

More important information you should know related to Business & Operations:

- **New Teacher Residency Program (NTRP) funding.** ANCS originally received a \$918,000 3-year grant to fund the NTRP from the Governor's Innovation Fund via the federal DoE's Race to the Top program. That funding mostly ran out in FY14, with approximately \$50,000 carrying over into FY15. We absorbed the cost of employing 4 associate teachers and the Director of the NTRP into our FY15 budget.
 - Elizabeth Hearn and Matt Underwood have been aggressively pursuing alternative funding sources for the NTRP, including an Investing in Innovation (i3) Development grant - application just submitted- a second Georgia Innovation Fund grant - application due in October - and private funding.
- **Grants to Green Grant.** We were awarded a \$260,330 implementation grant from the Community Foundation for Greater Atlanta's (CFGA) Grants to Green Program after the 2014-2015 budget was finalized. This grant is designated to complete a number of major facilities projects on the MC in an environmentally conscious manner. We received the maximum grant available under the program, and we are required to match the grant dollar-for-dollar.
 - We refinanced the MC building in order to raise the matching funds without affecting operations. Our monthly mortgage payment increased from \$8,668 to \$9,669, and we got a favorable interest rate of 5.11% Loan A & 3.85% on Loan B on a 5 year loan.
- **Middle Campus Building.** As noted above, we own the MC building (we bought it in 2007) and based on the recent refinancing we have about \$1,225,000 in equity in the building. (\$2,700,000 FMV with a \$1,165,000 Loan A & \$310,000 Loan B mortgage)
- **Elementary Campus Building.** We lease the EC campus from APS rent-free. (We used to pay rent but state law changed in 2009 so that local districts cannot charge charter schools rent for the use of district facilities.)
- **Title I Funding.** Title I (federal) funding is based on the percentage of students who are eligible for free and reduced lunch (FRL). Historically, the MC has been eligible for Title I funding, but the percentage of students eligible for FRL slipped below the 35% threshold last year. The MC was grandfathered in and therefore earned some Title I funding (\$55,000) for FY15, but at the current FRL percentages neither campus of ANCS may be eligible for Title I funding in the future.
- **State Austerity Reductions..** The state of Georgia introduced "austerity reductions" in 2002 that funded schools below the statutory levels required by the Quality Basic Education Act of 1985. These austerity reductions accelerated from 2008-2014. While the FY15 state budget reduced the austerity cuts by over \$300 million, Georgia schools will still be underfunded by about \$750 million relative to the QBE requirements. As you can see in the financial reports, these austerity reductions resulted in a loss of over \$270,000 for ANCS in FY15.
- **Local Revenue Share Calculation.** Due to timing issues, APS calculates our local revenue share based on budgeted (not actual) local revenue. Usually, when the tax digests are finalized, the actual numbers are higher than the budgeted numbers, but APS does not "true up" the numbers. (The only year the actual tax revenues were lower than projected, however, APS did recoup the difference.) We believe that APS should "true up" the numbers and we are pursuing a change in policy to that effect.
- **APS Administrative Fee.** APS charges ANCS a 2% administrative fee for their services, which is applied to all state and local revenues. In FY15 this fee is about \$135,000. Under state law APS could charge start-up charters like ANCS as much as 3%, and many local authorizers do charge more than 2%. Most, but not all, of these fees go directly to pay APS salaries for those district employees in the APS charter schools office. We continue to discuss with APS how those funds are used, and whether 2% is the "right" amount to withhold.