



SCHOOL YEAR 2024-25 BUDGET

May 14, 2024

We are pleased to present the School Year (SY) 2024-25 budget for E.L. Haynes for your review and consideration. We wanted to guide your review of this budget by highlighting revenues and expenditures changes compared to the SY 2023-24 budget.

REVENUES

- **STATE AND LOCAL REVENUE:** Revenues from state and local sources increased by \$4,846,020. This increase is mostly driven by significant increases to the Uniform Per Student Funding Formula or UPSFF.
 - **Enrollment:** Student enrollment drives the majority of the school's revenue through the Uniform Per Student Funding Formula (UPSFF) payments from the DC Government. The school is projecting an overall enrollment of 1170 (10 more students than this year), an increase to the base of the UPSFF of 12.41%, and an increase of 3.1% to the facilities allowance.
 - **Special Education, English Learners, and At-Risk populations:** The UPSFF includes additional payments for students who have been identified as Special Education, English Language Learners (ELL), and At-Risk (as defined by DC law)¹. The school is projecting enrollment in sub-populations similar to those from SY 2023-24.
- **FEDERAL REVENUE:** The school receives three types of federal revenues: 1) entitlement funds which are based on a formula (i.e. Title I, Title II, Title III, Title IV); 2) competitive grant funds that we have to compete for to receive funding (i.e. SOAR Act funds), and 3) federal programs (i.e. National School Lunch Program and Child Care Subsidy Program). This budget revision assumes an overall decrease of \$2,110,218 in federal revenue, due to the sunset of ESSER funds.
 - **Federal entitlement funds:** This budget assumes a conservative amount of entitlement funds consistent with prior years, with the exception of the loss of ESSER funds, which end 9/30.
 - **Competitive grants:** This budget does not assume any potential competitive grants awards, federal or private. If received, quarterly projections for revenue and expenses will be adjusted accordingly.
 - **Federal programs:** The revenue forecast for federal programs is conservative and consistent with prior years overall. We are budgeting for Medicaid reimbursements for the first time, with an initial conservative estimate of \$88,000. This forecast will be updated once we have updated numbers in the fall of SY 2024-25.
- **PRIVATE REVENUE:** This budget assumes private revenue remains consistent with SY 2023-24.

¹The at-risk weight applies to students who are homeless, in the District's foster care system, qualify for Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (SNAP), or high school students that are one year older, or more than the expected age for the grade in which the students are enrolled. The at-risk weight is cumulative to all other weights, with the exception of the adult and alternative weights. This definition is consistent with the "Fair Student Funding and School-Based Budgeting Amendment Act of 2013".

EXPENSES

- **STAFF-RELATED EXPENSE:** This budget includes an overall increase in staff-related expense of \$1,482,407, which includes:
 - \$593,500 increases in current staff salaries, accounting for the required step increases. This line item reflects the reduction of 16 previous staff roles and the addition of 6 new staff roles.
 - Increase in health benefit costs of 5%.
- **OCCUPANCY EXPENSE:** This budget assumes a \$173,199 increase in occupancy expenditures to account for increasing operating expenses, renewal or purchase of existing modular classrooms, and potential carrying costs of added property. This also includes continuing facility architectural consulting fees for the campus consolidation planning aligned to the school's strategic plan.
- **ADDITIONAL EXPENSE:** This budget includes a \$683,194 increase in additional expense driven resulting primarily from:
 - Increased food service costs for student meals (~ \$200k)
 - Increased services for students with disabilities (~\$100k)
 - 4.5% inflation assumption (~300k)

STARTING/ENDING BANK BALANCE

- The projected starting bank balance for SY 2024-25 is \$12,870,424.
- The projected change in net cash for SY 2024-25 is \$55,630.
- The projected ending bank balance is \$12,926,054.
- The projected Days of Cash on Hand for SY 2024-25 (liquidity test as defined by our loan documents) is 124 days. This is higher than the 45 days recommended by the Public Charter School Board (PCSB), and 80 days required by our lenders. It is also higher than our internal target of 110 days.
- The revised Debt Service Coverage Ratio (DCSR) is 1.34 including sinking fund payments (1.62 excluding sinking fund payments). This is higher than the 1.00 including sinking fund payments (1.20 excluding sinking fund payments) required by our lenders.