

ATTACHMENT 23

VALOR CLASSICAL ACADEMY

Budget Narrative

a. Per-Pupil Revenue.

State Funding Assumptions					
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	Year 1	Year 2	Year 3	Year 4	Year 5
Basic Tuition Support Grant	6,572.00	6,6197.00	6,752.00	6,888.00	7027.00
Special Education Grant	2,710.14	2,764.34	2,819.63	2,876.02	2,933.54
Charter and Innovation Grant	1,400.00	1,500.00	1,500.00	1,500.00	1,500.00

Using the Carmel Clay Schools district as a guide, the estimated basic tuition support grant is \$6,462 in the first year of operation, FY24. For planning purposes, this number was generated with a 2% increase from the previous school year, since the FY24 funding numbers are not yet available. Beyond FY24, a 2% annual increase has been used to project state tuition support out through FY28.

To calculate the special education grant amount for the level II funding, an amount provided per pupil with mild and moderate disabilities was used as an average funding level for all students expected to qualify for special education grant funding. In the budget projections, the estimated percentage of qualifying students was multiplied by the total enrollment to determine the number of students expected to qualify for funding. This number of students is then multiplied by this funding level, which is funded in addition to the basic tuition support grant.

The charter and innovation grant amount is expected to be at \$1,400 in FY24 and subsequently increase to \$1,500 for the foreseeable future. Should this funding expire, it would be expected that the state legislature replace it with another funding mechanism to help level charter school funding in comparison to traditional public school funding.

Below you will find a table containing the funding formula run for Carmel Clay Schools. The formula run is contained in the column labeled FY23. Columns to the right are normalized on a per-pupil basis and then estimated based on an annual 2% increase. The calculations contained in this table were used to generate the funding table above.

Using the latest school funding formula run. FY23 number are real, FY24 and beyond are projections based on a conservatively projected 2% annual increase.							
	FY23	FY23 (per pupil)	projected numbers (2% annual increase)				
			FY24	FY25	FY26	FY27	FY28
Carmel Clay Schools							
Non Virtual ADM	16855	1	1	1	1	1	1
Virtual ADM	0	N/A	N/A	N/A	N/A	N/A	N/A
Complexity Index	0.0266	0.0266	0.0266	0.0266	0.0266	0.0266	0.0266
Foundation	105,089,273.00	6,234.90	6,481.00	6,528.00	6,658.56	6,791.73	6,927.57
Complexity	1,692,552.00	100.42	91.00	91.00	93.73	96.54	99.44
Total Regular	106,781,825.00	6,335.32	6,572.00	6,619.00	6,752.29	6,888.27	7,027.00
Special Ed	11,231,246.00	666.35	679.67	693.27	707.13	721.27	735.70
Career and Tech Ed	1,665,250.00	98.80	10.08	1.03	0.10	0.01	0.00
Honors	857,800.00	50.89	51.91	52.95	54.01	55.09	56.19
Total	120,536,121.00	7,151.36	7,313.66	7,366.24	7,513.53	7,664.65	7,818.89
\$/ADM	7,151.00	N/A	N/A	N/A	N/A	N/A	N/A
Title I	300,588.00	17.83	18.19	18.55	18.93	19.30	19.69

b. Anticipated Funding Sources. *Indicate the amount and sources of funds, property or other resources expected to be available through banks, lending institutions, corporations, foundations, grants, etc. Note which are secured and which are anticipated and include evidence of firm commitments, where applicable. What is the school's contingency plan to meet financial needs if anticipated revenues are not received or are lower than the estimated budget?*

Valor Classical Academy has raised \$70,000 in committed funds from philanthropic sources to date. The board will continue fundraising efforts through the opening of the school in September of 2023, with the goal of raising an additional \$120,000. Valor Classical Academy will be in contact with IFF and Charter School Capital to put in place measures to avoid cash flow issues and to fund any necessary capital improvements.

Valor Classical Academy has secured \$400,000 through the Charter School Program (CSP). This grant money must be expended by the end of September, 2023. This funding will be used to pay administrator and teacher salaries, fund lease costs in the startup months, purchase furniture and equipment, and purchase other supplies needed for the startup.

Additional grant eligibility will be determined by working with Indiana Charters' grant specialist. The board anticipates eligibility for grants such as the Charter School Facility Incentive Grant (CFIG) and Secured Safety School Grant (SSSG).

Valor Classical Academy is currently in the process of negotiating a lease agreement for a facility at 10330 N Meridian St, Carmel, IN 46290. It is expected that as a part of the negotiated lease, the landlord will provide \$250,000 in funding to be used toward construction and build out of classroom and administrative office space. Additional funding will be sought through a line of credit and philanthropic donations.

c. Accounting for All Anticipated Expenditures. *Explain how the school will ensure it has sufficient funds to cover all anticipated expenses, including (a) any special education costs incurred, (b) any transportation costs necessary to ensure the school will be accessible for all enrolled students, and (c) required retirement plan contributions.*

Valor Classical Academy has budgeted for the possibility of decreased revenue or increased expenses, with significant dollar amounts budgeted for contingency. Through the startup process, the school will work with Indiana Charters to identify possible areas where expenditures may increase and make adjustments to the budget to prepare for unexpected shocks to the budget.

Valor Classical Academy will not provide bus transportation. To comply with the McKinney-Vento Homeless Assistance Act and the Individuals with Disabilities Education Act, Valor Classical Academy will make arrangements to provide transportation on an individual basis.

Salaries for faculty and staff have been budgeted to be competitive with teachers in their first 5 years of teaching in surrounding school corporations. Beyond standard payroll tax amounts, Valor has planned for a 6% retirement contribution for all full-time employees and a \$7,800 employer health insurance contribution.