

CORE Butte

Agenda Item G1

TO: Board of Directors

FROM: Dr. David E. Guthrie, Advisor to the Board

DATE: December 11, 2009

ITEM: **Legislative Analyst Office (LAO) California Fiscal Outlook Report**

Background:

The LAO publishes an annual “California Fiscal Outlook Report” that is a 5-year forecast of the State’s economic condition and the source from which the Governor and Legislature develop their budget assumptions released in January. The Report is the most authoritative independent assessment of California’s economy outlook, demographics, revenues, expenditures, and impacts from ongoing structural deficit spending. The LAO was first to recognize the State’s structural deficits and implications for the State’s current fiscal crisis. Moreover, the LAO suggests recommendations to solve the budget problem but the Governor and Legislature have been reluctant to address as evident through overestimating revenue, understating appropriations, and incurring debt to finance deficit spending that leads to lower bond ratings and increased interest cost (risk premium) on bonds.

Current Consideration:

During the meeting, we will discuss the Report and what CORE Butte can anticipate for the upcoming budget year. The Governor will deliver the budget plan in early January that will reveal his revenue and spending priorities and how he will address the deficit to balance the budget estimated at ***\$20.7 billion*** combining this year and 2010/11. A recessionary economy, sub-prime mortgage crisis, bank and business failures, and wavering economic policies are dampening the State’s revenue projections. The LAO offers solutions but whether or not there is the political will to implement them remains to be seen. The LAO is projecting K-12 Education will receive a ***-0.35% COLA*** deflated as property taxes are revalued offset by State tax revenue sources that are depressed but rising slowly over time causing major adjustments to State and local agency budgets. CORE Butte should not expect to see significant increases for many years. Typically, the Governor has discounted the per-student dollars CORE Butte receives to balance the budget in the near term and backfills when times are good. The State’s strategy of the past to balance the budget, relying on leveraging to fund operations, appears exhausted. If the Federal government does not respond positively to the Governor’s request for another stimulus bailout may not bode well for State budget and finances that will necessarily have a trickle down effect. No turnaround is expected until the 2013/14 fiscal year.

Financial/Educational Impact:

None.

Recommendation:

The Board of Directors discuss the LAO Report during the meeting.

CORE Butte

Agenda Item G2

TO: Board of Directors

FROM: Jan Jablecki, Executive Director
Jonelle Pena, School Director
Dr. David E. Guthrie, Advisor to the Board

DATE: December 11, 2009

ITEM: **2010/11 Budget Development Calendar and Guidelines**

Background:

The annual budget is a significant part of the overall planning process for CORE Butte. The budget is not merely an accounting tool; it is CORE Butte's education program expressed in monetary terms. The budget should reflect CORE Butte's philosophy, vision, and mission and the interests of its stakeholders. The governing board, administration, and staff need to participate and understand the budgeting process to develop a financial plan that aligns with the education program's goals and objectives.

Current Consideration:

During the meeting, we will discuss the budget process for the 2010/11 fiscal year, budget development structure, calendar, guidelines, Governor's budget, and SB740 as they impact the Program's resources and appropriations. The agenda item provides the Board with an opportunity to deliberate about the course of budget development through adoption at their regularly scheduled meeting in June.

Financial/Educational Impact:

None.

Recommendation:

The Board of Directors discuss the budget development process, calendar, and guidelines during the meeting.

CORE Butte

Agenda Item G3

TO: Board of Directors

FROM: Jan Jablecki, Executive Director
Jonelle Pena, School Director
Dr. David E. Guthrie, Advisor to the Board

DATE: December 11, 2009

ITEM: **2009/10 First Interim Report Approval**

Background:

Charter schools must submit periodic financial reports to their sponsors so they can determine the financial health and viability of their charter schools. This Interim Report fulfills the financial reporting and accountability provisions contained in AB 1137. The financial reporting and analysis is presented 4 times during the fiscal year: Budget Adoption (by June 30), First Interim (by December 15), Second Interim (by March 15), and Unaudited Actuals (by September 15). The financial information contained in these reports is an indication of the financial health of CORE Butte. The First Interim Report provides an update about CORE Butte's financial status as of October 31, 2009.

Current Consideration:

The enclosed 2009/10 First Interim Report shows a positive financial profile. From our analysis, CORE Butte continues on its course as an ongoing and viable concern that has sufficient reserves and excess funds from operations allowing CORE Butte to respond effectively to initiatives such as program development that will attract and grow enrollment. The Report demonstrates CORE Butte is financially sound and will be able to declare a "positive certification" for this reporting period based on CORE Butte's financials generated from Yuba County Office of Education financial system. Forecasting shows CORE Butte will remain financially sound despite the State's economy and fiscal crisis.

Financial/Educational Impact:

None

Recommendation:

The Board of Directors approve the 2009/10 First Interim Report.

CORE Butte

Agenda Item G4

TO: Board of Directors

FROM: Jan Jablecki, Executive Director
Jonelle Pena, School Director
Dr. David E. Guthrie, Advisor to the Board

DATE: December 11, 2009

ITEM: **2008/09 CORE Butte Audit Report Presentation and Approval**

Background:

Education Code #41020 declares annual financial audits are required, “. . . to encourage sound fiscal management practices among local education agencies for the most efficient and effective use of public funds for the education of children in California by strengthening fiscal accountability . . .” The fiscal year audit must be delivered to the State by December 15th and reported to the School Board by January with recommendations to correct audit exceptions, if any, by March 15th.

Current Consideration:

The 2008/09 CORE Butte’s Audit Report, prepared by Hosaka & Nagel, Auditors, will be presented to the Board during the meeting. The Audit Report is without exceptions and, as the Auditor noted, “did not identify any deficiencies in internal control over financial reporting that was considered to be material weaknesses” and “no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.” Their opinions validate CORE Butte’s good accounting and internal control practices.

Financial/Educational Impact:

None.

Recommendation:

The Board of Directors discuss and accept the Audit Report.

CORE Butte, Inc.

Agenda Item G5

To: Board of Directors
From: Jan Jablecki, Executive Director
Date: December 11, 2009
Item: Revised Organizational Chart (discussion/action)

Background:

CORE Schools have been undergoing a period of transition. CORE Butte Charter School began July 1, 2007 and CORE Placer Charter School began July 1, 2009. CORE @ The Camptonville Academy remains.

Current Considerations

All Schools have operated under the direction of Jan Jablecki, Executive Director and will continue to do so through the end of the 2009/2010 school year, at which time, Jan Jablecki will retire as Executive Director.

Because of both the retirement and the division of schools, the Organizational Chart needs to reflect the changes.

A proposed revision to the Organizational Chart for CORE Schools has been developed and is herein presented for review.

Educational/Financial Impact:

None.

Recommendation:

The Board review and approves the revised Organizational Chart.

CORE Butte, Inc.

Agenda Item G6

TO: Board of Directors

FROM: Jonelle Pena, School Director

DATE: December 11, 2009

ITEM: **School Accountability Report Card (SARC) (discussion/action)**

Background:

Each year, the Executive Director/School Director brings the School Accountability Report Card to the Board of Directors for review and approval.

Current Consideration:

There are three (3) bodies that will review and approve this annual document; the CORE Butte, Inc. Board of Directors, the CORE Schools Leadership Team, and the CORE Butte Charter Council.

Financial/Educational Impact:

None.

Recommendation:

The Board of Directors discuss and approve the attached School Accountability Report Card (SARC).

CORE Butte, Inc.

Agenda Item G7

TO: Board of Directors
FROM: Jonelle Pena, School Director
DATE: December 11, 2009
ITEM: **School Improvement Plan (SIP) (discussion/action)**

Background:

CORE Butte Charter School receives Federal funds which makes it necessary to have a School Improvement Plan and to update it annually. Each year, the Executive Director/School Director bring the revised Action Plan to the Board of Directors for review and approval.

Current Consideration:

The Charter Council and Leadership Team, along with the Board of Directors, will review and approve the School Improvement Plan. The Board is presented with the document at this meeting.

Financial/Educational Impact:

Accountability for Federal funds.

Recommendation:

The Board discuss and approve the School Improvement Plan as presented.