KIPP New Orleans Schools
Finance Committee Meeting
June 3, 2026

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 June 3, 2026, at 3:33 p.m.

The following members of the finance committee were present: Reggie Jackson and Barrett Green. A quorum was established. The following KNOS staff members were present: CFO Katie Walmsley, CEO Rhonda Kalifey-Aluise, Director of Accounting Maura Redden, and Director of Accounting Rebecca Guarino. Director of Budget Planning and Fund Administration Kristen Horwood attended virtually. Two guests were present: Ericksen Krentel audit partner Jeremy Thibodeaux and KIPP School Board Member Ravi Sangisetty.

Mr. Green called the meeting to order at 3:33 p.m. Mr. Green motioned to approve meeting minutes from April 15, 2026, meeting and Reggie Jackson seconded the approval of the minutes.

Ms. Walmsley began her CFO report by reviewing the organization's FY26 financial outlook through April 30th, noting a projected operating deficit of $5.7 million, an improvement from the board-approved deficit of $6.5 million. While the forecast remains favorable relative to budget, several significant revenue items remain outstanding on the books, including a delay in per-pupil funding true-up, some federal grant reimbursements, and deferred revenue from NOLA-PS, which are expected to be received by the end of June. She also disclosed that the FY26 projection includes a net of $1,247,000 in capital expenditures related to school consolidation that are not presently expected to be confirmed as reimbursable revenue until a future period.

The committee also received an update regarding a proposed lease amendment between KIPP and Friends of KIPP. The amendment will be presented to both boards and would tidy up language to ensure that capital account deposits are treated as KIPP operating expenses as intended. Additionally, a separate long-term lease-related matter requiring further legal analysis was identified and is expected to be brought before the full board for future consideration.

Turning to enrollment, Ms. Walmsley reported that FY27 enrollment is projected at 326 students lower than FY26 after school consolidation. The enrollment projection lands at approximately 93% of organizational seat capacity driven largely by the expectation that JFK will run larger in FY27 than its long-term target. Ms. Walmsley pointed out that enrollment trends vary significantly across campuses. The most substantial declines are projected at East Primary and Morial Primary, particularly within kindergarten and first-grade cohorts. These trends were attributed to broader demographic shifts across New Orleans, including declining birth rates and population outmigration. Ms. Walmsley further noted that the projected decline of approximately 201 high school students is entirely attributable to the organization's consolidation efforts.

Ms. Walmsley then presented the proposed FY27 budget, which projects an operating deficit of approximately $1.824 million. This represents an improvement of roughly $4 million compared to the

FY26 forecast and is primarily driven by a $6.4 million reduction in expenses resulting from campus consolidations and benefits savings. These reductions are partially offset by lower enrollment-driven revenues.

Ms. Walmsley next discussed facilities investments, noting that bids for the Woodson/Central City renovation project were received at approximately $3 million, exceeding initial expectations. Funding for the project is anticipated to come from the facility's School Facilities Account and a draw from the School Facility Preservation Program revolving loan fund. Associated reimbursement revenue is included in the FY27 budget, creating a timing difference between FY26 expenditures and anticipated future revenues.

Ms. Walmsley also reviewed recent state-level funding developments, including Governor Landry's executive order redirecting approximately $168 million in MFP Level 3 funding toward teacher pay raises. The action reduced the organization's projected revenues by approximately $1 million, though Ms. Walmsley is awaiting concrete guidance for how the impact of this order should be represented in the budget. In addition, a newly established task force has been charged with recommending changes to the MFP formula for FY28, presenting potential longer-term funding risks for large urban school systems.

Finally, Ms. Walmsley outlined several remaining areas of uncertainty affecting future projections, including the ultimate disposition of the Governor's executive order, the timing of sales and property tax collections, workers' compensation costs, and final enrollment figures. Workers' compensation premiums are currently budgeted at approximately $750,000, significantly above the organization's historical baseline. Despite these uncertainties, projected end-of-FY27 liquid net assets of approximately $23 million would leave roughly $6 million above the organization's 60-day minimum liquidity threshold.

The meeting was adjourned at 5:18 p.m. with a motion by Mr. Jackson and seconded by Mr. Green.