

GCA Finance Committee



Georgia Cyber Academy / GCA FY21 Budget Review #2

May 15th, 2020

GCA FY21 Proposed Budget

- Major Input Assumptions
 - Enrollments
 - Funding
 - Staffing and Compensation
 - Other P&L Expense Categories
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Enrollments

Major Budget Input Assumptions



- FY21 projections assume enrollments based on current Board Policy and enrollment trends.

	<u>FY21</u>	<u>FY20</u>	<u>V</u>
K5	4,500	3,413	1087
MS	2,200	2,510	(310)
HS	<u>3,900</u>	<u>4,040</u>	<u>(140)</u>
Total 9 Month Average	10,600	9,963	637
Count Date	10,500	9,211	1289

- Assume Special Education population remains flat at FY20 level of about 13%.

- State Basic & Special Education Funding

- Assumes most recent GA DoE Funding Sheet information of \$82.2M with 11% reduction with 3-count forward funding estimate of 10,669 yielding:



	<u>Count Date PPR</u>	<u>\$ Millions</u>	<u>Funding Cut</u>	<u>\$ Millions</u>
• QBE:	\$ 4,396	\$ 47.4	x (14%)	\$ 40.8
• <u>Charter Supplement:</u>	<u>\$ 3,267</u>	<u>\$ 34.8</u>	<u>x (14%)</u>	<u>\$ 29.9</u>
• Total:	\$ 7,665	\$ 82.2	x (14%)	\$ 70.7

	<u>Count Date PPR</u>	<u>\$ Millions</u>	<u>Funding Cut</u>	<u>\$ Millions</u>
• QBE:	\$ 4,396	\$ 47.4	x (11%)	\$ 42.2
• <u>Charter Supplement:</u>	<u>\$ 3,267</u>	<u>\$ 34.8</u>	<u>x (11%)</u>	<u>\$ 31.0</u>
• Total:	\$ 7,665	\$ 82.2	x (11%)	\$ 73.2

- Federal Funding

• Title I	\$ 3.9	\$3.5
• IDEA	\$ 2.1	\$1.9
• Title II	\$ 0.5	\$0.5
• <u>Title - Other</u>	<u>\$ 0.2</u>	<u>\$0.1</u>
• Total	\$ 6.7	\$6.1

Net decrease of \$500K from FY20 driven by enrollment decrease from prior year.

Staffing & Compensation

Major Budget Input Assumptions



- 702 FTEs currently for FY20

- Projected Board-employed:

School Staff	-- General-funded:	595
	-- Restricted-funded:	113
<u>Directors and Exec Staff</u>	<u>-- General-funded:</u>	<u>17</u>
Total		725

- Currently backfilling at 50% and increasing up to the start of the school year

- Average Salaries

- Faculty Average salary bases are increased by 1%
 - Average performance/retention bonus of 5.5% pool increased to 8%

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- Assume Benefits of 40%, including GA TRS.

- Includes retirement matching program from social security savings.

Other P&L Expenses

Major Budget Input Assumptions



Assumptions flat to FY20 assumptions, except if noted otherwise.

- **Instruction – Teacher Expenses**

- Travel
- Phone
- Teacher Laptops: Assume a decreased refresh of teacher laptops
- Other Instructional Materials & Supplies
- Conf., Teacher Training & Prof. Dev.: New supplemental training added to accommodate
- Printing, Mailing, Postage
- Tuition reimbursement: \$20K/semester new assumption with transition to Board-employed staff.
- Teacher ISP Reimbursements
- Other

Assumptions flat to FY20 assumptions, except if otherwise noted.

- **Instruction – Student Expenses**

- Proctored Exams & Test Administration
- K12 Charges: one-time computer charges from FY20 \$1M
 - Curriculum Delivery – removed from budget
 - Instructional Materials – removed from budget
 - Computer, Peripherals, & Software – Lease program from SCA/Ampil
 - Other: Testing Services, Testing Computers – slight increase as virtual testing standards increase
- Student ISP Reimbursements
- Other: 3rd party curriculum, assessments

- **Student and Family Services**

- Special Ed Contracted Services & Other Related Exp.
- Field Trips
- School Events
- Annual School Reports
- Other

Other P&L Expenses

Major Budget Input Assumptions



Assumptions flat to FY20 assumptions, except if otherwise noted.

- **School Administration & Governance**

- Educational Services: one M&T removed from budget from FY20
- Oversight/Sponsor Fee: Commission fee 2% of Funding (partially refunded)
- Legal Services: School related legal expenses – Board legal fees included in Board expenses; increased arbitration spend removed from FY21 budget
- Payroll Services: include TriNet PEO Services
- Auditing - External
- Board Development & Training
- Administrator Travel
- Administrator Phone
- Non-Instructional Administrative Staff Salaries, Benefits, Bonus
- Consultants
- Administrative Temp/Contract Labor
- Other

- **Technology**

- SCA IT services

Other P&L Expenses

Major Budget Input Assumptions



Assumptions flat to FY20 assumptions, except if otherwise noted.

- **Facilities / Insurance / Other**

- Rent – includes addition office space
- Maintenance/Repair Facility
- Water & Electric
- Internet Connection
- Conference calls
- Copier / Fax Lease
- Office Postage and Shipping – increase shipping expense due to asset retrieval
- Office supplies and equipment
- Computer equip. & installation
- General Liability Insurance – slight decrease due to average enrollment reduction YoY
- Bank fees
- Depreciation
- Other

P&L Review

P&L Summary: FY21 Preliminary Projections vs. FY20 Forecast



	Current Forecast vs. Budget			
	FY20 Estimate	FY20 Unapproved Budget	Variance Over / (Under)	% Variance
9 Month Avg Enrollment	9,963	9,963	-	0%
Count Date	9,211	10,699	1,488	16%
Total Revenue	\$ 88,938,031	\$ 78,905,094	\$ (10,032,937)	89%
INSTRUCTION	58,761,812	55,531,302	(3,230,510)	95%
PUPIL SERVICES	9,763,529	10,496,289	732,760	108%
IMPROVEMENT OF INSTRUCT SERVICES	1,025,142	1,275,170	250,028	124%
GENERAL ADMINISTRATION	118,001	300,000	181,999	254%
SCHOOL ADMINISTRATION	6,016,274	5,471,360	(544,913)	91%
SUPPORT SERVICES - BUSINESS	2,010,591	2,000,000	(10,591)	99%
MAINT & OPER - PLANT SERVICES	419,740	866,200	446,460	206%
Total Expenses	78,115,089	75,940,321	(2,174,768)	97%
Net Surplus (Deficit)	\$ 10,822,942	\$ 2,964,773	\$ (7,858,169)	27%
Net Positive Assets	\$ 10,822,942	\$ 2,964,773	\$ 7,858,169	

Comments vs Budget

- Enrollment assumptions increases from FY20 budget.
- Revenue decreased to project Covid-19 impact and forward funding catchup
- Decrease in teachers computers and delayed hiring savings built within schedule
- Related svc fees are backloaded for second semester timing
- Increase in total year cost due to K12 MT Fee in July
- Decrease in legal expenses

P&L Review Details

Enrollments & Funding Detail



	FY21 Unapproved Budget
K5	4,500
MS	2,200
HS	3,900
Ending Enrollment (Avg. for Totals)	10,500
Funding Sources	
Basic Formula Funding - K-8 and HS	\$ 63,063,717
Special Education Funding - K-8 and HS	\$ 10,122,502
Other State Unrestricted Funds	\$ -
State Restricted Funds - Non-SPED	\$ -
State Restricted Funds - SPED	\$ -
Federal - Title Funds	\$ 3,494,291
Federal - IDEA Funds	\$ 1,926,285
Other Federal Funds	\$ 675,629
Other Funding/Inc - Included in M&T base	\$ -
Other Funding/Inc - Non M&T Base	\$ -
Interest Income / Other	10,000
Total Funding	\$ 79,292,424

P&L Review

Expense Detail: Instruction Expenses – Teachers and Instruction

	<u>FY21 Unapproved Budget</u>
Instruction - Salary Total	\$ 34,786,576
Salary - Regular	\$ 13,930,769
Salary - Special Ed	\$ 3,807,791
Salary - ICs / Advisors / Counselors	\$ 8,964,255
Salary - Title	\$ 3,456,321
Salary - Other	\$ 3,127,440
Stipends	\$ 600,000
Instructional Temp/Contract Labor	\$ 900,000
Benefits	\$ 13,314,630
Bonus	\$ 2,302,387
Travel	\$ 499,040
Phone	\$ 360,360
Teacher Laptops	\$ 210,000
Non-Instructional Materials & Supplies	\$ 114,400
Conf., Teacher Training & Prof. Dev.	\$ 477,228
Printing, Mailing, Postage	\$ 28,600
Tuition reimb.	\$ 51,480
ISP	\$ 171,600
Other	\$ 15,000
Total Instruction - Teachers	\$ 52,331,302

P&L Review

Expense Detail: Students & Family Services



	<u>FY21 Unapproved Budget</u>
Instruction - Students	
Proctored Exams & Test Administration	\$ 996,289
Curriculum	\$ 6,000,000
Computers	\$ 3,000,000
Other IT	\$ 300,000
ISP	\$ 500,000
Sales Tax	\$ -
Testing Services	\$ 700,000
Other	\$ -
Total Instruction - Students	\$ 11,496,289
Student and Family Services	
Special Ed Contracted Svcs	\$ 4,119,670
Field Trips	\$ 30,000
Hybrid Program	\$ -
School Events	\$ 100,000
Annual School Reports	\$ 500
School Premiums	\$ -
Other	\$ 25,000
Total Student and Family Services	\$ 4,275,170

P&L Review

Expense Detail: Admin & Governance, Technology



	<u>FY21 Unapproved Budget</u>
School Administration & Governance	
Educational Services	\$ -
Oversight/Sponsor Fee	\$ 1,463,724
Legal Services	\$ 250,000
Payroll Services	\$ 560,000
Auditing - External	\$ 10,000
Board Development & Training	\$ 300,000
Administrator Travel	\$ 150,000
Administrator Phone	\$ 80,000
Admin Computer, Peripherals, & Software	\$ -
Administrative Staff Salaries	\$ 1,735,091
Administrative Staff Benefits	\$ 694,036
Administrative Staff Bonus	\$ 173,509
Consultants	\$ 5,000
Administrative Temp/Contract Labor	\$ 250,000
Other	\$ 100,000
Total School Administration & Governance	\$ 5,771,360
Technology	
Technology Services	\$ 1,200,000
Other	
Total Technology	\$ 1,200,000

P&L Review

Expense Detail: Facilities, Insurance, & Other



	FY21 Unapproved Budget
Facilities / Insurance / Other	
Rent	\$ 221,000
Maintenance/Repair Facility	\$ 12,000
Water & Electric	\$ 200
Telephone	\$ -
Internet Connection	\$ 28,000
Conference calls	\$ -
Copier / Fax Lease	\$ 13,000
Outside Copying	\$ -
Office Postage and Shipping	\$ 300,000
Office supplies and equipment	\$ 150,000
Computer equip. & installation	\$ 10,000
General Liability Insurance	\$ 120,000
Bank fees	\$ 4,000
Depreciation	\$ 5,000
Other	\$ 3,000
Total Facilities / Insurance / Other	\$ 866,200
Total School Expenditures This Period	\$ 75,940,321
Surplus (Deficit)	\$ 3,352,103