



**Renaissance
Academy**
CHARTER SCHOOL

Building Lifelong Learners

413 Fairview Street, Phoenixville, PA 19460
610-983-4080 www.rak12.org

Impact of PA State Budget Impasse on our School

October, 2015

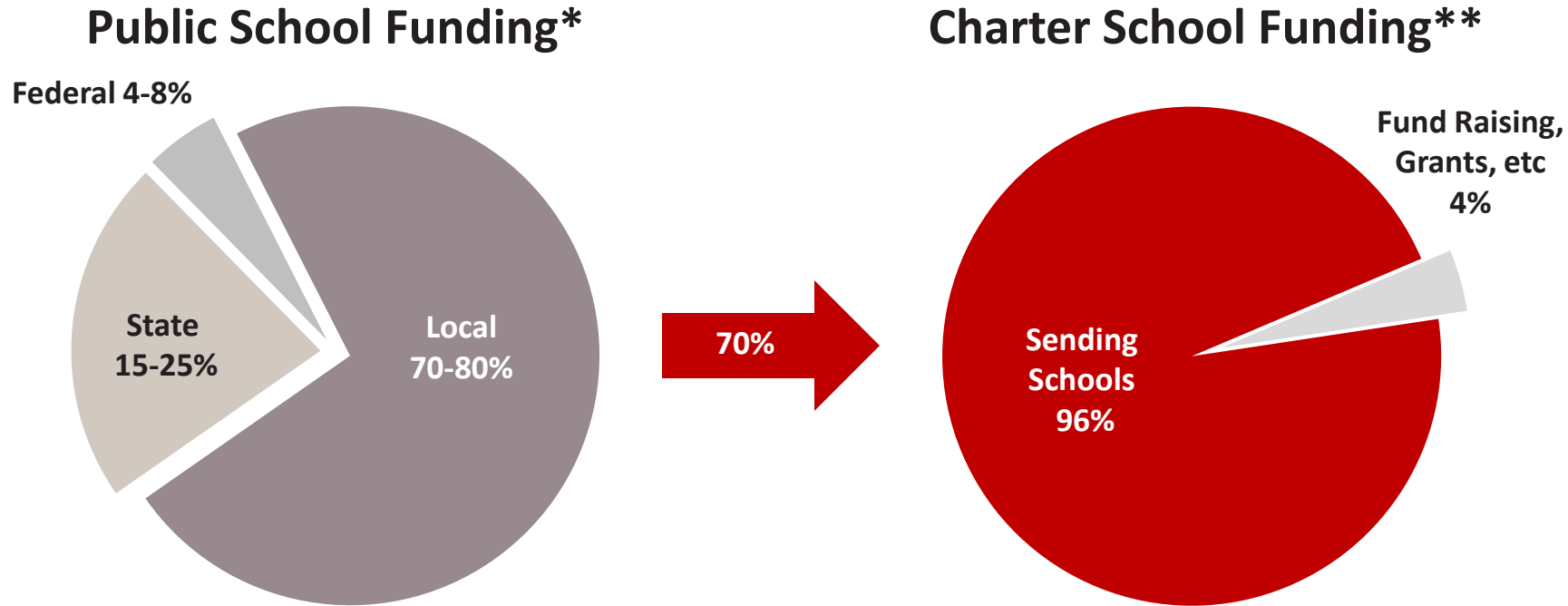
Summary

- Charter schools are funded directly through the public districts.
- The state budget impasse has delayed funding to all public schools.
- Some public schools have sufficient reserves to manage through the funding delay in the short term,many do not.
- Some public schools have already reduced or stopped the funding of charter schools.
- We are forecasting that our funding will be reduced by more than 50%

Summary

- The longer the budget impasse continues, the more likely our sending school districts will reduce or withhold our funding.
- We have already taken steps to manage our payments and are exploring alternative funding sources.
- If this situation continues into 2016 we will need to take drastic measures to avoid a total school closure.
- ***This is a temporary funding issue*** that will be resolved when the budget is passed.
- We need your support and help to manage through this difficult situation.

Charter schools are dependant on public schools for the vast majority of their funding



- We only receive 70% of the per student public school funding.
- We do not have the ability to raise additional funding through increased taxes.

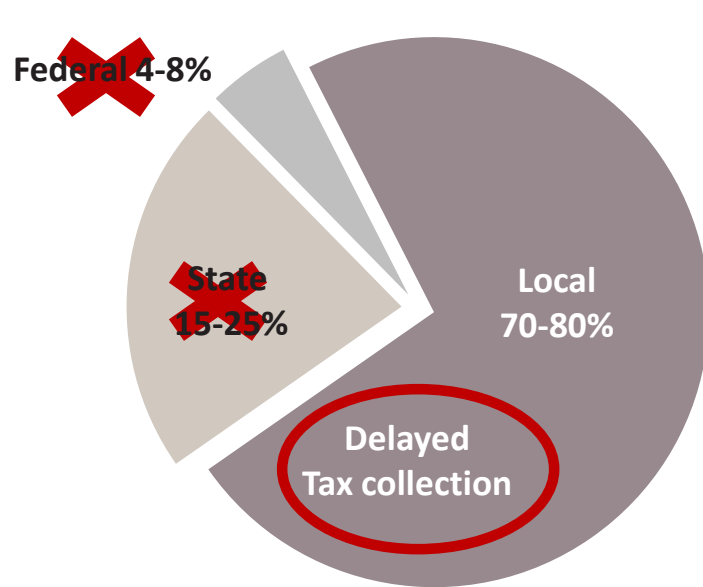
* Estimated based on publicly available information

** Based on RAK 2012016 budget

The state budget impasse is putting serious pressure on all public schools and they are considering:

- Emergency borrowing – Tax-payers will pay the interest
- Staff furloughs
- Temporary school shut-downs - e.g. the entire month of December – Philadelphia School District

Public School Funding



- State funding has stopped
- Federal funds are dispersed through state agencies, so that is not available
- Some districts are also citing delayed school tax collection

Renaissance Academy's funding is forecasted to be reduced by more than 50%

Norristown	Phoenixville	Spring Ford
35% of RA Funding	35% of RA Funding	7% of RA Funding
Will not make any payments until state budget is passed	Committed to make payments excluding state funding (82%)	Will make full payments

- Some of our sending schools have not yet made a decision on the status of our funding.
- Will know the exact shortfall by the end of November when the first payments are due.
- This issue will be resolved as soon as the state budget is passed.

We have already taken steps to manage our payments and are exploring alternative funding sources

- Implemented a freeze on all discretionary spending
- Prioritizing payment of critical obligations – utilities, payroll, etc.
- Contacting service providers to negotiate payment terms
- Application has been made for a line of credit to provide emergency funding
- Evaluating direct state funding in accordance with Charter School regulations

If this situation continues into 2016 it is very likely that we will need to take drastic measures such as reducing school operations and functions in an attempt to avoid a total school closure

We need your support and help to manage through this difficult situation

- We are urging you to contact your state representatives, senators, and the Governor's Office,
- Please sign the petition during your SLC visit.
- Members of the administration and the Board of Trustees will be available to answer any questions.

The Board of Trustees thanks you in advance for your support