

*CORE Butte*

**Agenda Item G1**

TO: Board of Directors

FROM: Dave Guthrie, Advisor to the Board

DATE: September 11, 2009

**ITEM: 2008/09 Unaudited Actuals (discussion/action)**

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**Background:**

AB 1137 requires charter schools to submit periodic financial reports to their sponsors so they can determine the financial condition and viability of their charter school(s). The financial reporting and analyses are presented 4 times during the fiscal year: Budget Adoption (by June 30th), First Interim (by December 15th), Second Interim (by March 15th), and Unaudited Actuals (by September 15th). The financial information contained in these reports reveals the charter school's fiscal health. For this reporting period, the Unaudited Actuals Report includes the results of the financial activity of the 2008/09 fiscal year and supports the Auditor's opinion that will be issued in December about CORE Butte's financial condition as presented by the administration.

**Current Consideration:**

CORE Butte recorded a positive outcome in 2008/09 with a \$356,464.06 excess added to the Beginning Fund Balance of \$271,993.20 Ending with \$628,457.26 attributable to a growing program and good budget management. CORE Butte recorded 387.68 Annual ADA. Part of the ending balance includes carryover in the amount of \$167,723.47 that will be appropriated in the current year:

Lottery, Unrestricted	6,010.19
Lottery, Restricted	105.24
ARRA SFSF (Stimulus)	137,570.00
Special Education	24,038.04

The Unappropriated Amount was \$460,733.79 and the Cash Balance \$418,392.88. The 2009/10 Adopted Budget shows a slight deficit in the amount of \$15,134.00 drawing on the Fund Balance. Since adoption, changes in the State budget announced in August will require CORE Butte to change budget assumptions and rely on the Fund Balance to maintain current program education service delivery levels. The stress of a recessionary economy, falling tax receipts, and increased debt translates into less resources for education despite Proposition 98 guarantees for a higher funding level but reduced in the form of deficit factors applied to revenue calculations.

The Special Reserve shows an ending balance of \$1,063.92 from interest earnings that could be appropriated for the 2009/10 fiscal year budget.

**Financial/Educational Impact:**

The Unaudited Actuals Report reveals CORE Butte is able to maintain a healthy and balanced financial position without disruption to the education program over the next fiscal year.

**Recommendation:**

The Board of Directors approve the 2008/09 Unaudited Actuals Report. Once approved, the Report will be forwarded to the Butte County Office of Education (BCOE) for their review and comment and available for the Auditor's review and opinion.

*CORE Butte*

TO: Board of Directors

FROM: Jan Jablecki, School Director  
Dr. David E. Guthrie, ESC

DATE: September 11, 2009

ITEM: **State of California 2009 Budget Act and Budget & Finance Impact  
(discussion)**

**Background:**

The CORE Butte budget was adopted on June 19, 2009 based on assumptions arising from the May Revise. The May Revise is when the Governor revises the January budget plan for updated revenue and changes to the State budget, i.e., sales tax receipts for the period. Because of the lingering recession and a no vote to raise taxes to balance the budget, caused a budget emergency, forcing the Governor and Legislature to consider and adopt other strategies to balance the budget affecting CORE Butte's 2009/10 Budget.

**Current Consideration:**

The attachments from a variety of sources provide the context for the *August Revise* responding to the State's budget and fiscal crisis, eliminating the \$24 billion budget gap (deficit), and adopted on August 28th. Moreover, the revenue calculation worksheet shows the impact on CORE Butte's budget resulting in the loss of **\$108,277.92** from a higher deficit factor since June offset by a slightly higher Lottery projection. During the meeting, we will discuss the information and budget balancing strategies for this year and subsequent years. Also, the State's reliance on revenue apportionment deferrals means charter schools will need to adapt to what is becoming a fixture in the State's school finance system, accruing obligations rather than depositing in the fiscal year earned. This will challenge the charter school's ability to match revenue to operations and a premium on adequate fund balances or resorting to securing interim financing to continue operating.

**Financial/Educational Impact:**

Revenue reductions will cause budget and cash flow assumption revisions.

**Recommendation:**

The Board of Directors discuss the State budget implications for CORE Butte's 2009/10 Budget plan and revisions to remain in balance as appropriate.

**CORE, Inc.**

**Agenda Item G3**

TO: Board of Directors

FROM: Jonelle Pena, School Director  
Jan Jablecki, Executive Director

DATE: September 11, 2009

ITEM: **Strategic Planning Goals, 2009/10 (discussion/action)**

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**Background:**

Each year, the CORE Schools Boards of Directors hold a strategic planning meeting with the Leadership Team.

**Current Considerations:**

This year, the Board members of the three schools, CORE Placer, CORE Butte and CORE @ The Camptonville Academy, held their meeting together at the Holiday Inn Express in Grass Valley. Goals for the three schools were developed at this meeting.

**Financial/Educational Impact:**

Strategic Planning assists the schools in conserving resources along with long and short-term planning during these challenging economic times.

**Recommendation:**

Board members approve the plan developed in August, 2009.

**CORE, Inc.**

**Agenda Item G4**

TO: Board of Directors  
FROM: Jonelle Pena, School Director  
DATE: September 11, 2009  
ITEM: **Teacher Credential Approval (discussion/action)**

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**Background:**

Ed. Code #44258.3 allows local school districts to assign teachers who hold teaching credentials to teach departmentalized classes with their consent in grades K-12, irrespective of the designation on their teaching credentials, as long as the teacher's competence is verified according to policies and procedures established by the governing board consistent with the language of the statute.

**Current Considerations:**

The attached list of teachers and their Highly Qualified status follows. Local administrators, according to current recommended procedures by the Department of Education, have reviewed each teacher.

**Financial/Educational Impact:**

None.

**Recommendation:**

The Board of Directors approves the teaching assignment of all the teachers as recommended by their local administrators.

**CORE, Inc.**

**Agenda Item G5**

TO: Board of Directors  
FROM: Jonelle Pena, School Director  
DATE: September 11, 2009  
ITEM: **Cash Flow Loans (discussion/action)**

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**Background:**

CORE Butte is in its 3<sup>rd</sup> year and has taken loans from CORE TCA in order to establish its school. CORE Placer Charter School opened in August, 2009, during a time of unprecedented economic challenges for the State of California.

**Current Considerations:**

The economic scene changes frequently and the most current news describes further cuts and funding deferrals. It may be necessary for CORE Butte to delay repaying the loan to CORE TCA. It may also be necessary for CORE Placer to borrow more funds to maintain cash flow for its first year. This situation will be carefully monitored.

**Financial/Educational Impact:**

Possible further loans to the two sister schools, CORE Butte and CORE Placer.

**Recommendation:**

The Board members discuss the situation and approves delaying repayment on the loan if determined necessary.

**CORE, Inc.**

**Agenda Item G6**

TO: Board of Directors  
FROM: Jonelle Pena, School Director  
DATE: September 11, 2009  
ITEM: **Theater Room Rental (discussion/action)**

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**Background:**

CORE Butte leased a facility at 260 Cohasset, Suite 120, in summer of 2007.

**Current Considerations:**

Additional space has become available, the space referred to as the Theatre Room, which would enable the school to serve students.

**Financial/Educational Impact:**

Information will be available at the meeting.

**Recommendation:**

Board members evaluate and approve the additional space for lease.

**CORE, Inc.**

**Agenda Item G7**

TO: Board of Directors  
FROM: Jonelle Pena, School Director  
DATE: September 11, 2009  
ITEM: **Policy: Additional Service Credit - Retirement (discussion/action)**

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**Background:**

When in the best interest of the school, the Board may offer certificated employees, as an incentive to early retirement, an additional two (2) years of service credit as vehicle to provide savings to the school.

**Current Considerations:**

In view of the fiscal climate California is currently facing and which has caused unprecedented financial challenges, the transition plan of splitting into three schools may be best served by reducing administrative staff.

**Financial/Educational Impact:**

Possible savings for the school budget.

**Recommendation:**

Board members review and approve the attached policy, noting that by doing so, it is not automatic, but must be requested and approved on an individual basis by the Board members at that time, upon evaluation of financial feasibility.



**CORE, Inc.**

**Agenda Item G8**

TO: Board of Directors  
FROM: Jonelle Pena, School Director  
DATE: September 11, 2009  
ITEM: **Board Member/Officer Elections (discussion/action)**

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**Background:**

CORE Butte adopted bylaws in 2007. These bylaws were amended in 2009 as follows:

Article IV, Section 3:

**NUMBER AND QUALIFICATIONS OF DIRECTORS**

The authorized number of Directors shall be five (5), the majority of whom are parents. Two positions on the board may be appointed members; one appointed by the chartering agency as a representative, and one appointed by the Charter Advisory Council, as the Council representative. If the chartering agency declines to take a seat, this seat will be subject to the election process according to policy. All positions shall be filled by residents of Butte County. A student of the School, selected by the Directors from solicitations of nominees from the School's Personalized Learning teachers, may serve as ex-officio member of the Board, with the right to attend and participate in meetings of the full Board (other than executive sessions), without voting rights.

**Current Considerations:**

The Charter Council voted Carrie Pilakowski as their representative on the Board of Directors.

**Financial/Educational Impact:**

None.

**Recommendation:**

The Board approves the appointment of Ms. Pilakowski to the Board of Directors.

**CORE, Inc.**

**Agenda Item G9**

TO: Board of Directors  
FROM: Jonelle Pena, School Director  
DATE: September 11, 2009  
ITEM: **CORE Butte MOU (information)**

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**Background:**

Each year, CORE Butte and the Butte County Office of Education enters into an MOU defining their relationship.

**Current Considerations:**

The current MOU was approved in June, 2009. It has recently been signed by the CORE Butte representative and the County Superintendent and is attached for information.

**Financial/Educational Impact:**

Continued ability to maintain an operational relationship with the County.

**Recommendation:**

None.

