



**KIPP** PHILADELPHIA  
PUBLIC SCHOOLS

# Finance Committee Updates

May 18, 2021

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# Agenda

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- I. Upcoming Consent Agenda
- II. FY21 YTD Actuals
- III. Reopening Updates
- IV. FY22 Draft Budget Proposals
- V. Real Estate Update

# Upcoming Consent Agenda

## Rental Agreement between KNPCS and KPCS

Attorneys are drafting a revised rental agreement between the two charters. The new agreement will increase KNPCS' payments to KPCS based on increased square footage in FY22 and full occupancy beginning in FY23. Proposed payments as follows:

Year	KNPCS
FY22	339,766.67
FY23	678,200.00
FY24	679,933.33
FY25	677,933.33
FY26	679,000.00
FY27	679,666.67
FY28	680,833.33
FY29	678,000.00
FY30	678,000.00
FY31	680,666.67
<b>TOTAL</b>	<b>6,452,000.00</b>

# Consolidated Schools, FY21 YTD-4/30/21 Budget vs. Actual

## KIPP Philadelphia Schools Consolidated, FY21 YTD-4/30/21 Budget vs. Actual

Description	YTD Actual	YTD Budget	Delta vs Budget	
			(\$)	(%)
<b>REVENUE</b>				
- Per Pupil	\$33,220,935	\$33,548,255	(\$327,319)	-1%
- Local Revenue	\$1,264,782	\$684,064	\$580,718	85%
- State Revenue	\$10,528	\$160,906	(\$150,378)	-93%
- Federal Revenue	\$3,926,979	\$4,291,760	(\$364,781)	-8%
- Fundraising	\$23,892	\$474,258	(\$450,366)	-95%
Total Revenue	\$38,447,116	\$39,159,242	(\$712,127)	-2%
<b>EXPENSES</b>				
- 100 Salaries	\$14,564,534	\$14,983,963	(\$419,429)	-3%
- 200 Benefits	\$4,187,945	\$4,869,102	(\$681,158)	-14%
- 300 Prof Services	\$5,900,137	\$7,230,426	(\$1,330,289)	-18%
- 400 Property Service	\$2,288,600	\$3,349,657	(\$1,061,056)	-32%
- 500 Other Purchased Services	\$1,807,974	\$3,682,521	(\$1,874,547)	-51%
- 600 Supplies	\$1,188,923	\$1,466,671	(\$277,748)	-19%
- 700 Property	\$1,547,062	\$787,052	\$760,011	97%
- 800 Other Objects	\$626,742	\$766,120	(\$139,378)	-18%
- 900 Principal Payments	\$292,068	\$0	\$292,068	
Total Expenses	\$32,403,985	\$37,135,511	(\$4,731,526)	-13%
<b>Net Surplus/Deficit</b>	<b>\$6,043,131</b>	<b>\$2,023,731</b>	<b>\$4,019,399</b>	<b>199%</b>

### Notes

- Revenue \$38.4M (\$712K) behind budget) due to lower per pupil revenues. Additionally, fundraising revenues behind budget due to timing of reconciliations.
- Expenses \$32.4M (\$4.7M lower than budgeted). Remote learning environment continues to limit spending on supports for students with IEPs (PCAs/Paras, tuition for outplacement). Additionally, facilities and food services continue to come in under budget.
- Areas of overage a largely driven by timing.
- Net Surplus/Deficit \$6.0M (\$4.0M ahead of budget)

# Reopening Update

School	Grade	Return Date
Elementary	K-1	3/1/2021
Elementary	2-4	4/12 - 4/16
KPPA	Penn State	4/5/2021
KPPA	5-6	4/19/2021
KWPP	5-6	4/19/2021
KPPA	7-8	4/26/2021
KDCA	9	4/26/2021

All campuses opened according to our plans except for upper grades at KPPA. When preparing to bring back upper grades, cases were beginning to rise.

Our protocols for monitoring symptoms and quarantine have proven effective. protocols to get clearer on what symptoms qualify for quarantining/testing.

- 7 reported COVID cases
- Approximately 110 students/staff asked to quarantine or get tested because of symptoms or possible exposure.

We continue to follow updated guidance from CDC and our local health department – changes in vaccinated protocols, travel guidance and student distancing

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# Budget Highlights

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## Public Funding

Per pupil revenues constitute 85% of our overall budget. The School District of Philadelphia (SDP) forecasts its FY21 spending will be flat to FY20. Consequently, will anticipate charter per pupil funding to be flat in FY21.

SDP projects its FY22 budget to decrease by approximately \$200M ( appx. 7%). This will impact KPPS schools beginning in FY23. As we finalize the ESSR II and III grants, we are reserving a proportional amount to cover the funding reduction.

## Fundraising

All charters are balanced on **public** dollars. KNPCS is the only school projected to receive private grant dollars as its growth grant from Philadelphia School Partnership closes.

## Expenses

Expenses are expected to grow by \$1.1M (3%) driven by increases in salaries and benefits. Positions that were closed during the remote environment will be filled in FY22. Additionally, medical premiums are increasing 19% in the coming year. This is offset by decreases in various areas including tuition alternative placements and lower spending on technology equipment.

## Facilities Investments

Budget includes several investments in facilities including additional HVAC investments and maintenance projects that were delayed during closure. Largest investment is replacing lighting fixtures at Rowan campus (\$113K).

# FY22 Budget Summary

	KDCS	KNPCS	KPCS	KWPCS	Comments
Grade Levels	9-12	K-4	K-8	K-8	KNPCS adding 4th Grade
Enrollment	520	500	860	860	
<b>Total Revenues</b>	<b>\$10.1M</b>	<b>\$8.0M</b>	<b>\$16.8M</b>	<b>\$14.5M</b>	
Per Pupil, State and Federal	\$9.7M	\$7.5M	\$16.2M	\$14.0M	
Fundraising	-	\$0.1M	-	-	Final year of PSP grant.
Other	\$0.4M	\$0.3M	\$0.6M	\$0.5M	
<b>Total Expenses</b>	<b>\$10.0M</b>	<b>\$7.5M</b>	<b>\$16.6M</b>	<b>\$14.4M</b>	
Personnel	\$5.2M	\$4.4M	\$8.8M	\$8.2M	
Non-Personnel	\$4.8M	\$3.0M	\$7.8M	\$6.2M	
<b>Surplus/(Deficit)</b>	<b>\$0.1M</b>	<b>\$0.5M</b>	<b>\$40k</b>	<b>\$44k</b>	
<b>Projected Ending Cash Balances</b>	<b>\$2.9M</b>	<b>\$2.2M</b>	<b>\$3.6M</b>	<b>\$3.2M</b>	
<b>Projected DCOH</b>	<b>108</b>	<b>109</b>	<b>80</b>	<b>80</b>	

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# Federal Stimulus Strategy

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## Priority #1: Talent

The first priority is talent and staffing. This create capacity for more small group instruction and even one-on-one supports. Additionally, the staffing will increase capacity to support students' social/emotional needs and address pandemic related trauma. Additional roles to include instructional assistants, math interventionists, social workers, and tutoring/intervention managers.

## Priority #2: Programming

The second priority is additional programming during out of school hours. This will include after school programming, summer school programming, and tutoring supports.

## Priority #3: Operational Support

The last priority is operational support. This includes ongoing costs for ensuring we the buildings are safe environments including materials, additional HVAC upgrades, COVID testing capacity, and additional tech supports.

## Next Steps

In the coming weeks, we will finalize the budget and formally submit to Pennsylvania Department of Education. Additionally, we are reviewing procurement protocols for non-personnel expenses and, where applicable, preparing for bidding process.



# Real Estate Update





# Questions?



# KDCS FY21 YTD-4/30/21 Budget vs. Actual

## KIPP DuBois Charter School (KDCA), FY21 YTD-4/30/21 Budget vs. Actual

Description	YTD Actual	YTD Budget	Delta vs Budget	
			(\$)	(%)
<b>REVENUE</b>				
- Per Pupil	\$7,154,416	\$7,135,458	\$18,958	0%
- Local Revenue	\$239,691	\$216,204	\$23,487	11%
- State Revenue	\$338	\$77,394	(\$77,056)	-100%
- Federal Revenue	\$807,408	\$805,456	\$1,952	0%
- Fundraising	\$246	\$0	\$246	
Total Revenue	\$8,202,099	\$8,234,512	(\$32,413)	0%
<b>EXPENSES</b>				
- 100 Salaries	\$2,872,783	\$2,931,185	(\$58,402)	-2%
- 200 Benefits	\$769,266	\$929,552	(\$160,286)	-17%
- 300 Prof Services	\$1,171,563	\$1,487,710	(\$316,147)	-21%
- 400 Property Service	\$682,961	\$931,679	(\$248,718)	-27%
- 500 Other Purchased Services	\$551,514	\$981,194	(\$429,680)	-44%
- 600 Supplies	\$257,377	\$340,536	(\$83,159)	-24%
- 700 Property	\$255,465	\$166,224	\$89,241	54%
- 800 Other Objects	\$1,207,442	\$0	\$1,207,442	
- 900 Principal Payments	\$14,049	\$0	\$14,049	
Total Expenses	\$7,782,419	\$7,768,080	\$14,339	0%
<b>Net Surplus/Deficit</b>	<b>\$419,680</b>	<b>\$466,432</b>	<b>(\$46,752)</b>	<b>-10%</b>

### Notes

- Revenue \$8.2M (\$32K behind budget).
- Expenses \$7.8M (\$.1M under budget) driven by lower facilities expenses and food service costs in remote environment. Additionally, fewer alternative placements.

# KNPCS FY21 YTD-4/30/21 Budget vs. Actual

## KIPP North Philadelphia Charter School (KNPCS), FY21 YTD-4/30/21 Budget vs. Actual

Description	YTD Actual	YTD Budget	Delta vs Budget	
			(\$)	(%)
<b>REVENUE</b>				
- Per Pupil	\$4,659,827	\$4,709,391	(\$49,565)	-1%
- Local Revenue	\$410,074	\$214,884	\$195,190	91%
- State Revenue	\$0	\$1,145	(\$1,145)	-100%
- Federal Revenue	\$562,307	\$600,331	(\$38,024)	-6%
- Fundraising	\$0	\$156,667	(\$156,667)	-100%
Total Revenue	\$5,632,208	\$5,682,419	(\$50,211)	-1%
<b>EXPENSES</b>				
- 100 Salaries	\$2,254,248	\$2,267,702	(\$13,455)	-1%
- 200 Benefits	\$612,219	\$680,703	(\$68,484)	-10%
- 300 Prof Services	\$806,077	\$1,144,750	(\$338,674)	-30%
- 400 Property Service	\$269,108	\$432,752	(\$163,643)	-38%
- 500 Other Purchased Services	\$149,449	\$387,699	(\$238,250)	-61%
- 600 Supplies	\$171,455	\$266,753	(\$95,298)	-36%
- 700 Property	\$380,650	\$149,091	\$231,559	155%
- 800 Other Objects	\$2,165	\$0	\$2,165	
- 900 Principal Payments	\$3,001	\$0	\$3,001	
Total Expenses	\$4,648,373	\$5,329,451	(\$681,078)	-13%
<b>Net Surplus/Deficit</b>	<b>\$983,835</b>	<b>\$352,968</b>	<b>\$630,867</b>	<b>179%</b>

### Notes

- Revenue \$5.6M (\$0.5M behind budget). Lower per pupil and federal revenues are offset by higher local revenues. Fundraising due to timing of reconciliations.
- Expenses \$4.6M (\$0.7M under budget) driven by lower spending in professional services, facilities, and food services.

# KPCS FY21 YTD-4/30/21 Budget vs. Actual

## KIPP Philadelphia Charter School (KPCS), FY21 YTD-4/30/21 Budget vs. Actual

Description	YTD Actual	YTD Budget	Delta vs Budget	
			(\$)	(%)
<b>REVENUE</b>				
- Per Pupil	\$10,989,828	\$11,192,765	(\$202,937)	-2%
- Local Revenue	\$427,551	\$0	\$427,551	
- State Revenue	\$4,264	\$4,124	\$141	3%
- Federal Revenue	\$1,452,325	\$1,715,927	(\$263,603)	-15%
- Fundraising	\$1,200,622	\$60,833	\$1,139,789	1874%
<b>Total Revenue</b>	<b>\$14,074,590</b>	<b>\$12,973,650</b>	<b>\$1,100,940</b>	<b>8%</b>
<b>EXPENSES</b>				
- 100 Salaries	\$4,889,447	\$5,051,529	(\$162,083)	-3%
- 200 Benefits	\$1,482,343	\$1,745,377	(\$263,034)	-15%
- 300 Prof Services	\$2,102,331	\$2,369,828	(\$267,497)	-11%
- 400 Property Service	\$373,741	\$578,913	(\$205,172)	-35%
- 500 Other Purchased Services	\$729,597	\$1,348,931	(\$619,334)	-46%
- 600 Supplies	\$314,996	\$426,947	(\$111,951)	-26%
- 700 Property	\$460,187	\$203,745	\$256,442	126%
- 800 Other Objects	\$611,026	\$766,120	(\$155,094)	-20%
- 900 Principal Payments	\$41,887	\$0	\$41,887	
<b>Total Expenses</b>	<b>\$11,005,554</b>	<b>\$12,491,391</b>	<b>(\$1,485,837)</b>	<b>-12%</b>
<b>Net Surplus/Deficit</b>	<b>\$3,069,036</b>	<b>\$482,259</b>	<b>\$2,586,777</b>	<b>536%</b>

### Notes

- Revenue \$14.0M (\$1.1M ahead of budget) driven by inter-entity revenue from KDCS relating to legal settlement.
- Expenses \$11M (\$1.4M lower than budget) driven by lower non-personnel expenses as remote environment continues. Additionally, salaries and benefits costs are lower than expected as remaining vacancies have been filled with younger staff who elected cheaper benefits options.

# KWPCS FY21 YTD-4/30/21 Budget vs. Actual

## KIPP West Philadelphia Charter School (KWPCS), FY21 YTD-4/30/21 Budget vs. Actual

Description	YTD Actual	YTD Budget	Delta vs Budget	
			(\$)	(%)
<b>REVENUE</b>				
- Per Pupil	\$10,416,865	\$10,510,640	(\$93,775)	-1%
- Local Revenue	\$187,465	\$252,975	(\$65,510)	
- State Revenue	\$5,926	\$78,243	(\$72,317)	-92%
- Federal Revenue	\$1,104,940	\$1,170,045	(\$65,106)	-6%
- Fundraising	\$23,024	\$256,758	(\$233,735)	-91%
Total Revenue	\$11,738,219	\$12,268,662	(\$530,443)	-4%
<b>EXPENSES</b>				
- 100 Salaries	\$4,548,057	\$4,733,546	(\$185,489)	-4%
- 200 Benefits	\$1,324,116	\$1,513,470	(\$189,354)	-13%
- 300 Prof Services	\$1,820,167	\$2,228,137	(\$407,971)	-18%
- 400 Property Service	\$962,790	\$1,406,313	(\$443,523)	-32%
- 500 Other Purchased Services	\$377,415	\$964,697	(\$587,282)	-61%
- 600 Supplies	\$445,095	\$432,435	\$12,660	3%
- 700 Property	\$450,760	\$267,992	\$182,768	68%
- 800 Other Objects	\$6,110	\$0	\$6,110	
- 900 Principal Payments	\$233,131	\$0	\$233,131	
Total Expenses	\$10,167,639	\$11,546,590	(\$1,378,951)	-12%
<b>Net Surplus/Deficit</b>	<b>\$1,570,580</b>	<b>\$722,072</b>	<b>\$848,508</b>	<b>118%</b>

### Notes

- Revenue \$11.7M (\$0.5M behind budget) driven by timing of federal grant reimbursements. Due to merger, PDE has not provided final allocations for KWPP. Revenue will catch up in Q3 and Q4. Additionally, fundraising revenue behind due to timing of reconciliations.
- Expenses \$10M (\$1.4M lower than budget) driven by lower non-personnel expenses as remote environment continues. Additionally, salaries and benefits costs are lower than expected as remaining vacancies have been filled with younger staff who elected cheaper benefits options.

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