



# Kauffman School Budget Detail

EMKS Board Presentation

May 10, 2023

EWING MARION  
KAUFFMAN SCHOOL

[www.kauffmanschool.org](http://www.kauffmanschool.org)

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# 2023-2024 Annual Budget Background

## **EMKS will continue important work in the 2023-24 school year:**

- Continuing to close learning gaps and drive learning growth for 5<sup>th</sup>-12<sup>th</sup> grade students.
- Executing on strategic priorities related to instruction, SEL, student culture, adult culture and long-term organizational sustainability
- Supporting our graduating seniors and alumni through College Access and Success initiatives that drive college admission and persistence.

## **The school will also contend with ongoing challenges:**

- Talent recruitment, particularly teacher hiring, given the national teacher shortage
- Student enrollment
- Projected decreases in future revenue
- Continued need to increase salaries to remain competitive both locally and nationally

# 2023-2024 Annual Budget

## Detail

|                                    | 2022-23 Budget    | 2022-23 Forecast  | 2023-24 Budget    |
|------------------------------------|-------------------|-------------------|-------------------|
| <b>Revenue</b>                     |                   |                   |                   |
| Local Revenue                      | 1,228,240         | 1,626,340         | 1,765,702         |
| State Revenue                      | 9,398,143         | 13,128,593        | 12,075,152        |
| Federal Revenue                    | 3,458,563         | 3,182,089         | 3,220,360         |
| Private Grants and Donations       | 4,793,396         | 3,440,794         | 5,793,000         |
| Earned Fees                        | 594,081           | 216,388           | -                 |
| <b>Revenue Total</b>               | <b>19,472,424</b> | <b>21,594,204</b> | <b>22,854,215</b> |
| <b>Expenses</b>                    |                   |                   |                   |
| Salaries                           | 8,443,520         | 9,175,942         | 9,569,046         |
| Benefits and Taxes                 | 3,039,995         | 3,274,968         | 3,146,860         |
| Staff-Related Costs                | 195,000           | 287,751           | 245,000           |
| Rent                               | 293,396           | 293,396           | 300,000           |
| Occupancy Service                  | 2,282,800         | 2,568,875         | 2,484,700         |
| Student Expense, Direct            | 1,695,960         | 1,785,939         | 1,739,330         |
| Student Expense, Indirect          | 839,310           | 646,500           | 547,379           |
| Office & Business Expense          | 1,297,309         | 2,176,440         | 1,922,217         |
| Transportation                     | 1,485,135         | 1,331,541         | 1,370,210         |
| <b>Expenses Total</b>              | <b>19,572,425</b> | <b>21,541,351</b> | <b>21,324,743</b> |
| <b>NET ORDINARY INCOME</b>         | <b>(100,001)</b>  | <b>52,853</b>     | <b>1,529,472</b>  |
| <b>TOTAL EXPENSES</b>              | <b>19,851,425</b> | <b>21,541,351</b> | <b>21,324,743</b> |
| <b>NET INCOME</b>                  | <b>(379,001)</b>  | <b>52,853</b>     | <b>1,529,472</b>  |
| <b>Cash Flow Adjustments</b>       |                   |                   |                   |
| Operating Fixed Assets             |                   | 247,006           | -                 |
| Buildings                          |                   | (167,973)         | -                 |
| Other Operating Activities         |                   | 390,027           | -                 |
| <b>Cash Flow Adjustments Total</b> | <b>663,901</b>    | <b>469,060</b>    | <b>-</b>          |
| <b>CHANGE IN CASH</b>              | <b>284,900</b>    | <b>521,913</b>    | <b>1,529,472</b>  |
| Starting Cash Balance              | 13,801,775        | 13,801,775        | 14,323,688        |
| Change In Cash                     | 284,900           | 521,913           | 1,529,472         |
| <b>ENDING CASH BALANCE</b>         | <b>14,086,675</b> | <b>14,323,688</b> | <b>15,853,160</b> |

- The FY 23/24 budget is a projection; subject to change.

# 2023-2024 Annual Budget

## Key Assumptions

### Revenue:

- **Basic Formula Funding \$ Per WADA: \$11,000;** this rate is consistent with several local charters' assumptions and reflects the increase in funding due to 2022 legislation and the hold harmless provision
- **Federal Sources:** the School will continue the NSLP meal program, Medicaid, Title I/II/IV programs and will receive ESSER emergency relief funds in FY 23/24
  - **ESSER-III: \$1.8M;** the School plans to expend the remaining allocation of ESSER-III in FY 23/24
  - In FY 22/23, EMKS expended 50% (\$1.8M) of its ESSER-III allocation
- **Private Sources: \$5.5M in EMKF Operating grants;** the School has requested a \$1.5M deferral of the FY 22/23 EMKF operating grant to FY 23/24 and has requested a \$4M EMKF operating grant for 23/24

# 2023-2024 Annual Budget

## Key Assumptions

### Expenses:

- **Staff FTE Count: 153.2;** includes instructional and non-instructional staff and leaders
- **Benefits as % of Salaries: 33%;** incorporates projected 10% rise in health premiums in 2024.
- **Bonus and Supplemental Pay Pool: \$494k;** reflects standard budget for supplemental pay in addition to recruitment/retention bonuses for instructional and non-instructional staff.
- **Transportation: \$1.37M;** assumes factors comparable to FY 22/23
- **Alumni Scholarships: \$250k;** spending prioritizes supporting the post-secondary education for students identified as most-in-need (spending is allocated to the operating grant and not to public funding sources).

# 2023-2024 Annual Budget

## Metrics & Ratios

|   |                         | 2022-23 Budget   | 2022-23 Forecast | 2023-24 Budget   |
|---|-------------------------|------------------|------------------|------------------|
| <b>Average Enrollment</b>                     |                         |                  |                  |                  |
|   | Middle School           | 619              | 551              | 602              |
|   | High School             | 413              | 384              | 401              |
|   | <b>Total Enrollment</b> | <b>1032</b>      | <b>935</b>       | <b>1003</b>      |
| <b>Average Staffing</b>                       |                         |                  |                  |                  |
|   | Teachers                | 85               | 70               | 80               |
|   | Admin & Operations      | 41               | 54               | 59.2             |
|   | SPED & Social Work      | 15               | 12               | 14               |
|   | <b>Total Staffing</b>   | <b>141</b>       | <b>136</b>       | <b>153.2</b>     |
| <b>Student to Teacher Ratio</b>               |                         | <b>12.1</b>      | <b>13.4</b>      | <b>12.5</b>      |
| <b>Cash Expense per student (excl. lease)</b> |                         | <b>\$ 18,584</b> | <b>\$ 22,725</b> | <b>\$ 20,961</b> |

- Total revenues are projected to rise per student in FY 23/24 as compared to the budget for FY 22/23; revenue increases are primarily driven by 2022 funding legislation
- Total spend per student will decrease from the FY 22/23 forecast and increase from the FY 23/24 budget; the increase from the FY22/23 budget is driving by increased salary expense



# 2023-2024 Annual Budget

## Variable Factors

### Revenue:

- **Enrollment:** the School has a focused enrollment strategy but these efforts are no guarantee of actual Fall counts.
- **Average Daily Attendance:** the budget assumes necessary application of the hold harmless provision, but if ADA improves significantly from 22-23 to 23-24 such that the hold harmless provision is unnecessary, we would see a positive impact on revenue

### Expenses:

- **Staff Salaries:** the School must compete for a limited pool of talent which may drive increases in salary spend
- **Staffing:** the School's staffing model is built on assumptions of instructional and administrative needs but is subject to available candidates and enrollment trends. Changes in recruitment, attrition, or enrollment can increase or decrease spend for this category.
- **Transportation:** initial planning reflects the ability to continue bus sharing with other charter schools; costs are subject to increase if we are able to fully staff our ideal number of buses / daily routes and subject to increase if driver shortages result in us combining routes

**Conclusion:** Both revenues and expenses have the potential to change favorably/unfavorably in the next fiscal year. The School's reserves can potentially offset some unfavorable operating changes (subject to Board approval).