

NM Public Education Department

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT SCHOOL BUDGET AND FINANCE ANALYSIS BUREAU

CHARTER SCHOOL RENEWAL APPLICATION BUDGET ANALYSIS

I. Operational Fund Revenues

- A. i. How do operational fund revenues budgeted compare to actual operational fund revenues for each year of the charter term?
 ii. Was there a loss or a gain in each year?
 iii. Explain where losses were absorbed or where gains were utilized.

Year 1- The School moved locations from an old building behind a Wal-Mart that had separate outside classrooms to a new building, under one roof, in a nice quiet neighborhood on the west side of Albuquerque. The School projected growth due to this move, but instead had an unexpected decrease in students. Because of this, growth dollars did not materialize and the School had a total decrease of \$77K from budgeted revenue. In Year 1 the School had \$138K in the Emergency Reserve and the losses were absorbed in this line item. No other budgeted expenditures were decreased in this year.

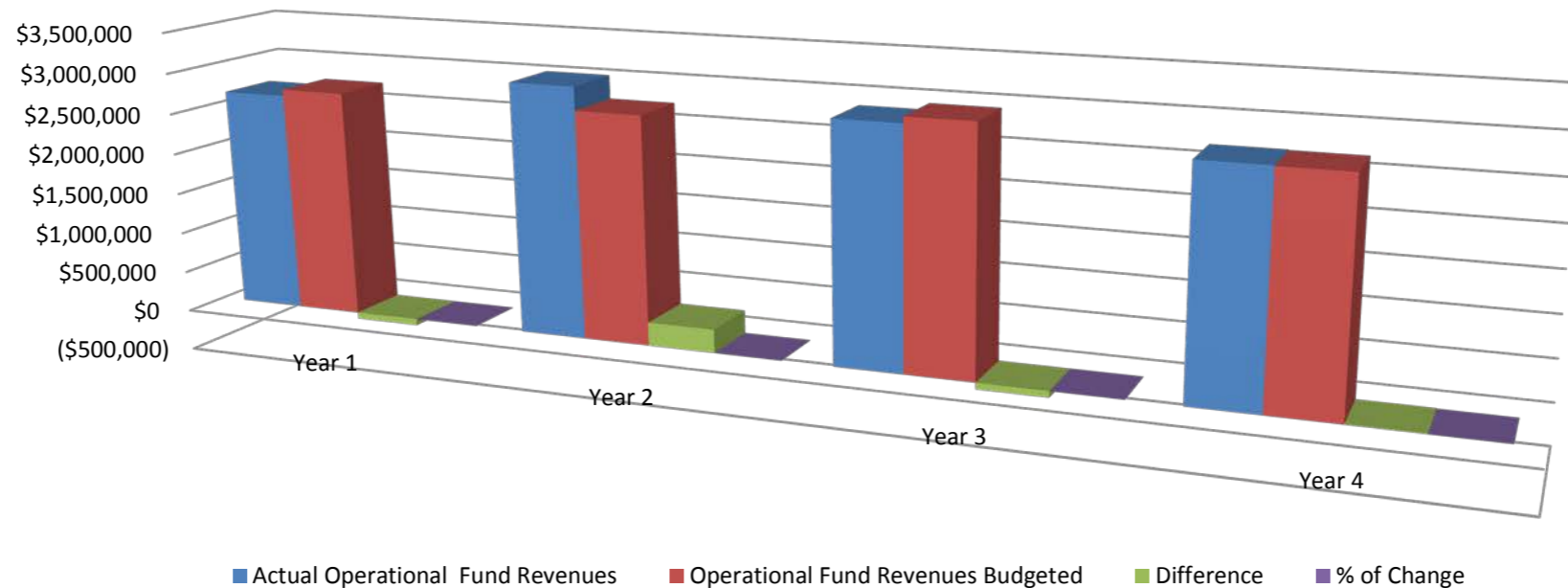
Year 2- The School did not project growth in membership and students increased from 417 to 457 resulting in an increase of \$288K from budgeted revenue. The gains were mainly utilized in short-cycle assessments that provided teachers with resources for interventions based on student needs, ancillary services, and Emergency Reserve.

Year 3- The decrease in budgeted revenue is attributable to the School's after-school program (CREW). This program was budgeted in Operational at \$100K in Year 3. This had always been kept in the Operational fund, but during Year 3, the School decided to transfer the revenue from the after-school program to its own fund (with PED approval). Taking this out of the budgeted revenue the actual revenue increased \$7K. This gain was utilized for instructional materials, professional development, and student support materials.

Year 4- Although there was a State budget cut of 1.5% and a cash balance credit of \$57,396, the School had growth in membership from 435 to 451, resulting in a slight increase in revenue from budgeted. This increase of \$6K was utilized in various budget line items where needed.

		Actual Operational Fund Revenues	Operational Fund Revenues Budgeted	Difference	%
B.i.	Year 1	Year 1	Year 1	(\$)	% of Change
		\$2,691,598	\$2,768,871	(\$77,273)	-2.79%
B.ii.	Year 2	Year 2	Year 2	(\$)	% of Change
		\$3,049,766	\$2,765,730	\$284,036	10.27%
B.iii.	Year 3	Year 3	Year 3	(\$)	% of Change
		\$2,886,430	\$2,963,719	(\$77,289)	-2.61%
B.iv.	Year 4	Year 4	Year 4	(\$)	% of Change
		\$2,715,863	\$2,709,438	\$6,425	0.24%
B.iv.	Year 5	Year 5	Year 5	(\$)	% of Change
		n/a	\$2,975,384	N/A	N/A

Fund 11000 Operational Program Cost Final Funded versus Preliminary Funded



II. **Student Membership**

- A. i. How does budgeted student membership compare to actual student membership (Avg 80/120) in each year of the charter term?
 ii. How does actual student membership (Avg 80/120) change over the charter term?
 iii. Was there a loss or a gain in each year?
 iv. Explain how these changes impacted the school's budget (revenues, expenses, etc.)
 v. Explain how budget losses were absorbed or how budget gains were utilized.

Year 1- Due to the School's moving locations as mentioned in Section I, the School budgeted growth for a total of 16 more students and had unexpected decreases in students. Growth dollars did not materialize and the School had a loss from budgeted revenue. In Year 1 the School had \$138K in the Emergency Reserve and the losses were absorbed in this line item. No other budgeted expenditures were decreased in this year.

Year 2- The School did not budget an increase to membership, but had an actual increase of 40 students from previous year, resulting in an increase of \$288K from budgeted revenue. The gains were mainly utilized in short-cycle assessments that provided teachers with resources for interventions based on student needs, ancillary services, and Emergency Reserve.

Year 3- The School did not budget an increase to membership. The school no longer served 6th grade students (amendment approved by PEC) and therefore had a decrease in students. In addition to this, 4th & 5th grade numbers were low, resulting in 3 classes per grade vs. 4. Due to the decrease in classrooms, the losses were absorbed in the teacher salaries that were not hired/replaced. In addition, the Principal resigned and the School's Leadership, including the Director, decided not to rehire the position for that year in order to also absorb losses. Some of those funds were used to contract with a testing coordinator to assist the school in utilizing the PARCC testing. The test coordinator also worked with teachers to look at short cycle data to help in instruction. This was continued in year 4.

Year 4- The School did not project growth, but the School had growth in membership from 435 to 451, resulting in \$63K budget increase, but due to State budget cuts and cash credits, the increase was only \$6K, which was utilized in various budget line items where needed.

B. Program Units

i. Year 1

Funded Year 0	Budgeted Year 1	Funded Year 1	Year 1 Avg 80/120	Difference
662.993	715.180	689.975	676.255	(13.7)

ii. Year 2

Funded Year 1	Budgeted Year 2	Funded Year 2	Year 2 Avg 80/120	Difference
689.975	676.255	794.400	725.254	(69.1)

iii. Year 3

Funded Year 2	Budgeted Year 3	Funded Year 3	Year 3 Avg 80/120	Difference
794.400	725.254	725.253	684.299	(41.0)

iv. Year 4

Funded Year 3	Budgeted Year 4	Funded Year 4	Year 4 Avg 80/120	Difference
725.253	684.299	711.034	738.351	27.3

iv. Year 5

Funded Year 4	BUDGETED Year 5		Difference
711.034	738.351		

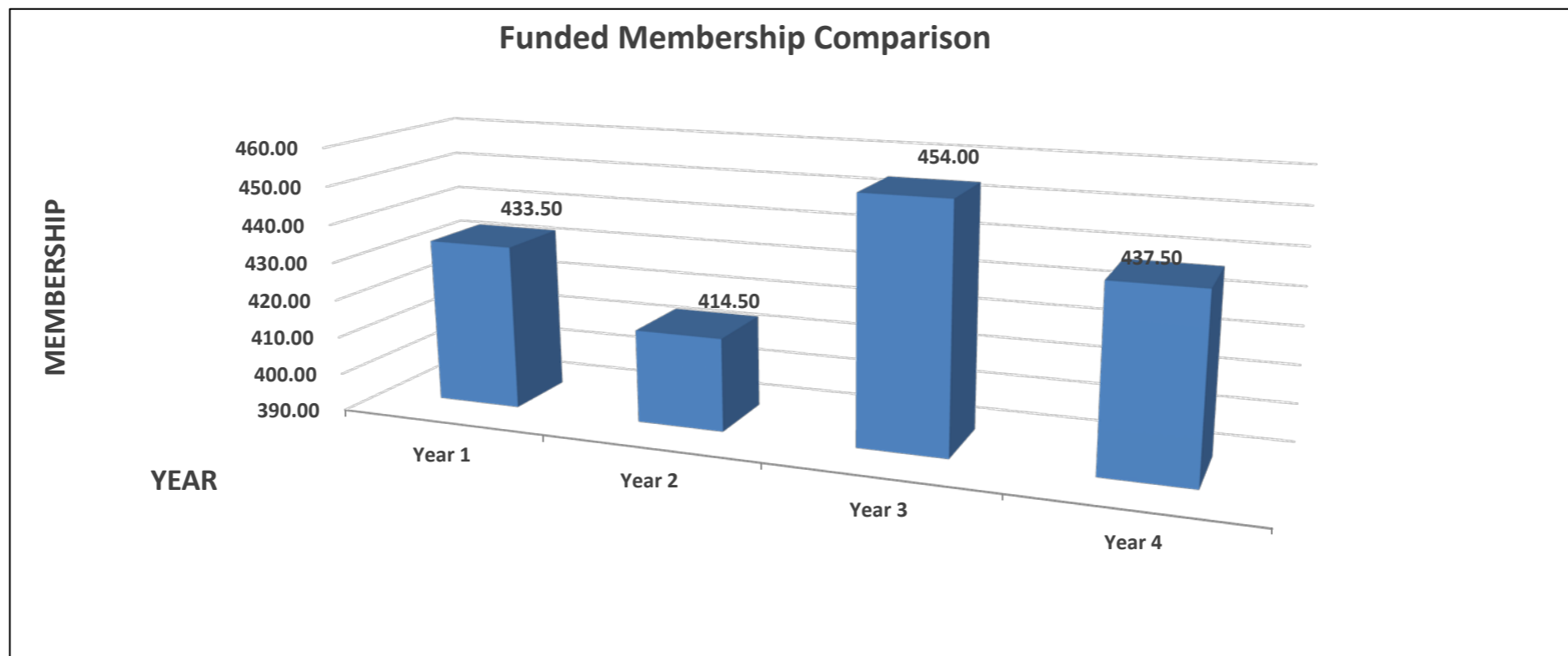
C. Growth Units

	40 Day - Year 1	40 Day - Year 2	40 Day - Year 3	40 Day - Year 4	40 Day - Year 5
40 Day MEM Actual	417.00	457.00	435.00	451.00	
MEM Budgeted	453.00	417.00	454.00	438.00	468.00
Difference	(36.000)	40.000	(19.000)	13.000	

	Year 1	Year 2	Year 3	Year 4	Year 5
Budgeted Growth Units	25.205	0.000	0.000	0.000	26.980
Funded Growth Units	0.000	73.145	0.000	25.235	

D. Funded Membership

	Year 1	Year 2	Year 3	Year 4	Year 5 - Budgeted
Difference from Prior Year	433.50	414.50	454.00	437.50	449.50
		-19	39.5	-16.5	12



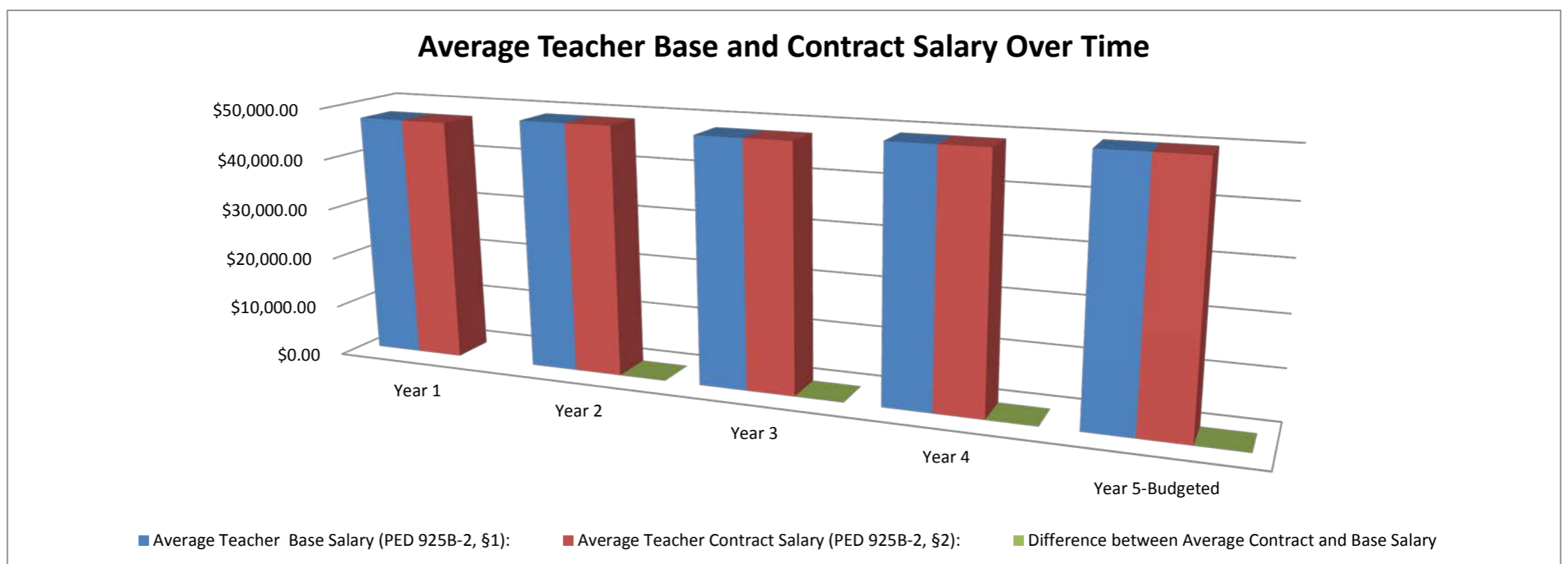
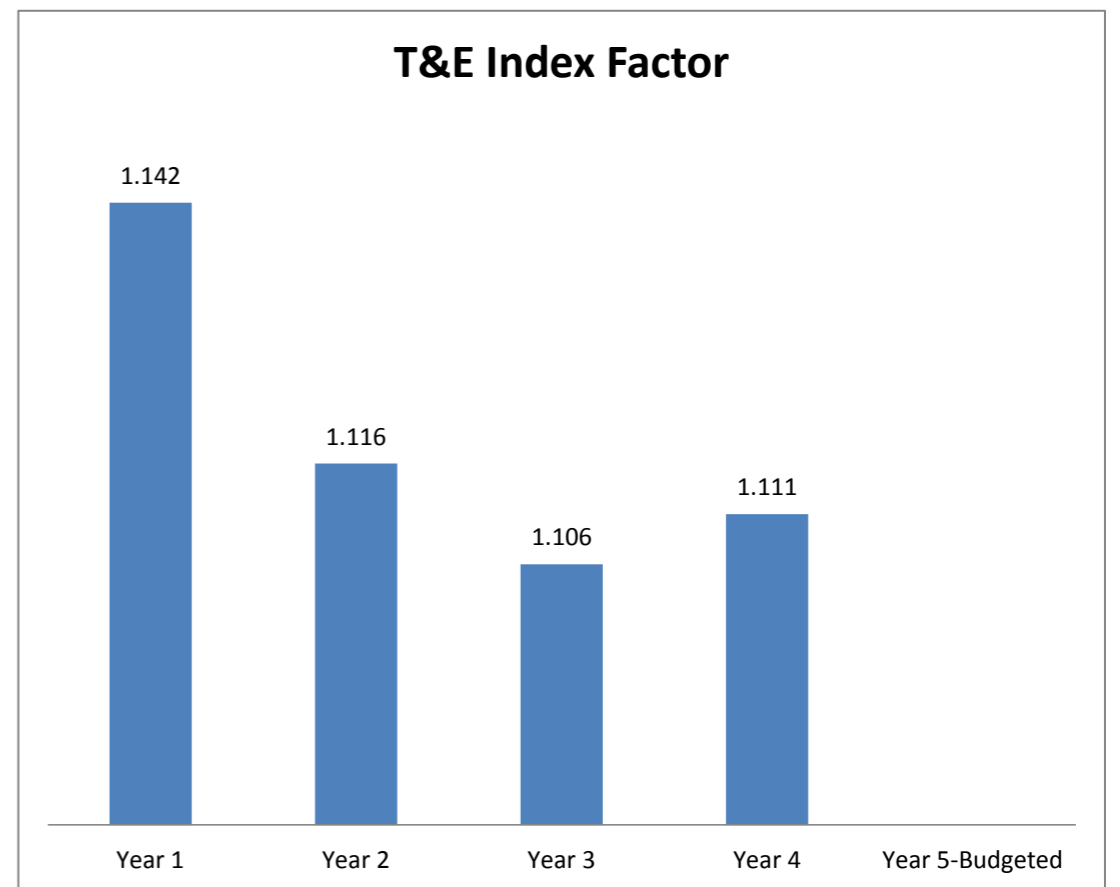
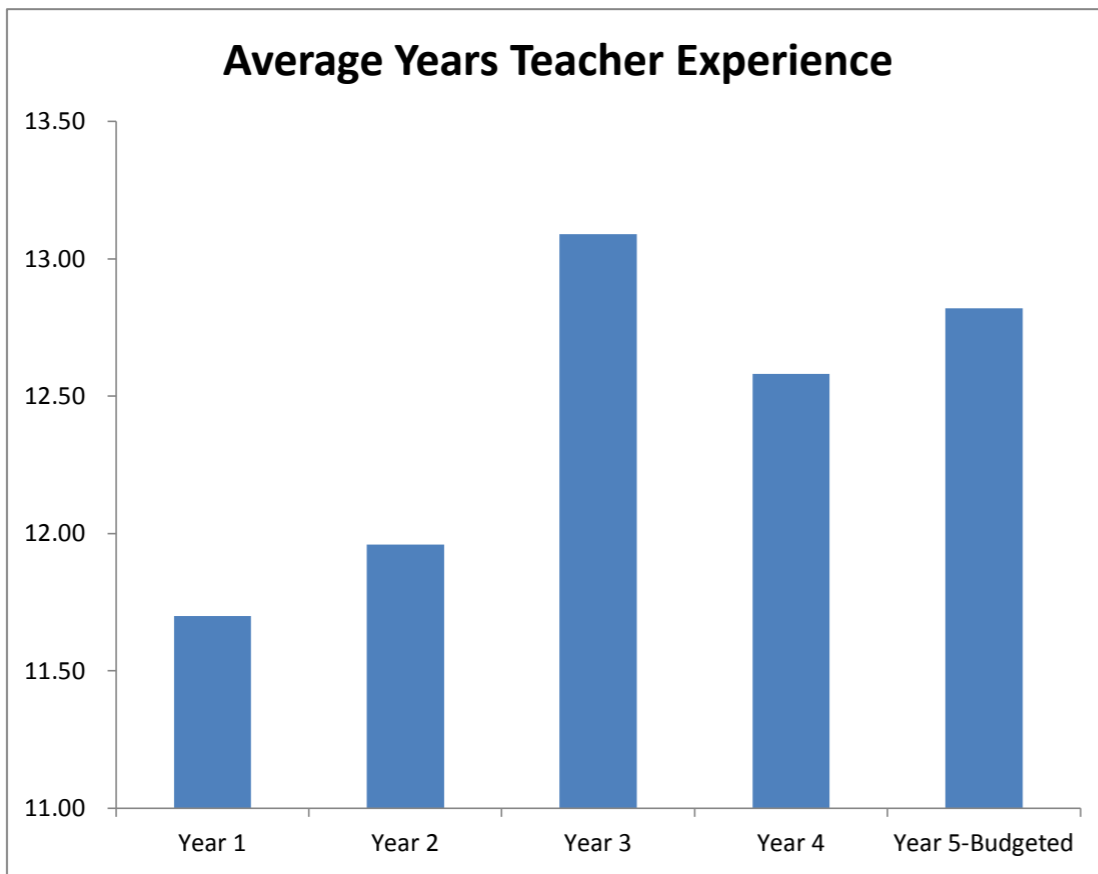
III. SALARY - Estimated Average Salary Increases

	Year 1	Year 2	Year 3	Year 4	Year 5-Budgeted
Average Teacher Base Salary (PED 925B-2, §1) :	\$47,407.00	\$48,799.00	\$48,039.00	\$49,045.00	\$49,889.00
Average Teacher Contract Salary (PED 925B-2, §2):	\$47,407.00	\$48,799.00	\$48,039.00	\$49,045.00	\$49,889.00
Difference between Average Contract and Base Salary		\$0.00	\$0.00	\$0.00	\$0.00
% Average BASE Salary Increase (§1)	2.80%	2.94%	-1.56%	2.09%	1.72%
% Average Contract Salary Increase (§2)	2.80%	2.94%	-1.56%	2.09%	1.72%
Average Base Salary Difference from Prior Year	\$1,290.00	\$1,392.00	(\$760.00)	\$1,006.00	\$844.00
Average Contract Salary Difference from Prior Year	\$1,290.00	\$1,392.00	(\$760.00)	\$1,006.00	\$844.00
Average Years Experience (PED 925B-3)	11.70	11.96	13.09	12.58	12.82
Average Years Experience Difference from Prior Year	11.7	0.26	1.13	-0.51	0.24

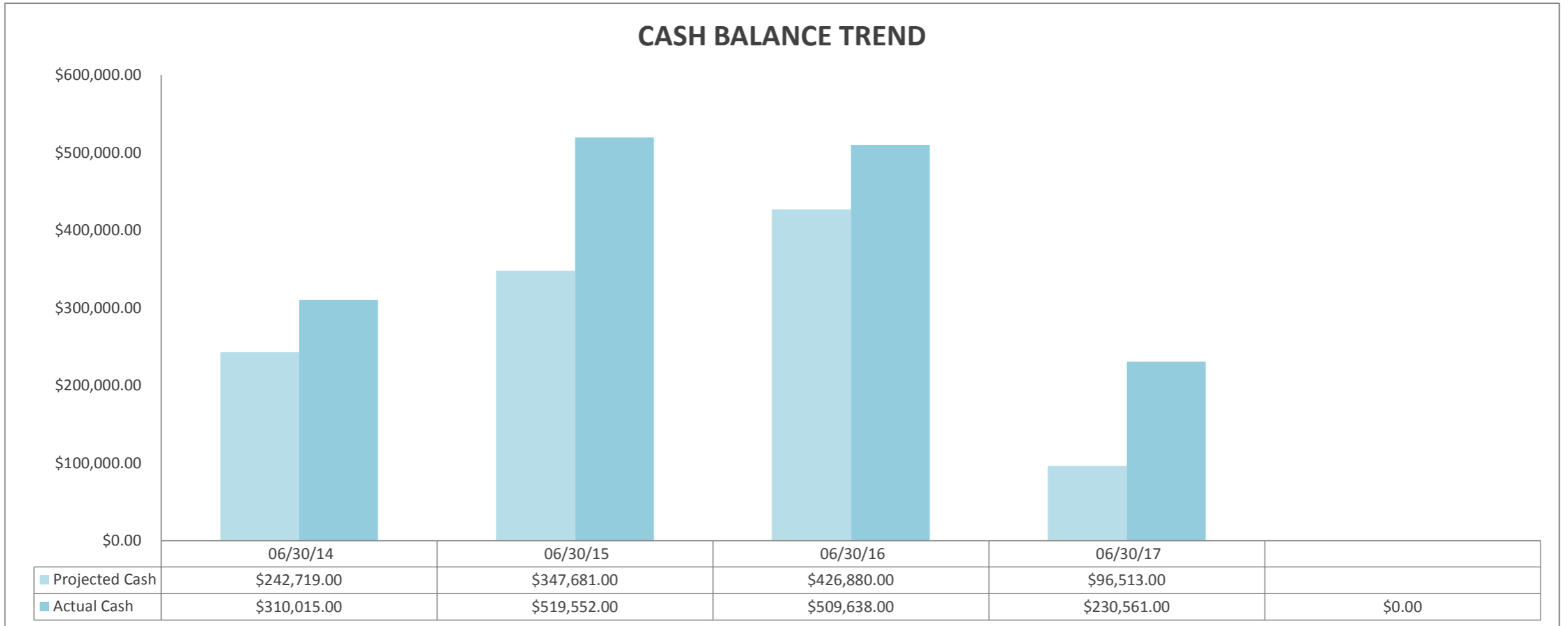
IV. TRAINING & EXPERIENCE

T&E Index Factor Actual

Year 1	Year 2	Year 3	Year 4	Year 5-Budgeted
1.142	1.116	1.106	1.111	



V. CASH BALANCE REVIEW



- A. i. Explain how actions of the school leadership (administrator and board) have impacted the trend in cash balances over the years above.
 ii. How has the amount of the cash balance in each year impacted the school's programmatic or capital plans.

The finance committee members hold monthly meetings which include budget review. This budget planning is then brought to the monthly Governing Council meetings for review and approval. Part of this budget review is cash balances. On average the School's monthly expenditures in the Operational fund is about \$250K. The School Leadership attempts to have cash reserves for at least three months of expenditures in case of an emergency and also due to having reimbursement-basis grants. As seen below, the School was successful in attaining cash reserves for two months of expenditures in Year 2 & 3. In Year 4, the School budgeted for a lease purchase agreement for the building, and budgeted these expenditures to be paid out of SB-9 and HB-33. The School did not anticipate the length of time getting the lease purchase agreement approved by PED(which ultimately was approved in 6/2017) and the School Leadership decided to absorb the expenditures in the Operational fund from cash reserves in place of cutting the budget in other line items. Cash reserves have helped the School every year in times of budget decreases, either due to student decreases or State-mandated decreases, to have a sustainable educational program by not having to cut instructional programs. As for capital plans, the school is not required to maintain a certain level/percentage of cash reserve; it is stated that the School will use best-efforts to maintain emergency reserve as permitted by the State. Note:

B. Operational Cash Comparison

	Year 1	Year 2	Year 3	Year 4	Year 5-Budgeted
Estimated OpBud Cash Balance	\$242,719.00	\$347,681.00	\$426,880.00	\$96,513.00	
4th Quarter Audited Cash	\$310,015.00	\$519,552.00	\$509,638.00	\$230,561.00	n/a
Difference	\$67,296.00	\$171,871.00	\$82,758.00	\$134,048.00	n/a
Actual Total Yearly Expenditures	\$2,663,962.00	\$2,909,637.00	\$2,807,946.00	\$2,994,939.70	
Budgeted Total Yearly Expenditures	\$2,977,070.00	\$3,008,449.00	\$3,311,400.00	\$3,136,318.00	\$3,071,897.00
Difference	\$313,108.00	\$98,812.00	\$503,454.00	\$141,378.30	
% EOY Cash Balance to Total Yearly Expenditures	11.64%	17.86%	18.15%	7.70%	
% Prior EOY Cash Balance to Yearly Expenditures		10.65%	18.50%	17.02%	

C. Emergency Reserve:

	Year 1	Year 2	Year 3	Year 4	Year 5-Budgeted
Amount in Approved Operating Budget	\$0	\$0	\$0	\$0	\$0
Restricted Expenditures	\$0	\$0	\$0	\$0	\$0
Percentage of Operating Expenditures	0	0	0	0	0

VI. OPERATIONAL FUNCTION VARIANCES:

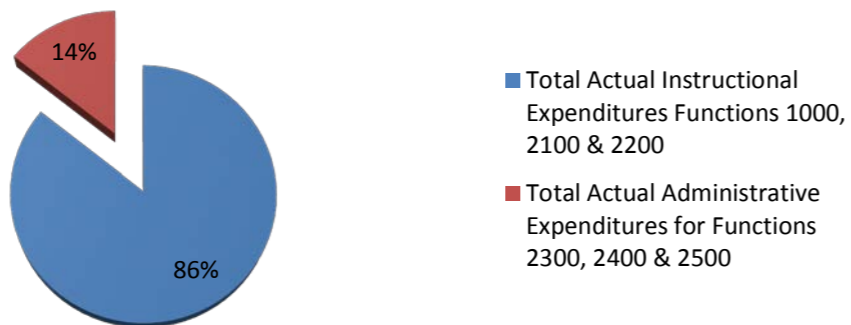
A. Overall Operational Expenditures

	Year 1	Year 2	Year 3	Year 4	Year 5-Budgeted
Total Actual Operational Expenditures	\$2,663,962.00	\$2,909,637.00	\$2,807,946.00	\$2,994,939.70	
Total Budgeted Operational Expenditures	\$2,977,070.00	\$3,008,449.00	\$3,311,400.00	\$3,136,318.00	\$3,071,897.00

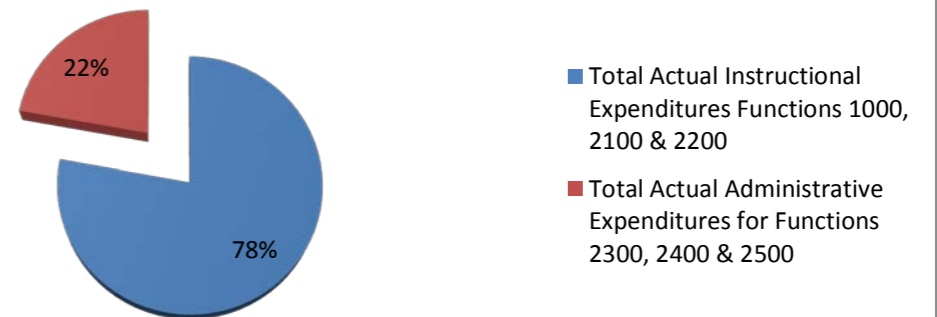
B. Operational Expenditure by Type

	Year 1	Year 2	Year 3	Year 4	Year 5-Budgeted
Total Actual Instructional Expenditures Functions 1000, 2100 & 2200	\$1,876,769.00	\$2,052,872.00	\$1,950,503.00	\$2,001,539.56	
Total Budgeted Instructional Expenditures Functions 1000, 2100 & 2200	\$2,094,709.00	\$2,042,762.00	\$2,381,315.00	\$2,248,679.00	\$2,107,316.00
Difference	(\$217,940.00)	\$10,110.00	(\$430,812.00)	(\$247,139.44)	
% Actual Total Instructional Expenditures to Total Operational Expenditures	70.45%	70.55%	69.46%	66.83%	
% Budgeted Total Instructional Expenditures to Total Operational Expenditures	70.36%	67.90%	71.91%	71.70%	68.60%
Difference	0.09%	2.65%	-2.45%	-4.87%	
Total Actual Administrative Expenditures for Functions 2300, 2400 & 2500	\$348,555.00	\$341,855.00	\$554,876.00	\$555,005.18	
Total Budgeted Administrative Expenditures for Functions 2300, 2400 & 2500	\$348,085.00	\$383,896.00	\$521,679.00	\$554,876.00	\$488,740.00
Difference	\$470.00	(\$42,041.00)	\$33,197.00	\$129.18	
% Actual Total Instructional Expenditures to Total Operational Expenditures	13.08%	11.75%	19.76%	18.53%	
% Budgeted Total Instructional Expenditures to Total Operational Expenditures	11.69%	12.76%	15.75%	17.69%	15.91%
Difference	1.39%	-1.01%	4.01%	0.84%	

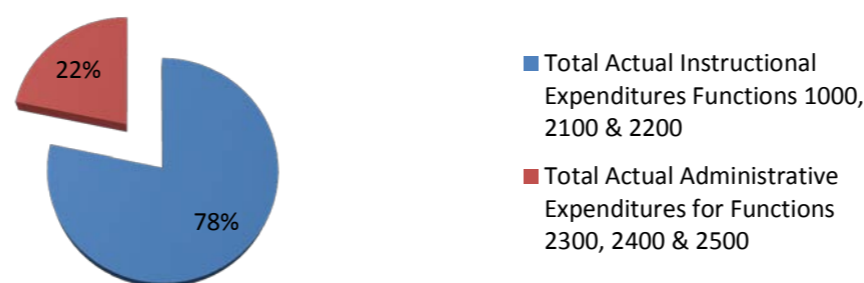
**Year 2
Operational Expenditures by Type**



**Year 3
Operational Expenditures by Type**



**Year 4
Operational Expenditures by Type**



C. Actual Operational Expenditures by Function

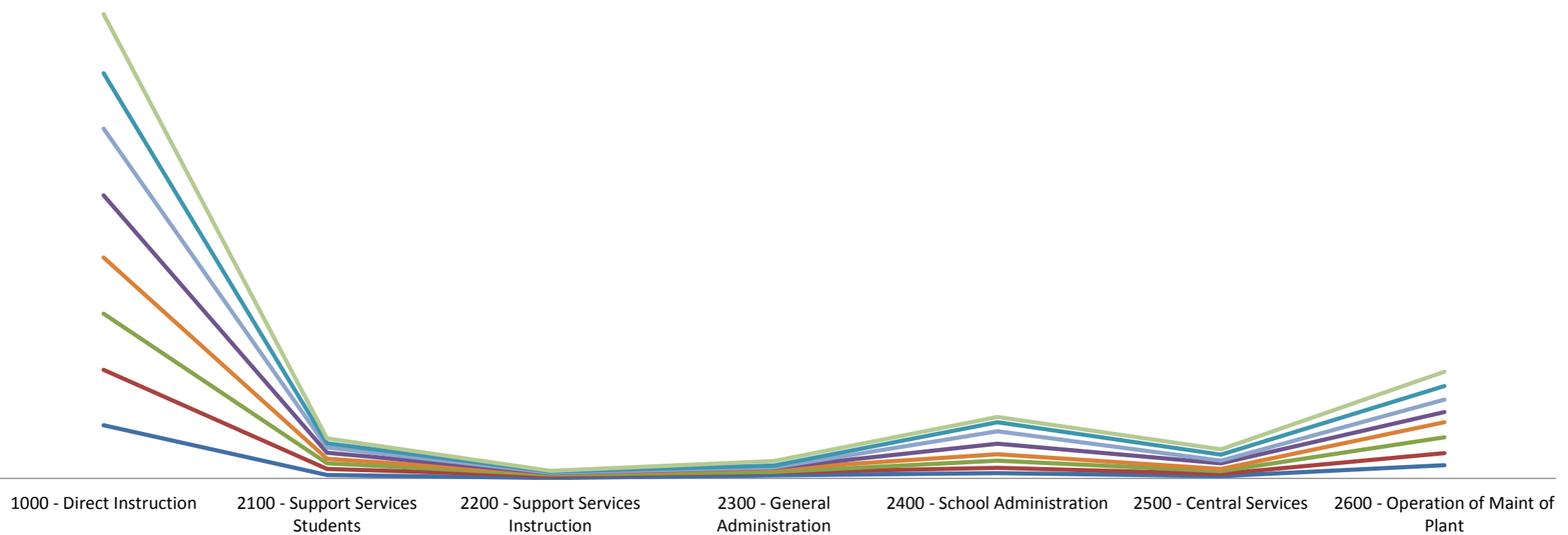
	Year 1	Year 2	Year 3	Year 4
1000 - Direct Instruction	\$1,744,110	\$1,842,483	\$1,789,397	\$1,819,276
2100 - Support Services Students	\$115,557	\$178,477	\$150,343	\$142,713
2200 - Support Services Instruction	\$17,102	\$31,912	\$10,763	\$39,551
2300 - General Administration	\$101,916	\$16,177	\$37,847	\$58,297
2400 - School Administration	\$171,233	\$236,117	\$225,127	\$292,187
2500 - Central Services	\$75,406	\$89,561	\$155,825	\$204,521
2600 - Operation of Maint of Plant	\$438,638	\$514,910	\$438,644	\$438,395
2700 - Student Transportation	\$0	\$0	\$0	\$0
2900 - Other Support Services	\$0	\$0	\$0	\$0
3100 - Food Services	\$0	\$0	\$0	\$0
3300 - Community Services	\$0	\$0	\$0	\$0
4000 - Capital Outlay	\$0	\$0	\$0	\$0
Totals should equal expenditures above	\$2,663,962	\$2,909,637	\$2,807,946	\$2,994,940

C. Budgeted Operational Expenditures by Function

	Year 1	Year 2	Year 3	Year 4	Year 5
1000 - Direct Instruction	\$1,821,644	\$1,851,456	\$2,187,905	\$2,044,297	\$1,941,284
2100 - Support Services Students	\$199,545	\$156,112	\$172,739	\$192,930	\$152,121
2200 - Support Services Instruction	\$73,520	\$35,194	\$20,671	\$11,452	\$13,911
2300 - General Administration	\$98,482	\$100,755	\$19,900	\$29,213	\$148,386
2400 - School Administration	\$174,197	\$206,710	\$411,529	\$349,744	\$173,052
2500 - Central Services	\$75,406	\$76,431	\$90,250	\$175,919	\$167,302
2600 - Operation of Maint of Plant	\$396,276	\$501,791	\$408,406	\$332,763	\$475,841
2700 - Student Transportation	\$0	\$0	\$0	\$0	\$0
2900 - Other Support Services	\$138,000	\$80,000	\$0	\$0	\$0
3100 - Food Services	\$0	\$0	\$0	\$0	\$0
3300 - Community Services	\$0	\$0	\$0	\$0	\$0
4000 - Capital Outlay	\$0	\$0	\$0	\$0	\$0
Totals should equal expenditures above	\$2,977,070	\$3,008,449	\$3,311,400	\$3,136,318	\$3,071,897

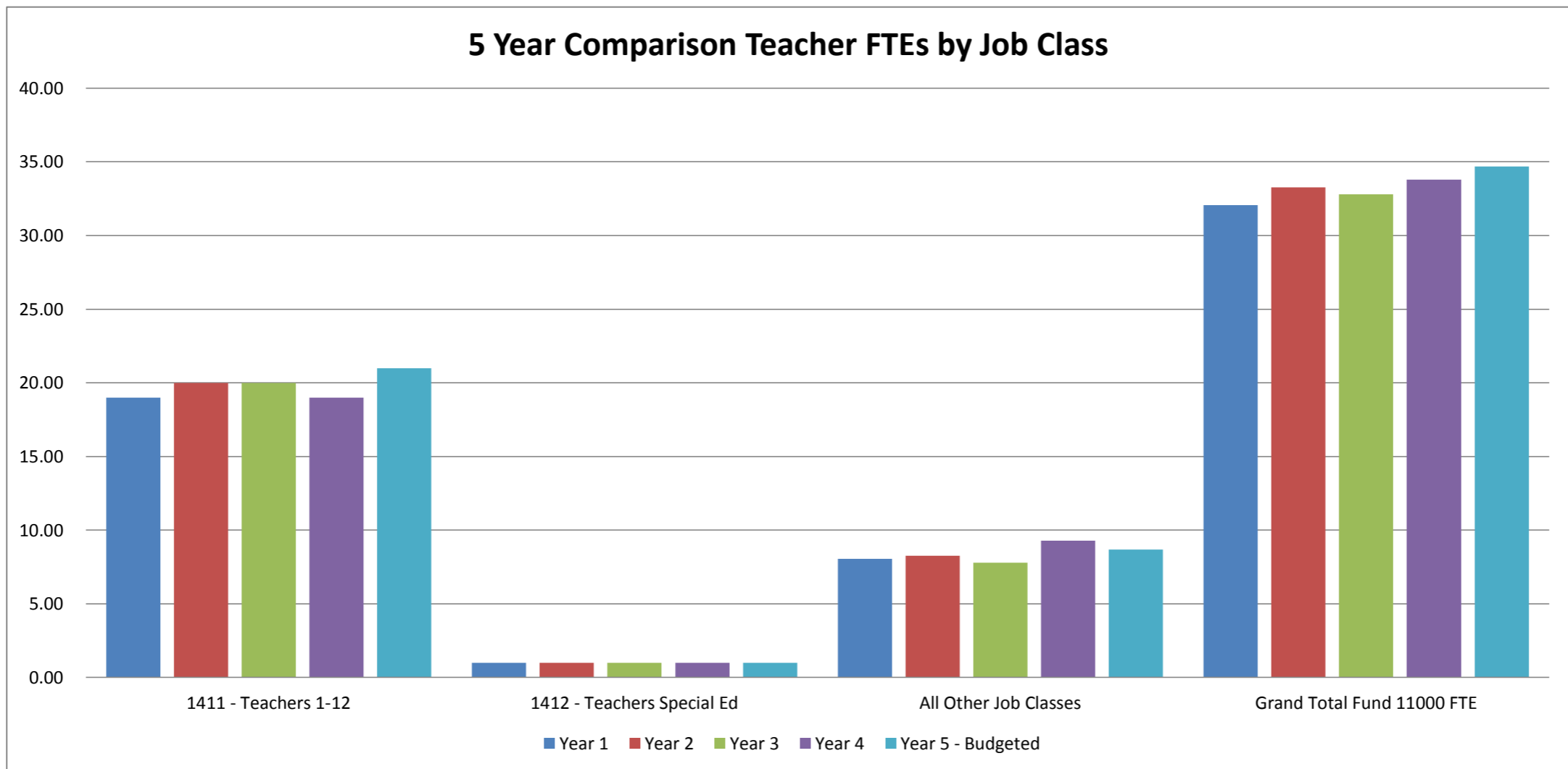
5 Year Comparison of Actual and Budgeted Expenditures by Function

- Year 1 Actual Operational Expenditures — Year 1 Budgeted Operational Expenditures — Year 2 Actual Operational Expenditures
- Year 2 Budgeted Operational Expenditures — Year 3 Actual Operational Expenditures — Year 3 Budgeted Operational Expenditures
- Year 4 Actual Operational Expenditures — Year 4 Budgeted Operational Expenditures — Year 5 Budgeted Operational Expenditures



VII. FUND 11000 "OPERATIONAL" FTE COMPARISON

	Year 1	Year 2	Year 3	Year 4	Year 5 - Budgeted
1411 - Teachers 1-12	19.00	20.00	20.00	19.00	21.00
1412 - Teachers Special Ed	1.00	1.00	1.00	1.00	1.00
1413 - Teachers ECE	4.00	4.00	4.00	4.00	4.00
1414 - Teachers Preschool	0.00	0.00	0.00	0.00	0.00
1415 - Teachers Voc Tech	0.00	0.00	0.00	0.00	0.00
1416 - Other Instruction	0.00	0.00	0.00	0.50	0.00
1422 - Teachers Special Ed Gifted	0.00	0.00	0.00	0.00	0.00
All Other Job Classes	8.05	8.27	7.80	9.30	8.68
Grand Total Fund 11000 FTE	32.05	33.27	32.80	33.80	34.68



VIII. SCHOOL CALENDAR

	Year 1	Year 2	Year 3	Year 4	Year 5-Budgeted
Instructional Days	150	150	150	150	150

IX. SCHOOLS THAT HAVE EARNED A "D" OR LOWER LETTER GRADE

Describe how the school prioritized resources toward proven programs and methods linked to improved student achievement from the time it earned a "D" or "F" until the school earned a grade of C or better for two consecutive years. If the school has not yet earned a grade of C or better for two consecutive years, the narrative must identify current/ongoing actions. CSD will review and evaluate evidence to verify these actions on the site visit.

Horizon Academy West has a strong priority in providing students a creative, rigorous, well rounded education for all students as stated in the Mission statement, in doing this, the school is dedicated in providing students with Art instruction, Special Education which also includes gifted education, Physical Education, Library, and maintains a computer lab. In FY2018 \$260K is budgeted for salaries and benefits alone, not including supplies or materials. Expenditures to maintain this has been a priority for the last five years. In year 2015 the school earned a grade of a D, therefore the school took action to prioritize academic performance in year 2016. With this, \$8K was used to purchase a portable computer lab with chromebooks and cart that could be utilized in the classroom to improve student's computer skills with the shift of testing from paper to computer based. The school focused on building a leveled library with leveled readers to support teacher instruction and non-fiction texts to support the standards and spent \$16K. In addition to this \$12K was used to purchase Ipads for Dibels testing. The school also hired a testing coordinator to assist in PARCC testing and assist teachers with Short Cycle data. There was also Professional Development provided to teachers on Engaging Students with Content, Language and One Another. A lot of the professional development was provided at no cost, but the School paid an additional \$3K for these trainings. The school also used \$22K to purchase research-based curriculum of My Math with manipulatives and Primary Phonics. The school's grade for 2015-2016 had improved and the school continued to support staff keeping the testing coordinator and research based curriculum. At the beginning of 2017-2018 school year, the school missed a C mark by 16/100 of a point. This year the school felt it was important to have a consistent K-5 short-cycle assessment that would provide teachers with resources for interventions based on student needs. Keeping consistent with the NMPED's decision to use Istation for K-3 assessment, the School purchased Istation Indicators of Progress (ISIP) for reading and math grades K-5, and the assessment for reading and math for grades 4-6 and spent \$9K on the software. The school also continues to provide individual targeted Professional Development for teachers and has budgeted \$17K towards this.