

FERRIS STATE UNIVERSITY

CHARTER SCHOOLS OFFICE

April 2023 Board Communication

❖ Development of 2023-2024 Budget

As a board responsibility, financial oversight is second only to student achievement in importance. Boards have an obligation to ensure that school leaders and/or management companies have competently and effectively managed the school's finances. It is that time of the year when schools begin to develop their budget for the next year.

The law requires the budget to be presented, discussed and approved at a public meeting. Typically, boards schedule their budget hearing in May or June. With that said, board members should receive the proposed 2023-2024 budget far enough in advance of the scheduled budget hearing to permit time for them to review and understand it, frame meaningful questions and negotiate changes, if appropriate. Best practices also include comparing the proposed budget with past budgets to understand the school's income and expense trends. The careful planning and strategic allocation of resources is critical to the success of your school.

In order to provide fiscal oversight and inform academy boards, the FSU CSO reports on these six Key Performance Indicators (KPIs):

- [Current Ratio](#) Answers the question: Can the school pay its short term obligations? Current ratio should be greater than or equal to 1.0.
- [Change in Fund Balance](#) Answers the question: Is the school operating within its means? Fund balance should be at 20% of revenue OR increasing over time.
- [Days Cash on Hand](#) Answers the question: Does the school have the cash to pay bills? The academy should have 60 days cash on hand.
- [Enrollment Change Over Time](#) Answers the question: Is the school's main revenue source stable over time? Enrollment should remain at 95% of the three prior years.
- [Debt to Asset Ratio](#) Answers the question: Does the school own more assets than owes in liabilities? The ratio of liabilities to assets should be 0.9 or less.
- [Current Year Enrollment Change](#) Is the school's current year enrollment stable? Each year the academy should have at least 95% of the previous year's enrollment number.

The CSO KPIs are only some measures of fiscal health. Academy boards may want to work with their finance professional to determine what other indicators might be useful for future planning.

❖ CSO 21st Annual Spring Briefing and 25th Anniversary Celebration

The CSO held its 21st Annual Spring Briefing and 25th Anniversary Celebration on March 3, 2023. Unfortunately, due to the probability of a winter storm predicted for the Lansing and surrounding areas for that day, we cancelled the in-person gathering and held it virtually. For the ones interested in the event, but were unable to join us, below is a link to the recording.

[CSO 21st Annual Spring Briefing](#)

❖ **Epicenter On-Time Compliance Scorecard**

Epicenter is a system we use to store and share important school and board of directors information and documents. Annually, there are over one hundred Epicenter submissions that are either required by law, Charter Contract or best practice. A few examples of some of the information or documents we keep in Epicenter are board meeting minutes, financial documents, insurance policies, academic monitoring plans and emergency drill logs.

To collect all this information and documents in a timely manner, we set due dates in Epicenter. Deadlines are established either by law or our office. We have high expectations that all submissions will be submitted on-time. All stakeholders have the ability to monitor this by utilizing the On-Time Compliance Scorecard in Epicenter.

Your Epicenter user or users receive email notifications from the system about an upcoming deadline. Reminder notifications for board-related documents are system generated anywhere from 7-16 days in advance of the deadline. For most school-related documents reminder notifications are sent 30 days before the due date. Epicenter continues to send email reminders until the information or document has been successfully uploaded.

Besides email notifications about upcoming deadlines, the Epicenter user can see upcoming deadlines under the tasks section of Epicenter. It is highly recommended that individuals responsible for Epicenter submissions and on-time compliance log in daily to Epicenter to check their task queue – see what's due and when it's due. Also, the Epicenter user should contact whoever is responsible for getting the information or document to them for submission in Epicenter.

As soon as an Epicenter user anticipates they will not be able to submit the information or document on-time, please contact Sharon Hopper, CSO Compliance Auditor/Board Liaison, prior to the deadline. Provide her with the reason why it won't be on-time and when you expect to submit it. Most of the time the due date can be extended.

For instance, the academy's annual health department permit is due every year on June 30th. The State of Michigan issues those permits and are frequently behind in getting the permit to the academy. Therefore, since it is out of the control of the Epicenter user, the due date will be extended.

On the other hand, if the Epicenter user will be late in submitting approved meeting minutes, that due date cannot be extended. After all, the law requires approved minutes must be made available to the public within five days of the meeting in which they were approved. So that deadline should not be extended. It is imperative that Sharon receives your request for a deadline extension before the due date.

Why should on-time Epicenter compliance be a priority?

- First and foremost, your Charter Contract stipulates that all information and documents will be submitted in Epicenter no later than the due date.
- Second, your academy's on-time Epicenter compliance percentage is published in your annual Contract Performance Report, which is a public document.
- And lastly, when an academy is up for reauthorization, your Compliance Scorecard is one of the factors we consider when we make a recommendation to our Board of Trustees on the length of the reauthorization contract.

So far this school year there are seven academies and respective boards that have maintained 100% on-time Epicenter compliance that deserve special recognition. They are:

- ★ Battle Creek Montessori Academy
- ★ Blended Learning Academies Credit Recovery High School
- ★ Hope Academy of West Michigan
- ★ Huron Academy
- ★ Lighthouse Academy
- ★ Muskegon Montessori Academy For Environmental Change
- ★ Voyageur Academy

For all other academies and boards, your Epicenter users have submitted the required information or document. However, they did not submit them on-time. If you want further details about late submissions, your Epicenter user(s) can provide you with that information. We recommend school leadership, management companies, boards and Epicenter users discuss on-time compliance and collaborate on solutions to get the correct information and documents submitted on-time.

If you have any questions, please contact Sharon Hopper at Sharon.Hopper@ferris.edu or (231) 591-5804.

❖ Mastermind Network and FSU CSO Hubs

The Mastermind Network is an online community hosted by the Michigan Association of Public School Academies (MAPSA). It is digital community built to connect charter school educators from every corner of the Mitten, bridging physical distance to foster conversation, collaboration, problem solving and professional development. Within this site, you will find Ferris State University Charter Schools Office two private hubs, one for school leadership and the other for board members. The hubs look similar to a private Facebook group. To join, please click on [Mastermind Network](#). From there you can join the FSU CSO hubs. On our hubs you will find recorded professional development sessions, updates on legislation that affects public education and/or board governance, CSO Board Communications and other vital information.

We encourage you to join the Mastermind Network and FSU CSO Hubs.

❖ Important Dates

April 18, 2023 – CSO Quarterly Board Development Convening, *School Finance*
April 19, 2023 – Board Professional Development Webinar, *Governing Beyond the School Year*
May 5, 2023 – Ferris State University Board of Trustees meeting

❖ Important Epicenter Deadlines

April 2, 2023 – Student Count
April 30, 2023 – Budget - 3rd Quarter Financial Statements
May 1, 2023 – Notice of Open Enrollment Certification of Completion

❖ Save the Date!

The final quarterly FSU CSO board development for this school year is scheduled for **April 18, 2023 Tuesday 6:00pm – 7:00pm**. CSO Associate Director, Dr. Christopher White, will facilitate a Zoom session focusing on the role of the Board of Directors as it relates to school finance. Board members, watch for an email from Andrea Ruggles, CSO Secretary, inviting you to the meeting, with registration information and link.

❖ Board Professional Development Webinars

Mark your calendar for the final live webinar in our 2022-2023 board professional development series, *[The Art of Intentional Governance: Creating A Governance Model that Ensures the Right Focus at the Right Time](#)*. It is scheduled for Wednesday April 19, 2023 6:00pm – 6:30pm. Board members look for an email invitation from AirWin Educational Services with registration information. This session, *[Governing Beyond the School Year](#)*, will focus on how effective and efficient boards use the summer months to prepare for the upcoming school year.

In case you missed previous live webinars or have not had an opportunity to watch the other recorded on-demand webinars below are the links. Each board member that watches a recorded or live webinar is an opportunity to earn professional development credits for their respective board.

[Are you Informed Yet? How to Manage Information Overload in Your Governance Role](#)

[Suspension and Expulsion: The Appropriate Role of the Board](#)

[Recruitment 101: The Role of the Board, Mission and Culture](#)

[The Finance and Academic Alignment: Painting and Seeing the Big Picture](#)

[What's New in 2022](#)

[What's to be in 2023](#)

[Assessing Your Governance Work](#)

[Planning the Work & Working the Plan - A Crash Course in Strategic Planning](#)

[Governing Over the Unexpected](#)

❖ Any Questions?

You may contact your FSU Field Representative or Sharon Hopper if you have any questions regarding this Board Communication. Important and/or urgent information that cannot wait until the next Board Communication will be sent to you by email.