



Board of Directors Meeting

June 25, 2020 • 2:00pm – 5:00pm MST

Virtual Meeting

Microsoft Teams

Call in: 312-667-7145

Conference ID: 343 742 755#

Our Core Values

Responsibility: *We acknowledge that our actions and choices impact ourselves and our community. We take ownership for what we do and how we choose to do it.*

Curiosity: *We are eager to learn, question, and explore. We have a thirst for knowledge, a love of investigation, and a desire to learn about ourselves, our community, and our world.*

Integrity: *We act and speak with honesty, fairness, and thoughtfulness. We consistently align our words and actions.*

Doing Your Best: *We put our best effort into everything we do. We know that individual and collective effort are required for our community to thrive.*

Courage: *We possess the confidence and resolve to take risks, push ourselves, and persevere in the face of pressure, adversity or unfamiliar circumstances.*

Respect: *We appreciate each person and their story through our words, actions, and attitudes. We value their unique perspective and treat others with dignity.*

DSST Board Meeting Schedule 2020-2021

Date	Time	Location
Thursday, September 24	2:00-5:00pm	Aurora Science & Tech
Thursday, October 22	8:00am-4:00pm	Board Retreat - TBD
Thursday, November 19	2:00-5:00pm	DSST MS @ Noel
Thursday, January 14	2:00-5:00pm	College View Campus
Thursday, March 25	2:00-5:00pm	Cole Campus
Thursday, May 20	2:00-5:00pm	Byers Campus
Thursday, June 10	2:00-5:00pm	Home Office

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I. Welcome

DSST PUBLIC SCHOOLS

Board of Directors Meeting – June 25, 2020

<u>I. Welcome (30)</u> <ul style="list-style-type: none"> Board Chair Welcome (20) Public Comment (10) 		Check In	Gloria	2:00 - 2:30
<u>II. Approval Items (5)</u> <ul style="list-style-type: none"> Minutes (5) 	Pg. 7	Approval	Gloria	2:30 - 2:35
<u>III. Discussion (95)</u> <ul style="list-style-type: none"> CEO Report (25) Hybrid School planning for fall (40) Long-term budget update (30) 	Pg. 15	Information/Discussion Information/Discussion Information/Discussion	Bill Bill Bill	2:35 - 4:10
<u>IV. Reports (15)</u> <ul style="list-style-type: none"> Executive Committee (10) Education Committee Finance & Operations Committee Audit Committee Advancement Committee Nominating and Governance (5) New Business 	Pg. 14 Pg. 15	Approval Information Information Information Information Approval Information	Gloria Alyssa Glenn Teresa George Sparks Justin	4:10 - 4:25
<u>Executive Session (35)</u> <ul style="list-style-type: none"> Negotiations—Growth Plans (20) Succession Planning (15) 		Information/Discussion	Bill	4:25 - 5:00
<u>V. Adjourn Regular Meeting</u>			Gloria	5:00



IV. Approval Items

• Minutes from the May 21, 2020 DSST Public Schools Board Meeting

MINUTES

DSST Public Schools Board Meeting
May 21, 2020
Microsoft Teams (Virtual)

Meeting Called to Order: 2:03p.m.

Board Members Present:

Alyssa Whitehead-Bust
Barbara Brohl
Brenda J. Allen
David Greenberg
Deborah McGriff
Gina Rodriguez
Glenn Russo
Gloria Zamora
Greg Sissel
Janet Lopez
Justin Jaschke
Peter Fritzinger
Scott Arthur
Teresa Berryman

Parent Present: None

Board Members Absent: George Sparks

DSST Staff Present: Ashley Piche, Bill Kurtz, Christine Nelson, Heather Lamm, Katie Glenn, Nicole Fulbright, Scott Finlay, Tameeka Smith

DPS Staff Present: None

Others Present: None

Welcome:

Ms. Zamora welcomed everyone to the meeting and participated in an ice breaker.

Approval Items:

Motion to approve previous board meeting minutes (5/21/20), Jaschke

Second: Berryman

Vote: Unanimous approval

Discussion:

Mr. Kurtz presented a powerpoint presentation giving the board an organizational update. The topics covered in the presentation were DSST's E-School, the DSST team, and the frame going forward. After Mr. Kurtz's presentation the board engaged in a Q&A and discussion on the information that was just shared. Mr. Kurtz, Ms. Fulbright, and Ms. Piche then presented a powerpoint presentation on DSST's network planning and core approach for the upcoming school year. Following their presentation, the board engaged in a Q&A and discussion. The last presentation shared was a financial update by Ms. Smith. Following Ms. Smith's presentation, the board engaged in a Q&A.

Reports:

Ms. Whitehead-Bust shared that the Education Committee is making progress on solidifying specifics with measures and targets as well as aligning on recommendations. She also shared that the committee is tackling how to align their work to DSST's Strategic Plan.

Following the Education Committee report, Ms. Berryman shared that DSST will be using Eide Bailly for the annual audit. She also shared that the audit will be performed virtually. Ms. Berryman concluded by sharing that financial reporting will change drastically next year and the auditors will be giving guidance to DSST to ensure DSST is in compliance.

After Ms. Berryman shared the Audit Committee report, Mr. Finlay presented a powerpoint presentation which shared a fundraising update. Mr. Finlay concluded his presentation by asking the board for any connections they might have to new donors.

Following the Advancement Committee report, Mr. Jaschke asked on behalf of the Nominating and Governance Committee to please review the board criteria for future candidates that was emailed out earlier to the board.

New Business: None

Executive Session

Ms. Zamora stated, "I would entertain a motion to go into Executive Session as permitted by the Colorado Open Meetings Act for the purpose of considering the following matters:

- (2) Pursuant to Colorado Revised Statute 24-6-402
 - (4) (e) negotiations

Motion to adjourn regular board meeting, Allen

Second: Rodriguez

Vote: Unanimous approval

Motion to go into Executive Session, Allen

Second: Greenberg

Vote: Unanimous approval

Motion to adjourn Executive Session, Sissel

Second: Greenberg

Vote: Unanimous approval

Respectfully Submitted,

Katie Glenn (note-taker), Secretary



IV. Reports



Long Term Financial Forecast

Overview:

- The long-term forecast is a model of revenues and expenses through full buildout
- Updated each summer based on the most recent completed budget
- Provides a target for annual budgets to keep DSST on glide path to breakeven
- Provides fundraising need and identifies risks and contingencies

FY20 LTF Assumptions:

- Modeled 3 different growth scenarios, using consistent input assumptions

Long-Term Forecast Key Inputs					
	18-20 Avg.	2021	2022	...	2029
Inflation Growth	2.1%	2.0%	2.0%		2.0%
Mill Levy Override Growth	2.5%	2.3%	2.3%		2.3%
Title Growth	2.7%	2.0%	2.0%		2.0%
Per Pupil Revenue Growth	3.3%	2.5%	2.5%		2.4%

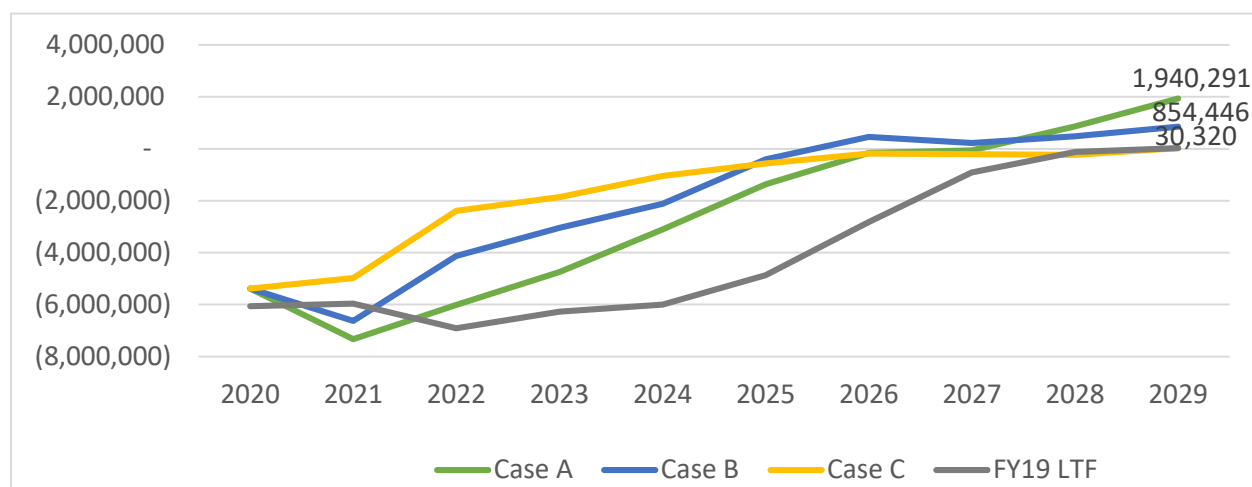
<u>Growth Case Assumptions</u>			
	Case A	Case B	Case C
Schools Opened	22 DPS schools, 4 APS schools	17 DPS Schools (no Henry HS, Campus 10 or 11), 4 APS schools	14 DPS schools (no Henry HS, Noel HS, Campus 9-11), 2 APS schools
Enrollment in 2029	12,487	10,112	7,611
School Staff in 2029	1,213	986	736
Breakeven year	2028	2026	2029

FY20 LTF Results:

- With lower growth, expenses reduced to offset reduced revenue expectations

	FY19 & 20 Avg	Case A	Case B	Case C
HO FTE's in 2029	90	111	104	96
HO compensation annual growth	6%	5%	5%	4%
Employer health benefit annual growth	-2%	6%	6%	5%
SDs in Training FTE's max/min (Total \$)	9 / 6	7 / 6 (\$6M)	6 / 5 (\$5M)	6 / 3 (\$3M)
Apprentice teacher FTE's (Total \$)	21	25 (\$9M)	25 (\$9M)	15 (\$6M)
Leadership development annual growth	21%	Grows with school staff	Grows with school staff	-10% per year
HO consulting annual growth	10%	50% of inflation	50% of inflation	-10% per year
Avg teacher salary 2029	\$50,477	\$66,471	\$64,875	\$64,406

- DSST is able to reach break-even at full build in each growth scenario



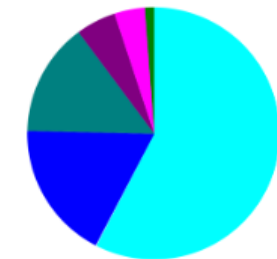
- Lower growth requires less fundraising need due to less new school fundraising

	Case A	Case B	Case C
Growth*	\$19M • 12.3M (Schools) • 1.4M (School reserves) • 5.3M (CMO)	\$5.7M • 4.7M (Schools) • 0.8M (School reserves) • 0.2M (CMO)	\$0M • 0 (Schools) • 0 (School reserves) • 0 (CMO)
Per Pupil Operating	\$21.3M	\$19M	\$16.3M
Under Enrolled Support	\$2.2M	\$0	\$0
TOTAL	\$42.5M	\$24.7M	\$16.3M
Fundraising/Student	\$430	\$282	\$222

DSST By The Numbers

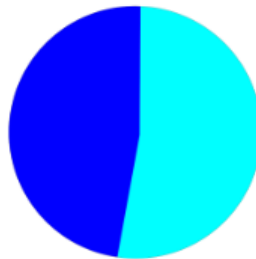
STUDENT DEMOGRAPHICS

Race and Ethnicity



- 58% Hispanic or Latino
- 18% Black or African American
- 15% White
- 5% Asian
- 4% Two or More Races
- 1% Native American or Alaskan Native

Gender



- 53% Male
- 47% Female

Income Background



- 71% FRL
- 29% Non-FRL

Special Education



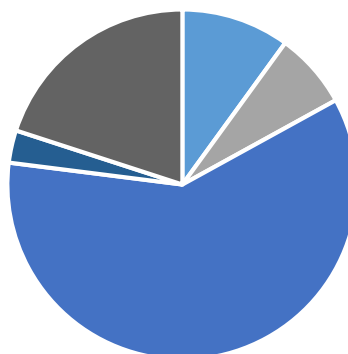
- 74% Non-SpEd
- 16% Gifted & Talented
- 10% SpEd

English Language Learners



- 61% Non-ELL
- 23% ELL
- 16% Exited Students

STAFF DEMOGRAPHICS



- Hispanic
- African-American
- White
- Asian
- Other



Executive Committee

DSST Executive Committee Report June 9, 2020

The DSST Executive Committee met via phone conference on June 9, 2020.

The committee discussed an update on E-School, current planning for a hybrid school for the fall, as well as the long-term budget and the impact of the state budget that will be approved in the current state legislative session.

Executive Committee Members who participated in the call included, Peter Fritzinger, Glenn Russo, Teresa Berryman, Justin Jaschke and Gloria Zamora.

Staff Liaison: Bill Kurtz

Respectfully submitted,

Gloria Zamora

Board Chair



Finance & Operations Committee

DSST PUBLIC SCHOOLS

FY21 Budget Report

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Executive Summary
Budget Principles
COVID Budgetary Impact
Financial Fundamentals
Network-wide Summary
School Budget Review
Home Office Budget Review
Long Term Forecast Considerations

FY21 Budget Executive Summary

- FY21's budgeted net income is **\$2.9m better** than long-term forecast target.
- Per Pupil revenue cuts will cost DSST **\$2.9m** in revenue vs. FY20, **\$4.1m** in revenue vs. our revenue projection pre-COVID.
- New CARES Act funding will inject one-time federal revenue of **\$5m** into the budget.
- New COVID related costs will increase expenses by **\$1.5m**.
- Management is proposing a compensation package that includes: 1) a **\$2,000** base salary increase, 2) a **\$1,000** returner bonus, and 3) a **\$1,000 contingent** mid-year bonus.
- Expense reductions were made at both the school and home office levels to balance the budget.
- The budget is projecting an ending asset balance of **\$42.7m**, an excess above reserve targets of **\$17.3m**.

DSST Guiding Budget Principles

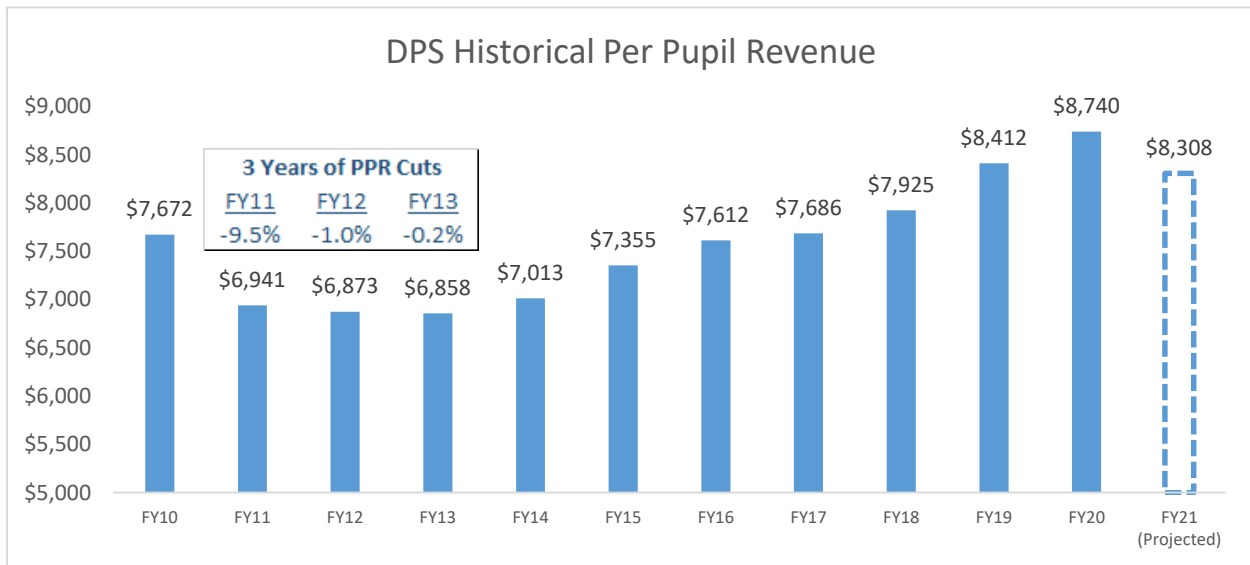
1. **DSST Mission, Values, and Strategic Plan drive the budget.**
2. **Annual budgeted net income meets or exceeds the long-term financial plan target (LTF updated June/July).**
3. **The Home Office and the school budgets strive for long-term financial sustainability and stability.**

FY21 Budget Priorities

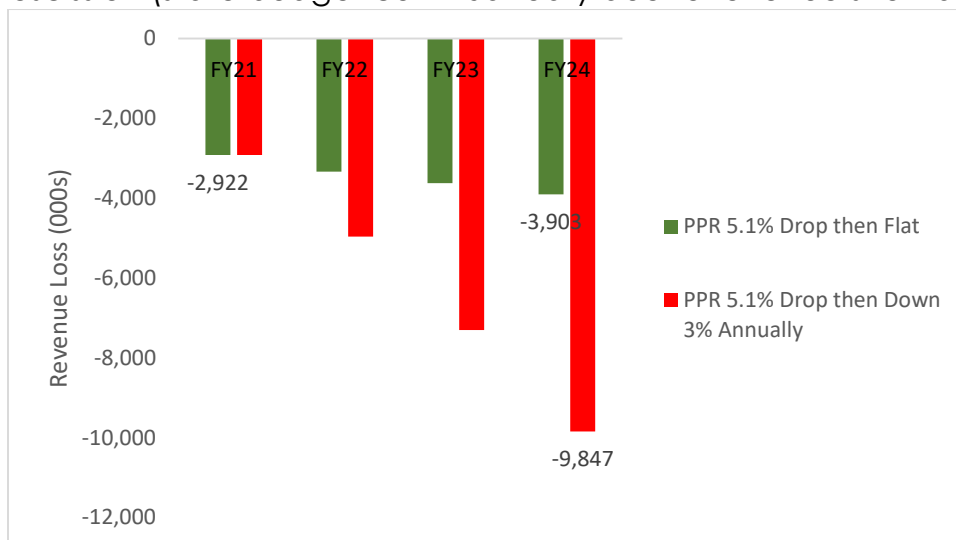
1. **Put people first as much as possible.**
2. **Plan for a hybrid learning model, and account for additional costs to maintain a safe learning environment.**
3. **Conservative spending plan to account for additional revenue uncertainties in FY21 as well as future fiscal years.**

COVID Budgetary Impact

- Colorado Department of Education (CDE) is currently projecting a **5.1% decrease** to PPR for DPS.
- Based on the 2008 recession, recovery to pre-COVID PPR levels could take several years.



- Based on CDE's projection, DSST has a \$2.9m revenue shortfall to offset in FY21, which could potentially grow to almost \$10M by 2024.
- Additional potential shortfall could come in the form of a mid-year rescission (state budget cut in January due to revenue shortfalls).



Management's Response to COVID uncertainty

1. Develop a budget with a net income at least \$2.5m better than the long-term forecast target in order to be able to absorb a mid-year rescission or future PPR reductions.
2. Maximize the impact of CARES funding from both an educational as well as a fiscal perspective.
3. Limit new recurring expenses that we cannot adjust in future years if needed.

Additional investments will be required in FY21 to support hybrid learning model and safe school environments. Below is a list of those expenses identified by teams across DSST:

Expense Type	Amount
Personal Protective Equipment (PPE)	460,000
Internet Access for All Students	168,000
Hybrid Learning Software & Curriculum	718,000
Lower Computer Return Backfill	175,000

New federal funding will help provide revenue to offset these additional costs. DSST could see up to \$6m in new funds through the CARES Act. However, these are one-time funds so we will not have access to this revenue in future years. Management is anticipating potential challenges in spending CRF dollars due to spending restrictions.

	Coronavirus Relief Fund (CRF)	Elementary and Secondary School Emergency Relief Fund (ESSER)
Estimated Revenue	\$4.5m available (\$3.5m budgeted)	\$1.5m
Cash Flow	Pre-Funded / Return Unspent	Reimbursement
Period of Spend	3/1/2020 - 12/30/2020	3/6/2020 - 9/30/2021
Allowable Expenses	Costs substantially dedicated to mitigating or responding to COVID	Any activities authorized under ESEA, IDEA
	Development and facilitation of remote learning capabilities	Continuing educational services with campuses are closed
Not Allowed	Expenses in budget prior to 3/27	Offset loss of revenue
	Offset loss of revenue	
Not Allowed	Expenses unrelated to COVID	

To hit our net income goal for FY21, management is proposing the following key budget levers. More detail on each expense lever follows the summary.

FY21 Budget Shifts*		
	Impact	Rev/Exp
Net Income FY20		-4,093

FY20 Revenue		93,038
Enrollment Growth	2,422	
PPR Reduction	-2,922	
CARES Funding	5,057	
Lower Fundraising Target	-910	
Lower Return on Investment	-470	
FY21 Revenue		96,215

FY20 Expenses		97,131
Salary Increase	-1,511	
Returning Staff Bonuses	-1,594	
COVID Related Expenses	-1,521	
District Fee Increase	-1,325	
SD Budget Allocation Reduction	1,225	
Substitute Savings	250	
Home Office Discretionary Savings	938	
FY21 Expenses		100,669

Net Income FY21	-4,454
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*Excludes intrafund transfers

Network Compensation	
Budget vs. Long-Term Forecast	
Long-Term Forecast	FY21 Current Budget
Returning teachers 8% average raise, 5% raise for all other staff, no bonus	\$2,000 base increase for returning staff, \$1,000 returner bonus, \$1,000 bonus contingent on revenue
Lever Analysis	
Advantages	<ul style="list-style-type: none"> For almost all staff \$2,000 represents a greater than COLA raise Recognizes hard work of staff \$3,000 total comp increase makes DSST competitive with market raises
Disadvantage	<ul style="list-style-type: none"> Base increase will be in run rate for future years

Professional Development	
Budget vs. Long-Term Forecast	
Long-Term Forecast	FY21 Current Budget
Year over year growth in Home Office centrally managed professional development.	Reduce out of state travel related to PD by 80%, reduce conference fee registration by 50% → \$150k in savings.
Lever Analysis	
Advantages	<ul style="list-style-type: none"> Reflects reality of PD spend given travel and public gather restrictions from COVID Still allows for professional development for staff Helps maintain and manage staff health and safety
Disadvantage	<ul style="list-style-type: none"> Limits ability to send staff if COVID related guidance becomes looser throughout the year

School Director Budget Allocation	
Budget vs. Long-Term Forecast	
Long-Term Forecast	FY21 Current Budget
Standard allocation for per student discretionary spend and same base staffing model as FY20	Reduce School Director budget allocations by the equivalent of 6% of discretionary plus 1 FTE funding.
Lever Analysis	
Advantages	<ul style="list-style-type: none"> Many schools were able to absorb reduction without impacting staffing model Weighted based on school size so lower enrolled schools were not disproportionately impacted Helps maintain sustainable school model
Disadvantage	<ul style="list-style-type: none"> Strain on funding for non-essential school activities such as electives and enrichment programs

Substitute Teachers	
Budget vs. Long-Term Forecast	
Long-Term Forecast	FY21 Current Budget
Continued growth in use of external substitute teachers, with increasing cost for coverage.	Increase use of internal substitute coverage (with stipend), external coverage primarily for long-term subs.
Lever Analysis	
Advantages	<ul style="list-style-type: none"> DSST teachers in the classroom is better for student learning Lower risk of unfilled sub requests
Disadvantage	<ul style="list-style-type: none"> Increased ask on teaching staff

Home Office Staffing	
Budget vs. Long-Term Forecast	
Long-Term Forecast	FY21 Current Budget
Maintain and grow HO FTE count to support core functions and network priorities.	Freeze open roles including vacant backfill roles and planned new roles.
Lever Analysis	
Advantages	<ul style="list-style-type: none"> Minimal impact to current staff Reduces savings needed in schools
Disadvantage	<ul style="list-style-type: none"> Limits the ability to make progress on network priorities and initiatives

Home Office Discretionary Spend	
Budget vs. Long-Term Forecast	
Long-Term Forecast	FY21 Current Budget
HO discretionary expenses grow based on staff and student year over year increases.	No assumed expense growth and target savings where appropriate
Lever Analysis	
Advantages	<ul style="list-style-type: none"> Minimal impact to student learning Some savings aligned with COVID gathering restrictions
Disadvantage	<ul style="list-style-type: none"> Decreases ability for HO to recognize staff and network accomplishments

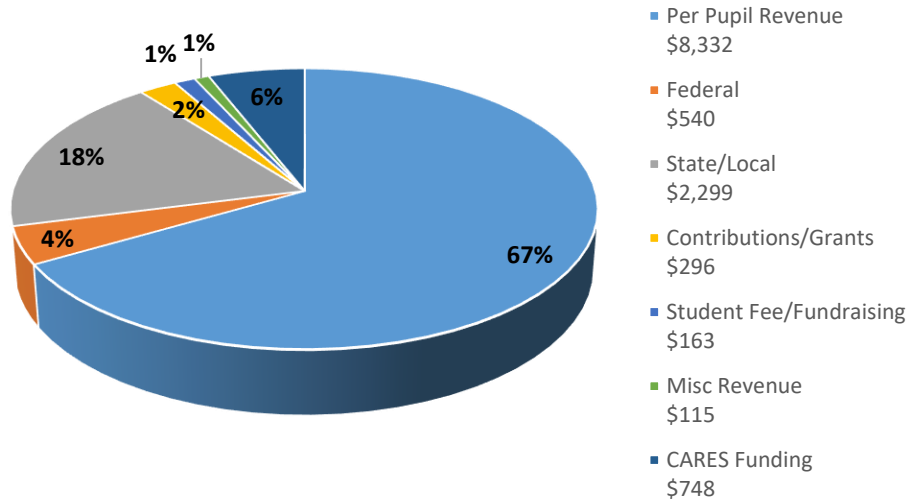
Long Term Forecast Implications

- DSST management uses the approved budget to build an updated long term forecast (LTF) projecting out network finances through full build-out.
- The FY21 LTF will contain more uncertainty than any previous LTF, and will likely contain multiple scenarios for future revenue streams.

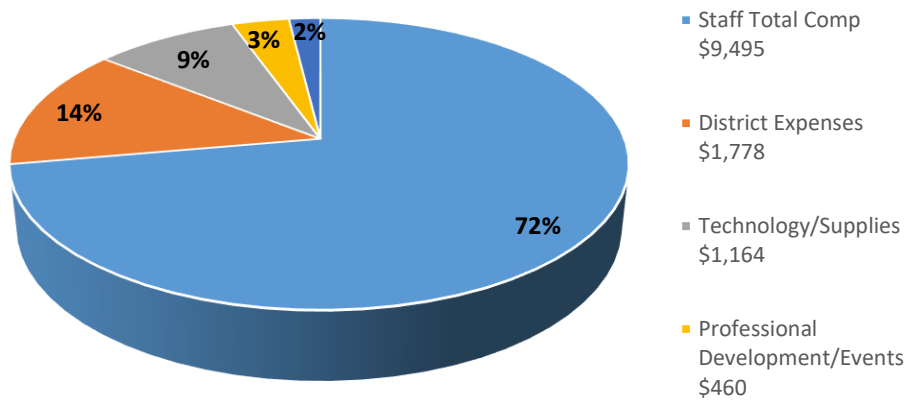
FY21 LONG TERM FORECAST CONSIDERATIONS			
		POTENTIAL IMPACT	
KNOWN	CARES Funding Non-Recurring	\$5m	↓
	Base Salary Increase	\$1.4m	↓
UNKNOWN	DPS Mill Levy Override	\$800k	↑
	Future Federal Stimulus	??	↑
	Future PPR changes	0 - \$2m	↓
	Non-recurring COVID expenses	\$1.5m	↑
	Eliminate Tax Breaks for Business and Wealthy	\$850k	↑
	Nicotine Sales Tax	\$675k	↑
	Gallagher repeal	??	↑

DSST Financial Fundamentals¹

FY21 Budgeted Revenue/Student
Total = 12,492



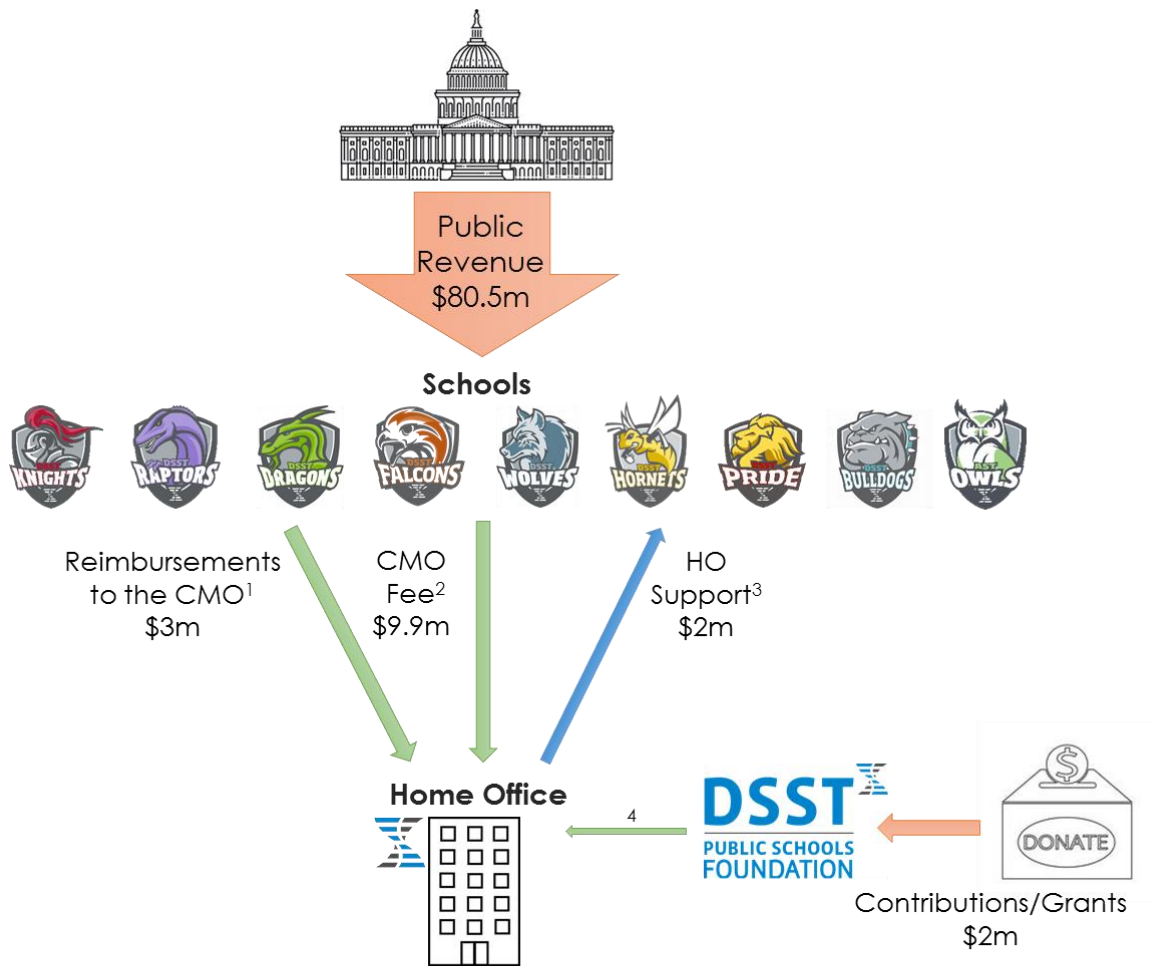
FY21 Budgeted Expense/Student
Total = 13,151



→ \$659 net income loss per student

¹Network financials include the DSST Foundation, a separate 501(c)3 organization

FY21 DSST Funds Flow



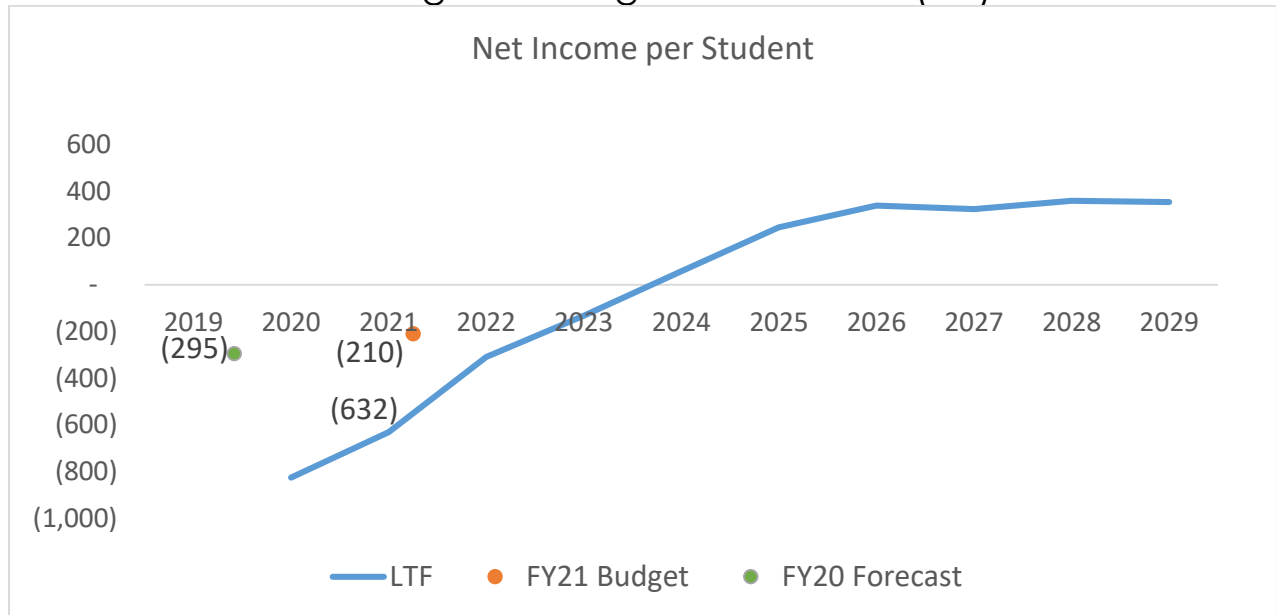
¹ Reimbursements to the CMO cover student and staff computers, other technology expenses

² CMO Fee covers centralized support services from the home office

³ HO Support pays for home office-funded teaching and admin positions and funds losses at the school level

⁴ DSST is not anticipating requiring a cash disbursement from the Foundation in FY21

FY21 Budget vs. Long-Term Forecast (LTF)¹



Key LTF Assumptions

Public revenues and DPS expenses generally follow inflation

- Largely out of DSST's control trend since 2008 recession has been revenues exceeding inflation.
- Current LTF completed in 2019 and therefore does not include impact of COVID, this will be updated in July 2020.
- FY21 Budget revenue includes \$5m CARES funding.

Baseline fundraising revenues consistent throughout LTF

- Goal to be break even at \$200/student operating fundraising at full build.
- Total additional (non-operating) fundraising need of \$5.7M to meet reserve targets assuming 17 DPS schools and 4 APS schools.

Built out fully enrolled schools breakeven net income

- Annual planning process allocates revenues to schools providing mechanism to throttle both staffing and discretionary expenses.

Staff compensation changes linked to changes in public revenue

- Average tenure expected to see low growth with departing employees replaced by less experienced staff at lower salaries.

LTF is re-evaluated each summer based on most recent approved budget

¹Budget vs. LTF comparison excludes grant dependent expenditures (e.g. ATs, SDiTs) in order to show run rate of base operations.

FY21 Budget Drivers

REVENUE

Enrollment

	<u>FY19 Actuals</u>	<u>FY20 Actuals</u>	<u>FY21 Budget</u>	<u>20 to 21 Change</u>
Enrollment	5,819	6,411	6,757	346
FRL %	70.8%	71.5%	71.3%	-0.2
	<u>Fully Built-Out</u>	<u>Growing</u>	<u>New in FY21</u>	
2020	5,406	914	0	
2021	5,345	1,317	0	
<i>% Change</i>	<i>-1.1%</i>	<i>44.1%</i>		
	MTV, GVR, Cole, Byers, CG MS, Henry MS	CG HS, Noel MS, AST		

Governmental Revenue per Student

<u>FY19 Actuals</u>	<u>FY20 Forecast</u>	<u>FY21 Budget</u>	
11,277	11,574	11,835	¹

1. Budget assumes full \$1.5m in ESSER funding and 80% of CRF funding (\$3.5m vs. \$4.5m) which equals \$754 per student. The 5.1% budgeted decrease in PPR results in \$476 less per student.

EXPENSES

Staffing

Total FTEs				
	<u>FY19 Actuals</u>	<u>FY20 Forecast</u>	<u>FY21 Budget</u>	<u>20 to 21 Change</u>
Instructional	464	507	514	1.4%
Administration	165	181	184	1.7%
Home Office	100	95	94	-1.1%
Network	729	783	792	1.1%

Returning Staff Salary and Benefits									
	Average Salary			Benefits			Total Salary and Benefits		
	FY 19-20	FY 20-21	Change	FY 19-20	FY 20-21	Change	FY 19-20	FY 20-21	Change
School Instructional	52,005	54,618	5.0%	7,364	8,029	9.0%	59,369	62,647	5.5%
School Administration	64,061	66,672	4.1%	7,967	8,632	8.3%	72,028	75,303	4.5%
Home Office	80,317	82,317	2.5%	8,780	9,414	7.2%	89,097	91,730	3.0%
Percent Change			4.3%			8.6%			4.8%

- Returning staff will also receive a \$1,000 bonus, resulting in a total compensation increase of **6.3%**.

Average Salary All Staff (Returners + New Hires)						
	<u>FY17 Actuals</u>	<u>FY18 Actuals</u>	<u>FY19 Actuals</u>	<u>FY20 Forecast</u>	<u>FY21 Budget</u>	<u>Annual Growth Rate</u>
Home Office	70,094	74,580	75,785	82,698	84,047	4.6%
Instructional	45,597	46,190	46,803	51,069	52,443	3.6%
School Administration	56,721	61,250	62,391	64,358	66,782	4.2%
Network	50,665	53,209	54,155	57,605	59,627	3.5%

Compensation plan highlights:

- Goal is to be competitive in the market with the belief that districts will be providing raises for FY21.
- Balance what is right for our staff in the short term while also putting ourselves in a position to re-evaluate what we are doing with compensation moving forward.
- Component 1: benchmark adjustment for teachers making less than their DSST starting experience based on their years of experience up to 6 years of experience.
- Component 2: \$2,000 base raise for all staff.
- Component 3: \$1,000 returning bonus for all staff on the first day of school.
- Component 4: \$1,000 additional bonus pending positive information on CRF revenue and/or a mid-year PPR rescission.

District Fees per Student

DPS Fee	FY20 DPS Per Student	FY21 Budget Per Student	\$ Change	% Change
Admin	\$302	\$339	\$37	12.1%
SpEd	\$327	\$387	\$60	18.2%
Facility	\$770	\$838	\$68	8.8%
Total	\$1,399	\$1,564	\$164	11.7%

APS Fee	FY20 APS Per Student	FY21 Budget Per Student	\$ Change	% Change
Admin	\$377	\$398	\$21	5.6%
SpEd	\$377	\$446	\$69	18.2%
Facility	\$1,100	\$1,100	\$0	0.0%
Total	\$1,854	\$1,943	\$90	4.8%

CMO Fees/Reimbursement per Student

<u>FY19 Actuals</u>	<u>FY20 Forecast</u>	<u>FY21 Budget</u>	<u>20 to 21 Change</u>
2,046	1,878	1,918	2.1%

Consolidated Network FY21 Proposed Budget

(in \$ thousands, except enrollment and FTEs)

	<u>MTV</u>	<u>GVR</u>	<u>Cole</u>	<u>CV</u>	<u>Byers</u>	<u>CG</u>	<u>Henry</u>	<u>Noel</u>	<u>AST</u>	<u>APS 2</u>	<u>CP</u>	<u>HO</u>	<u>Total</u>
Enrollment	1024	1011	659	1007	1020	1003	166	460	312	0	95		6757
FTEs	97	98	76	104	97	93	23	46	28	3	33	94	792
MS Grades	3	3	3	3	3	3	3	3	2	0			
HS Grades	4	4	4	4	4	4							
<i>REVENUE</i>													
Student Fees & Fundraising	321	105	19	103	345	131	5	44	26	0	0	0	1,098
Governmental Revenue	10,904	11,115	7,656	11,646	10,515	10,718	1,863	5,390	3,805	524	2,548	(1,210)	75,476
CARES Funding	824	811	554	806	800	718	164	247	133	0	0	0	5,057
Contributions and Grants	0	0	53	0	0	0	0	0	0	0	0	1,945	1,998
CMO Fee/Reimbursement from Schools	0	0	0	0	0	0	0	0	0	0	0	12,929	12,929
Misc Revenue	0	0	0	0	0	0	0	0	0	0	0	774	774
Transfers	391	309	422	255	426	314	0	44	0	0	0	1,856	4,017
Total Revenue	12,439	12,341	8,703	12,810	12,086	11,881	2,033	5,726	3,963	524	2,548	16,295	101,350
<i>EXPENSES</i>													
Salaries	5,609	5,501	4,446	5,904	5,465	5,162	1,285	2,414	1,641	137	1,387	8,150	47,102
Additional Pay	249	236	176	189	305	241	46	112	52	0	42	2,081	3,730
Payroll Taxes and Benefits	1,239	1,730	1,366	1,843	1,708	1,625	400	741	507	12	436	1,720	13,329
Professional Development	30	21	27	25	34	30	8	33	8	0	18	595	828
Events	0	0	0	0	0	0	0	0	0	0	0	682	682
Supplies	127	108	103	141	99	185	29	84	52	0	119	940	1,986
Student Activities	155	129	130	128	178	126	21	53	16	0	27	0	962
District Expenses	1,752	1,891	1,199	1,708	1,663	1,788	387	842	638	0	145	0	12,014
Professional Services	19	17	93	31	13	21	7	9	11	0	4	1,375	1,599
Fee to CMO	1,493	1,491	1,005	1,533	1,436	1,450	244	662	481	0	138	0	9,933
Reimbursements to CMO	443	396	304	398	449	405	106	194	201	0	101	0	2,996
Operating Leases	21	24	16	20	13	29	2	0	0	0	0	204	330
Facilities	42	44	32	43	41	44	12	186	247	200	14	7	914
Technology	16	8	5	7	5	10	2	181	152	175	23	4,331	4,915
Misc Expenses	123	17	10	15	65	7	1	3	2	0	0	224	468
Transfers	0	0	0	0	0	0	0	0	0	0	54	3,964	4,017
Total Expenses	11,317	11,613	8,913	11,985	11,474	11,121	2,552	5,516	4,007	524	2,509	24,274	105,805
NET INCOME	1,122	728	(210)	825	613	760	(519)	210	(44)	0	39	(7,979)	(4,455)
Need Based Revenue Reallocation	(398)	(381)	621	131	(259)	(341)	687	(61)	0	0	0	0	0
NET INCOME w/ Network Allocations	724	347	411	957	353	419	168	149	(44)	0	39	(7,979)	(4,455)

* Excludes CMO contribution to schools and 3% budget contingency for district/state reporting

Consolidated Network Net Income per Student

	<u>FY19 Actuals</u>	<u>FY20 Forecast</u>	<u>FY21 Budget</u>	<u>\$ Change</u>	<u>Notes</u>
Enrollment	5,819	6,411	6,757		
<i>REVENUE</i>					
Student Fees & Fundraising	174	177	163	(14)	
Governmental Revenue	11,277	11,519	11,170	(349)	1
CARES Funding	-	-	748	748	
Contributions and Grants	1,264	431	296	(135)	2
CMO Fee/Reimbursement from Schools	2,027	1,855	1,913	58	
Misc Revenue	529	180	115	(65)	
Transfers	347	351	296	(55)	
Total Revenue	15,618	14,512	14,701	188	
<i>EXPENSES</i>					
Salaries	6,700	7,067	6,971	(96)	3
Additional Pay	770	585	552	(33)	
Payroll Taxes and Benefits	1,857	1,954	1,973	18	
Professional Development	166	201	123	(78)	
Events	132	109	101	(8)	
Supplies	260	189	294	105	4
Student Activities	219	167	142	(24)	
District Expenses	1,614	1,582	1,778	196	5
Professional Services	289	320	237	(83)	
Fee/Reimbursement to CMO	2,047	1,855	1,913	58	
Operating Leases	50	48	49	1	
Facilities	140	126	135	9	
Technology	610	529	727	198	6
Misc Expenses	61	68	69	2	
Transfers	347	351	296	(55)	
Total Expenses	15,262	15,151	15,360	209	
NET INCOME	356	(638)	(659)	(21)	

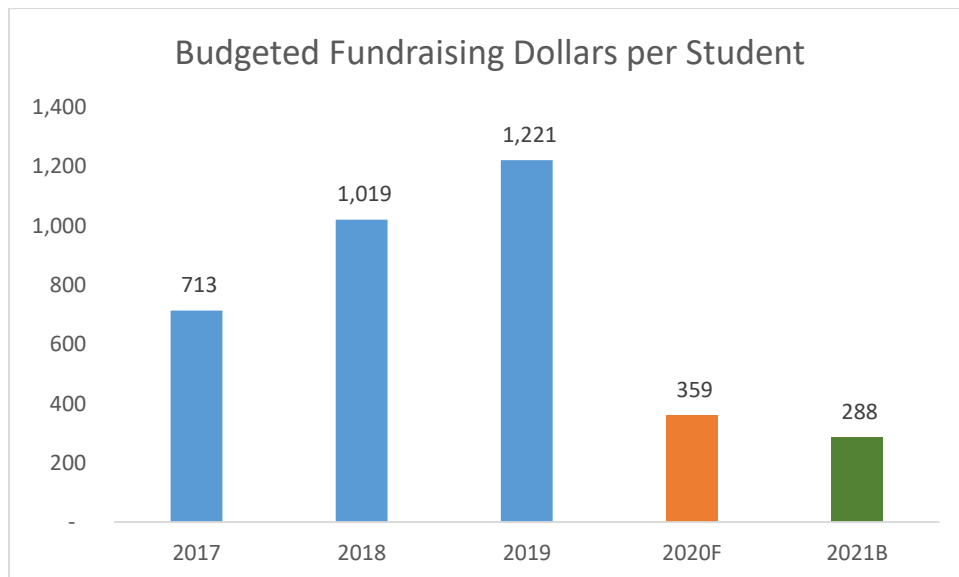
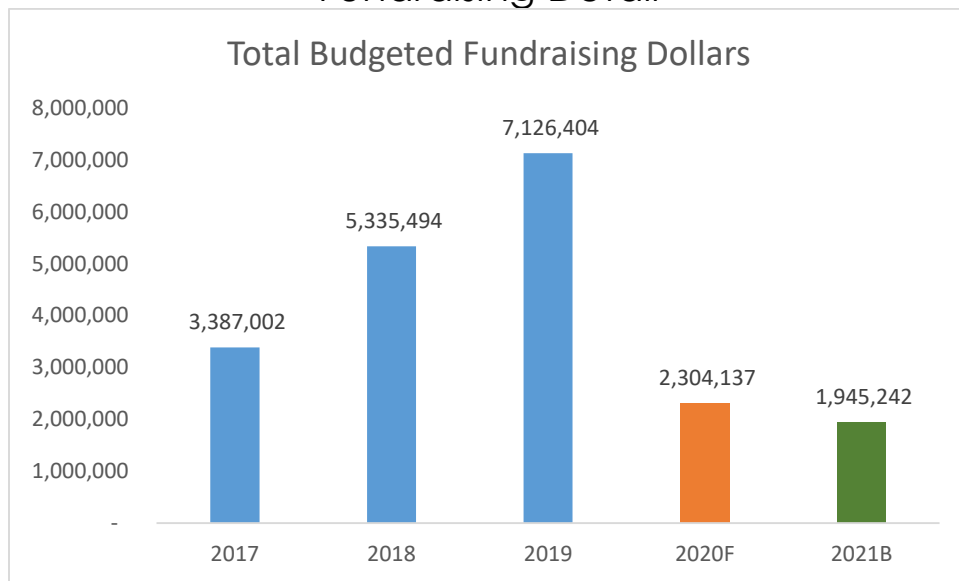
*Excludes CMO contribution to schools and Foundation transfers. FY20 forecast is the Winter Forecast completed prior to COVID impact.

Notes

1. **Schools:** PPR decrease of 5.1%.
2. **HO:** Conservative fundraising budget of \$1.9m using the long-term forecast sustainability target.
3. **Schools:** Lower growth in staffing relative to enrollment growth due to schools reaching full build out. **HO:** FY20 forecast includes significant vacancy savings (\$560k), FY21 budget assumes fully staffed Home Office for the entire year.

4. **HO:** New costs related to PPE (\$460k) to ensure safe learning environments for our students during ongoing COVID pandemic. New curriculum purchases (\$209k) to support remote learning as well as COVID safety measures.
5. **Schools:** Please see expense detail on district expenses for more information on this increase.
6. **HO:** Hybrid learning related expenses to ensure we have the best software (\$510k) and that every student has access to internet (\$168k).

Fundraising Detail



Consolidated Balance Sheet

	<u>FY21 Beginning Balance</u>	<u>Budgeted Change</u>	<u>FY21 Ending Balance</u>
DSST, Inc	32,396,931	(7,000,665)	25,396,266
DSST Foundation	14,761,477	2,545,242	17,306,719
Total	47,158,408	(4,455,423)	42,702,986
Reserve Target (3 months expenses)			25,446,883
Excess (Deficit) Reserve			17,256,103

- \$4.5m in net loss for the year results in a total FY21 ending balance sheet of \$42.7m in assets
- \$2.5m in revenue will go to / stay in the Foundation, resulting in a \$7m loss at DSST Inc.
- With \$25m in assets remaining in DSST Inc, management is not anticipating making a disbursement request from the Foundation in FY21
- Projected timing of needing a disbursement will be re-evaluated with the new long-term forecast

School Net Income per Student

	<u>FY19 Actuals</u>	<u>FY20 Forecast</u>	<u>FY21 Budget</u>	<u>\$ Change</u>	<u>Notes</u>
Enrollment	5,819	6,411	6,764		
<i>REVENUE</i>					
Student Fees & Fundraising	174	177	163	(14)	
Governmental Revenue	11,487	11,711	11,349	(362)	1
CARES Funding	-	-	748	748	
Contributions and Grants	39	12	8	(4)	
CMO Fee/Reimbursement from Schools	-	-	-	-	
Misc Revenue	31	7	-	(7)	
Transfers	347	351	296	(55)	
Total Revenue	12,078	12,257	12,564	307	
<i>EXPENSES</i>					
Salaries	5,503	5,937	5,765	(172)	2
Additional Pay	393	296	244	(52)	
Payroll Taxes and Benefits	1,605	1,720	1,718	(2)	
Professional Development	52	61	35	(26)	
Events	-	-	-	-	
Supplies	200	138	155	17	
Student Activities	220	167	142	(24)	
District Expenses	1,614	1,582	1,778	196	3
Professional Services	27	29	33	4	
Fee/Reimbursement to CMO	2,048	1,855	1,913	58	
Operating Leases	18	17	19	2	
Facilities	135	125	134	10	
Technology	16	15	86	71	
Misc Expenses	23	52	36	(16)	
Transfers	-	35	8	(27)	
Total Expenses	11,855	12,028	12,066	38	
NET INCOME	223	229	498	268	

Notes

1. PPR decrease of 5.1%.
2. Lower growth in staffing relative to enrollment growth due to schools reaching full build out.
3. Please see expense detail on district expenses for more information on this increase.

Home Office Net Income per Student

	<u>FY19 Actuals</u>	<u>FY20 Forecast</u>	<u>FY21 Budget</u>	<u>\$ Change</u>	<u>Notes</u>
Enrollment	5,819	6,411	6,764		
<i>REVENUE</i>					
Student Fees & Fundraising	-	-	-	-	
Governmental Revenue	(210)	(192)	(179)	13	
Contributions and Grants	1,225	419	288	(131)	1
CMO Fee/Reimbursement from Schools	2,027	1,855	1,911	56	
Misc Revenue	498	173	114	(58)	
Transfers	-	-	-	-	
Total Revenue	3,540	2,255	2,135	(120)	
<i>EXPENSES</i>					
Salaries	1,197	1,130	1,205	75	2
Additional Pay	377	289	308	19	
Payroll Taxes and Benefits	252	234	254	20	
Professional Development	114	140	88	(52)	
Events	132	109	101	(8)	
Supplies	60	52	139	87	3
Student Activities	(1)	-	-	-	
District Expenses	-	-	-	-	
Professional Services	262	290	203	(87)	
Fee/Reimbursement to CMO	(1)	-	-	-	
Operating Leases	32	31	30	(1)	
Facilities	5	2	1	(1)	
Technology	593	514	640	127	4
Misc Expenses	38	16	33	18	
Transfers	347	316	288	(28)	
Total Expenses	3,407	3,123	3,291	196	
NET INCOME	133	(868)	(1,156)	(288)	

Notes

1. Conservative fundraising budget of \$1.9m using the long-term forecast sustainability target.
2. FY20 forecast includes significant vacancy savings (\$560k), FY21 budget assumes fully staffed Home Office for the entire year.
3. New costs related to PPE (\$460k) to ensure safe learning environments for our students during ongoing COVID pandemic. New curriculum purchases (\$209k) to support remote learning as well as COVID safety measures.
4. Hybrid learning related expenses to ensure we have the best software (\$510k) and that every student has access to internet (\$168k).