



CSAO

Charter Schools Administrative Office of Hawai'i



CSAO Annual Conference

Financial Breakout Session

Introduction

- **The purpose of this session is to provide useful information to schools on a variety of business related topics**
- **Presented by: Bob Roberts, CFO**

Topics for Discussion

- **Payroll/Personnel Issues**
- **Financial Allocations**
- **Miscellaneous Topics**
 - **Collective Bargaining**
 - **B&F payments for FICA/Medicare**
- **Goal Setting for 2006-07**



We've been doing so much for so long with so little, we're now qualified to do everything with nothing!

Payroll/Personnel Issues

- **Ceridian Payroll Services**
- **Premium Conversion Plan and Flexible Spending Accounts**
- **Tax Sheltered Annuities**
- **PTS Plan**

Ceridian Payroll

- **Seventeen schools are using Ceridian for at least some of their payroll**
- **Seven schools are using Ceridian for all of their payroll**
- **EUTF and ERS benefits are provided to eligible employees paid through Ceridian**
- **164+ ERS/EUTF ees are currently paid through Ceridian**
- **Very important to meet P/R deadlines and notify Ceridian and CSAO of banking changes**

PCP and FSA (IRC §125)

- **State Plans through DHRD – No Can Do**
- **AFLAC – Can Do!**
 - **PCP: plan pays ee portion of health insurance with PRE tax \$. Saves ee money by avoiding tax on income used to pay ee portion**
 - **FSA: works same as PCP only for unreimbursed medical and child care expenses**

PCP and FSA (cont.)

- **Timelines:**
 - **PCP at pilot schools effective for P/R earned after 1/1/06**
 - **FSA at pilot schools 2/1/06**
 - **PCP/FSA at other schools using Ceridian for all payroll 2/1/06**
 - **PCP/FSA for all schools by 7/1/06**

PCP and FSA (cont.)

- **More Details:**
 - **Each school will have their own plan(s)**
 - **Must adhere to plan rules**
 - **Mostly related to changes outside of open enrollment period**
 - **Schools have flexibility over plan design**

TSA (IRC §403(b))

- **Lucky we didn't use DOE's plan administrator**
- **CSAO is working with AFLAC to identify TPA for Charter Schools**

Posted on: Tuesday, December 6, 2005

DOE loses \$2.28M in pension deposits

By [Beverly Creamer](#)
Advertiser Education Writer

A Walnut Creek, Calif., company allegedly failed to invest \$2.28 million in payroll deductions earmarked for the retirement accounts of about 10,000 state Department of Education employees, the DOE said in a lawsuit.

The department is suing Plan Compliance Group and its president, Francis W. "Bill" Reimers, to recover \$2,280,194.60 in contributions deducted from employees' paychecks during two September pay periods and given to PCG to invest in tax-sheltered annuities.

PTS Plan (IRC §457)

- **Part Time/Seasonal Employees**
 - **Retirement plan in lieu of FICA (social security)**
 - **All State ees that are eligible must participate**
 - **Employee rate is 7.5%, employer rate is 0%**
 - **CSAO is working with the plan administrators now to work out the details**
 - **Hope to implement by 2/1/06**

PTS Plan Process

Comprehensive Financial Planning

Local contact,
provides forms,
answers basic questions

National Benefit Services

TPA
Allocates payments to
Members accounts



Life Insurance of the Southwest

Pays benefits to ees after retirement

What This Means

- **By July '06 all Charter Schools will have an option for payroll that puts the school in control and provides employees with all the same benefits as any other State of Hawaii employee**
- **Remember:**
 - **EUTF & ERS plans are working now**
 - **PCP, FSA & TSA between now and July**
 - **Be mindful of P/R deadline dates**

Financial Allocations

- **Per Pupil Allocations**
- **Federal Impact Aid**
- **Title I**
- **Title II**
- **Drug Free & Safe Schools Money**
- **Test Administration**

Per Pupil Allocations

- **First and second allocations already distributed**
- **Third allocation in process**
 - **required to be distributed by 1/1/06**
- **No resolution of 80% transfer language as of 12/9/05**
 - **Therefore, not considered for 3rd allocation**
 - **Because of this Per Pupil drops to \$5,570.44**
 - **If DOE pays for additional 40 students then per pupil increases back to \$5,609.50**

Charter Schools Administrative Office
Annual Per Pupil Allocation to Schools - Third Allocation (Ignoring 80%)
Based on October 15, 2005 Enrollment Counts

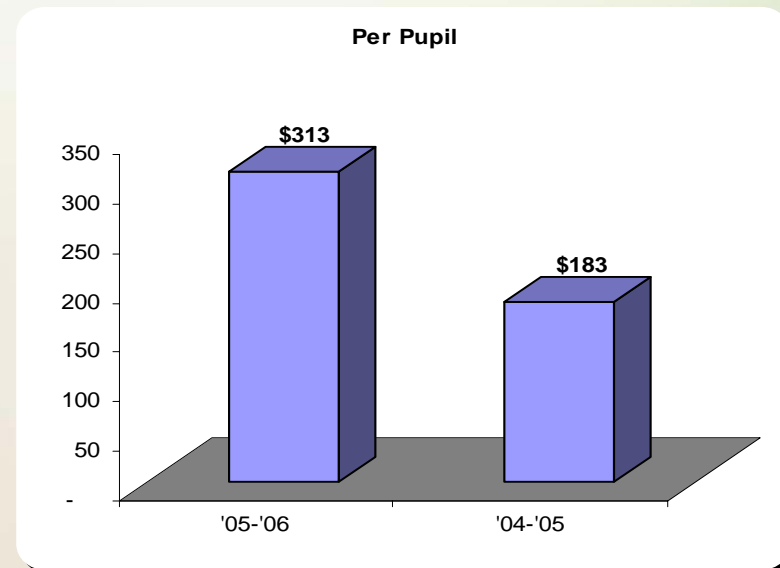
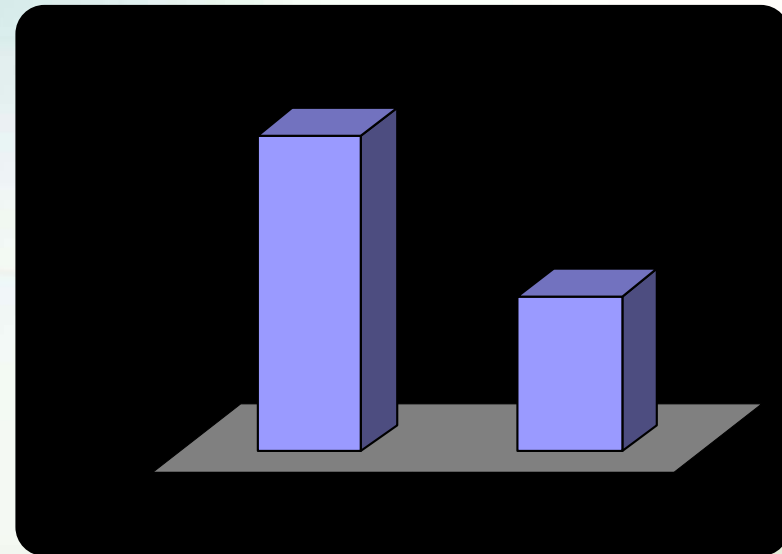
Item 1: Total per pupil Funding Amount per State Budget: 31,996,584
 Per Pupil Amount (Item 1 ÷ Total Column B): 5570.435933

Charter School (Column A)	Actual Enrollment Count per 10-15-05 (Column B)	Annual Allocation (Column C)	1st Allocation (Column D)	2nd Allocation (Column E)	3rd Allocation (Column F)
CONNECTIONS-PCS	307	1,710,124	845,240.00	703,831	161,053.00
EDUC LAB: A HAWAII NC-PCS	418	2,328,442	1,138,540.00	970,631	219,271.00
HAKIPU'U LEARNING CTR-PCS	93	518,051	253,305.00	215,960	48,786.00
HALAU KU MANA-PCS	104	579,325	237,307.00	287,508	54,510.00
HALAU LOKAHI NC-PCS	196	1,091,805	439,951.00	549,131	102,723.00
HI ACADEMY OF A&S-PCS	197	1,097,376	426,619.00	567,524	103,233.00
INNOVATIONS-PCS	125	696,304	338,629.00	292,106	65,569.00
KA 'UMEKE KA'EO-PCS	134	746,438	359,960.00	316,191	70,287.00
KA WAIHONA O KA NAAUAO-PCS	311	1,732,406	826,575.00	742,708	163,123.00
KANAKA-PCS	32	178,254	133,319.00	28,103	16,832.00
KANU O KA'AINA-PCS	119	662,882	450,617.00	149,715	62,550.00
KANUIKAPONO-PCS	44	245,099	119,987.00	102,030	23,082.00
KE ANA LA'AHANA-PCS	94	523,621	271,970.00	202,325	49,326.00
KE KULA NIIHAU KEKAHA-PCS	38	211,677	90,657.00	101,098	19,922.00
KE KULA O KAMAKAU LAB-PCS	84	467,917	253,305.00	170,523	44,089.00
KIHEI PC HIGH SCHOOL-PCS	217	1,208,785	479,947.00	615,115	113,723.00
KUALAPU'U ELEMENTARY	376	2,094,484	927,897.00	969,443	197,144.00
KUA O KA LA-PCS	53	295,233	127,986.00	139,461	27,786.00
LANIKAI-PCS	327	1,821,533	791,912.00	858,183	171,438.00
MYRON THOMPSON ACAD-PCS	765	4,261,382	2,229,085.00	1,630,857	401,440.00
NAWAHI IKI LAB-PCS	75	417,783	202,644.00	175,797	39,342.00
VOLCANO SCH OF A&S-PCS	145	807,713	391,957.00	339,697	76,059.00
VOYAGER-PCS	192	1,069,524	469,281.00	499,578	100,665.00
WAIALAE-PCS	439	2,445,421	1,279,858.00	935,193	230,370.00
WAIMEA MID-PCCS	518	2,885,486	1,365,182.00	1,248,620	271,684.00
WATERS OF LIFE-PCS	185	1,030,531	546,606.00	386,837	97,088.00
WEST HI EXPLOR ACAD-PCS	156	868,988	399,956.00	387,223	81,809.00
	5744	31,996,584	15,398,292.00	13,585,388	3,012,904.00

Federal Impact Aid

- **Good news:**

- Amount of allocation for Charter Schools increased to **\$1,795,605**
- Equal to **\$312.60** per pupil, based on Oct 15, 2005 enrollments
 - In two parts, PROGID 19912 and PROGID 19026
- 2004-05 amount was **\$880,890** or **\$182.53** per pupil
- Federal funds, but can be used for any school related purpose
 - Smart planning tip: if possible, don't pay salaries with these funds
- CSAO will distribute via check in Dec.



**Charter Schools Administrative Office
Federal Impact Aid**

Total Allocation \$ 1,730,215.00 \$ 301.22
\$ 65,390.00 \$ 11.38

<u>CHARTER SCHOOLS</u>	<u>ORGID</u>	<u>Oct 15, 2005</u>	<u>Federal Impact</u>	<u>DOD Impact</u>
		<u>Enrollment</u>	<u>Aid Allocation</u>	<u>Aid</u>
			<u>PROGID 19912</u>	<u>PROGID 19026</u>
CONNECTIONS-PCS	396	307	\$ 92,475.00	\$ 3,495.00
EDUC LAB: A HAWAII NC-PCS	543	418	\$ 125,910.00	\$ 4,759.00
HAKIPU'U LEARNING CTR-PCS	546	93	\$ 28,014.00	\$ 1,059.00
HALAU KU MANA-PCS	540	104	\$ 31,327.00	\$ 1,184.00
HALAU LOKAHI NC-PCS	542	196	\$ 59,039.00	\$ 2,231.00
HI ACADEMY OF A&S-PCS	561	197	\$ 59,341.00	\$ 2,243.00
INNOVATIONS-PCS	548	125	\$ 37,653.00	\$ 1,423.00
KA 'UMEKE KA'EO-PCS	562	134	\$ 40,364.00	\$ 1,525.00
KA WAIHONA O KA NAAUAO-PCS	545	311	\$ 93,680.00	\$ 3,540.00
KANAKA-PCS	466	32	\$ 9,639.00	\$ 364.00
KANU O KA'AINA-PCS	397	119	\$ 35,845.00	\$ 1,355.00
KANUIKAPONO-PCS	564	44	\$ 13,254.00	\$ 501.00
KE ANA LA'AHANA-PCS	549	94	\$ 28,315.00	\$ 1,070.00
KE KULA NIIHAU KEKAHA-PCS	556	38	\$ 11,446.00	\$ 433.00
KE KULA O KAMAKAU LAB-PCS	547	84	\$ 25,303.00	\$ 956.00
KIHEI PC HIGH SCHOOL-PCS	554	217	\$ 65,365.00	\$ 2,470.00
KUA O KA LA-PCS	557	53	\$ 15,965.00	\$ 603.00
KUALAPUU	411	376	\$ 113,259.00	\$ 4,280.00
LANIKAI-PCS	320	327	\$ 98,499.00	\$ 3,723.00
MYRON THOMPSON ACAD-PCS	544	765	\$ 230,433.00	\$ 8,709.00
NAWAHI IKI LAB-PCS	563	75	\$ 22,592.00	\$ 854.00
VOLCANO SCH OF A&S-PCS	560	145	\$ 43,677.00	\$ 1,651.00
VOYAGER-PCS	541	192	\$ 57,834.00	\$ 2,186.00
WAIALAE-PCS	149	439	\$ 132,236.00	\$ 4,998.00
WAIMEA MID-PCCS	394	518	\$ 156,033.00	\$ 5,896.00
WATERS OF LIFE-PCS	398	185	\$ 55,726.00	\$ 2,106.00
WEST HI EXPLOR ACAD-PCS	399	156	\$ 46,991.00	\$ 1,776.00
CHARTER SCHOOLS		5744	\$ 1,730,215.00	\$ 65,390.00

Federal Title I

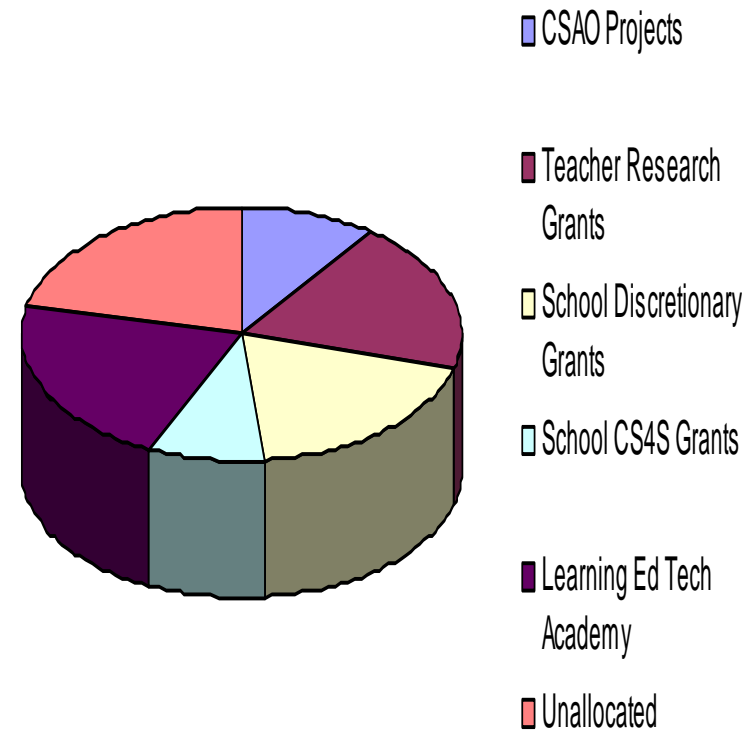
- **This is the first year that Title I funds are allocated to the schools through the CSAO**
- **Expenditure plans are required to be submitted and approved before funds can be distributed**
- **Actual amounts allocated are calculated by DOE**
 - **Special Programs Management Section**
- **Amounts for many schools will change**

Charter School Administrative Office
 Federal Title I Funds: Per DOE Special Programs Management Section
 2005-06

Schools	Allocation 7/1/05	Allocation 10/1/05	Total
Halau Lokahi	17,420	27,952	45,372
Ka Waihona	26,588	80,871	107,459
Hakipu`u	9,168	14,712	23,880
Waters of Life	22,268	30,423	52,691
Ke Kula `o Nawahiokalani	9,093	12,422	21,515
Ke Ana La`ahana	12,433	16,986	29,419
Ka Umeke Ka`eo	15,773	21,550	37,323
Connections	34,702	47,408	82,110
HAAS	14,474	19,775	34,249
Kanu `o ka `Aina	12,990	17,746	30,736
Volcano	10,758	14,450	25,208
Waimea Middle	45,094	61,605	106,699
Kualapu`u	56,486	54,873	111,359
Kihei	6,770	6,576	13,346
Ke Kula Ni`ihau	5,381	5,601	10,982
KANAKA	7,658	7,970	15,628
Kanuikapono	5,381	5,601	10,982

Federal Title II

- **Total available for CS in 2005-06 is \$701,589**
- **Of this amount \$70,000 needed to fund CSAO projects**
 - CS4S, conferences, professional dev., admin, etc.
- **\$330,000 will be allocated to schools through competitive grants**
 - \$5,000 per school for teacher research
 - \$5,000 per school for school discretionary grants
 - \$3,000 per school for CS4S stipend
- **\$150,000 for Learning Ed Tech Academy**
 - Margaret Byrnes, Lauren Apiki
- **Administered by Donna Estomago**



Drug Free & Safe Schools

- **Total available: \$110,000**
 - Until recently CSAO believed only \$60,000 was available
- **Total allocated to date: \$39,913**
 - Based on RFP's submitted by schools
- **Distributions to schools Dec/Jan**

Charter Schools Administrative Office

Drug Free & Safe Schools Program Awards

School	Amount Awarded	Project
Ka `Umeke Ka`eo	\$ 4,000	Art & the Environment
Volcano	2,300	HI Canoe Focus
HAAS	4,000	4H/PAP
WHEA	4,000	Mural
Kua O Ka La	3,000	Plant Id. Class
Kualapu`u	4,013	Life Stories
Ke Kula Ni`ihau	2,600	Proverbial Pictures
Ke Ana La`ahana	4,000	Art & the Environment
Innovations	4,000	Musical Theater Play
Wai`alae	4,000	African Percussion/Performance
KKS Kamakau	4,000	Hula Ki`i Performance
Total	\$ 39,913	

Test Administration

- **CSAO recently learned of its obligation to allocate these funds to schools**
- **Most of the funds were allocated by DOE directly to the schools**
 - DOE budget system
- **\$2,583 allocated to CSAO to distribute to schools**
 - Can be distributed via check or via budget system
- **Use to pay for help to administer State-wide Testing Program**

Unreturned FY '05 Carryover	FY '06 Allocation	Adjusted FY '06 Allocation	ORG ID	School
-\$18	\$500	\$482	149	WAIALAE ELEMENTARY
\$0	\$400	\$400	320	LANIKAI ELEMENTARY
-\$29	\$700	\$671	394	WAIMEA MIDDLE
\$450	\$400	\$0	396	CONNECTIONS NEW CENTURY PCS
\$250	\$200	\$0	397	KANU 'O KA 'AINA
\$250	\$300	\$50	398	WATERS OF LIFE NEW CENTURY PCS
-\$6	\$200	\$194	399	WEST HAWAII EXPLORATIONS ACADEMY
-\$14	\$400	\$386	411	KUALAPUU ELEMENTARY
\$150	\$100	\$0	466	KULA AUPUNI NI'ITHAU A KAHELELANI ALOHA
\$250	\$200	\$50	540	HALAU KU MANA PCS
\$250	\$300	\$50	541	VOYAGER PCS
\$250	\$200	\$0	542	HALAU LOKAHI PCS
\$450	\$400	\$0	543	THE EDUCATION LABORATORY PCS
\$675	\$600	\$0	544	MYRON B. THOMPSON ACADEMY
\$250	\$300	\$50	545	KA WAIHONA 'O KA NA'AUAO PCS
\$150	\$200	\$50	546	HAKIPU'U LEARNING CENTER PCS
\$150	\$100	\$0	547	KE KULA 'O SAMUEL M KAMAKAU PCS
\$250	\$300	\$50	548	INNOVATIONS PCS
\$250	\$200	\$0	549	KE ANA LA'AHANA PCS
\$150	\$200	\$50	554	KIHEI PUBLIC CHARTER HIGH SCHOOL
\$150	\$100	\$0	556	KE KULA NI'ITHAU 'O KEKAHA LEARNING CENTURY
\$150	\$100	\$0	557	KUA 'O KA LA PCS
\$250	\$300	\$50	560	THE VOLCANO SCHOOL OF ARTS AND SCIENCES PCS
\$150	\$200	\$50	561	HAWAII ACADEMY OF ARTS & SCIENCE PCS
\$250	\$200	\$0	562	KA 'UMEKE KA'EO PCS
\$150	\$100	\$0	563	KE KULA 'O NAWAHIOKALANI'OPU PCS
\$150	\$100	\$0	564	KANUIKAPONO LEARNING CENTER
Totals	\$7,300	\$2,583		

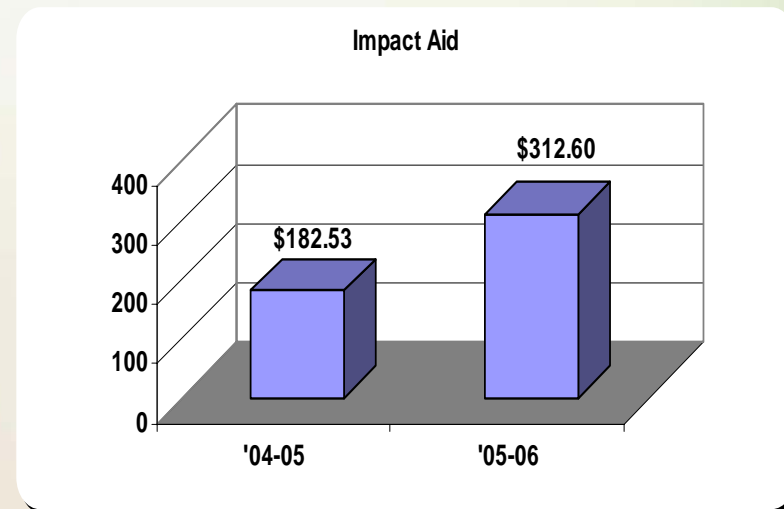
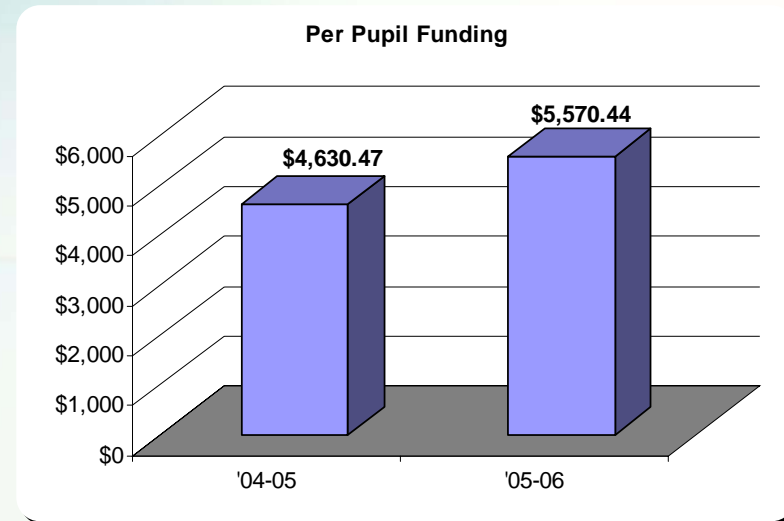
What This Means

- By early January CS will have received all of their State Funding

- Except for the amounts we are still fighting for

- Its been a good year financially for CS

- Per Pupil Amount Increased over **20%**
 - Federal Impact Aid Increase of over **71%**
 - ERS and EUTF for all eligible CS ees paid for by State
 - Expect funds for CB and FICA/Medicare



Miscellaneous

- **Collective Bargaining Costs for 2005-06**
 - **Latest information from B&F:**
 - **309 FTE for Charter Schools identified by B&F that were included in funding paid to DOE**
 - **CB costs for these employees –**
 - **2005-06 \$ 402,569**
 - **2006-07 \$1,467,509**
 - **B&F requested DOE to transfer funds to charter schools**

Miscellaneous (cont.)

- **FICA/Medicare reimbursements for payroll through Ceridian:**
 - **CSAO has provided requested data on costs to B&F**
 - **Costs through Oct '05 = \$148,352.86**
 - **Estimated Annual Costs = \$445,059**
 - **B&F states they will include this information in their report to the legislature**
 - **B&F has been silent regarding when reimbursements to CS will occur**

Goal Setting

- **Complete additions of PCP, FSA, TSAs and PTS plans to Charter School Payroll System**
- **Harmonize accounting systems among charter schools**
- **Streamline systems for distributing and collecting funds**
- **Clear up and correct many of the outstanding financial issues with DOE**
- **Your ideas?**



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**"My PowerPoint presentation went so well,
I had it made into a tattoo!"**

We're Pau

