BCCLC students.
11. Beginning next year, ISTCS will bear all transportation costs and bill BCCLC for its portion.
12. Reduced transportation costs in FY14 are due to all reimbursement going to ISTC; BCCLC will only pay for nonreimbursable costs thereafter.
13. FY14 transportation capital expense is BCCLC's estimated portion for one new bus.
14. Debt service expenses from FY13 to FY16 include current long term building expenses plus the new short term loan. Expenses will go down in FY17 due to retirement of short term loan.
15. Federal expenditures will be tracked separately.

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BCCLC 5 Year Budget Projection without Amendment

ACCOUNT	GENERAL FUN DESCRIPTION	2012-13	2013-14	2014-15	2015-16	2016-17
	<u>Enrollment</u>	252	274	297	300	300
	<u>funding units</u>	11.1	12.2	13.3	13.4	13.4
320000	BUDGET BALANCE CARRY FORWARD	24,000	25,000	25,046	28,539	14,548
415000	EARNINGS ON INVESTMENT - GEN FUND	120	225	275	300	300
419200	CONTRIBUTIONS/GRANTS RECEIVED	5,000	0	0	0	0
419900	OTHER LOCAL REVENUE	4,404	2,500	3,100	4,100	4,100
431100	BASE STATE SUPPORT PROGRAM	742,472	766,148	789,825	796,795	796,795
431200	TRANSPORTATION SUPPORT	61,174	0	0	0	0
431800	STATE BENEFIT APPORTIONMENT	94,482	103,620	111,758	113,498	113,498
437000	IDAHO STATE LOTTERY REVENUE	8,200	8,200	8,200	8,200	8,200
439000	OTHER STATE REVENUE	7,900	8,200	8,400	8,800	9,000
442000	INDIRECT FEDERAL REVENUE	0	0	0	0	0
451000	LOAN PROCEEDS	0	0	0	0	0
460000	TRANSFERS FROM OTHER FUNDS	0	0	0	0	0
	TOTAL REVENUES:	947,752	913,893	946,604	960,232	946,441
512100	SALARIES-ELEMENTARY SCHOOL	411,227	442,016	472,340	473,120	476,120
512103	SUBSTITUTES	3,500	3,800	4,000	4,100	4,100
512200	EMPLOYEE BENEFITS - ELEM SCHOOL	132,340	143,655	154,870	155,020	155,200
512203	SUBSTITUTE BENEFITS	600	630	690	700	700
512300	TRAVEL/PURCHASED SERVICE	1,400	1,800	1,850	1,900	1,900
512302	ELEMENTARY SCH PUR. SER. DEV-STAFF	0	0	0	0	0
512400	SUPPLIES - ELEMENTARY SCHOOL	7,000	7,300	7,600	7,700	7,800
512450	ELEM SCH CURRICULUM SUPPLIES	10,000	11,100	11,900	12,500	12,500
512490	EXPENSED FURNITURE & EQUIPMENT	2,000	2,100	2,100	3,000	2,000
512500	EQUIPMENT -ELEMENTARY SCHOOL	7,581	7,600	7,600	7,600	7,600
	TOTAL ELEM SCHOOL PROGRAM:	575,648	620,001	662,950	665,640	667,920
521100	SALARIES - EXCEPTIONAL CHLD PROG	16,500	17,200	16,900	17,100	17,300
521200	BENEFITS - EXCEPTIONAL CHLD PROG	6,500	6,590	7,320	7,380	7,410
521300	TRAVEL/PURCHASED SER-EXCPT CHLD					
	TOTAL EXCEPT CHILD	23,000	23,790	24,220	24,480	24,710

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BCCLC 5 YEAR BUDGET WITHOUT AMENDMENT PAGE 2

ACCOUNT	DESCRIPTION	2012-13	2013-14	2014-15	2015-16	2016-17
641100	SALARIES - SCHOOL ADMINISTRATION	63650	63650	51360	51360	52000
641200	BENEFITS - SCHOOL ADMINISTRATION	20,000	20,000	16,780	16,780	17,000
641300	TRAVEL/PURCHASED SERVICES-SCH ADM	3,450	3,600	3,650	3,700	3,700
641350	PURCHASED SERVICES-IT SUPPORT	6,500	6,500	6,600	6,800	6,900
641400	SUPPLIES - SCHOOL ADMINISTRATION	3,000	3,000	3,100	3,200	3,200
641500	EQUIPMENT - SCHOOL ADMINISTRATION	0	2,400	0	0	3,600
641700	PROPERTY/LIABILITY INSURANCE	7,500	7,700	7,900	8,100	8,200
	TOTAL SCHOOL ADMINISTRATION:	104,100	106,850	89,390	89,940	94,600
651100	SALARIES - BUSINESS OPERATIONS	9,540	9,540	10,000	12,000	12,000
651200	BENEFITS - BUSINESS OPERATIONS	10,500	10,500	11,100	11,300	11,300
651300	PURCHASED SERVICE - BUSINESS OPN	4,400	4,400	4,600	4,800	4,800
	TOTAL BUSINESS OPERATION:	24,440	24,440	25,700	28,100	28,100
661100	SALARIES - BUILDING CARE	0	0	0	0	0
661200	BENEFITS - BUILDING CARE	0	0	0	0	0
661300	PURCHASED SERVICE - BUILDING CARE	26,500	27,000	27,500	28,000	28,000
661400	SUPPLIES - BUILDING CARE	3,500	4,000	4,200	4,300	4,300
661500	CAPITAL OBJECTS	0	0	0	13,000	0
664300	PURCHASE SERVICE - BUILDINGS	2,200	3,000	3,200	3,300	3,300
664310	PURCHASE SERVICE - UTILITIES	15,400	16,500	17,000	19,500	20,000
664321	BUILDING RENTAL	0	0	0	5,000	5,000
664400	SUPPLIES - BUILDING	3,000	3,000	3,300	3,700	3,800
665300	MAINTENANCE - GROUNDS PURCHASES	4,000	4,100	4,200	4,400	4,400
665400	Maintenance - Grounds Supplies	2,100	2,200	2,300	2,400	2,400
667500	EQUIPMENT - SECURITY PROGRAM	1,310	0	0	0	0
	TOTAL BUILDINGS CARE/MAINTENANCE:	58,010	59,800	61,700	83,600	71,200
681100	PUPIL - TO SCHOOL TRANS - SALARIES					
681200	PUPIL - TO SCHOOL TRANS - BENEFITS					
681300	PURCHASE SERVICE - TRANS	70,350	10,552	11,121	11,200	11,200
681310	Purchase Service Training					

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BCCLC 5 YEAR BUDGET WITHOUT AMENDMENT PAGE 3

ACCOUNT	DESCRIPTION	2012-13	2013-14	2014-15	2015-16	2016-17
681400	PUPIL - TO SCHOOL TRANS. SUPPLIES					
681410	Transportation - Fuel					
681500	CAPTIAL OBJECTS					
	TOTAL TRANS PROGRAM:	70,350	10,552	11,121	11,200	11,200
810800	transfer to other FUNDS	0	0	0	0	0
911600	DEBT SERVICE	67,204	67,204	67,204	67,204	65,912
950000	CONTINGENCY RESERVE	25,000	25,046	28,539	14,548	7,509
	TOTAL :	92,204	92,250	95,743	81,752	73,421
	TOTAL EXPENDITURES	947,752	913,893	946,604	960,232	946,441
Federal Funds						
	IDEA	31,000	31,300	31,600	32,000	32,100
	Title I	33,305	33,605	33,900	34,000	34,000
	Title II	4,500	4,800	5,000	5,100	5,100
	REAP	28,000	28,000	28,000	28,500	28,500
	Total Federal:	96,805	97,705	98,500	99,600	99,700

BUDGET NOTATIONS FOR BCCLC BUDGET PROJECTION

REVENUE:

1. All revenue calculations are based on the following FY13 SDE formula worksheets:
 - Charter Support Unit Calculation Template
 - Salary Based Apportionment Charter Template
 - Estimating State M and O Revenues
2. The \$5,000 grant listed for FY13 is the Albertson's Project Leads grant.
3. Other Local Revenue estimates are based on historical contributions from the PAC.
4. Other State Revenue estimates include Classroom Technology, Idaho Reading Initiative, and Remediation funds.
5. Based on the FY13 SDE formula worksheets, carryover will begin to decline as enrollment levels off in FY16.
6. In FY13 BCCLC will receive transportation reimbursement from FY12; thereafter, ISTCS will receive all

reimbursement and BCCLC will only pay the non-reimbursable costs for its proportion of students.

BCCLC 5 YEAR BUDGET WITHOUT AMENDMENT PAGE 4

EXPENDITURES:

1. Most staff development costs, including travel and purchased services will be covered from Title I and Title II funds.
2. Equipment upgrades will be modest each year.
3. Exceptional Child expenses are above and beyond Federal IDEA funds.
4. FY15, administrative costs will decline due to retirement of current administrator.
5. Business operations expenses include a part time business manager and financial audit expenses.
6. Building care/custodial services are contracted out.
7. FY16 capital objects include purchase, transportation, setup, and furnishing of one additional 1 room modular classroom. (Our transportation director has trucks and equipment to move and setup moduars.)
8. FY16 Building Rental expense includes anticipated land lease/purchase costs for modular.
9. Student transportation purchased services is the estimated payment to ISTCS for transporting BCCLC students.
10. Beginning next year, ISTCS will bear all transportation costs and bill BCCLC for its portion.
11. Reduced transportation costs in FY14 are due to all reimbursement going to ISTCS; BCCLC will only pay for nonreimbursable costs thereafter.
12. Debt service expenses from FY13 to FY16 include current long term building expenses plus the new short term loan. Expenses will go down in FY17 due to retirement of short term loan.
13. Federal expenditures will be tracked separately.

July 17, 2012

Blackfoot Charter Community Learning Center
Revised
Corrective Action Plan
July 24, 2012 (submitted 6/25/12)

Defect: 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;

This Notice of Defect was issued to BCCLC as a result of a \$24,000 deficit during the FY11 school year. The school had purchased land for future school growth using general budget funds. During the FY12 year, the school recognized that it should have borrowed against the land at that time of purchase. BCCLC would need to borrow this amount to ensure that no future deficit would occur. This loan has added a manageable amount of \$941.00 to BCCLC's debt service expenses. BCCLC will end FY12 with a reserve of approximately \$24,000; however, the value of the land will add positively to the school's overall assets.

1. BCCLC has revised its Five Year Strategic Growth Plan to ensure that it can accommodate growth without the expense of a new building during this period.
2. BCCLC had developed two budget scenarios to ensure fiscal sustainability: one with approval of an enrollment growth amendment and one without the amendment.
3. These FY13 budgets have been carefully developed to ensure that all fiscal obligations are met and that a monthly amount of \$2,000 is placed into a reserve account.
4. BCCLC will submit monthly reports to the PCSC to monitor its progress in meeting this plan.

Progress in meeting this plan:

1. During its budget work sessions in May, 2012, the BCCLC Board of Directors developed a balanced FY13 Budget using these scenarios.
2. At its June 21, meeting, the BCCLC Board gave preliminary approval of a FY13 budget, contingent on PCSC action regarding the proposed growth amendment.