

Charter School Financial Health Metrics

Giving students a high-quality public education requires charter schools to be strong both academically and financially. Take a look at the metrics below to assess your school's financial health.

Liquidity:

- Current Ratio > 1.0
- Days Cash on Hand
- Minimum ≥ 30
- Optimal ≥ 90

Leverage:

- Debt/Net Assets < 3
- Total Liabilities/Total Assets < .90

Debt and Lease Coverage

- Minimum ≥ 1.2

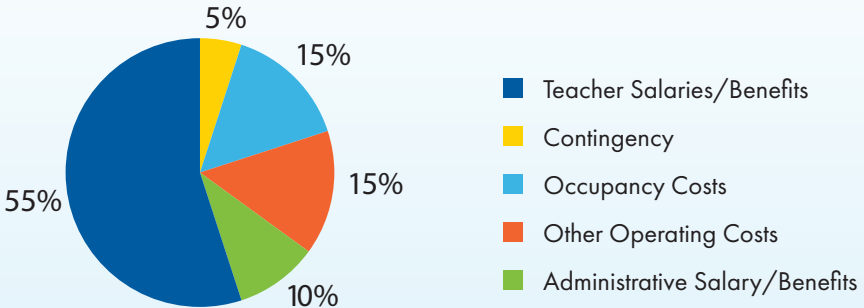
Positive Cash Flow Trends

- Minimal reliance on fund balance for operational expenses

Other Indicators

- Enrollment
 - Historical
 - Projections
- Ability to Refinance at Maturity
- Staff Turnover
- Regulatory Climate

How do high quality charters allocate per-pupil revenue?



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Schools that spend less than 55% of revenue on instruction and more than 15% on occupancy costs have limited budget flexibility

Occupancy costs include rent/mortgage, insurance, maintenance/repairs and all other building related expenses.

Facility capacity at least 75 ft² per student (100 ft² per pupil ideal)

Operating expenses about \$6/ft²

For more financial management resources for charter school leaders, visit www.self-help.org/charterschools

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