

## **KIPP New Orleans Schools**

### Finance Committee Meeting Minutes

February 15, 2022

A public meeting of the finance committee of the board of directors of KIPP New Orleans Schools (“KNOS”) was held in person at the KNOS School Support Center on February 15, 2022, at 5:20 p.m.

The following members of the finance committee were present: Treasurer Drew Marsh, Danielle Willis, and Aimee McCarron. Larry Washington did not attend. A quorum was established.

The following KIPP staff members were present: Chief Executive Officer Rhonda Kalifey-Aluise, Chief Financial Officer Katie Walmsley, Managing Director of Finance Brad Rosenblat, Director of Finance Jamiela Sekou, and Accounts Payable Manager Alisha Saul.

No guests were present.

The committee voted unanimously to approve the minutes from the October 18, 2021, and December 06, 2021, meetings.

Ms. Walmsley reported the financial summary, noting the current projected FY22 adjusted fund balance as a percent of operating expenses of 28.83 percent. The 28.83 percent fund balance represents a positive net change of from the last finance committee meeting of approximately \$2.4 million. Mrs. Walmsley noted that updates to the MFP funding allocation led to a \$2.2 million increase in per pupil funding. Earlier adjustments to the MFP allocation were not possible since these updates were only public post the finalizing of NOLA-PS audit. Additionally, KNOS was able to project nearly \$300k in public grants to support teacher retention and over \$300k in FEMA funding intended to support COVID related mitigation efforts. Projected expenses were increased by \$600k to support a shift towards online additional licenses for key software solutions, to support a KNOS school security assessment, and to reflect a higher burden rate for Hurricane Ida related expenses.

Mr. Rosenblat turned to the FY22 financial statements. Mr. Rosenblat highlighted the net loss of nearly \$7.9 million through December 31, noting that the loss was due to a lag in federal grant drawdowns, which is typical for this time of year. Mr. Rosenblat also highlighted that long-term debt from the Payroll Protection Plan (PPP) loan will be reflected as debt until KNOS completes its PPP forgiveness application. Mr. Rosenblat noted that there are no new investments.

Ms. Walmsley then turned to FY23 enrollment forecast, highlighting an overall decrease in enrollment across KNOS schools. Mrs. Walmsley noted that KIPP East will grow out to a full K-8 in FY23, and this growth will mitigate, but not eliminate, the projected decrease. It was further noted that credit recovery progress will likely affect high school matriculation rates into the next grade-level and thus high school grade-level counts. Further, Mrs. Walmsley described that due to Hurricane Ida impacts, it is expected that some schools will trend closer to meeting the 98 percent enrollment target after the final data from the 2/1 count has been finalized.

Next, Mr. Rosenblat led a review of the KNOS financial scorecard, noting that several schools did not meet the 98 percent enrollment target as of the 10/1 count.

Ms. Rosenblat then turned to the FY23 revenue and budget targets. Mrs. Walmsley explained that there was a simultaneous reduction in the MFP allocation for HB393-associated revenue and an increase in the DFF base and tier allocations, accordingly. Additionally, the LDE pay raise increase that has been proposed by the legislature increased the forecast for certified and non-certified teacher by \$1,000 and \$500 respectively; this prospective pay raise is not yet finalized.

In conclusion, Ms. Walmsley provided an overview of the resolution that Management recommends presenting to the full board on Thursday to amend the resolution authorizing bank signatories within KNOS to include the Controller and Director of Finance in addition to the CFO and CEO.

With the CFO report complete, Mr. Marsh adjourned the meeting at 6:31 p.m.