

HIAT Charter Renewal Budget Narrative

Please find below a high-level summary of the budget, including key assumptions and revenue estimates:

- Our budget is based on a conservative view of enrollment, revenue, and expenses to ensure that the school is sustainable on State and Federal funds for each of the five years projected.
- Enrollment growth reflects a very conservative view of 5% increase per year from the FY21 count day enrollment of 198.
- State basic funding is also conservatively projected at the values generated by the budget model and equals a decline of 5% in year 6, a 3% decline in years 7 & 8 and a 1% decline in years 9 & 10 due to the likely impact of COVID on state education funding,
- Staffing is based on current average salaries and benefits plus an allowance for 3% annual increases.
- Staff ratios are based on 25 scholars per class.
- Facility lease costs are based on current expenses with a projected annual increase of 5%.
- We were able to secure 2:1 technology, so technology expenses budgeted are replacement costs only.
- All expenses are aligned to funding available based on annual enrollment.
- In keeping with our strategy to ensure that the core operating budget is financially sustainable, potential competitive grants and philanthropy are not included. When secured, growth funding will support supplemental resources for the school.

HIAT 5 Year Budget - Key Assumptions:	FY21	FY22	FY23	FY24	FY25	FY26
Enrollment	198	208	218	229	240	252
Annual Enrollment Growth		5%	5%	5%	5%	5%
Average Basic State Funding Per Scholar	\$6,605	\$6,275	\$6,407	\$6,407	\$6,539	\$6,539
Charter School	\$750	\$750	\$750	\$750	\$750	\$750

Facility Grant Per Scholar						
Average Other State Funding Per Scholar	\$372	\$394	\$391	\$387	\$384	\$380
Federal Funding Per Scholar (excl Nutrition)	\$1,876	\$1,192	\$1,260	\$1,277	\$1,260	\$1,260
Avg Nutrition per Scholar	\$813	\$813	\$813	\$832	\$813	\$813
Comp. Gr & Philanthropy per Scholar		-	-	-	-	-
Total Funding Per Scholar	\$10,416	\$9,424	\$9,620	\$9,653	\$9,745	\$9,741
Total Full Time Staff (FTE)	19	16	16	16	17	17
Annual Salary Increase	0%	3.0%	3.0%	3.0%	3.0%	3.0%
Facility Lease	\$123,087	\$129,241	\$135,703	\$142,488	\$146,763	\$154,101
Total Expenses per Scholar	\$10,403	\$9,410	\$9,594	\$9,615	\$9,701	\$9,690
Net Surplus	\$2,568	\$2,985	\$5,777	\$8,602	\$10,639	\$13,011

Building on the core assumptions we have shared above, our business plan incorporates several key strategies to promote our school’s financial health:

- We maintain a full-year monthly cash flow projection to identify any variances against budget and allow time to adjust.
- We evaluate all budgeted expenses as they arise during the school year to ensure that they are still necessary and represent the best use of funds.
- The enrollment set in the Pro-Forma employs conservative ADA figures.
- Staffing levels are based on actual enrollment only.
- We align all state and federal grants to educational priorities, working cross-functionally with Academics, Finance, and School Leadership to ensure funds are allocated to maximize educational outcomes.
- As our school-level budget demonstrates, we use non-competitive public funding and conservative state and federal funding estimates as the only source of revenue. This

approach yields a financial model that is low-risk and well-positioned to help the school reach sustainable financial health.

In addition to the information we have shared above, please refer to our Application Narrative for additional strategies that will further contribute to our school's long-term financial health, including our data-driven processes for Budget Management and Student Enrollment and Retention. Thank you for your partnership in helping our school provide sustainable impact to the scholars and families we serve.