



**INSIGHT PA**  
**CYBER CHARTER SCHOOL**  
*Life ready learning experiences*

To: Members of the Board of Trustees, Insight PA Cyber Charter School  
 From: Kevin Corcoran, Charter Choices; Eileen Cannistraci, CEO, and Beth Jones, COO/Interim CFO  
 (updated) May 17, 2023

The following is a summary of relevant goals, assumptions and factors used to draft an initial Budget for the 2023-24 school year. We welcome any input or questions you may have.

**Budgetary Goals:**

- Deliver high-quality instruction and support services to students; make progress towards CSI exit
- Ensure competitiveness of compensation to retain and attract the best staff
- Improve Diversity, Equity and Inclusion (DEI) staffing and programming
- Plan for future challenges, including end of Federal ESSER grants in 2024
- Build internal capacity to transition certain functions from K12/Stride to Insight in next 1-3 years
- Make strategic investments to improve the school while reducing Fund Balance

**Assumptions and notable items:**

- Enrollment: 4100 Total; 3198 General Education, 902 Special Education (22%)
- District reimbursement rates *increase*: 3.0% for Gen Ed and 2% for Special Ed; rates rebound as districts exhausts ESSER funding that served to lower charter funding rate, per state formula
- \$8.2M in Federal grants included, both recurring (Title) and temporary (ESSER); this will effectively exhaust all ESSER streams, which expire in Sep 2024
- Increase in interest (Revenue) due to full year of higher banking rates
- Staff salary increases minimum 3.0%; additional raises for individuals based on market comps
- Health insurance rates: assumption of 5% increase (actual/observed at other schools 4-8%) at time of January renewal
- Total of 37 new positions to meet specific, strategic goals – see table below
- Non-Personnel expenditures will increase 3%-5%; current costs in Budget reflect latest intel
- K12/Stride per pupil fees expected to remain flat; additional costs based on higher enrollment (K12 23-24 price list not finalized)

**New positions included:**

<p><b>Academic (23):</b> positions added to provide direct instructional and related supports to students; mitigate ratio overages in Middle School; and to improve school’s CSI designation, including:</p> <ul style="list-style-type: none"> <li>• Elementary teachers</li> <li>• Middle School teachers</li> <li>• Interventionists</li> <li>• Service Coordinator</li> <li>• School Nurse</li> </ul>	<p><b>DEI (1):</b> position and non-personnel costs added to address Board priority of improving Diversity, Equity and Inclusion at Insight</p> <hr/> <p><b>Build Internal Capacity (13):</b> positions added to augment and eventually in-source certain functions (e.g. IT, Enrollment, Registrar) currently provided by K12/Stride including:</p> <ul style="list-style-type: none"> <li>• Chief Technology &amp; Information Officer</li> <li>• Systems Analysts / IT Specialists</li> <li>• Human Resources: Recruiter</li> <li>• Enrollment Liaisons</li> <li>• Registrars</li> </ul>
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**Financial summary:** The outlook for 23-24 is one of transitions on the Revenue side – led by increased Funding rates and diminished Federal ESSER grants. On the Expense side, strategic investments in major goals and priorities – Academic achievement, making progress against CSI, implementing DEI initiatives, building internal capacity, and ensuring Insight’s ability to recruit and retain the best educators – serve to push spending higher, but deliberately and tied to specific strategic objectives.

With the school in CSI designation status but armed with a significant Fund Balance (that is increasingly likely to come under media and legislative scrutiny), the draft Budget acts on the idea that now is the right time to make these investments, incurring a deficit of just under \$2M, or 2.6% margin of outflows exceeding inflows. If adopted in current form – and contingent on assumptions translating to actual results, the proposed Budget will leave the school with a \$43.5M Fund Balance – which is still nearly \$5M larger than at the start of the 22-23 school and fiscal year.

	<b>Projected 22-23 End of Year</b>	<b>Projected 22-23 End of Year (w Year-end Staff payment)</b>	<b>Draft 23-24 Budget (w Year-end Staff payment)</b>
Fund Balance – Beginning of Year	\$38.6M	\$38.6M	\$46.3M
Total Revenues	\$75.9 M	\$75.9 M	\$75.43M
Total Expenses	\$67.2 M	\$68.2 M	\$78.23M
Net Surplus / Deficit	\$8.7M	\$7.7M	-\$2.79M
Margin/Net Income as % of Budget	11.5%	10.1%	-3.6%
Fund Balance – End of Year	\$47.3M	\$46.3M	\$43.5M

**Impact of Budget and Strategic Investments on Fund Balance:**

The school’s Fund Balance has increased again this year and is projected to be at least \$46M at the end of the 22-23 fiscal year. More than half of this fund balance has been previously “committed” (or set aside) by the Board for specific initiatives. The draft 23-24 Budget leaves the “General” Fund Balance and certain “Committed” Funds untouched, rather drawing from just 2 (Employee Salary, DEI) of the Committed Sub-Funds, as displayed in the table below. In doing so, Insight retains its exceptional financial foundation to ensure long-term financial health and ability to continue investing in either new or demonstrated innovative approaches to serving students.

<b>Fund Balance Information</b>	<b>Projection: End of 22-23</b>	<b>Projection: End of 23-24</b>
Overall Fund Balance	\$46.3M	\$43.5M
General Fund Balance (Non-Committed)	\$20.0M	\$20.0M
Committed Sub-Funds:	\$24.9M	\$22.1M
Employee Salary Fund	\$14.0M	\$11.5M
Future Facility Investments	\$9.19M	\$9.19M
Diversity, Equity and Inclusion	\$1.0 M	\$750K
Future Innovation Expenditures	\$710K	\$710K



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 From: Kevin Corcoran, Charter Choices; Eileen Cannistraci, CEO, and Beth Jones, COO/Interim CFO  
 April 19, 2023 (original proposal)

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With the school in CSI designation status but armed with a significant Fund Balance (that is increasingly likely to come under media and legislative scrutiny), the draft Budget acts on the idea that now is the right time to make these investments, incurring a deficit of just under \$2M, or 2.6% margin of outflows exceeding inflows. If adopted in current form – and contingent on assumptions translating to actual results, the proposed Budget will leave the school with a \$42.9M Fund Balance – which is still >\$4M larger than at the start of the 22-23 school and fiscal year.

	<b>Projected 22-23 End of Year</b>	<b>Draft 23-24 Budget</b>
Fund Balance – Beginning of Year	\$38.6M	\$44.9M
Total Revenues	\$74.0 M	\$76.23M
Total Expenses	\$67.7 M	\$78.23M
Net Surplus / Deficit	\$6.3M	-\$1.99M
Margin/Net Income as % of Budget	8.6%	-2.6%
Fund Balance – End of Year	\$44.9M	\$42.9M

**Impact of Budget and Strategic Investments on Fund Balance:**

The school’s Fund Balance has increased again this year and is projected to be just under \$45M at the end of the 22-23 fiscal year. More than half of this fund balance has been previously “committed” (or set aside) by the Board for specific initiatives. The draft 23-24 Budget leaves the “General” Fund Balance and certain “Committed” Funds untouched, rather drawing from just 2 (Employee Salary, DEI) of the Committed Sub-Funds, as displayed in the table below. In doing so, Insight retains its exceptional financial foundation to ensure long-term financial health and ability to continue investing in either new or demonstrated innovative approaches to serving students.

<b>Fund Balance Information</b>	<b>Projection: End of 22-23</b>	<b>Projection: End of 23-24</b>
Overall Fund Balance	\$44.9M	\$42.9M
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Future Facility Investments	\$9.19M	\$9.19M
Diversity, Equity and Inclusion	\$1.0 M	\$750K
Future Innovation Expenditures	\$710K	\$710K

**Insight PA Cyber Charter School**  
**23-24 Budget - Summary Level**

Data as of Mar 31, 2023

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	Year Ending 06/30/2023		23-24 DRAFT	Notes on 23-24 figures	
	Budget	Projection	Operating Budget	Increase / Decrease	
<b>Average Daily Enrollment</b>					
Enrollment - KS	1,420	1,393	1,400	7	
Enrollment - MS	903	995	1,000	5	
Enrollment - HS	1,627	1,686	1,700	14	
<b>Total Enrollment</b>	<b>3,950</b>	<b>4,074</b>	<b>4,100</b>	<b>26</b>	4100 students, 21% Special Education
<b>REVENUES</b>					
District per pupil revenues	59,858,300	62,832,767	66,325,167	3,492,400	Funding rate increases: 3% Gen Ed, 2% Special Ed
Other Local Revenues	112,000	736,065	1,410,000	673,935	Full year of higher interest earned on Cash
State Revenues	130,551	135,551	267,079	131,528	Adds new PCCD Mental Health/Safety grant
Federal Revenues	11,416,647	10,394,724	8,236,454	(2,158,270)	Includes remainder of ARP ESSER grants
<b>TOTAL REVENUES</b>	<b>71,517,498</b>	<b>74,099,107</b>	<b>76,238,700</b>	<b>2,139,593</b>	
<b>EXPENDITURES</b>					
Salaries	29,051,999	28,184,982	35,803,946	7,618,964	Includes estimated salaries for 37 new positions, plus partial Market Salary initiative
Benefits	10,095,281	9,314,194	11,046,901	1,732,707	Includes new positions, plus updated Stipends
Professional & technical services	11,193,161	10,227,761	12,950,631	2,722,870	Includes boost to Professional Development and other priorities identified by Departments
Property services	978,367	977,520	991,761	14,241	
Other purchased services	1,854,096	1,907,098	2,079,417	172,319	
Supplies (Student materials and more)	14,279,737	14,591,163	15,035,004	443,841	
Property, furniture & equipment	311,680	153,361	155,148	1,787	
Other expenditures	195,349	148,512	172,000	23,488	
<b>TOTAL EXPENDITURES</b>	<b>67,959,670</b>	<b>67,731,083</b>	<b>78,234,808</b>	<b>10,503,725</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>3,557,828</b>	<b>6,368,024</b>	<b>(1,996,108)</b>		
	5.0%	8.6%	-2.6%		

# Insight PA Cyber Charter School

## 23-24 Budget - Detailed Level

Data as of Mar 31, 2023

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	Year Ending 06/30/2023		23-24 DRAFT	Increase / Decrease	Notes
	Budget	Projection	Budget		
<b>REVENUES</b>					
District per pupil revenues					
Revenue from districts - regular education	44,893,725	45,904,972	48,142,200	2,237,228	
Revenue from districts - special education	14,964,575	16,927,795	18,182,967	1,255,172	
Total District per pupil revenues	59,858,300	62,832,767	66,325,167	3,492,400	Reflects expected rate increases
Other Local Revenues					
Interest	100,000	532,608	1,400,000	867,392	Full year of higher interest options
Gains (losses) on investments	0	186,866	0	(186,866)	
Refunds of prior year expenditures	0	16,341	0	(16,341)	
Miscellaneous local revenues	12,000	250	10,000	9,750	
Total Other Local Revenues	112,000	736,065	1,410,000	673,935	
State Revenues					
PCCD Safety / Mental Health Grant	0	5,000	130,000	125,000	New state-funded grants
Health services subsidy (SHARRS)	130,551	130,551	137,079	6,528	
Total State Revenues	130,551	135,551	267,079	131,528	
Federal Revenues					
IDEA pass-through	862,627	862,627	879,880	17,253	IDEA/Title assumed 2% increase
Title I	1,820,748	1,820,748	1,857,163	36,415	
Title II	192,566	128,377	130,945	2,568	
Title III	11,444	6,675	6,809	134	
Title IV	114,161	107,742	109,897	2,155	
ARP ESSER	7,986,371	7,075,009	5,075,009	(2,000,000)	Amount reflects full amount available
ARP ESSER learning loss	278,889	278,889	37,570	(241,319)	
ARP ESSER summer programs	55,778	37,571	37,571	0	
ARP ESSER afterschool programs	55,778	35,051	35,051	0	
ARP ESSER homeless children and youth	38,285	38,285	62,811	24,526	
Transitions Discovery Grant	0	3,750	3,750	0	
Total Federal Revenues	11,416,647	10,394,724	8,236,454	(2,158,270)	
<b>TOTAL REVENUES</b>	<b>71,517,498</b>	<b>74,099,107</b>	<b>76,238,700</b>	<b>2,139,593</b>	Broad dynamics: increased funding rate, reduced ESSER
<b>EXPENDITURES</b>					
Salaries					
Regular Instruction	14,480,461	13,191,280	18,611,155	5,419,875	Adds 23 positions; partial implementation of Market Salary initiative
Special Education	5,629,319	5,495,156	6,319,429	824,273	
Administration	3,294,333	2,988,579	3,735,724	747,145	Adds Enrollment, Tech, Registrar, DEI positions
Student & Staff Support	5,647,886	6,206,642	7,137,638	930,996	
Noninstructional	0	3,325	0	(3,325)	

	Year Ending 06/30/2023		23-24 DRAFT	Increase / Decrease	Notes
	Budget	Projection	Budget		
Total Salaries	29,051,999	27,884,982	35,803,946	7,918,964	Total of 37 new positons (CSI, DEI, Additional Academic support)
<b>Benefits</b>					
Health, dental & other group insurance	4,839,828	4,906,417	5,497,059	590,642	Incorporates new positions plus 5% cost increase assumption at time of renewal
Social security & medicare taxes	2,670,818	2,320,323	2,752,355	432,032	
PSERS retirement contributions	704,914	501,643	526,758	25,115	
403(b) retirement contributions	1,412,315	1,303,448	1,598,696	295,248	
Unemployment compensation	119,670	121,198	127,258	6,060	
Workers' compensation	120,000	164,809	181,290	16,481	
Tuition reimbursement	227,736	296,356	363,485	67,129	
<b>Total Benefits</b>	<b>10,095,281</b>	<b>9,614,194</b>	<b>11,046,901</b>	<b>1,432,707</b>	
<b>Professional &amp; technical services</b>					
CMO fees	5,318,567	5,648,094	5,761,056	112,962	Per K12/Stride agreement
Special education services	2,698,879	2,143,478	2,443,565	300,087	
IT services	2,182,442	2,275,090	2,297,841	22,751	Per K12/Stride agreement
Professional development	948,066	764,442	955,553	191,111	Reflects additional Departmental requests for focused training
Business services	730,000	715,466	796,500	81,034	Adds "CFO Services" to Charter Choices role
Other professional services	610,429	325,887	358,476	32,589	
Legal services	200,000	195,400	197,354	1,954	
Other contracted teaching services	186,288	45,000	20,000	(25,000)	
Payroll services	94,500	83,699	86,210	2,511	
Audit services	25,000	26,239	28,863	2,624	
Student health services	(1,010)	4,966	5,214	248	
<b>Total Professional &amp; technical services</b>	<b>12,993,161</b>	<b>12,227,761</b>	<b>12,950,631</b>	<b>722,870</b>	
<b>Property services</b>					
Building rental & CAM	404,351	429,974	438,573	8,599	
Other rentals (e.g. testing sites)	517,185	475,610	480,366	4,756	
Utilities	42,000	57,831	58,409	578	
Maintenance & repairs	12,000	7,302	7,448	146	
Custodial services	0	4,466	4,511	45	
Copier leases	2,831	2,337	2,454	117	
<b>Total Property services</b>	<b>978,367</b>	<b>977,520</b>	<b>991,761</b>	<b>14,241</b>	
<b>Other purchased services</b>					
Telecommunications services	655,024	686,114	692,975	6,861	
Travel	533,537	534,577	561,306	26,729	
Tuition to Approved Private Schools (APS)	314,221	284,637	335,000	50,363	Includes "tuition to nonpublic schools"
Telephone	141,177	141,223	142,635	1,412	
General property & liability insurance	101,722	101,493	106,568	5,075	
Miscellaneous purchased services	77,048	127,637	134,019	6,382	
Postage & shipping	31,367	26,292	27,607	1,315	
Student transportation	0	28,544	37,107	8,563	
Auto insurance	0	9,840	10,200	360	
Advertising	0	7,637	20,000	12,363	
Recruitment	0	2,045	10,000	7,955	
Printing & binding	0	1,250	2,000	750	
Tuition to nonpublic schools	0	71,156	0	(71,156)	Merged in to "Tuition...APS" line

	Year Ending 06/30/2023		23-24 DRAFT	Increase / Decrease	Notes
	Budget	Projection	Budget		
Total Other purchased services	1,854,096	2,022,445	2,079,417	56,972	
Supplies					
Tech supplies & software	10,041,067	10,375,120	10,634,498	259,378	
Books & curricula	4,047,804	4,170,149	4,211,850	41,701	
Administration	64,319	69,486	70,876	1,390	
Instructional supplies	60,547	46,848	51,533	4,685	
Food	35,000	23,014	40,500	17,486	Includes "meal & refreshment" line
Special education supplies	20,000	8,790	15,000	6,210	
Other general supplies	8,000	7,896	8,000	104	
Health supplies	3,000	1,525	1,556	31	
Maintenance Supplies	0	1,168	1,191	23	
Meals & refreshments	0	17,167	0	(17,167)	Merged in to "Food" line
Total Supplies	14,279,737	14,721,163	15,035,004	313,841	
Property, furniture & equipment					
Computers	218,820	41,646	65,000	23,354	Includes laptops for new positions plus replacements
Depreciation	65,148	65,148	65,148	0	
Furniture & equipment	27,712	27,712	25,000	(2,712)	
Property, furniture & equipment	311,680	134,506	155,148	20,642	
Other expenditures					
Fees for student activities/trips	165,000	94,261	125,000	30,739	
Dues & fees	30,000	40,093	40,000	(93)	
Bank fees	349	10,698	5,000	(5,698)	
Other miscellaneous expenditures	0	1,292	2,000	708	
Interest expense	0	2,168	0	(2,168)	
Other expenditures	195,349	148,512	172,000	23,488	
TOTAL EXPENDITURES	67,686,083	67,731,083	78,234,808	10,503,725	
<b>CHANGE IN FUND BALANCE</b>	<b>3,557,828</b>	<b>6,368,024</b>	<b>(1,996,108)</b>		