

# IDEA SOUTHERN LOUISIANA

SOLA BUDGET PRESENTATION  
5/14/20



# Goal of the Budget Process

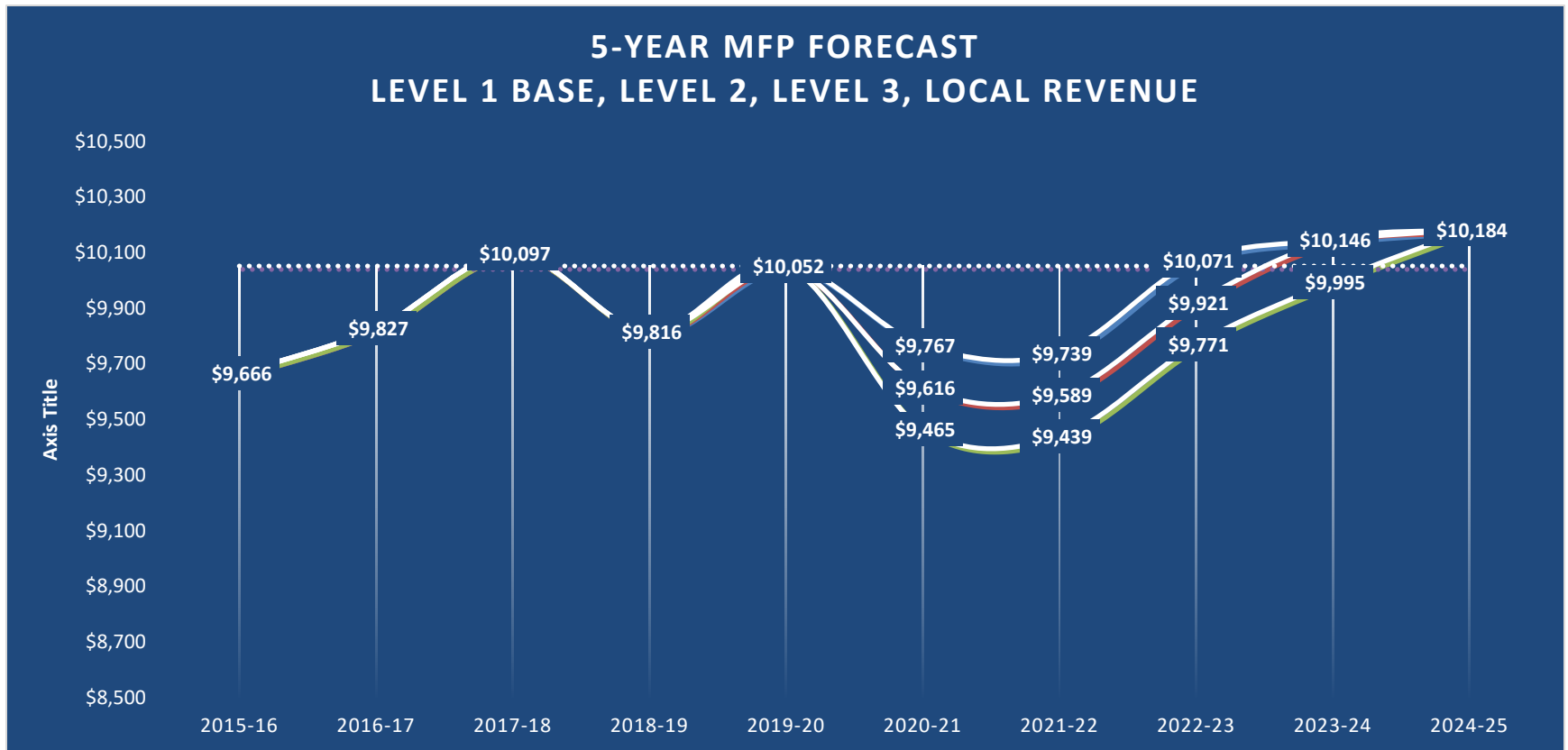
To craft a budget that ensures:

1. All IDEA Louisiana schools on track to receive an “A” on accountability in 2020-21
2. On-time opening of fully enrolled campuses in Baton Rouge, New Orleans, and Jefferson Parish
3. Retirement of \$1.5 million in debt to IPS
4. A budget surplus that leaves our region well positioned to withstand projected revenue shortfalls in the next 3 fiscal years

# Conservative Approach to Budgeting and Financial Forecasting

- The State projects that local and state revenue will decline significantly between the end of this year and next year
- Estimate 4-7% reduction in overall PPR or \$300-600 per student next year
- Reduced sales taxes, high unemployment, and low price of oil point to a very sluggish economy for the next 3 years
- Schools have been advised to take conservative approaches to budgeting and financial forecasting – “take the worst case scenario, look at the multi-year impact, and plan your major capital expenditures, cash flow management, fund balance spending, and supplant strategies accordingly”

# Forecasting Revenue in Louisiana



# Goal: All IDEA Louisiana schools on track to receive an “A” on accountability in 2020-21

Ensure each core content area (and primary curriculum) have regional roles to support teachers, leaders, and schools

- Add ELA Curriculum Support Manager (**newly funded**)
- Re-assign Math Coach to Math Curriculum Support Manager
- Redefine CM role to include 40% in-field coaching

# Goal: On-time opening of fully enrolled campuses in Baton Rouge and New Orleans

Budget includes CSP funding for Baton Rouge #3 and Jefferson Parish #1

Starting with conservative approaches to each

# Priority items unfunded or delayed

## Items not included in the current pro forma budget

1. Some co-teaching and operations positions based on anticipated enrollment growth
2. Reduced marketing and student recruitment investment
3. Reduced National Institute for Direct Instruction contract (supports Direct Instruction curriculum in grades K-2)
4. Regional positions removed (HR Business Manager, RDIC)
5. Reduced Principal Discretionary
6. Reduced 2 PIRs in Baton Rouge

## Items included but will be delayed

1. Raises – teacher step increases and 3% merit increases
2. Bonuses – all performance pay, incentive pay and Teacher Career Pathway

# SOLA Enrollment & PIR Assumptions

## Original Projected Enrollment:

2,236 Students

1,008 Bridge

- 4 Sections at K-8

780 Innovation

- 4 Sections at K-2, 7-8
- 3 Sections at 3-4
- 2 Sections at 6

448 Oscar Dunn

- 2 Sections at 1-2, 5

Principals in Residence (PIR)

- 4 EBTR
- 2 NOLA

## Current Projected Enrollment:

**2,040** Students

1,008 Bridge

- 4 Sections at K-8

**696** Innovation

- 4 Sections at 1-2
- 3 Sections at K, 3-4, 7-8
- 2 Sections at 6

**336** Oscar Dunn

- 2 Sections at 1-2, 5-6
- 1 Section at K, 3-4, 7

Principals in Residence (PIR)

- 3 EBTR
- 2 NOLA (Jefferson Parish Funded)



IDEA Louisiana	2019-20 PRO FORMA	PER ADA	% Chg	ORIGINAL 2020-21 PRO FORMA	PER ADA	% Chg	CURRENT 2020-21 PRO FORMA	PER ADA	% Chg
	BASE CASE +	1,283	34%	BASE CASE +	1,788	39%	BASE CASE +	1,704	33%
STATE REVENUE	14,380,344	11,208	31%	19,397,128	10,849	35%	17,376,702	10,198	21%
ALL OTHER REVENUE	4,764,286	3,713	20%	5,169,626	2,891	9%	5,452,626	3,200	14%
<b>TOTAL REVENUE</b>	<b>19,144,629</b>	<b>14,922</b>	<b>28%</b>	<b>24,566,755</b>	<b>13,740</b>	<b>28%</b>	<b>\$ 22,829,329</b>	<b>13,397</b>	<b>19%</b>
CAMPUS EXPENSES (Staff Contracted	6,869,455	5,354	56%	7,728,993	4,323	13%	7,553,673	4,433	10%
<i>Bonus</i>	344,966	193	108%	377,270	211	9%	219,491	129	-36%
CAMPUS (Discretionary)	1,994,454	1,555	-21%	2,461,709	1,377	23%	2,009,539	1,179	1%
AUXILIARY CAMPUS (Staff Contracted	1,269,783	990	45%	1,342,801	751	6%	1,342,801	788	6%
AUXILIARY CAMPUS (Discretionary)	1,067,061	832	38%	1,538,057	860	44%	1,538,057	903	44%
<i>Facilities Leases</i>	2,664,810		14%	2,151,195	1,203	-19%	2,151,195	1,262	-19%
<i>Bus Leases</i>	156,600	88		182,700	102	17%	182,700	107	17%
<i>Due to IPS</i>		-		1,500,000	839	0%	1,500,000	880	
REGIONAL EXPENSES (Staff Contracted	1,475,436	1,150	61%	1,994,644	1,116	35%	1,519,331	892	3%
<i>Bonus</i>	165,925	93	45%	172,685	97	4%	100,466	59	-39%
REGIONAL EXPENSES (Discretionary)	224,467	175	-49%	264,467	148	18%	264,467	155	18%
NATIONAL EXPENSES (Discretionary)	342,708	267	-22%	522,708	292	53%	522,708	307	53%
CNP EXPENSES (Staff Contracted Servi	462,954	361	15%	677,051	379	46%	677,051	397	46%
CNP EXPENSES (Discretionary)	910,858	710	59%	1,237,549	692	36%	1,237,549	726	35.87%
<i>Management Fee (SOLA)</i>	719,017	710	-45%	969,856	542	35%	868,835	510	20.84%
<b>TOTAL EXPENSES</b>	<b>\$ 18,668,493</b>	<b>14,551</b>	<b>26%</b>	<b>\$ 23,121,685</b>	<b>12,932</b>	<b>24%</b>	<b>\$ 21,687,863</b>	<b>12,728</b>	<b>16.17%</b>
<b>OPERATING INCOME</b>	<b>\$ 476,136</b>			<b>\$ 1,445,069</b>			<b>\$ 1,141,466</b>		
<b>OPERATING INCOME TARGET</b>	<b>\$ 574,339</b>			<b>\$ 1,228,338</b>			<b>\$ 1,141,466</b>		
<b>Amount over/(under) target</b>	<b>(98,203)</b>			<b>216,732</b>			<b>(0)</b>		

Cumulative Total	Amount	5.10.20 IDEA Louisiana (Baton Rouge) 2020-21 Pro forma Walk Forward
		CONFIRMED UPDATES IN GREEN
\$216,732		Original Base Case Difference from Operating Income Target of \$1.2M, 5% of Revenue (\$216,732 at \$1,445,069)
		<b>Revenue Reductions</b>
-\$694,542	-\$911,274	Proposed reduction to enrollment in 2020-21 84 students, 4.7% enrollment from 1,788 to 1,704
-\$1,803,694	-\$1,109,151	6% Reduction to Minimum Foundation Program (MFP), state and local revenue (assuming 1,704 enrollment)
		<b>Expense Increases</b>
-\$1,870,944	-\$67,250	ELA Curriculum Manager, RAP5 Low at 80% (3rd Curriculum Manager)
		<b>Operating Income Target Enhancement</b>
-\$1,769,922	\$101,021	Decrease to Operating Income Due to Lower Revenue (5% of \$2M Reduction)
		<b>Expense Reductions</b>
-\$1,643,590	\$126,332	New Regional - 2 FTEs at 87% (HR Manager, Project Manager)
-\$1,567,921	\$75,669	Existing Regional Director of Instructional Coaching (moving to Principal role, not backfilling) - 1 FTE
-\$1,471,534	\$96,387	New Principal in Residence - 1 FTE
-\$1,366,394	\$105,140	Reduction to Principal Discretionary Budgets, Under enrollment by 84 ADA
-\$1,019,364	\$347,030	20% Reduction to Principal Discretionary Budgets per ADA
-\$775,189	\$244,175	UP (Baton Rouge 3) 13% Contribution to Regional Staff based on 336 ADA
-\$563,149	\$212,040	Reduction of Co-Teachers (6) Currently Vacant
-\$387,829	\$175,320	Reduction of Elective Teachers (3)
-\$212,509	\$175,320	Reduction of 1 teacher per section short enrollment (3)
\$0	\$212,509	Freeze all bonus, performance pay and incentive pay (80% attainment) Up to \$549,955
		<b>Potential Revenue Enhancements</b>
	Pending	CARES Act Funding, anticipated payment to EBR 5/8 (Bridge - \$163K & Innovation - \$120K)
		<b>Potential Expense Reductions</b>
	\$1,500,000	Due to IPS Enterprises
	Pending	Reduction to NIFDI

Cumulative Total	Amount	5.12.20 IDEA Louisiana (Baton Rouge) 2020-21 Pro forma Walk Forward
		<b>Revenue Enhancement</b>
\$283,000	\$283,000	CARES Act Funding
		<b>Expense Increases</b>
\$268,850	-\$14,150	Operating Income Target Increase due to CARES Act
\$93,530	-\$175,320	Elective Teachers (3)
-\$118,510	-\$212,040	Co-Teachers (6) Currently Vacant (Freeze)
		<b>Expense Reductions</b>
-\$17,489	\$101,021	Management Fee Reduction (5% of State/Local Revenue)
\$0	\$17,489	Freeze all bonus, performance pay and incentive pay (80% attainment) Fully Funded at \$549,955, \$319,957 Currently
Cumulative Total	Amount	Potential Expense Increases
		Personal Protective Equipment (Potential 75% FEMA Reimbursement)
		Increased facilities expense to support disinfection supplies and activity (Potential 75% FEMA Reimbursement)
		Increased transportation fuel and maintenance expense, increased routes with A/B Day or AM/PM rotation (30% increase to current operating expense)
		1:1 Student Technology Initiative (Student equipment + Computer Technician per 1,200 units) - CapEx Expense for cabling and networking NOT included here (\$80K per campus)

# Enrollment by School

2020-21 Budgeted Enrollment	K	1	2	3	4	5	6	7	8	Total
<b>ORIGINAL</b>										
Bridge	112	112	112	112	112	112	112	112	112	1,008
Innovation	112	112	112	82	82		56	112	112	780
<b>TOTAL</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>194</b>	<b>194</b>	<b>112</b>	<b>168</b>	<b>224</b>	<b>224</b>	<b>1,788</b>
<b>CURRENT</b>										
Bridge	112	112	112	112	112	112	112	112	112	1,008
Innovation	84	112	112	82	82		56	84	84	696
<b>TOTAL</b>	<b>196</b>	<b>224</b>	<b>224</b>	<b>194</b>	<b>194</b>	<b>112</b>	<b>168</b>	<b>196</b>	<b>196</b>	<b>1,704</b>

# Principal Discretionary Budgets

CAMPUS DISCRETIONARY	20-21 Scale	20-21 Exp Per ADA	20-21 ADA	2020-21 Discretionary Operating	2020-21 Discretionary Staffing	2020-21 Total Discretionary Budget
<b>ORIGINAL</b>						
IA Bridge	IA3	\$670	672	\$458,500	\$109,545	\$568,045
IA Innovation	IA3	\$670	500	\$191,100	\$54,155	\$245,255
ICP Bridge	CP3	\$1,215	336	\$405,080	\$75,930	\$481,010
ICP Innovation	CP3	\$1,215	280	\$337,155	\$63,830	\$400,985
<b>TOTAL</b>			<b>1,788</b>	<b>\$1,391,835</b>	<b>\$303,460</b>	<b>\$1,695,295</b>
<b>CURRENT</b>						
IA Bridge	IA3	\$536	672	\$351,187	\$108,298	\$459,485
IA Innovation	IA3	\$536	472	\$246,667	\$74,237	\$320,904
ICP Bridge	CP3	\$972	336	\$318,427	\$66,669	\$385,096
ICP Innovation	CP3	\$972	224	\$212,285	\$45,703	\$257,988
<b>TOTAL</b>			<b>1,704</b>	<b>\$1,128,566</b>	<b>\$294,907</b>	<b>\$1,423,473</b>

# Principal Discretionary (DISC)

## Operating Expenses

- Supplies for students and instructional staff
- Professional development and contracted services, including substitutes through Charter Substitute Teacher Network (CSTN)
- 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
- Co-teacher overtime
- Front office staff overtime
- **Tutors**
- Lunch Monitors, Recess Monitors, Bus Monitors and **School Monitors**
- **Part-time Student Recruiters**
- Discretionary stipends (extracurricular)
- Summer School compensation
- [Tuition reimbursement](#)
- Off-model FTEs (funded through Principal Discretionary Budget)

# Revenue - EBTR

\$17,376,702	Minimum Foundation Program
\$883,446	Charter School Program Replication & Expansion Grant
\$1,914,599	Child Nutrition Program
\$1,630,000	New Schools for Baton Rouge
\$476,230	Title I
\$283,000	CARES Act
\$265,351	Other (E-Rate & Local Student Based Activity Accounting)
<b>\$22,829,328</b>	<b>Total Revenue</b>

Conservative MFP assumption of 98% student enrollment at October snapshot and 10% student attrition by February snapshot

# Expense Highlights - EBTR

\$9,380,432	School Compensation (including Auxiliary)
\$1,619,797	Regional Compensation
\$3,063,558	Transportation & Maintenance
\$2,151,195	Facilities Leases
\$868,835	Management Fee (5% of State and Local Revenue)



# Regional Staff Assumptions

New Regional Staff Support:

- Math Curriculum Manager (formerly Math Coach)
- ELA Curriculum Manager

# Board Budget Approval Process

- **May 14 (BR)** and **May 14 (NOLA)** finance committee budget review
- **May 19 (BR)** & **May 21 (NOLA)** - First formal budget presentation to the board of directors (*notice of meeting published in the paper at least 10 days prior to the meeting*)
- Budget available for public inspection on website after each meeting
- **June 9 (NOLA)** and **June 14 (BR)** budget approval by board of directors