

Mitigating the Enrollment Variance

SCSC Governance Training
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**Terence
Washington**
Financial and
Operational
Accountability
Manager



Presentation Overview

- SCSC Comprehensive Performance Framework
 - Financial Performance Section
- What is an Enrollment Variance
 - Enrollment Variance Calculation
 - Scoring
- Tips to maximize points

State Charter Accountability: Comprehensive Performance Framework (CPF)

The three areas of performance covered by the CPF—academic achievement, financial management, and organizational compliance— correspond directly with the three components of a strong charter school application and are the three areas on which a charter school’s performance should be evaluated.

In each of the three areas, the framework asks a fundamental question:

1. **Academic Performance**: Is the educational program offering students a better educational opportunity than they would otherwise receive at a traditional public school?
2. **Financial Performance**: Is the school financially viable?
3. **Organizational Performance**: Is the organization effective, compliant, and well run?

State Charter Schools are expected to meet academic, financial, and operational standards during every year of the charter term; however a school will be considered eligible for renewal if it meets academic, financial, and operational standards at least 75% of the time (in 3 out of the first 4 years of a 5 year charter contract term).

CPF: Finances

Fundamental Question:

- Is the school fiscally responsible and financially viable?

Meeting Goals:

- In any year of the charter term, a state charter school will satisfy annual financial accountability requirements by meeting the standards presented in Indicators 1-2 below (near-term measures as well as sustainability measures).

1. Near Term Measures include current ratio, unrestricted days cash, enrollment variance, and debt default.
2. Sustainability Measures include efficiency margin and debt to asset ratio.

What is an Enrollment Variance

Fundamental Question:

- Is the school able to project enrollment in a way that enables them to adequately budget?
 - Student enrollment is the #1 driver of revenue for a charter school.
 - CPF Section II, Indicator 1, Measure 1c

What is an Enrollment Variance

Calculation:

$$\frac{[\text{actual enrollment during the October FTE Count (fiscal year XX)} - \text{school enrollment projection (fiscal year XX)}]}{\text{school enrollment projection (fiscal year XX)}}$$

What is an Enrollment Variance

Sample Calculation:

- Campbell County Charter School
- Actual enrollment, 2016 October FTE count-277
 - 2017-1 FTE data submission
- School enrollment projection-225
 - Submitted each summer prior to the school year beginning
 - This is done for CPF purposes as well as for calculating forward funding for schools adding new grade levels

What is an Enrollment Variance

Campbell County Charter Enrollment Variance Calculation:

- [actual enrollment during the October FTE Count (fiscal year 17) – school enrollment projection (fiscal year 17)] / school enrollment projection (fiscal year 17)
- $(277-225)/225$
- Enrollment Variance = 23%

What is an Enrollment Variance

CPF Enrollment Variance Score:

- Exceeds Standard (10pts)
 - Enrollment Variance equals less than 2%
- Meets Standard (5pts)
 - Enrollment Variance is between 2% and 8%
- Does Not Meet Standard (0pts)
 - Enrollment Variance is greater than 8%

What is an Enrollment Variance

Campbell County Charter Enrollment Variance Score:

- Enrollment Variance- 23%
- Measure 1c Score- 0

100 pts.	Exceeding Financial Performance Standards
75-99 pts.	Meeting Financial Performance Standards
50-74 pts.	Approaches Financial Performance Standards
0-49 pts.	Does Not Meet Financial Performance Standards

Tips

- Stick to your board approved budget (Finance/Budget Committee)
- Know your parents (Administration)
- Know your students (Administration)
- Branding! Branding! Branding! (Marketing Committee)
 - Solid Brand Story
 - Establish brand values: vision, mission, and promise
 - Create brand guidelines and make them known to all employees and contractors
 - Try never to depart from established guidelines...consistency is key!

Responsibilities of Governing Board Members

Outcomes!

Outcomes result from effective governance:

1. Engaged Participation
2. Transparent Operations
3. Governance vs. Management
4. Understand the Law
5. Allocate Resources Appropriately

Questions?

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