IDEA
Public Schools

2021-22 IDEA Florida Budget

May 2021

Agenda

A. Budget Process Overview

B. 2021-22 Tampa Bay Pro forma

C. Regional Staff – Tampa Bay

D. ESSER Funds

E. 2021-22 Jacksonville Pro forma

F. PRI Loan

G. Regional Staff - Jacksonville

Financial Planning Philosophy

We believe:

in our responsibility as public school financial stewards	in a shared responsibility between national and regional teams when facing expense challenges and revenue shortfalls
meeting operating income and cash targets across all entities is essential to operate and grow. It allows IDEA to offer the to and through college opportunity to more students in communities demonstrating need and demand.	in compensation and resource equity across lines of difference
the core of our work is educating scholars, and we prioritize investment in expenses directly impacting students	in retaining and fully compensating existing staff before hiring new staff, and reductions in force by hiring freeze and attrition before furlough or layoffs
financial sustainability is a key to success, we operate programs, campuses and regions that generate a surplus based on recurring revenue streams by the 5th year of operation	we are an organization that prioritizes the health and well being of our staff
our network capacity is a core strength of IDEA and is supported by the essential services provided by national teams	we are a performance-based organization and recognize and reward performance

Budget Basics

Pro forma

- Projected budget for the next fiscal year based on key assumptions and levers like student enrollment, campus staff model, and debt service.

Original Budget

- Original Board adopted budget available at the start of the fiscal year

Revised Budget

- Budget reflecting year to date amendments and transfers

Assumption

- Reflects the current state of a variable in the pro forma scenario being reviewed. A common assumption across pro formas is a budget driver of 112.

Lever

- Cause positive or negative impact to operating income results. An example of a negative lever is to increase a teacher pay scale. A positive lever would be to increase state revenue by increasing student enrollment.

Budget Basics

Process Starts with Operating Income Targets

Similar to debt to income ratio used when assessing credit worthiness

Critical to maintaining A- rating and maintaining bond covenants

Second most important part of pro forma build, comprehensive conservative revenue assumptions

121 budget driver, 97.5% ADA

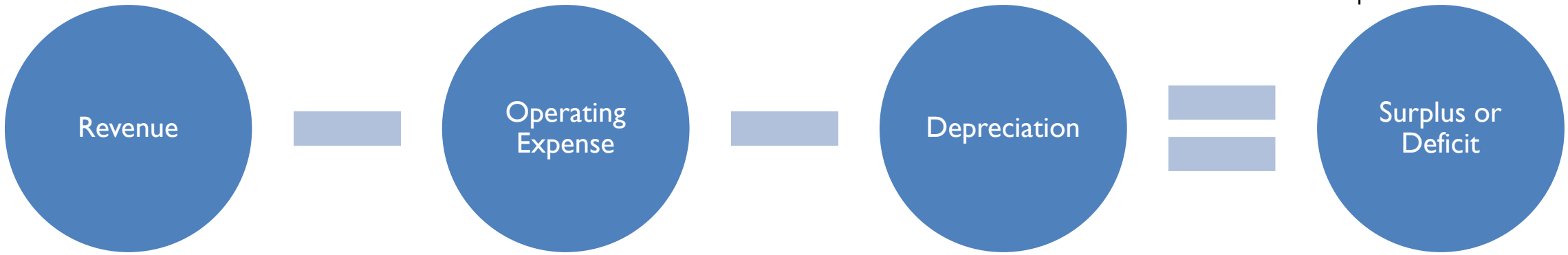
only committed philanthropy and grants included

Major Cost Driver: Compensation (Salary & Benefits)

Campus, Auxiliary, Nat/Reg Operating

Enterprise Expenses (centrally planned but coded across schools)

Excludes debt and depreciation



Excludes debt and depreciation (below the line expenses) →

Depreciation

Budget Process Overview

Oct

Roster Prep
ELC Day Kickoff, Philosophy & Non-negotiables

Nov

ELC Day 21-22 Priorities, Per Capita Allocations, Promotions Process

Dec

ELC Day Increase targets shared with Chiefs/EDs, Regional Staff Model

Jan/Feb

National and Regional Plans Shared and Approved

Network wide cost savings confirmed

Mar/Apr

Enrollment Targets Confirmed

School Budget Preparation and ED/RS Meetings

May

Budget Finalized and Board Early Look

June

Board Adoption

COVID-19 Adjustments to 2021-22 Process, Early Start

Tampa Bay 2021-22 Pro forma

IDEA TAMPA BAY	2020-21 Pro Forma	2021-22 Pro Forma	PER ADA
	Oct. Amendment	Base Case	976
State Revenue (FEFP)	8,118,193.00	8,255,557	8,459
Schools Of Hope		12,301,767	12,604
Philanthropic		1,660,000	1,701
All Other Revenue	780,342	4,572,653	4,685
TOTAL REVENUE	**8,898,535**	**26,789,977**	**27,449**
Campus Staff Contracted Service	3,645,311	8,520,207	8,730
Bonus		405,048	415
Campus Operating	774,000	2,062,679	2,113
Auxiliary Campus Staff Contracted Service		1,262,634	1,294
Auxiliary Campus Operating		1,608,969	1,649
Facilities Leases		2,200,000	2,254
Transportation Leases		0	0
Child Nutrition Program Contracted Service	24,361	648,968	665
Child Nutrition Program Operating	957	1,212,598	1,242
Regional Staff Contracted Service	1,705,900	2,899,711	2,971
Bonus		52,160	53
Regional Operating	2,652,737	2,502,345	2,564
Management Fee (Tampa)	95,269	1,487,334	1,524
TOTAL EXPENSES	**$8,898,535**	**$24,862,653**	**25,474**
OPERATING INCOME	**$0**	**$1,927,324**	**1,975**
Operating Income Target, 5% Reserve	0	1,339,499	1,372
Amount Over/(Under) Target	**$0**	**$587,825**	**602**
Capital Expenditures		587,825	
Depreciation			
Surplus	**$0**	**$1,339,499**	**1,975**

Assumptions

- Victory 448, K-2 & 6 4 Sections
- Hope 448, K-2 & 6 4 Sections

Revenue

- $7,859 per ADA Florida Education Finance Program (FEFP)
- $585K Capital Outlay Funding

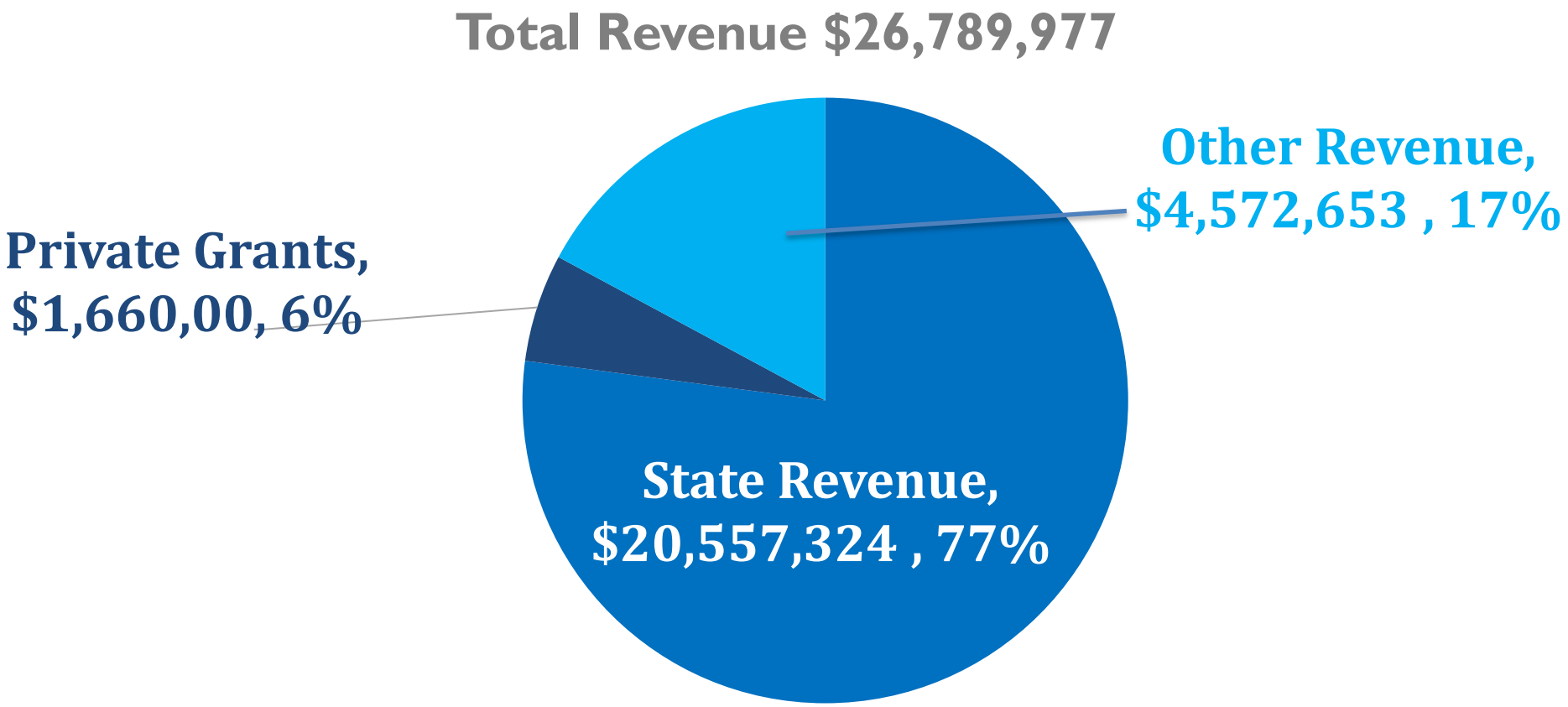
Expenses

- 10% Management Fee on FEFP and Philanthropic only (not on Schools of Hope, federal or other revenue)
- 10% $1.4MM Management Fee, 5% $1.33MM Operating Income Target

Enrollment by School – Tampa Bay

2021-22 Budgeted Enrollment	K	1	2	3	4	5	6	7	8	Total
Tampa Bay										
Hope	121	121	121				125			488
Victory	121	121	121				125			488
TOTAL	**242**	**242**	**242**				**250**			**976**

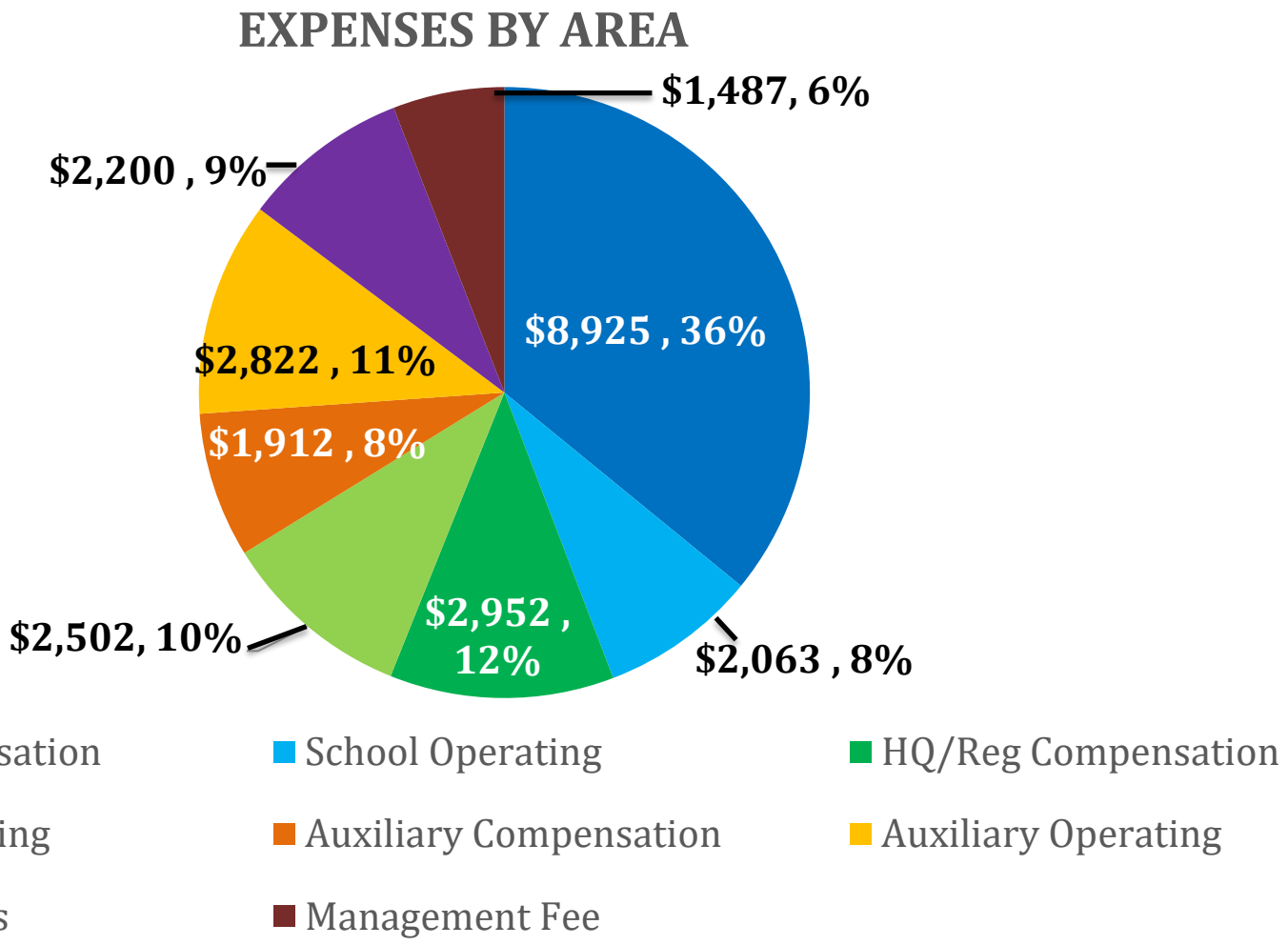
Revenue – Tampa Bay



- Conservative FEFP assumption of 97.5% student enrollment
- Conservative assumption for Capital Outlay funding at $600

Expense Highlights – Tampa Bay – Update

Total Expense $24,862,653



Principal Discretionary Budgets – Tampa Bay

CAMPUS DISCRETIONARY	21-22 Scale	21-22 Exp Per ADA	21-22 ADA	2021-22 Discretionary Operating	2021-22 Discretionary Staffing	2021-22 Total Discretionary Budget
Tampa Bay						
IA Hope	IA1	$850	363	$315,810	$58,814	$374,624
IA Victory	IA1	$850	363	$315,810	$58,814	$374,624
ICP Hope	CP1	$2,400	125	$302,500	$44,395	$346,895
ICP Victory	CP1	$2,400	125	$302,500	$44,395	$346,895
IA Tampa 3	NSIA			$55,450		
ICP Tampa 3	NSCP			$37,950		
TOTAL			**976**	**$1,330,020**	**$206,418**	**$1,536,438**

Principal Discretionary (DISC)

Operating Expenses

- Supplies for students and instructional staff
- Professional development and contracted services, including substitutes
- Staff and student travel
- AR Zone Books
- Discretionary software licenses
- Student recruitment
- Family & Community Engagement events
- Signage
- Copier lease

Facilities Expenses – if they are discretionary purchases or the facilities budget exceeds target

Staff Expenses

- Teacher extra-duty
- Front office staff overtime
- Tutors
- Lunch Monitors, Recess Monitors, Bus Monitors and School Monitors
- Part-time Student Recruiters
- Discretionary stipends (extracurricular)
- Summer School compensation
- Off-model FTEs (funded through Principal Discretionary Budget)

Year 1 Regional Staff Additions – Tampa Bay

- Regional Director of Special Programs
- Regional Registered Nurse
- Regional Transportation Manager
- Talent Recruiter
- DI Program Manager
- Mindful Coordinator
- CNP Regional Operations Manager
- LSSP – Licensed Specialist in School Psychology
- SLP – Speech Language Pathologist
- Receptionist

Elementary & Secondary Emergency Relief Fund (ESSER)

ESSER I	ESSER II	ESSER III

• N/A	• $1,663,019 Awarded*
	  • $200 per ADA per campus
	  • Testing Coordinators**
	  • Afterschool Care programming
	  • Mentoring, Wellness, and Enrichment programming
		• $4MM Estimated

*Will submit amendment request in August 2021

**Testing Coordinators will allow School Counselors to focus on direct student counseling services

Jacksonville 2021-22 Pro forma

IDEA Jacksonville	2020-21 Pro Forma	2021-22 Pro Forma
		Base Case
State Revenue	2,595,345	8,118,193
All Other Revenue	0	0
Total Revenue	**2,595,345**	**8,118,193**
Campus Staff Contracted Service		2,115,980
Bonus		68,975
Campus Operating		782,000
Auxiliary Campus Staff Contracted Service		58,324
Auxiliary Campus Operating		0
Facilities Leases		0
Child Nutrition Program Contracted Service		0
Child Nutrition Program Operating		0
Regional Staff Contracted Service	1,336,533	2,593,870
Bonus		256,888
Regional Operating	1,258,812	2,715,926
Management Fee		0
Total Expenses	**$2,595,345**	**$8,591,962**
Operating Income	**$0**	**-$473,769**
Operating Income Target	0	
Amount Over/(Under) Target	**$0**	**-$473,769**

4 Year 0 Schools

Revenue

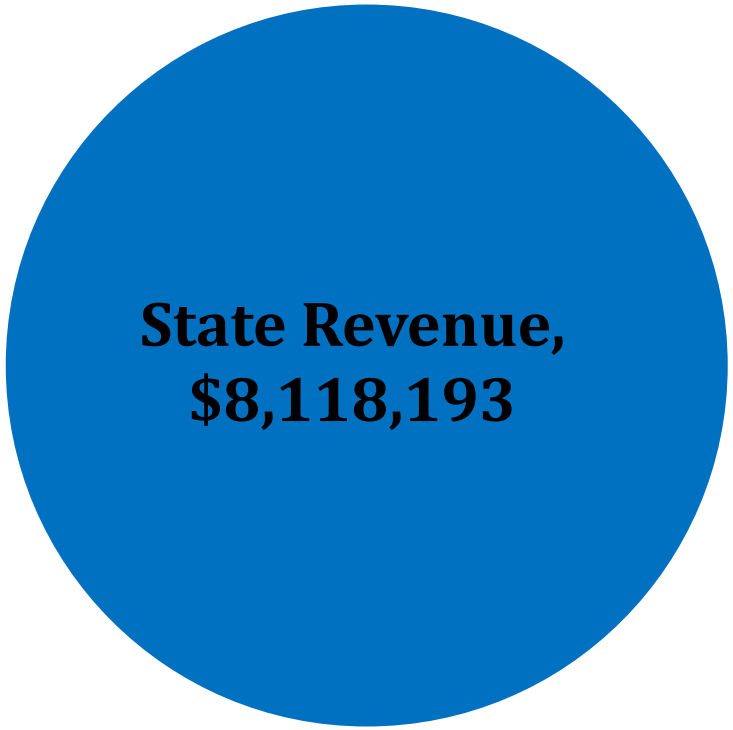
- $8.1MM Schools of Hope
- $0 Philanthropy
- No CSP 2020 assumed while finalizing amendment

Expenses

- $0 Management Fee, no allowable fund sources
- No Operating Income Target, SOH on reimbursement basis

Revenue – Jacksonville

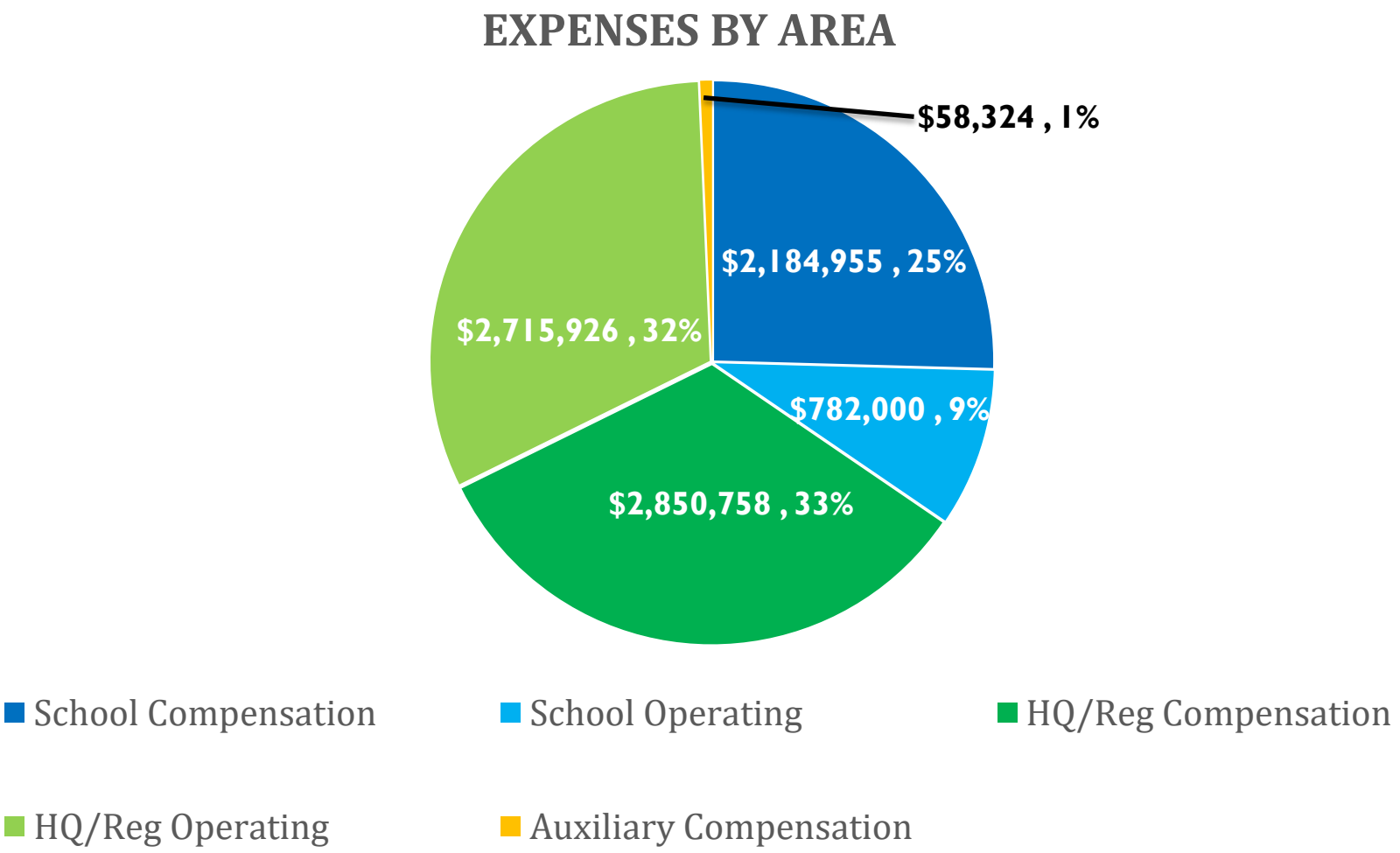
Total Revenue $8,118,193



*Loan proceeds from PRI loan are not recognized as revenue as it is recorded on the Balance Sheet as Loans Payable

Expense Highlights – Jacksonville

Total Expense $8,591,962



Principal Discretionary Budgets - Jacksonville

CAMPUS DISCRETIONARY	21-22 Scale	21-22 Exp Per ADA	21-22 ADA	2021-22 Discretionary Operating	2021-22 Discretionary Staffing	2021-22 Total Discretionary Budget
Jacksonville						
IA Jack 1	NSIA			$55,450		$55,450
ICP Jack 1	NSCP			$37,950		$37,950
IA Jack 2	NSIA			$55,450		$55,450
ICP Jack 2	NSCP			$37,950		$37,950
TOTAL				**$186,800**		**$186,800**

Jacksonville Facilities: Due Diligence Expenses and Working Capital

When engaging in a new facilities project, IDEA must cover upfront due diligence expenses totaling $600,000 per site, on average. These costs can eventually be rolled into loan proceeds, but IDEA must cover expenses upfront until facilities financing is closed. This process can take up to 6-9 months.

In Texas, IDEA manages this cash need through a **Working Capital Line of Credit**. However, due to the start-up nature of operations in Florida, IDEA does not have access to this necessary source of short-term capital.

Due Diligence and Soft Costs can include:

- Project Management Services
- Architecture and Engineering Services
  - Master Plan and Basic Services (SD, DD, CD, Bid, CA, Close-out)
- Other Consultants & Related Expenses
  - Appraisal
  - Civil Engineering
  - Surveying
  - Geotechnical, Environmental/Asbestos, Materials Testing
  - Traffic Management
  - Building Envelope
  - Zoning
  - Data/IT/Telephone/Security Consultant
  - Regulatory/Printing/Permits/Advert

Campus	Launch Year	Year and Amount of Working Capital Needed	Funding Source
JAX 1 & 2	2022-23	2020-21 ($1.2M)	IPS Balance Sheet
JAX 3	2023-24	2021-22 ($600K)	TBD
JAX 4	2024-25	2022-23 ($600K)	State Aid
JAX 5 & 6	2025-26	2023-24 ($1.2M)	State Aid

PRI Loan
Non-SOH Expenses July 2019-June 2022

Year of Regional Operation	-2	0
Fiscal Year	2019-20	2021-22
Campus & Regional Personnel		$ 242,269
Office Lease – includes utilities		$ 133,000
Legal Services	$ 27,857	$ 50,000
Insurance		$ 25,000
Facilities - Earnest Money Deposit	$ 25,000	
HR Systems	$ 36,481	
Marketing	$ 8,000	
Travel	$ 22,394	
Board Expenses		
Other Regional Operating		$ 23,500
Total Expenses	**$ 119,732**	**$ 473,769**

- Campus Personnel not covered by SOH in Year 0 -**$242,269**
  - Facilities Manager
  - Business Clerk
  - Health Aide
  - Receptionist
  - Administrative Assistant
  - Campus Computer Tech
- Regional personnel not covered by SOH: Executive Assistant (50%)
- Operating Expenses not covered by SOH in Year 0 -**$231,500**
  - Office Leases
  - Legal Services
  - Insurance
  - Other Regional Operating Costs
- Expenses **not included** – **$249,709**
  - Cafeteria Manager
  - Cafeteria Assistant Manager
  - Supplies and materials

Regional Staff – Jacksonville

- Regional Director of Advancement
- Regional Director of Instructional Coaching
- Regional Director of Staffing
- Director of Leader Development
- Director of Certification Design