



June 2022

**Members of the Board of Trustees
Penn Hills Charter School of Entrepreneurship**

The FY2023 Penn Hills Charter School of Entrepreneurship Proposed Budget was created by reviewing financial data from FY21-22 to account for changes in revenues and expenditures related to COVID-19, ESSER funding, debt service obligations and the school's staffing needs. The budget assumes the school will continue with in-person instruction as it has since the start of the 2021-22 school year.

Total Revenues (Local + State + Federal) = \$9,718,367

Total Expenses = \$9,649,783

Net Income = \$68,583

The budget's key assumptions are as follows:

Revenues:

- ❖ -4.5% growth in blended reimbursement rates for Regular Ed students and +5% for Special Ed students per preliminary PDE-363 Calculations for all 15 "sending" school districts.
- ❖ Enrollment of 451 students with a 17% Special Education ratio. This represents current enrollment (406) plus the addition of two classrooms (Kindergarten + First Grade).
- ❖ Federal COVID-19 Relief Grants:
 - PHCSE was allocated \$482K in ESSER II and \$975K in ARP ESSER grant funding.
 - FY23 Budget assumes ESSER II will have been fully obligated in FY22 and \$321K of ARP ESSER funding will be utilized in FY23.
 - ESSER/ARP revenues will be utilized to pay the salaries/benefits of 6 ISTs, as well as Summer/Afterschool programs through the Boys & Girls Clubs. The budget assumes that 100% of these expenses will be incurred and reimbursable by 06/30/2023.
- ❖ Other Grants:
 - Federal CSP Grant – PHCSE has been awarded a \$1.5M grant to expand its footprint in the Greater Pittsburgh region. We assume receipt of \$861K of this grant in FY23. Funds will be used to hire a Math Coach and ELA Coach, purchase furniture, student and faculty technology and school vans (among other expenses).
 - Grable Foundation - \$18K grant that provides funding to support the MicroSociety 2.0 Pilot Program
 - eRate (\$48K) and ECF (\$88K) – cover a variety of IT-related hard costs and services.
- ❖ The budget assumes that all proceeds from the Fall 2021 bond transaction (\$12mm) were recognized in FY22 and assumes \$0 in related income in FY23.
- ❖ The school has also been approved for a \$1M Line of Credit to assist with cash flow as needed in support of major capital outlays in 22-23. Any interest incurred over the course of the year will be expensed and reflected on the budget reports.

Expenditures:

❖ Personnel

Code	Department	April 2022	FY2023 Budget
1100	Regular Ed	40	46
1200	Special Ed	5	5
2100	Student Support	2	3
2300	Administration	9	9
2400	Nurse	1	1
2600	Operations/Custodial	3	4
3100	Food Service	5	5.5
Total		65	73.5

Added Positions:

- Math Coach
- ELA Coach
- Kindergarten Teacher
- Kindergarten IST
- 1st Grade Teacher
- 1st Grade IST
- Social Worker
- PT Lunch Aide

Anticipated Vacant Positions to be Filled:

- 2nd Grade IST
- 4th Grade ELA IST
- 5th Grade Math Teacher
- 5th Grade ELA Teacher
- 7th/8th Grade Science
- 7th/8th Grade Social Studies Teacher
- 7th/8th Grade IST

- 4% salary increase for all staff, with the exception of seven staff members who will receive equity increases to bring them closer to their target range, and one staff member who will move to the next experience level tier in the salary grid.
- Health Benefits
 - Medical – 11.58% increase
 - Dental – 7.6% decrease
 - Vision – 0% change
- Medical insurance premium covered at 100% for 12-month employees
- PSERS employer contribution rate 35.26%
- 403(b) employer contribution rate 5%
- Total Personnel Costs (Salaries + Benefits) = \$6M

❖ Non-Personnel

- Property Services is the largest category at \$926K. This includes custodial services, utilities, building repairs/maintenance (classroom, playground and cafeteria renovations, floor abatement, other capital improvements and administrative office rent).
- Among the largest non-personnel categories is Contracted Services at \$752K. This includes legal, IT, accounting, subs, audit, Special Ed (OT/PT/Psych), academic/curriculum, etc.
- Other significant expenses include Food Service (\$191K), Student Activities (\$173K), Advertising/Marketing (\$92K), Supplies (\$247K), and \$892K for Furniture & Equipment (3 Vans, New Signage, Classroom/Cafeteria Furniture, AV Equipment, Technology, etc.).
- As the school remains in its construction phase, it will incur no direct debt service (Principal + Interest) expenses in FY23, only capitalized interest (to be paid by bond proceeds)
- No Debt Service Coverage Requirement in FY23

	Actual (YTD) Jul '21 - Feb 22	Projected (Y/E) 2021-22	Budget 2022-23 (Draft)
Enrollment (Average Daily Membership)	420	420	451
Regular Ed ADM (86% of total)	358.0	358.0	374
Special Ed ADM (14% of total)	62.0	62.0	77
Days of Operation	181	181	181
Blended Avg Regular Ed Tuition Rate	\$13,493.87	\$13,493.87	\$12,882.17
Blended Avg Special Ed Tuition Rate	\$34,305.13	\$34,305.13	\$36,031.97
General Revenue Increase	2%	2%	0%
# of Staff (FTE)	60	60	75
PSERS - Employer Contribution Rate	34.79%	34.79%	35.26%
403(b) Rate	5.00%	5.00%	5.00%
Medical Insurance Increase	11.65%	11.65%	11.58%
General Expense Increase	Based on Budget	Based on Budget	3%

	Actual (YTD) Jul '21 - Feb 22	Projected (Y/E) 2021-22	Budget 2022-23 (Draft)	Variance (Budget vs. Proj)
INCOME				
Extended Term Finance Proceeds	13,062,934.70	13,062,934.70	-	
LOCAL REVENUE				
Interest	264.28	396.42	396.42	-
Contributions	25,520.00	38,280.00	25,000.00	(13,280.00)
School Fundraising	1,912.39	2,868.59	2,868.59	-
Misc Revenue	175,080.71	262,621.07	10,000.00	(252,621.07)
District - Regular Ed	3,006,592.43	4,830,805.67	4,822,182.84	(8,622.83)
District - Special Ed	1,612,676.75	2,126,918.04	2,762,570.97	635,652.93
Total LOCAL REVENUE	4,822,046.56	7,261,889.78	7,623,018.81	361,129.03
STATE REVENUE				
PA Smart-7506	11,666.72	35,000.00	35,000.00	-
Safe Schools	19,962.90	29,944.35	-	(29,944.35)
State Subsidy-NSLP	3,141.48	4,712.22	4,712.22	-
Health Reimb (SHARRS)	7,731.34	12,885.57	13,272.13	386.57
Ready to Learn	22,536.00	22,536.00	22,536.00	-
Total STATE REVENUE	65,038.44	105,078.14	75,520.35	(29,557.78)
FEDERAL REVENUE				
CARES - ESSER II	322,429.26	322,429.26	-	(322,429.26)
ARP ESSER	-	-	320,942.00	
COVID 19 SECIM	666.65	666.65	-	(666.65)
Title I	92,942.90	139,414.35	140,230.00	815.65
Title II	13,859.93	20,789.90	17,435.00	(3,354.90)
Title IV	8,143.03	12,214.55	10,269.00	(1,945.55)
IDEA	65,700.00	65,700.00	86,051.00	
Fed Subsidy-NSLP	240,138.96	400,231.60	429,772.50	29,540.90

ECF Funding			88,000.00	
eRate Funding			48,181.56	
PACSP Grant			860,946.60	
Total FEDERAL REVENUE	743,880.73	961,446.30	2,001,827.66	1,040,381.36
OTHER REVENUE - Contributions			18,000.00	
Total Income	18,693,900.43	21,391,348.92	9,718,366.83	(11,672,982.08)
Expense				
100-SALARIES				
1100 Teachers	1,057,715.77	1,586,573.66	2,148,188.73	561,615.07
1200 Special Education	214,796.27	322,194.41	297,618.17	(24,576.23)
2100 Student Support	44,976.15	67,464.23	130,533.05	63,068.83
2100 Social Worker	42,129.66	63,194.49	67,000.00	3,805.51
2380 CEO/School Principal	457,558.72	686,338.08	625,254.44	(61,083.64)
2440 Nurse Salaries	37,810.16	56,715.24	55,201.91	(1,513.33)
2610 Custodian Salaries	69,395.78	104,093.67	149,844.86	45,751.19
3100 Food Service	148,675.62	223,013.43	239,037.47	16,024.04
Total 100-SALARIES	2,073,058.13	3,109,587.20	3,712,678.64	603,091.44
200-BENEFITS				
Total 211-Health Insurance	394,840.06	592,260.09	856,052.06	263,791.97
Total 219-Other Benefits	47,709.33	71,564.00	94,765.80	23,201.81
Total 220-FICA/Med	163,129.04	244,693.56	284,019.92	39,326.36
Total 230-PSERS	506,740.08	760,110.12	828,364.96	68,254.84
Total 232 - PenServ	28,568.18	42,852.27	89,222.38	46,370.11
Total 250-Unemployment	15,528.96	23,293.44	126,231.07	102,937.63
1100-240 Tuition Reimbursement	11,920.34	17,880.51	18,416.93	536.42
Total 200-BENEFITS	1,168,435.99	1,752,653.99	2,297,073.11	544,419.13
300-PROF/TECH PURCHASED SERVICE				
1100-300-000 Entrepreneurship	5,160.00	7,740.00	7,740.00	-
1100-329-000 Substitute Service	3,599.31	5,398.97	5,452.95	53.99
1100-329-000 Consultants - Curriculum	8,250.00	12,375.00	12,746.25	371.25
1100-329-000 Purchased Services	9,716.72	10,688.39	11,009.04	320.65
1200-329-000 Professional Spec	85,501.87	94,052.06	116,873.62	22,821.56
2100-300-000 Purchased Professional Services	272,349.04	279,523.56	305,909.27	26,385.71
2200-300-IT Services	11,207.04	16,810.56	17,314.88	504.32
2271-324-000 Professional Development	2,274.90	3,412.35	3,514.72	102.37
2300-300 Purchased Services	3,464.71	5,197.07	55,352.98	50,155.91
2380-310-000 Purchased Business Management	59,242.47	88,863.71	81,900.00	(6,963.71)
2350-330-000 Legal Services	17,328.41	25,992.62	32,490.77	6,498.15
2400-329 Purch Prof Service	2,468.92	3,703.38	3,814.48	111.10
2380-324-000 Workshops & Conferences	3,723.94	5,585.91	5,753.49	167.58
2818-350-000 School Wide Technology	66,987.86	80,385.43	82,796.99	2,411.56
4600-300 Prof Construction Services	7,523.36	11,285.04	11,623.59	338.55
300-PROF/TECH PURCHASED SERVICE - Other	-1,380.12	(2,070.18)	(2,132.29)	(62.11)
Total 300-PROF/TECH PURCHASED SERVICE	557,418.43	648,943.85	752,160.75	103,216.90
400-PROPERTY PURCHASED SERVICES				
2660-350-000 Security & Fire Maintenance	6,164.97	9,247.46	64,592.00	55,344.55
2610-413-000 Purchased Custodial Services	52,032.83	78,049.25	80,390.72	2,341.48
2620-460-000 Extermination Services	13,542.09	20,313.14	20,922.53	609.39
2630-411-000 Waste Removal	7,241.84	10,862.76	11,188.64	325.88
2630-414-000 Lawn Services	13,151.00	19,726.50	38,500.00	18,773.50
2620-421-000 Gas	7,228.11	10,842.17	11,167.43	325.26
2620-422-000 Electric	35,527.05	53,290.58	54,889.29	1,598.72
2620-424-000 Water/Sewer	13,264.43	19,896.65	20,493.54	596.90
2620-441-000 SHF Rent - Facilities	125.00	187.50	52,490.33	52,302.83
2620-431-000 Repairs & Maintenance	22,967.86	34,451.79	452,656.84	418,205.05
2640-432-000 Repairs & Maintenance	48,406.60	62,928.58	64,816.44	1,887.86
2660 - Safety and Security Services	0.00	-	54,000.00	54,000.00
400-PROPERTY PURCHASED SERVICES - Other	168.00	252.00	259.56	7.56

Total 400-PROPERTY PURCHASED SERVICES	219,819.78	320,048.35	926,367.33	606,318.98
500-OTHER PURCHASED SERVICES				
Staff Events	1,024.79	1,537.19	1,583.30	46.12
1100 Field Trips	9,815.15	14,722.73	15,164.41	441.68
2300-500 Grad/Promo/School Evnts	5,900.00	8,850.00	9,115.50	265.50
2380-530-000 Postage	1,748.00	2,622.00	2,700.66	78.66
2380-540-000 Advertising/Marketing	81,365.88	122,048.82	91,629.03	(30,419.79)
2380-550-000 Copying Costs	17,050.63	25,575.95	26,343.22	767.28
2380-580-000 Administrative Travel	1,320.49	1,980.74	5,000.00	3,019.27
Software and Licenses	63,941.64	95,912.46	99,289.83	3,377.37
2514-810-000 Payroll Service Fees	6,881.15	10,321.73	10,631.38	309.65
2610-530-000 Communications	22,790.11	34,185.17	53,510.72	19,325.55
2610-523-000 General Property	28,397.00	42,595.50	43,873.37	1,277.87
2750-510-000 Nonpublic Transportation	20,512.04	30,768.06	31,691.10	923.04
3100-631-000 Food	115,429.21	173,143.82	191,076.57	17,932.75
3200-500-000 Student Activities	99,815.46	149,723.19	172,930.23	23,207.04
Total 500-OTHER PURCHASED SERVICES	475,991.55	713,987.33	754,539.32	40,552.00
600-SUPPLIES				
1100-612-000 Unallocated Expenses	33,405.68	50,108.52	51,611.78	1,503.26
1100-610-000 Teaching Supplies	57,702.39	69,242.87	75,000.00	5,757.13
1100-640-000 Textbooks & Periodicals	9,117.30	13,675.95	62,000.00	48,324.05
1100-650-000 Technology Supplies	833.00	1,249.50	1,286.99	37.49
1200-610-000 Supplies - SPED	285.39	428.09	2,070.93	1,642.84
2380-610-000 Office Supplies	10,868.37	16,302.56	16,791.63	489.08
2440-610-000 Nursing Supplies	655.25	982.88	1,012.36	29.49
2610-610-000 Custodial Supplie	14,801.81	22,202.72	22,868.80	666.08
2600-626-000 Gasoline	101.80	152.70	157.28	4.58
3200-600-000 Student Activities	9,243.82	13,865.73	14,481.70	615.97
Total 600-SUPPLIES	137,014.81	188,211.50	247,281.46	59,069.96
700-FURNITURE & EQUIPMENT				
1100 Computers & Tech Equipment	46,654.80	60,651.24	293,224.78	232,573.54
1100-751-000 NonCap Equipment	274.41	411.62	150,423.96	150,012.35
2300 Furniture	5,150.00	7,725.00	364,294.00	356,569.00
2610-752-000 Capital Equipment - Operations	5,418.26	8,127.39	8,371.21	243.82
4600-700 Property	38,000.03	57,000.05	75,710.05	18,710.00
Total 700-FURNITURE & EQUIPMENT	95,497.50	133,915.29	892,024.00	758,108.71
800-OTHER EXPENSES				
2380-810-000 Dues & Membership	8,826.86	8,826.86	10,300.00	1,473.14
2590-810-000 Bank Fees	2,906.42	4,359.63	5,990.42	1,630.79
2310-890-000 Miscellaneous Expenses - Board	3,475.67	5,213.51	5,369.91	156.41
2380-890-000 Miscellaneous Expenses	23,299.76	34,949.64	45,998.13	11,048.49
4500-810-000 Building Acquisition and Contracts	775,318.98	775,318.98	-	(775,318.98)
5140-810-000 ST Interest Expenses	368,812.45	368,812.45	-	(368,812.45)
5140-911-000 Principal Payments	2,660,524.52	2,660,524.52	-	(2,660,524.52)
Total 800-OTHER EXPENSES	3,843,164.66	3,858,005.59	67,658.46	(3,790,347.13)
TOTAL EXPENSE	8,570,400.85	10,725,353.08	9,649,783.07	(1,075,570.07)
NET INCOME	10,123,499.58	10,665,995.84	68,583.77	(10,597,412.07)

	June 30th, 2020 (Audited)	June 30th, 2021 (Audited)	June 30th, 2022 (Projected)	June 30th, 2023 (Budgeted)
Net Change in Fund Balance		\$614,101	\$1,164,984	\$68,584
Total Fund Balance	\$1,013,940	\$1,628,041	\$2,793,025	\$2,861,609
Note: FY22 and FY23 Totals are presented net of bond proceeds and related expenses.				