

April 2024 Board Meeting



Freedom
School
Partners

Current Reality & Recommendation

Big Picture: The FSP brand continues to be strong in the community. Our funders, donors, partners and families greatly value the work we do and consistently report that they see the need for us to serve more scholars. This is a goal in our strategic plan.

Over the past few months the Growth Model Working Group (Ann Taggert, John Stevenson, Jim Williams, Sally Sacco, Tiffany Williams) has done thorough research that has helped us reach a point of clarity: as an organization, we need to focus on sustainability before turning our attention to growth. Here's why:

Current Reality:

- Cashflow: Our 2024 budget relies on a \$500-\$600K cash draw. Currently structured, we require substantial cash draws going forward. At this pace, available cash would be depleted in 2-4 years.
- Development Team: We are currently relying on a consulting firm in the absence of full-time development professionals.
- Servant Leader Interns (SLIs): We continue to be challenged to recruit the number of high-quality SLIs (96 in 2024) needed to serve the desired number of scholars (700 in 2024).
- Educational Equity: We need data to inform what educational equity looks like for our scholars across sites. We need to establish organizational clarity on how we define equitable site expansion.

In light of our current reality, the Executive Committee recommends a bridge plan that will remain in place until the Board determines that the organization is financially sustainable (using criteria agreed-upon by Board and key staff). At that point we will revisit, update and implement a growth plan that advances our strategic goals.

•Our goal at the Board meeting is to commit to the bridge plan and, in alignment with that plan, agree on the following strategic priorities for 2024:



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1. Embrace, elevate and support Nikki in the CEO role.
2. Adopt a Board policy for use of cash and approve a 2025 budget that reduces reliance on cash.
3. Create a comprehensive SLI recruitment strategy and begin implementation.
4. Commit to a development team structure and related cost and hire for all positions.
5. Begin conversations to define equity in the context of scholar experience and site expansion.

700 Scholars
13 Sites

Freedom School Partners
2024 Budget - Summary APPROVED

Account	2023 Approved Budget	2023 Actual + Projection	2024 Budget	2024 Budget vs. 2023 Projection		2024 Budget vs. 2023 Budget	
				\$ Change	% Change	\$ Change	% Change
Contributions:							
Faith Groups and Community Partners Corporations	327,300	272,300	327,000	54,700	20%	(300)	0%
Foundations	414,524	421,034	390,000	(31,034)	-7%	(24,524)	-6%
Individuals and Families	557,500	783,398	717,000	(66,398)	-8%	159,500	29%
Public Dollars	507,075	557,483	500,000	(57,483)	-10%	(7,075)	-1%
Special Events	176,137	303,827	128,979	(174,848)	-58%	(47,158)	-27%
Special Events	200,000	343,971	200,000	(143,971)	-42%	-	0%
SUBTOTAL	2,182,536	2,682,013	2,262,979	(419,034)	-16%	80,443	4%
Other Income:							
Enrollment Fees	13,000	9,102	13,000	3,898	43%	-	0%
2023 Surplus	108,200	-	200,000	200,000	0%	91,800	85%
ERTC Carryover	150,000	-	150,000	150,000	0%	-	100%
In-Kind Contributions	93,361	107,844	107,844	-	0%	14,483	16%
Interest Income	1,500	43,349	35,000	(8,349)	-19%	33,500	2233%
SUBTOTAL	366,061	160,295	505,844	345,549	216%	139,783	38%
TOTAL INCOME	2,548,597	2,842,308	2,768,823	(73,485)	-3%	220,226	9%
Expenses							
SUBTOTAL, Payroll	1,537,439	1,395,789	1,633,186	237,397	17%	95,747	6%
SUBTOTAL, Operations	173,835	284,066	239,961	(44,105)	-16%	66,126	38%
SUBTOTAL, Program	663,016	686,839	704,487	17,647	3%	41,471	6%
SUBTOTAL, Facilities and Equipment	148,132	164,568	165,055	487	0%	16,923	11%
SUBTOTAL, Travel and Meetings	21,175	28,808	21,135	(7,673)	-27%	(40)	0%
SUBTOTAL, Other (Depreciation)	5,000	-	5,000	5,000	0%	-	0%
TOTAL EXPENSES	2,548,598	2,560,070	2,768,823	208,753	8%	220,226	9%
Net PROJECTED INCOME	-	282,238	(0)				
Non-Recurring Expenses for Transition			60,000				-
Strategic Plan Investments			186,593				-
TOTAL ALL EXPENSES	2,548,598	2,560,070	3,015,417	455,347	18%	466,819	18%
NET PROJECTED INCOME (w/non-recurring)	-	282,238	(246,594)				

2024 Strategic Plan Investments

Strategic Plan Investments					
Goal	Strategy	Tactic	Category	Amount	
3	3	Increase staff capacity to conduct program evaluation year round	Payroll	86,231	*Funded by anonymous grant received in Dec 2022
3	3	Increase summer staff retention rates through financial incentives, course credit, and professional development	Payroll	35,719	*Difference between a 3% raise for interns, and the 15% calculated
3	3	Add a full time year-round position to the FSP Program Team dedicated to summer staff recruitment.	Payroll	22,888	*Start in July 2024
3	3	Increase summer staff retention rates through financial incentives, course credit, and professional development	Program	2,500	*Mid-summer refresher
3	3	Increase summer staff retention rates through financial incentives, course credit, and professional development	Program	22,755	*Housing for 10 interns at \$30.75/night for 74 nights
3	3	Increase summer staff retention rates through financial incentives, course credit, and professional development	Program	12,500	*Referral Bonus Program and new recruitment strategies (ie: career fairs, supplies)
1	2	Design supportive school-year scholar programs that are responsive to principal defined needs and that leverage summer staff and partner resources.	Program	4,000	*Academy scholars curriculum
				186,593	
*Goal 1: Significantly and equitably increase the number of scholars served.					
*Strategy 2: Increase year-round support and service to our scholars.					
*Goal 3: Expand organizational capacity and strengthen long-term sustainability.					
*Strategy 3: Expand staff capacity (hiring, training, technology) to enable program expansion.					



Current Financial Summary

- Excess current cash from COVID and need for growth created ability to budget net loss for 2024.
Current cash is over \$1.7mm
- The removal of non-recurring one-time expenses/revenues creates additional funding need in 2025 for same number of scholars.

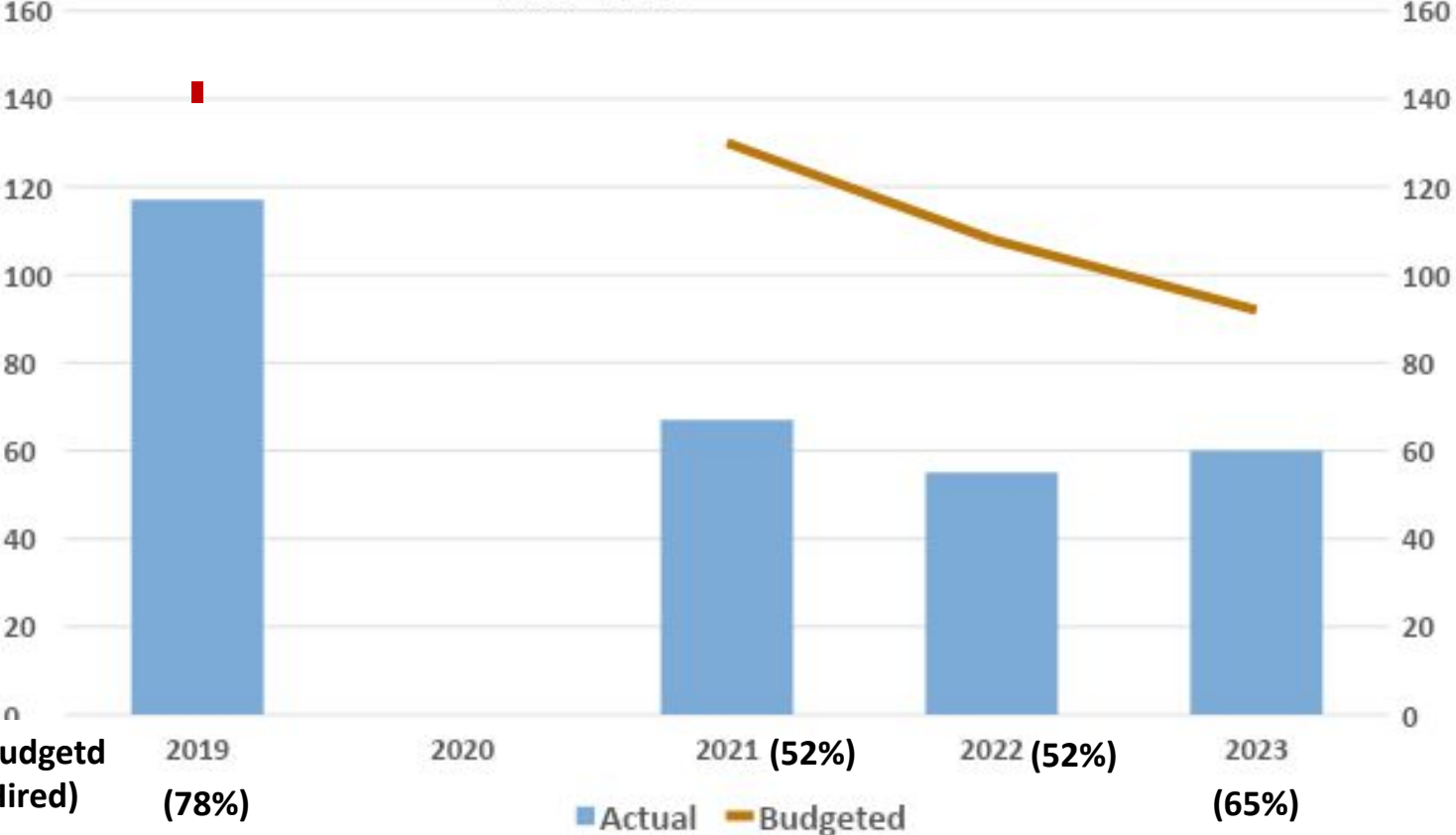
	2024	2025 (Estimate)
Scholars	700	700
Expenses¹	\$ 3,016,794	\$ 3,137,465
Revenues²	\$ 2,768,823	\$ 2,422,879
Net Income	\$ (247,971)	\$ (714,586)
Cash Items Included in Revenue		
2023 Surplus	\$ 200,000	\$ -
ERTC Surplus	\$ 150,000	\$ -
Total	\$ 350,000	\$ -
Current Cash Balance	\$ 1,700,000	\$ 1,102,029
Total Cash Outflow	\$ (597,971)	\$ (714,586)
Remaining Cash	\$ 1,102,029	\$ 387,443
¹ Expenses increase by 4% as a preliminary estimate.		
² Revenues decrease due to removal of 2023 Surplus and ERTC Credit		



Servant Leader Interns

- Hiring challenges prevent us from reaching the SLIs needed to serve the desired number of scholars
- 2024 Strategic Plan Investments funding new recruitment manager and incentives

of SLIs: Actual vs Budgeted
2019 - 2023



Before committing to growth goals, we need an attainable 3-year SLI Hiring Plan

Bridge to a Sustainable Organization & Growth Plan 2026 □ 2028

2026 □ 2028

