

EXECUTIVE SUMMARY – REQUEST APPROVAL OF THE GENERAL FUND & SPECIAL REVENUE FUND BUDGETS FOR FISCAL YEAR 2019-20

June 17, 2019 – Work Session Agenda Item & Board Meeting Action Item

AGENDA ITEM: Request board of trustee approval of the operating budget for the general fund, special revenue funds and the capital projects fund of Lake Wales Charter Schools, Inc. for fiscal year 2019-20. (*Resolution 01-2020*) The budget incorporates school enrollment projections, estimated state, federal, and local appropriation amounts; and any changes in personnel and programming. The Florida Education Finance Program (FEFP) appropriation data utilized in the FY20 budget is from the Final Conference Report for SB 2500 regular legislative session.

Please find below a synopsis of the proposed Fiscal Year 2020 budget:

REVENUES:

The state legislature completed this year's regular session with a 3.27% (\$242) increase in funding per Unweighted FTE statewide, and for Polk County student funding, a 3.13% (\$225) increase. Notable FEFP changes statewide is the addition of the Best & Brightest Teacher/Principal Allocation (\$284,500,000) and the Turnaround Supplemental Services Allocation (\$45,473,810) to the formula. These two additions to the FEFP formula accounts for 42% of the funding increase. Other noticeable increases are within the Safe Schools Allocation up 11.14%, along with a increase the Mental Health Allocation of 8.32%. The District Cost Differential (DCD) for the Polk County students was lowered from .9708 to .9700, resulting in a lost FEFP funding of \$20,574 for the Lake Wales Charter Schools System.

Key Components of LWCS FEFP Calculation

FTE student membership, Program Cost Factors, Base Student Allocation, DCD (District Cost Differential), DJJ supplement, 0748 Dis. Compression, Safe Schools, Reading Program, SAI, ESE Guaranteed, Instructional Materials, Teacher Classroom Supply Assistance, Student Transportation, Digital Classroom, Required Local Effort(RLE) and other FEFP categorical programs.

- The General Fund (GF) budgeted student membership count is set at a projected **4,637 FTE** (full-time equivalent). This student count represents **an increase of 193 students** above the **final FY19 funded student count of 4,444**. (*The FTE chart on page 4 shows the actual paid FTE membership by school site by year.*)
- The FEFP funding foundation is the Base Student Allocation (BSA). The BSA increased from \$4,204.42 to \$4,279.49 an increase of \$75.07/FTE. (*For the BSA, refer to the comparison shown on page 5, lines 3, 4 & 5. On page 6, lines 7 through 26 display the other categorical funding adjustments.*)
- Total funding amount per un-weighted FTE (UFTE) is \$6,971.88 after factoring all state categorical funding and adjustments. It is an increase of \$45.12 from the 2018-19 revised budget of \$6,926.76. The UFTE per-pupil amount includes projected enrollment, shifts in the population of ESE students, the change in school taxable property taxes and millage rate. (*Refer to page 6 FEFP comparison line 31*)

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- The statewide Capital Outlay funding (PECO) for start-up charter schools continue to be volatile creating budget challenges for the Bok Souths budget. During FY20, Bok North will be eligible to participate in the Capital Outlay pool. The legislature appropriated \$158,209,945 in SB 2500 an increase up from \$145.3M appropriated in FY19. While this is a significant increase from the prior year, we are still unsure of how many additional start-up schools will be drawing from the pool of funds which ultimately will determine both Boks funding for the year.
- The LWCS Foundation plays a vital role bridging the funding shortfalls in public education with designated and unrestricted giving. The Foundation has been an integral and emerging resource for each of our school sites. **This budget includes an estimated \$764,000 in donations coming from the Foundation to the System.**

Incorporating all the revenue pieces, the total GF revenue base is **estimated to increase \$1,017,196 or 2.74%** from the FY19 budget level. *(Refer to page 17 for the General fund revenues and service activities by school and system consolidated totals.)*

EXPENSES:

The proposed **GF expenditures increased by the same 2.74%** from the FY19 base budget. The increase can be attributed to the healthcare, transportation cost and salary increases system-wide. Budget narratives (pages 9-16) provide an overview of budgetary revisions and investments at each LWCS location.

The FY20 budget for all funds includes an expenditure placeholder for base salary adjustments. The base salary adjustments for instructional staff are based on Pay-For-Performance (PFP) articulated in statute under the 2011 Student Success Act (Ch. 2011-1, Laws of Florida); linking the salary adjustment to observations and student assessment scoring utilizing the Value Added Model (VAM). For newly hired instructional staff, the current instructional placement schedule is used for placement based on years of experience. The budget does not incorporate an adjustment to the instructional placement schedule. The PFP concept does not limit the salary earning level of an employee.

The FY20 Budget has a placeholder for a salary increase of 3% for the non-instructional employees as a cost of living increase.

The proposed budget incorporates new employer paid and dependent care rates under a fully funded health and welfare benefits package with UHC. LWCS will continue to provide 100% coverage of the cost of single employee medical, dental, long-term disability and life insurance benefits. Marketing and negotiations for the July 1st plan year produced a **5.0%** rate increase for medical benefits, with employer paid dental insurance rates down by **20%** with a slight modification in coverage. The Life insurance benefits plans are renewed with no premium increases.

The mandatory 3.0% contribution rate by employees into the Florida Retirement System (FRS) remains the same in FY20. **The employer FRS base contribution rate is 8.26% for employee classifications excluding DROP.** *(See page 5 for FRS rates.)*

The system's debt service portfolio consists of **four loans**. The largest component of the portfolio is the Bok campus loan refinanced in spring of 2014. The current outstanding balance on the twenty-year loan is **\$3.2M** after 5 years of payments. The annualized P&I payments equate to \$282,000. The debt service is paid directly from the Capital Projects fund. The second loan is the financing of 10 buses leased during FY19, the P&I debt service payment annualized is \$437,813.

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The third loan is the administration-building loan refinanced in March 2015 with an outstanding balance of \$185,914 and five-plus years of payments remaining. The annualized P&I payments equate to \$30,680. The fourth loan covers Smart-boards purchased at JHW elementary with an outstanding balance of \$26K and payments concluding in August 2019.

FEDERAL PROGRAMS:

The FDOE's allocation and application process for FY20 federal entitlement programs is progressing slowly. The special revenue fund accounts for the activity of our federal entitlement grants, competitive grants and the National School Lunch Program (NSLP). The federal programs listed under special revenues in FY20 includes Title I, Title I, Title II, Title III, Title IX, IDEA, IDEA Pre-K, CSP, ROTC and Carl Perkins. Federal awards are projected to increase to \$3.2 million, up 12% from the FY19 adopted budget. The majority of the grants expenditures will be to support supplemental staff across the system to support student instruction. In FY20 Bok North will be in its second year of the Charter Schools Start-up grant and that budget is set at \$400,000. *(Refer to page 19 for grant and food service activity by school and system consolidated totals.)*

FOOD SERVICE PROGRAM:

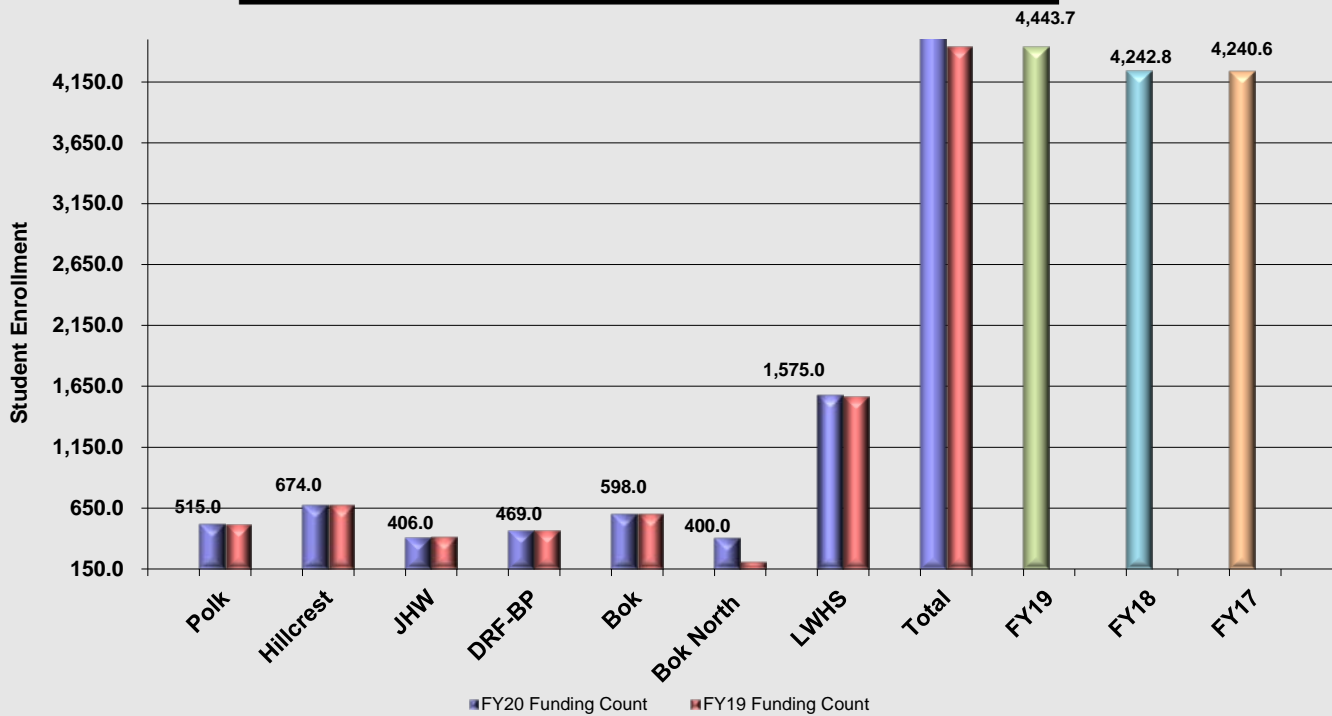
- The LWCS food service operations in FY20 will continue its partnership with SLA Management for the school year breakfast, lunch and snack operations, school Pre-K programs and the summer community food service program. During the 2019-20 school year, LWCS will continue participating in the Community Eligibility Program (CEP) which allow schools and LEAs with high poverty rates to provide free breakfast and lunch to all students. The CEP will encompass our four elementary schools and sponsorship for the OCA school. Bok and LWHS student eligibility for free and reduced-price meals will continue through the traditional household income application. All food service activity is accounted under central administration in the food service fund and are restricted for future food service operations. The surplus is projected of **\$429,363** for the school year.

CAPITAL PROJECTS:

The Capital Projects fund incorporate activities funded for Edward Bok North Academy and the Edward Bok South Academy campuses. For FY20 the projected PECO revenues will be \$487,758 for both schools. The estimated expenditures are \$1,550,956, which includes the completion of the Bok South Administration project, Bok South's debt service payment and other Bok North allowable PECO activities. Deficit spending will be offset by reserves in the fund balance. *(Refer to page 20 for Capital Projects funding schedule.)*

LAKE WALES CHARTER SCHOOLS

FY20 - UnWeighted FTE Enrollment Analysis *(Projected Funding FTE)*



	<u>October Count</u>	<u>February Count</u>	<u>FY20 Funding Count</u>	<u>FY19 Funding Count</u>
Polk	257.50 ^E	257.50 ^E	515.00	517.68
Hillcrest	337.00 ^E	337.00 ^E	674.00	673.38
JHW	203.00 ^E	203.00 ^E	406.00	408.40
DRF-BP	234.50 ^E	234.50 ^E	469.00	469.66
Bok	299.00	299.00 ^E	598.00	600.91
Bok North	200.00 ^E	200.00 ^E	400.00 [*]	201.57
LWHS	787.50 ^E	787.50 ^E	1,575.00	1,572.08
Total	2,318.50 ^E	2,318.50 ^E	4,637.00	4,443.68
FY19	2,221.84 ^A	2,221.84 ^A	4,443.68	
FY18	2,121.39 ^A	2,121.39 ^A	4,242.78	
FY17	2,120.31 ^A	2,120.31 ^A	4,240.62	

A = Audited; UA = Unaudited; E = Estimated

Historical Base Student Allocation & Total Per Student Allocation & FRS Rates

Year	StateWide		LWCS		FRS Employer Contribution Rates		FRS Employee Contribution Rates		BSA Increase
	Base Student Allocation	Per Student Total Allocation	Base Student Allocation	Per Student Total Allocation	Regular	DROP	Regular	DROP	
	2009-2010	\$ 3,630.62	\$ 6,873.07	\$ 3,630.62	\$ 6,342.65	9.85%	10.91%		
2010-2011	\$ 3,623.76	\$ 6,811.71	\$ 3,623.76	\$ 6,309.97	10.77%	12.25%			
2011-2012	\$ 3,479.22	\$ 6,348.58	\$ 3,479.22	\$ 5,793.76	4.91%	4.42%	3.00%	0.00%	
2012-2013	\$ 3,582.98	\$ 6,386.75	\$ 3,582.98	\$ 5,901.78	5.18%	5.44%	3.00%	0.00%	
2013-2014	\$ 3,752.30	\$ 6,761.09	\$ 3,752.30	\$ 6,260.93	6.95%	12.84%	3.00%	0.00%	\$ 169.32
2014-2015	\$ 4,031.77	\$ 6,890.44	\$ 4,031.77	\$ 6,339.29	7.37%	12.28%	3.00%	0.00%	\$ 279.47
2015-2016	\$ 4,154.45	\$ 7,107.33	\$ 4,154.45	\$ 6,538.15	7.26%	12.88%	3.00%	0.00%	\$ 122.68
2016-2017	\$ 4,160.71	\$ 7,204.58	\$ 4,160.71	\$ 6,541.92	7.52%	12.93%	3.00%	0.00%	\$ 6.26
2017-2018	\$ 4,203.95	\$ 7,297.08	\$ 4,203.95	\$ 6,605.60	7.92%	13.26%	3.00%	0.00%	\$ 43.24
2018-2019	\$ 4,204.42	\$ 7,428.79	\$ 4,204.42	\$ 6,926.76	8.26%	14.03%	3.00%	0.00%	\$ 0.47
2019-2020	\$ 4,279.49	\$ 7,672.02	\$ 4,279.49	\$ 6,971.88	8.26%	14.03%	3.00%	0.00%	\$ 75.07

LAKE WALES CHARTER SCHOOLS, INC
Funding Summary
FY20 Proposed Budget Compared to FY19 Revised

	FY18/19 Revised Budget	FY19/20 Adopted Budget	Difference	Percent
	-A-	-B-	-C-	-D-
<u>FEFP FORMULA COMPONENTS</u>				
1 K-12 Unweighted FTEs - (UFTE)	4,424.24	4,637.00	212.76	4.81%
2 K-12 Weighted FTEs - (WFTE)	4,606.29	4,840.80	234.51	5.09%
3 State Base Student Allocation (BSA)	\$ 4,204.42	\$ 4,279.49	75.07	1.79%
4 (x) District Cost Differential (DCD)	0.9708	0.9700	(0.0008)	-0.08%
5 LWCS Base Funding	\$ 4,081.65	\$ 4,151.11	69.45	1.70%
<u>FEFP DETAIL</u>				
6 WFTE x BSA x DCD (Base FEFP)	18,801,256	20,094,689	1,293,433	6.88%
7 Best & Brightest Teacher/Principal Allocation *	-	435,147	435,147	
8 ESE Guarantee	1,579,198	1,152,520	(426,678)	-27.02%
9 Supplemental Academic Instruction	1,142,767	1,197,531	54,764	4.79%
10 Class Size Reduction	4,670,975	4,850,669	179,694	3.85%
11 .748 Mill Compression	1,153,132	1,265,392	112,260	9.74%
12 Safe Schools	221,557	248,177	26,620	12.01%
13 Transportation	827,212	816,315	(10,897)	-1.32%
14 Instructional Materials	347,040	362,699	15,659	4.51%
15 Reading Allocation	180,301	187,394	7,093	3.93%
16 Digital Classroom Allocation	76,829	14,072	(62,757)	-81.68%
17 Discretionary Lottery	14,246	14,809	563	3.95%
18 Additional Allocation of Funds	-	-	-	
19 Mental Health Assistance Allocation	102,141	116,089	13,948	13.66%
20 Funding Compression Allocation	328,731	256,731	(72,000)	-21.90%
21 Teacher Classroom Supply Assistance	76,156	73,312	(2,844)	-3.73%
22 TOTAL STATE FEFP	29,521,541	31,085,546	1,564,005	5.30%
<u>Local Property Taxes</u>				
23 School Taxable Value	2,033,794,751,313	2,147,762,752,089	113,968,000,776	5.60%
24 Required Local Effort	4.075	3.927	-0.148	-3.63%
25 Basic Discretionary Local Effort (Millage)	0.748	0.748		
26 Supplemental Discretionary Local Effort	0.000	0.000		
<u>Local Property Taxes</u>				
27 Basic Discretionary Local Effort (0.748/.0748)	1,124,111	1,243,074	118,963	10.58%
28 Supplemental Discretion Local Effort	-	-	-	0.00%
29 Total Local Property Taxes	1,124,111	1,243,074	118,963	10.58%
30 Total FEFP	\$ 30,645,652	\$ 32,328,620	1,682,968	5.49%
31 TOTAL FUNDING PER UNWEIGHTED FTE	\$ 6,926.76	\$ 6,971.88	\$ 45.12	0.65%
32 TOTAL FUNDING w/o TRANSPORTATION	\$ 29,818,440	\$ 31,512,305	1,693,865	5.68%
33 TOTAL FUNDING PER UFTE w/o TRANSPORTATION	\$ 6,739.79	\$ 6,795.84	\$ 56.05	0.83%

*Best And Brightest/ Principal Allocation is an estimates based on the 4th Calculation revenue worksheet.

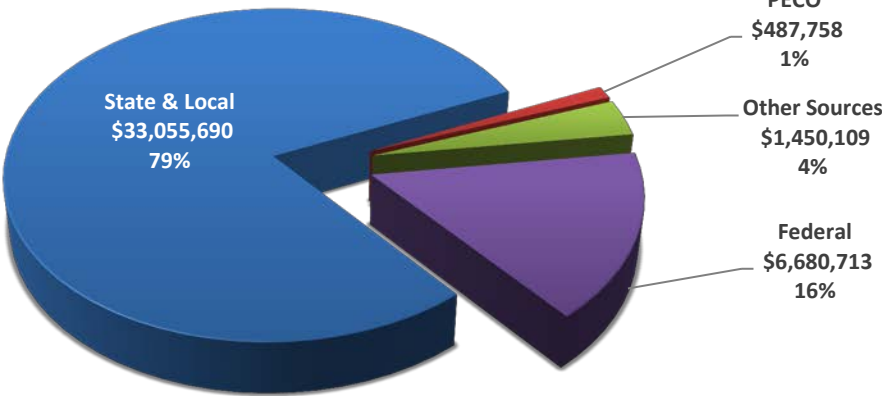
Lake Wales Charter Schools, Inc.

Adopted Budget in Brief for Fiscal Year 2020

Revenue - Governmental Funds							
Sources	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budget FY 2019	Budget FY 2020	Change FY19 - FY20	% Change
Operational	\$ 29,473,696	\$ 31,139,271	\$ 35,042,175	\$ 32,950,510	\$ 34,505,799	\$ 1,555,289	4.72%
Capital Projects				\$ 2,974,640	\$ 487,758	\$ (2,486,882)	
Special Revenue Fund	\$ 5,130,720	\$ 4,922,657	\$ 5,523,208	\$ 5,890,474	\$ 6,680,713	\$ 790,239	11.8%
Total Governmental Funds	\$ 34,604,416	\$ 36,061,928	\$ 40,565,383	\$ 41,815,624	\$ 41,674,270	\$ (141,354)	-0.34%

Where the money comes from...

FY 2020 Total LWCS Funding - by Source
\$41.6 Million



State & Local – includes base student allocation and other state categorical funding (CSR, ESE guarantee, safe schools, mental health, instructional materials, discretionary lottery, .748 Mill equalization). It also includes the local property tax revenues & bonus funds where applicable for School Recognition, IB and advance placement funds.

Federal – includes Title I, Title II, Title III, Title IX, IDEA, Carl Perkins, ROTC and National School Lunch Program funding.

PECO – Public Education Capital Outlay.

Other Sources – includes Pre-K and After-school programs & support from the LWCS Foundation.

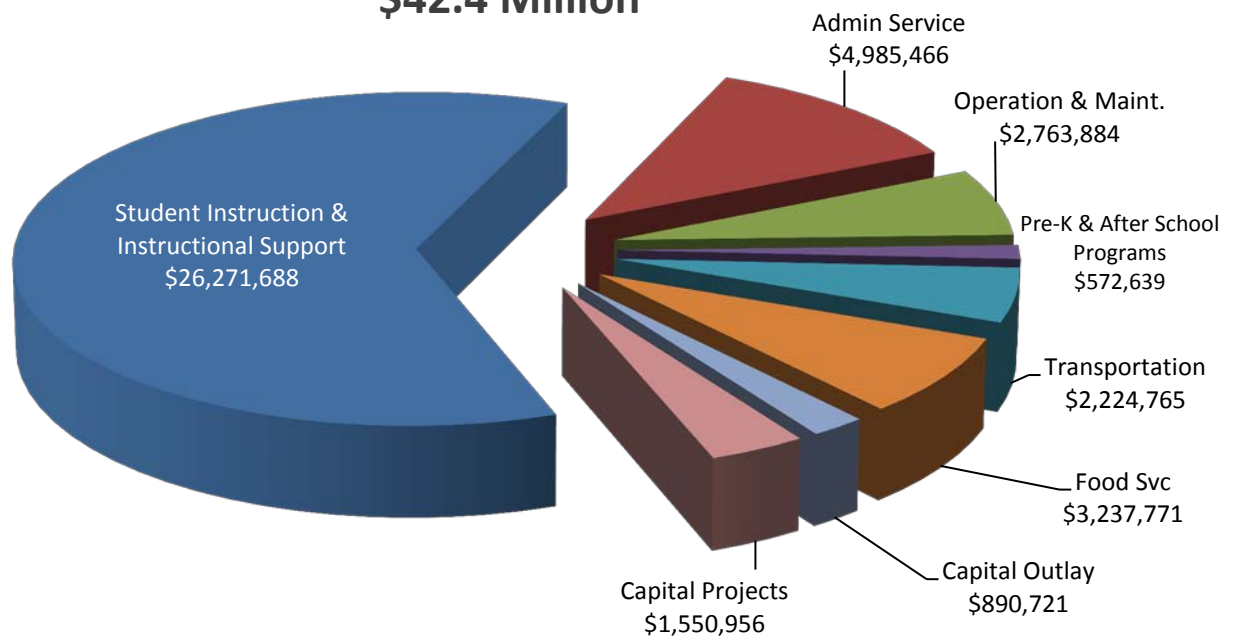
Lake Wales Charter Schools, Inc.

Revised Budget in Brief for Fiscal Year 2020

Expenditures - Governmental Funds							
Sources	Actual FY 2016	Actual FY 2017	Actual 2018	FY Budget FY 2019	Budget FY 2020	Change	% Change
Operational	\$ 28,896,661	\$ 30,380,449	\$ 29,768,819	\$ 32,950,510	\$ 34,392,328	\$ 1,441,818	4.4%
Capital Projects			\$ 2,803,276	\$ 2,962,103	\$ 1,550,956	\$ (1,411,147)	-47.6%
Special Revenue Fund	\$ 5,236,415	\$ 5,042,073	\$ 5,641,091	\$ 5,811,674	\$ 6,554,606	\$ 742,932	12.8%
Total Governmental Funds	\$ 34,133,076	\$ 35,422,522	\$ 38,213,186	\$ 41,724,287	\$ 42,497,890	\$ 773,603	1.9%

Where the money goes...

FY 2020 Total LWCS Expenditures \$42.4 Million



All expenditure divisions include a share of fringe benefit costs based on staffing FTE which includes health, dental, life insurance, long-term disability, FICA, workers compensation insurance, FRS retirement and unemployment compensation charges.

Administrative Services – includes Board of Trustees, General & School Administration, Fiscal Services, Central Services, Community Services/Athletics and Operating Transfers.

Operation & Maintenance – includes activities of ongoing management, repairs and preventative maintenance of buildings & grounds, utility cost, building & liability insurance.

Debt Service – includes P&I payments for the administration office.

Transportation – includes personnel, fuel, insurance, and vehicle lease payments for the system operated bus service for ESE and regular students.

Food Service – includes personnel, supplies, utility cost, repairs and maintenance and contracted management service for food service.

Capital Outlay – represents capital expenditures (furniture, fixtures, equipment, buildings & improvements) of the system.

Capital Projects – represents PECO for both Bok South & Bok North Campus as well as the construction for Bok South Admin Bldg.

POLK AVENUE ELEMENTARY – 1351
BUDGET NARRATIVE
FY 2019-20

Polk Avenue Elementary (PAE) will continue to operate under the “Leader in Me” platform. The Leader in Me signifies our belief that educating the whole child is critical in helping the student discover the leader within themselves and empowering them to become a responsible citizen. One primary goal at PAE this school year will be to address the English Language Arts (ELA) barrier of our students. A large number of our impoverished and Hispanic population arrive at PAE with limited language arts skills. This deficiency effects reading and other necessary skills for student success.

Projected Enrollment:

The PAE adopted budget supports the educational program of 515 FTE student membership. Our current enrollment is 519. Lack of sufficient historic data of the population, has created a challenge in forecasting the enrollment for school year 2019-20. As a precaution, the FTE student membership numbers in this budget are set at conservative levels.

Revenues:

- We are very thankful to the friends of PAE who continue to make donations towards our efforts to make improvements. These improvements include increased technology to enhance student engagement and prepare for digital assessments and coding, programming for improved culture and climate, and beautification projects to increase student and faculty pride in our school.

Expenditures:

- The adopted budget reflects a set aside for salary increases/pay for performance, as well as an increase in Health Insurance.
- Embedded in the budget is an allocation for new mathematics curriculum for K-5.
- We have added two part time reading intervention positions as an academic coach to help increase our ELA proficiency. In addition we have added a half time dean position.
- An orchestra position was created for our 4th and 5th graders to have orchestra instruction weekly.
- K Support will be funded again this year to continue this vital program for our school.
- PAE 4th/5th Grade Academy was established to meet the needs of its higher achieving students.
- Foundation strategies found in “Teach Like a Champion” & “Leader in Me” continue to be a focus to help teachers facilitate learning at the highest level possible.
- We have started replacing the furniture in our upper grades and look forward to be able to do the same for our lower grades this school year.

Capital Expenditures:

- PAE will be upgrading the infrastructure at the school purchased through the General fund with by E-RATE revenue.

HILLCREST ELEMENTARY – 1361
BUDGET NARRATIVE
FY 2019-20

Hillcrest Elementary 2019-2020 budget shows the continued commitment to increase the level of quality instruction in all classrooms while providing the rigor required as we strive to reach the high performing charter school status. We provide ongoing surveys and needs assessments from our staff and combine that with SAC and parent suggestions for continued growth and improvement so together we find new ideas and strategies to meet the specific needs of our student population.

We continue to look at student and staff outcomes to make solid and thoughtful decisions on the allocation of resources. For example, we wait to look at student achievement results by student and teacher before purchasing materials or resource staff. We choose to put our resources to those areas with the greatest need & pride ourselves on being conservative and outcome based with spending practices. We are proud of the portfolio of opportunities for educating the whole child. Hillcrest will continue to find ways to streamline our hiring, personnel & teacher support and recruitment initiatives. The following are key points to keep in mind with our budget plans for the 2019-2020 school year.

Projected Enrollment:

The budget was built on 675 students but hopes to maintain 680 or higher for additional revenue.

Revenues:

- Any additional FEFP revenue would be used to cover any unforeseen needs of our teachers and facilities. If for any reason we run in the red, our strong reserve will support any unexpected deficits to include such things as aging technologies and curriculum needs.
- Our successful Pre-K and Afterschool programs continue to bring in additional revenue to support the needs of the school.

Expenditures:

- Our goal is to have 100% of our staff highly qualified.
- The adopted budget reflects a set aside for salary increases/pay for performance, as well as an increase in Health Insurance.
- We have been made aware of some possible support personnel changes which could result in savings as those positions would be covered in-house.
- The strong leadership team continues to take care of the day to day activities with excellence as we advertise for the AP position. This excellence is evident by our in-house surveys that state our climate and culture are changing; they feel supported by the administrative team, as well as our efficiencies have improved.
- With rising expenses and relatively flat state funding, we strive to cut costs where we can and focus on the needs of the school.
- We will continue to monitor and assess the safety and mental health needs of our school and are hopeful additional funds will support our needs as this is a priority and overarching need for student success.

Capital Expenditures:

- Hillcrest will be upgrading the infrastructure at the school purchased through the General fund with offsetting funds coming from the E-Rate Program.
- Hillcrest is currently looking into an automated car rider system & automated gate system for our bus area. Both of these purchases will increase overall efficiencies and add value to our safety standards.

JANIE HOWARD WILSON ELEMENTARY – 1401
BUDGET NARRATIVE
FY 2019-20

Projected Enrollment:

The proposed budget is based on a projected 406 FTE student membership. The unpredictable enrollment trend makes it difficult to project an accurate student enrollment. As a precaution, the FTE student membership numbers in this budget are set at conservative levels.

Revenues:

- Any additional FEFP revenue would be used to cover any unforeseen needs of our teachers and facilities.

Expenditures:

- The adopted budget reflects a set aside for salary increases/pay for performance, as well as an increase in Health Insurance.
- A School Readiness/Voluntary Pre-K (VPK) program will be implemented in the fall of 2019-20 for eligible 4-year old children entering kindergarten in the fall of 2020-21.
- A reduction from four to three 3rd grade classroom teachers will occur for 2019-20 due to the estimated student count of upcoming third grade students for 2019-20. The remaining teacher will be assigned to fill one of the 2 vacant Kindergarten positions.
- A PYP Coordinator has been established for the Primary Years Program (PYP). Grants, donors and other resources are being sought to fund the initial application and start-up costs from Application to First Year of Authorization for this program.
- An academy called the Silver Streak Conservancy will be established in 2019-20 for 3rd -5th grade students covering STEAM and Environmental Studies.
- Professional Development provided by Dr. Roderic Brame for STEM education and will lead to a graduate certificate in STEM Ed.
- A K-Support paraprofessional will be assigned to kindergarten to assist with retained Kg students, Tier II and eventually Tier III level students.

Capital Expenditures:

- In a continual effort to upgrade our school technology, new Chromebooks, display board and sound system in the cafeteria were purchased in 2018-19. Additional Chromebooks, charging carts and display boards are needed to replace outdated or non-functioning equipment for 2019-20.
- New classroom furniture was purchased in 2018-19 for all the 3rd grade classrooms, which replaced worn-out or broken desks and chairs. Additional classroom furniture will be purchased in 2019-20 as revenue increases to support the budget for any additional purchases.
- Technology infrastructure will be upgraded utilizing E-Rate allocation fund

Business Partnerships and Grants

- Continue to utilize the Polk State College STEM grant, “Polk Girls in STEM”, DUKE Energy grant, Publix Farm-to Table grant and various other grant resources to support the environmental focus curriculum.
- Continue to collaborate with environmental experts from various businesses and non-profit agencies to support environmental studies initiative focus.
- Continue to seek grants, donors, i.e., DonorsChoose.org, and other resources to fund Environmental Studies and other school initiatives.

DALE R. FAIR BABSON PARK ELEMENTARY – 1421
BUDGET NARRATIVE
FY 2019-20

Given the lack of adequate state educational funding for school initiatives, we strived to focus on the total school needs and cut expenses where we could.

Projected Enrollment

Our budget is based on an enrollment of 469 students. We feel confident that we will maintain enrollment of 470 which will provide a slight addition to our projected revenue.

Expenditures:

- The adopted budget reflects a set aside for salary increases/pay for performance and an increase in Health Insurance of \$433 per employee.
- A reduction in our Title 1 allocation has increased expenditures in the general budget for personnel costs.
- This budget has a decrease in funding for:
 - ESE Services
 - Professional development
 - Textbooks
 - Consultative services as compared to previous years.
- The adopted budget includes a significant increase in Transportation due to the allocation method being moved to ridership.

Capital Expenditures:

- All Capital Expenditures have been removed from the budget except upgrading our technology infrastructure utilizing E-Rate allocation funds.

Gifts and Donations/ Additional Revenue:

- It will be imperative for Dale R. Fair Babson Park Elementary to continue to pursue and maintain strong Business partnerships & Grant opportunities in order to provide Professional Development opportunities and additional technology equipment.

**BOK ACADEMY– 1601
BUDGET NARRATIVE
FY 2019-20**

The goal of Bok Academy is to provide all students with relevant learning experiences in an engaging environment by continuing to provide quality instruction in all classrooms.

Projected Enrollment:

The budget was built on 598 students but hopes to maintain 600 for additional revenue.

Revenues:

- Any additional FEFP revenue would be used to cover any unforeseen needs of our teachers and facilities.
- The adopted budget includes a draw of \$150,000 on the foundation.
- Bok Academy continues to pursue and maintain strong Business partnerships & Grant opportunities. This includes both monetary and in-kind donations.

Expenditures:

- The adopted budget reflects a set aside for salary increases/pay for performance, as well as an increase in Health Insurance.
- Now that Bok Academy North is standing on its own, previously split administrative positions have now been realized in the Bok South budget at 100%.
- To help reduce costs, Bok continues to partner with both Bok North & Lake Wales High School in sharing staff members.

Capital Expenditures:

- We will continue with Apple implementation and maintain our Apple Distinguished Program status.
- We will utilize E-Rate funding to offset infrastructure costs.

**BOK ACADEMY NORTH
BUDGET NARRATIVE
FY 2019-20**

Bok Academy North (BAN) is beginning its second year and will continue to grow and replicate the original Edward W. Bok Academy. Like EWBA, reading and math will remain the highest priority for both students and staff. Along with these primary goals, we will continue to instill the 55 Essentials and teach the “whole-child”, building self-efficacy.

Projected Enrollment:

The budget was built on 400 students but hopes to maintain 410 or higher for additional revenue. Due to the school being in the early stages of development, there is a lack of sufficient data to establish whether the numbers will fluctuate significantly during the year. Thus, the expenditures are being approached with attentiveness.

Revenues

- Any additional FEFP revenue would be used to cover any unforeseen needs of our teachers and facilities.

Expenditures:

- The adopted budget reflects a set aside for salary increases/pay for performance, an increase in on all budget lines to sustain the increase in staff as well as the expenditures associated with the facilities of The First Baptist Church and The First Presbyterian Church and shared staff.
- The adopted budget accounts for the following positions: 20 classroom teachers, .5 shared ESE teacher, 1.0 ESE paraprofessional 1.0 split-funded Spanish teacher, 1.0 receptionist/clinic paraprofessional, 1.58 Resource Teachers, .new Principal, 1.0 Asst.-Principal, Principal Sec., .5 administrative support sec. & .5 Business support Sec. BAN will utilize the Title 1 funding to pay for a the Social Worker position.
- Bok North has acquired its own principal as well as much of the support staff. Staff members will continue to work between the two schools to assist in support of both students and staff.
- With the addition of another grade level, our goal is to continue to provide basic transportation within the demographics of students if needed.

Capital Expenditures:

- The capital expenses are expected to be front loaded as with any start-up. In year 2 BAN has budgeted for phones, computers/laptops, server, wireless access points, Apple TV's, student I pads & MacBook's, among other things.
- We are thankful to The First Baptist Church and First Presbyterian Church for their partnership in the support of Bok Academy North. Efforts have been made to reconstruct rooms within both churches to make the facilities conducive for learning. These improvements include the purchasing of technology to enhance student engagement along with the structure of the building.

LAKE WALES HIGH SCHOOL – 1721
BUDGET NARRATIVE
FY 2019-20

Four years of the highest increase in the 4-yr Federal Graduation Rate in the county (from 70% to 92%) is a testament to the budgetary objectives maintained over the last seven years. Our graduation rate for 2018-19 will be over 92%. Budgetary objectives for 2019-20 have been aligned to build on these outcomes.

Projected Enrollment:

The adopted budget is based on a 1,575 FTE student membership. LWHS will have a wait list of over 175 students therefore meeting the FTE count should not be an issue.

Revenues:

- The adopted budget includes a draw of \$600,000 on the foundation; Principal's Discretionary fund, that will be used to cover specific expenses discussed with the donors to enhance the high school. The private funding will enable us to enhance our offerings by continuing to invest in an instructional coach, academic coaches, additional counselor, partial cost of a mental health counselor, enhanced professional development and technology support.

Expenditures:

- The adopted budget reflects a set aside for salary increases/pay for performance, as well as an increase in Health Insurance.
- We have added a new academy resulting in one additional teaching position and a \$50,000 investment in equipment. The Manufacturing and Engineering Academy will provide students the opportunity to earn two nationally recognized manufacturing engineering workforce certifications that will give them a competitive edge out of high school finding a valuable career. For our college bound students, it will better prepare them for the rigor of engineering college aided by the 18 college credits awarded for the national certifications earned.
- Given the increase in school shootings and the reported lack of mental health services provided to the alleged shooters, we have hired a second mental health counselor to focus on prevention.
- We added another dean to work with the frequent flyers, target absenteeism, and provide better support to students to prevent discipline issues
- We have been working on a partnership with Victory Ridge Academy and Lake Wales Medical Center on a transition program for ESE students with developmental and/or intellectual disabilities. The goal is to increase successful employment outcomes for our students with disabilities. The budget includes a cost of \$44,000 for the first year to pay for 2/3rd of an instructional position hired by Victory Ridge; LWHS will have 4 students participate and Victory Ridge will have 2 students participate.
- The IB program is growing and we have new curriculum in several subject areas requiring additional professional development based on the new guides and new textbooks. The budget includes a \$50,000 expense to cover this.
- Based on the above-mentioned student needs, salary increases, health insurance increases, and limited increase in state funding, we have had to make some difficult choices. We are eliminating the Data Analyst position, one Guidance/Social Worker position, as well as the Guardian position
- Transportations costs are projected to go down by \$38,000 for LWHS which is helping us fund the student priorities outlined above. The state only funds about 55% of the total transportation cost, this proves to be a large strain on the LWHS budget and LWCS is working to further optimize the transportation costs and allocation.

Capital Expenditures:

- Capital expenditures are projected to be at \$361,500. This will enable us to continue to invest in classroom technology, security cameras, replenish furniture, and other upgrades as needed. New smartboard and equipment for a new academy to increase the acceleration component of school grade.

CENTRAL ADMINISTRATION – 9000
BUDGET NARRATIVE
FY 2019-20

Revenues:

- Overall revenues decreased slightly due to non-reoccurring funding of Emergency Aid for hurricanes Marie & Irma that was awarded during FY19.
- Foundation revenues are lower as a result a donor's contributions that funded the Bellwether consulting that will not continue during the FY20.
- The Central Office administration works diligently to keep costs down to help relieve the financial load on the schools.

Expenditures:

- Similar to the school budgets, the Central Admin adopted budget reflects a set aside for salary increases as well as an increase in Health Insurance.
- The Instruction function of the budget reflects the system-wide 3rd grade summer school program.
- Instruction related technology has decreased by about \$138,000 due to changing providers from Alternative Choice Wireless to Spectrum (internet) & Comcast (WAN).
- The Board function decreased due to the dissolution of the Bellwether contract mentioned above.
- The Human Resource director salary is now reflecting between a Federal Grant, Human Resource as well as the Transportation function. Therefore decreasing the overall Human resource function and increasing the Transportation function.
- The transportation budget maintains routing for thirty buses. The base compensation increase and capital expenditures are the primary factors driving the increase in cost for transportation. The major capital expenses are the costs of new radios required for each bus which amounts to approximately \$50,000 & the purchase of a new ridership system through ReaXium, a comprehensive student transportation tracking system, which is approximately \$38,000.
- The debt service budget reflects a decrease due to the JHW Smart Boards being paid off by August 2019.
- The capital expenditures increased primarily due to the items mentioned above relating to the transportation budget. We also have \$20,000 budgeted for a system wide IT generator which will be housed at the high school.

LAKE WALES CHARTER SCHOOLS, Inc.
FY19-20 Proposed Subsidiary Program Budget

	Polk Avenue Elementary		Hillcrest Elementary		Janie Howard Elementary		DRF Babson Park Elementary		Lake Wales High School		Combined Total	
	FY19 General Fund ¹	FY20 General Fund ²	FY19 General Fund ¹	FY20 General Fund ²	FY19 General Fund ¹	FY20 General Fund ²	FY19 General Fund ¹	FY20 General Fund ²	FY19 General Fund ¹	FY20 General Fund ²	FY19 General Fund ¹	FY20 General Fund ²
REVENUES												
PreK Program-Revenue	\$ 60,000	\$ 73,853	\$ 68,400	\$ 83,304	\$ -	\$ 80,252	\$ 68,400	\$ 68,700	\$ 210,000	\$ 200,000	\$ 406,800	\$ 506,109
After School Program-Revenue	-	-	107,600	114,000	-	-	66,000	66,000	-	-	\$ 173,600	\$ 180,000
Total Revenues	60,000	73,853	176,000	197,304	0	80,252	134,400	134,700	210,000	200,000	580,400	686,109
EXPENDITURES												
Instruction	71,371	73,853	60,442	64,962	-	64,250	68,400	70,228	216,800	200,000	417,013	473,293
Community Services/Athletics	-	-	24,332	33,346	-	-	66,000	66,000	-	-	90,332	99,346
Total Expenditures	71,371	73,853	84,774	98,308	-	64,250	134,400	136,228	216,800	200,000	507,345	572,639
Net Changes in Fund Balance	(11,371)	-	91,226	98,996	-	16,002	-	(1,528)	(6,800)	-	73,055	113,470
Beginning Fund balance - July 1,	61,379	61,379	177,589	177,589	-	-	162,180	162,180	94,341	94,341	495,489	495,489
Est. Ending Fund balance - June 30,	\$ 50,008	\$ 61,379 ^E	\$ 268,815	\$ 276,585 ^E	\$ -	\$ 16,002 ^E	\$ 162,180	\$ 160,652 ^E	\$ 87,541	\$ 94,341	\$ 568,544	\$ 608,959

¹ Approved for adoption by board of trustees - February 25, 2019

² Adopted budget presented for approval by Board of Trustees - June 17, 2019.

³ Beginning Fund Balance represents Unassigned balance as of July 1, 2019.

LAKE WALES CHARTER SCHOOLS, Inc.

FY19-20 Proposed Special Revenue Fund Budget

All School Sites & Administration

	Polk Avenue Elementary		Hillcrest Elementary		Janie Howard Wilson Elementary		DRF Babson Park Elementary		Edward Bok Middle School		Bok North Middle School		Lake Wales High School		Administration		Total		
	FY19 Special Revenue Fund ¹	FY20 Special Revenue Fund ²	FY19 Special Revenue Fund ¹	FY20 Special Revenue Fund ²	FY19 Special Revenue Fund ¹	FY20 Special Revenue Fund ²	FY19 Special Revenue Fund ¹	FY20 Special Revenue Fund ²	FY19 Special Revenue Fund ¹	FY20 Special Revenue Fund ²	FY19 Special Revenue Fund ¹	FY20 Special Revenue Fund ²	FY19 Special Revenue Fund ¹	FY20 Special Revenue Fund ²	FY19 Special Revenue Fund ¹	FY20 Special Revenue Fund ²	FY19 Special Revenue Fund ¹	FY20 Special Revenue Fund ²	
REVENUES																			
Federal - Title I	\$ 231,078	\$ 274,728	\$ 304,338	\$ 258,528	\$ 191,118	\$ 216,978	\$ 154,224	\$ 154,192	\$ 102,594	\$ 118,603	\$ 31,724	\$ 68,878	\$ 205,229	\$ 246,903	\$ 348,373	\$ 238,301	\$ 1,536,954	\$ 1,577,111	
Federal - IDEA	99,455	27,535	69,483	32,345	100,872	58,204	87,194	67,190	53,079	61,322	19,074	23,153	183,924	178,056	204,705	364,347	798,712	812,152	
Federal - IDEA Pre K															\$ 14,013	\$ 14,013	\$ 14,013	\$ 14,013	
Federal - Title I, Part C, Migrant															14,402	33,862	14,402	33,862	
Federal - Title II															\$ 275,282	\$ 167,401	\$ 275,282	\$ 167,401	
Federal - Title III, Part A, ELL															53,011	45,851	53,011	45,851	
Federal- Title IV															\$ 101,930	\$ 103,973	\$ 101,930	103,973	
Federal - ROTC													\$ 60,000	\$ 60,000			\$ 60,000	\$ 60,000	
Federal - Title X, Part C, Homeless															\$ 33,075	\$ 36,750	\$ 33,075	\$ 36,750	
Federal - C. Perkins													\$ 55,683	\$ 65,722			\$ 55,683	\$ 65,722	
Federal-Charter School Start Up- CSP											\$ 493,296	\$ 400,000					\$ 493,296	\$ 400,000	
Federal - Title 1- SIG Part A																	\$ -	\$ -	
Federal - NSLP															\$ 2,521,189	\$ 2,934,515	\$ 2,521,189	\$ 2,934,515	
State and local sources															375,425	429,363	375,425	429,363	
Total Revenues	330,533	302,263	373,821	290,873	291,990	275,182	241,418	221,382	155,673	179,925	544,094	492,031	504,836	550,681	3,941,405	4,368,376	6,332,972	6,680,713	
EXPENDITURES																			
Instruction	330,533	302,263	373,821	290,873	291,990	275,182	241,418	221,382	155,673	179,925	544,094	492,031	504,836	550,681	106,658	172,431	2,004,929	2,484,768	
Pupil Personnel Services															181,418	357,524	181,418	357,524	
Instructional Media																	-	-	
Instruction & Curriculum Development															472,764	299,939	472,764	299,939	
Instructional Staff Training															163,487	65,728	163,487	65,728	
Board of Education																	-	-	
General Administration															56,138	48,176	56,138	48,176	
School Administration																	-	-	
Facilities Acquisition & Construction															-	-	-	-	
Fiscal Services																	-	-	
Food Service															2,817,814	3,237,771	2,817,814	3,237,771	
Transportation															64,327	60,700	64,327	60,700	
Operation of Plant																	-	-	
Maintenance of Plant																	-	-	
Community Services																	-	-	
Total Expenditures	330,533	302,263	373,821	290,873	291,990	275,182	241,418	221,382	155,673	179,925	544,094	492,031	504,836	550,681	3,862,605	4,242,269	5,760,876	6,554,606	
Net Changes in Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,800	126,107	572,096	126,107	
Beginning Fund balance - July 1,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,159,411	1,238,211	1,159,411	1,238,211	
Est. Ending Fund balance - June 30,	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,238,211	\$ 1,364,318	\$ 1,731,507	\$ 1,364,318	

^E Estimate

¹ Approved for adoption by board of trustees - February 25, 2019

² Adopted budget presented for approval by Board of Trustees - June 17, 2019.

³ Fund Balance represents Restricted balance as of July 1, 2019.

LAKE WALES CHARTER SCHOOLS, Inc.
FY19-20 Proposed Capital Project Budget

	Bok South Construction	Bok South Debt Svc	Bok North	Total
1 State Appropriation HB5001	\$ -	\$ -	\$ -	\$ -
2 Bok North- FSU Agreement	-	-	-	-
3 PECO- Fixed Capital Outlay Funds	-	292,655.00	195,103.33	487,758.33
Total Revenues	-	292,655.00	195,103.33	487,758.33
4 Construction Costs	950,253.94	-	-	950,253.94
5 Debt service	-	281,895.00	-	281,895.00
6 Other Costs	123,704.00	-	195,103.33	318,807.33
Total Expenses	1,073,957.94	281,895.00	195,103.33	1,550,956.27
7 <i>Net Changes in Fund Balance</i>				<i>(1,063,197.94)</i>
8 <i>Projected Beginning Fund Balance - Restricted</i>				<i>2,076,256.39</i>
9 <i>Projected Ending Fund Balance - Restricted</i>				<i>1,013,058.45</i>