



June 2023

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

The FY2024 Penn Hills Charter School of Entrepreneurship Proposed Budget was created by reviewing financial data from FY23 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) = \$11,197,032
Total Expenses = \$9,937,071 (Operating) + 1,102,454 (Non Operating) = \$11,039,525
Net Income = \$1,259,961 (Operating Surplus), \$157,507 (Total Surplus)
Projected Fund Balance = \$3,910,413

The budget’s key assumptions are as follows:

Revenues:

- ❖ 1% reduction (blended) in Regular Ed reimbursement rates, 1% growth (blended) in Special Ed rates per preliminary PDE-363 Calculations for all 14 “sending” school districts.
- ❖ Enrollment of 510 students with a 19% Special Education ratio. This represents current enrollment (451) plus the addition of 59 more students in Grades K-8.
- ❖ Federal COVID-19 Relief Grants:
 - PHCSE was allocated \$482K in ESSER II and \$975K in ARP ESSER grant funding.
 - FY24 Budget assumes ESSER II has now been fully obligated and that \$229K of ARP ESSER funding will be utilized in the coming fiscal year.
 - ARP ESSER revenues will be utilized to pay the salaries/benefits of 6 ISTs. The budget assumes that 100% of these expenses will be incurred and reimbursable by 06/30/2024.
- ❖ Other Grants:
 - Federal CSP Grant – PHCSE has been awarded a \$1.5M grant to expand its footprint (# of students served). We assume \$861K of this grant has been obligated and the remainder will be used in FY24. Funds will be used to continue to pay the Math Coach and Reading Coach (among other expenses to support the growth of PHCSE).

Expenditures:

❖ Personnel

Code	Department	May 2023	FY24 Budget
1100	Regular Ed	43	54
1200	Special Ed	5	5
2100	Student Support	3	4
2300	Administration	10	10

2400	Nurse	1	1
2600	Operations/Custodial	3	4
3100	Food Service	5	6
Total		70	84

Added Positions: (7)

2nd Grade Teacher
 2nd Grade IST
 3rd Grade Teacher
 3rd Grade IST
 4th Grade Teacher
 6th Grade Science Teacher
 Lunch Aide/Assistant Cook

Anticipated Vacant Positions: (7)

Kindergarten IST
 4th Grade IST
 4th Grade IST
 5th Grade Math IST
 5th Grade ELA IST
 6th Grade IST
 8th Grade ELA Teacher

- 2.5% salary increase for all staff members, with the exception of those with 10 or more years of experience, who will receive an equity pay increase to achieve their target range (goal is to achieve market compatibility).
- Health Benefits
 - Medical – 4.25% increase
 - Dental – 0% change
 - Vision – 0% change
 - 12-Month Employees’ medical benefits will be paid at 100%.
 - 10-Month Employees’ medical benefits will be paid at 85%.
- PSERS employer contribution rate 34%
- 403(b) employer contribution rate 5%
- Total Personnel Costs (Salaries + Benefits + Stipends) = \$7.6M

❖ **Non-Personnel**

- Professional Services is the largest non-personnel expense category at \$815K – this includes Legal, IT, Special Education Consultants, Subs, Business Services, etc. This is followed by Property Services at \$468K (includes custodial, utilities, building repairs/maintenance and rental costs), Supplies (\$483K) and Other Purchased Services (\$317K).
- Other significant expenses include Equipment (\$212K for computers, cameras, signage, etc.) and \$1.1M for Non-Operating Expense (\$270K to cover any carryover Building/Construction expense, and \$645K in Interest Expense on the bond). The school will have \$265K in remaining Capitalized Interest available in December 2023 to reduce the obligation – this will help from a Cash/Balance Sheet perspective but cannot be booked as Income.
- PHCSE’s Net Income (Surplus) is budgeted at \$157,507 (DSCR = 1.24). The school will be required to meet both Cash (Days COH) and Income (DSCR) covenant requirements at June 30th, 2024. These will be calculated monthly to enable the Board Finance Committee and Management to course-correct throughout the year.

Fund Balance Projection:

	June 30th, 2020 (Audited)	June 30th, 2021 (Audited)	June 30th, 2022 (Audited)	June 30th, 2023 (Projected)	June 30th, 2024 (Budgeted)
Net Change in Fund Balance		\$614,101	\$1,318,956	\$348,618	\$614,798
Total Fund Balance	\$1,013,940	\$1,628,041	\$2,946,997	\$3,295,615	\$3,910,413

Note: FY22-24 Totals are presented net of bond proceeds, interest and related expenses.

**Penn Hills Charter School of
Entrepreneurship FY24 Budget**

2023-2024

Operating Budget

District per pupil revenues	
Revenue from districts - regular education	5,296,609
Revenue from districts - special education	3,801,878
Revenue from districts - prior year adjustments	0
Total District per pupil revenues	9,098,487
Other Local Revenues	
Interest	82,854
Student activity fees	0
School fundraising	5,000
Unrestricted contributions	25,000
Restricted contributions	60,000
Refunds of prior year expenditures	0
Miscellaneous local revenues	100,000
Total Other Local Revenues	272,854
State Revenues	
Health services subsidy (SHARRS)	6,000
Ready to Learn block grant	22,536
PA Smart grants	4,000
PCCD safety & security grants	70,000
PCCD school mental health grant	70,000
State food program revenue	24,728
Total State Revenues	197,264
Federal Revenues	
IDEA pass-through	76,777
Charter school planning grant	639,054
Title I	171,967
Title II	18,335
Title IV	11,911
Federal school lunch program	480,923
ESSER II	0
ARP ESSER	229,460
ARP emergency connectivity fund	0
ARP ESSER learning loss	0
ARP ESSER summer programs	0
ARP ESSER afterschool programs	0
ARP ESSER homeless children and youth	0
Total Federal Revenues	1,628,427
TOTAL OPERATING REVENUES	11,197,032
OPERATING EXPENDITURES	
Salaries	
Regular Instruction	2,778,282
Instructional Assistants	3,368
Special Education	301,468
Administration	678,050
Student & Staff Support	330,533
Noninstructional	445,099

FY 24 Budget

Total Salaries	4,536,799
Other Compensation	
Stipends	93,593
Bonuses	3,000
Total Other Compensation	96,593
Benefits	
Medical insurance	1,060,847
Dental insurance	66,495
Life insurance	55,686
Other group insurance	123,725
Social security contributions	353,846
PSERS defined benefit plans	965,058
Tuition reimbursement	16,327
Unemployment compensation	151,655
Workers' compensation	24,316
Retirement contributions - non-PSERS	104,851
Total Benefits	2,922,804
Professional & technical services	
Substitute services	60,229
Other contracted teaching services	11,348
Special education services	142,223
Psychology services	0
Other professional services	91,649
Professional development	20,831
Student health services	1,928
IT services	272,197
Audit services	14,732
Payroll services	10,832
Legal services	61,619
Business services	94,313
Security services	32,860
Total Professional & technical services	814,761
Property services	
Building rental & CAM	54,531
Maintenance & repairs	158,975
Custodial services	91,545
Utilities	104,729
Copier leases	46,545
Other rentals	0
Construction services	11,624
Total Property services	467,950
Other purchased services	
Student transportation	47,262
Auto insurance	2,503
General property & liability insurance	85,002
Telecommunications services	45,096
Postage & shipping	0
Advertising	89,140
Printing & binding	1,420
Travel	27,609
Miscellaneous purchased services	18,155

FY 24 Budget

Total Other purchased services	316,848
Supplies	
Instructional supplies	37,489
Special education supplies	1,154
Health supplies	2,780
Administration	63,342
Maintenance Supplies	40,372
Meals & refreshments	19,429
Books & curricula	43,572
Tech supplies & software	97,990
Other general supplies	177,068
Total Supplies	483,196
Property, furniture & equipment	
Furniture & equipment	187,455
Computers	25,000
Property, furniture & equipment	212,455
Other expenditures	
Dues & fees	27,694
Bank fees	6,034
Donations	5,515
Other miscellaneous expenditures	8,467
Fees for student activities/trips	37,953
Other expenditures	85,664
TOTAL OPERATING EXPENDITURES	9,937,071
NET FROM OPERATIONS	1,259,961
NON-OPERATING ITEMS	
Release of Restricted Funds	0
Other professional services	25,000
Building maintenance & repairs	50,000
Construction services	36,000
General property & liability insurance	35,312
Buildings	270,000
Furniture & equipment	30,000
Dues & fees	680
Interest expense	645,163
Other miscellaneous expenditures	10,300
NET - NON-OPERATING ITEMS	1,102,454
CHANGE IN FUND BALANCE	157,507