

SST will meet again to review the data, and if progress is not being made then the student will be moved to Tier 3 and new intervention strategies will be put in place. At this point, the guardian will be made aware of the rights associated with IDEA, Section 504 of the Rehabilitation Act of 1973, and that if the student does not make progress with Tier 3 interventions that she or he will be referred for more evaluation and possible special education services. Both the implementation of strategies and the student's progress towards goals will once be monitored and tracked, and if progress is not made then the student will be referred for evaluation and possible SPED services. In years one, two, and three of operation and until Truth has full capacity to do so independently, the comprehensive evaluation process will be contracted out to service providers.

D. Finance Plan

PART 1: Facilities



Identification of a Site

With a mission supported by extended, self-directed student work blocks organized in Pods of up to 40 students, public-facing middle school microeconomy enterprises, and off-site professional internships for all high school students, The Sojourner Truth School requires a facility with characteristics unique from many other middle and high schools. Location is another important consideration, and while all of the District's current public charter Montessori elementary schools are in Wards 4 and 5, Capitol Hill Montessori at Logan is in Ward 6 and Lee Montessori PCS has plans to open a new campus in Ward 7 or 8. It should also be noted, however, that one of Truth's aims is to increase public access to Montessori for families all over the District and thus to bring in significant numbers of students from outside of the current Montessori community. Truth will enroll around 80 students in year 1, with an additional 100 students in successive years until it reaches a capacity of close to 700.

With these and other factors in mind, the following criteria have been developed for facility identification:

- Accessible by public transportation
- Ideally located in Ward 4 or 5, with consideration for Wards 1, 3, and 6
- 85ft² (or more) space available per anticipated student, ideally with the footprint growing in conjunction with our increased enrollment
- Flexible outdoor space available (not only for physical education and recess but also for development of an urban farm)
- Capacity for both content sessions and Pod-time, possibly including reconfiguration ability for dual-use
- Space for full-school assemblies; a kitchen, a gym, a nurse's suite, and on-site storage
- Appropriate space for teacher workspace and professional development sessions
- Accessibility requirements for ADA compliance

Truth will strongly consider temporary incubation space and cohabitation for its initial years. If this is the case, these first years will be used to continue refining criteria for the future and more permanent facility that will take Truth to its capacity of close to 700 students. Truth will aim for the lease, renovations, furniture, fixtures, and other facilities costs to be within the PPF allotment (although the current budget is more conservative and calls for costs at approximately 110% of PPF).

Truth is currently consulting with *Building Hope* and *Colliers* on identification and procurement of a facility. The following have been identified as initial possibilities:

Facility and Address	Brief Description	Pros and Cons <i>(based on articulated criteria)</i>
The Stone Straw Building <i>900 Franklin St NE</i>	<ul style="list-style-type: none"> • Ward 5 • Would be a renovation • 64,000 ft² • Includes annex space suitable for a gym or auditorium 	<p>Pros:</p> <ul style="list-style-type: none"> • Renovation would allow for the inclusion of unique needs (i.e. not just traditional classroom space but also We-Work style flexible space) • Owner worked with Breakthrough Montessori to design their Takoma Campus • 0.6 miles from Rhode Island Ave Metro and 1.0 mile from Brookland Metro • Space to cohabitate for 1-2 years and then grow into over 5 years • Potential gym/auditorium <p>Cons:</p> <ul style="list-style-type: none"> • Very little greenspace (would need to create it where the current parking spots are, or use roofs for urban gardens) • Limited parking (14 spots)
Kingsbury Center <i>5000 14th St NW</i>	<ul style="list-style-type: none"> • Ward 4 • Cohabitation with LAMB PCS • Suitable only for incubation years 	<p>Pros:</p> <ul style="list-style-type: none"> • Cohabitation with an elementary that shares a Montessori program • Accessible by bus via 14th St NW • Significant green space <p>Cons:</p> <ul style="list-style-type: none"> • Would require bus after Columbia Heights or Petworth metro
Lee K. Elsen Administration Building <i>6200 2nd St NW</i>	<ul style="list-style-type: none"> • Ward 5 • 70,140 ft² make it suitable for Truth at capacity • Potential cohabitation during early years 	<p>Pros:</p> <ul style="list-style-type: none"> • 13 minute walk (0.7 miles) from Takoma metro (red line) • Significant green space <p>Cons:</p> <ul style="list-style-type: none"> • Would likely require cohabitation for early years
St. Paul's <i>3020 4th St NE</i>	<ul style="list-style-type: none"> • Ward 5 • Cohabitation with WLA and Lee Montessori • Suitable only for incubation years 	<p>Pros:</p> <ul style="list-style-type: none"> • Cohabitation with an elementary school that shares a Montessori program • Near Brookland metro station • Significant green space <p>Cons:</p> <ul style="list-style-type: none"> • General challenges to cohabitating with two other schools (including dropoffs and pickups, which are already a logistical

		challenge)
Sherman Building <i>3700 North Capitol St</i>	<ul style="list-style-type: none"> • Ward 5 • Cohabitation with Creative Minds International • Suitable only for incubation years 	Pros: <ul style="list-style-type: none"> • Cohabitation with an elementary that shares a Montessori program • Significant green space Cons: <ul style="list-style-type: none"> • Would require buses from Petworth metro
Gap Community Child Center <i>209 Upshur St NW</i>	<ul style="list-style-type: none"> • Ward 4 • Sole occupancy • Suitable only for incubation years 	Pros: <ul style="list-style-type: none"> • Sole occupancy status may allow for significant freedom of renovation Cons: <ul style="list-style-type: none"> • Would require buses from Petworth metro • Little to no green space • Limited capacity (less than 200 students)

Figure 52: Initial possibilities for facility location during Truth’s incubation years

PART 2: Finance

Truth understands that, per the Financial Audit Review policies and expectations laid out by the DC Public Charter School Board in its Financial Analysis Report, all DC public charter schools are required to conduct thorough audits of finances and operations on an annual basis. Truth will be prepared to choose a third-party auditor that has been approved by the DC PCSB, the Office of the Chief Financial Officer, and OSSE. As discussed in Part C: Management Plan, Truth will maintain its financial records in accordance with generally accepted accounting principles, create and follow a Financial Controls Manual, and align the metrics monitored internally to those key financial indicators measured by the Financial Analysis Reports: cash flow from operations margin, days of cash on hand, change in net assets margin, aggregated three-year margin, enrollment variance, current ratio of assets to liabilities, debt ratio, debt service coverage ratio, and primary reserve ratio. Initial finance work has been done on a consultation basis with Building Hope, and Truth intends to contract on a longer term basis for continued support and financial oversight.

Truth’s budget projections accounts for July 15th payments based on expectations for enrollment, October 25th and January 15th payments based on certified enrollment, and April 15th payments based on the audited enrollment from count day.

The ultimate financial goal for the 5-year (and 10-year) budget plan is to ensure a positive operating income and both short and long term financial solvency. Truth understands the need to manage cash flow very tightly in the early years, and has built a plan that allows, as enrollment increases, surplus funds to be set aside for a reserve. Specific and mission-aligned strategic objectives are in place to support this effort while upholding Truth’s instructional and student-support priorities, as well as contingencies to safeguard against allocations that may not be available as projected. Truth is prepared to operate in an incubation space for its first two years, where any investment in capital improvements will focus on making sure the space is appropriate to

support our model as we move from approximately 80 students in year one to approximately 177 in year two. Truth acknowledges that challenges in hitting enrollment targets are the primary cause of budget variance, and will thus prioritize promotion and enrollment efforts and also the maintenance of a viable contingency plan. If Truth incubates in a temporary space, it anticipates moving into a longer-term facility for its third year of implementation and making more investment in capital improvements such as permanent structural change and relevant property restoration. Truth projects reaching its capacity of close to 700 students in year 9, and has accounted in plans for increasing equipment, instructional, and staffing costs each successive year until then.

In the case that per-pupil allocations are not available as expected, whether for enrollment or other reasons, the following year one contingencies will be put into effect as needed (*note: some contingencies are relevant to the conservative staffing plan that does not include grant funding, and others are relevant to the version that does include grant funding):

- No Instructional Coach position (*savings of \$80,000*)
- No half-time on-site substitute teacher *savings of \$12,500*)
- No Urban Teachers classroom aide (*savings of \$25,000*)
- Office aide position is cut for year one, and Director of Operations (along with other leadership) manages front office duty (*savings of \$42,500*)
- Executive Director salary decrease of 30% (*savings of \$31,000*)
- Principal salary decrease of 15% (*savings of \$15,000*)
- If all instructional implementation positions have not yet been filled, the Executive Director and Principal will each take additional instructional implementation roles (*savings of \$65,000*)
- Field trip and urban farm budgets will be decreased by up to 75% (*savings of up to \$25,000*)

Each of the above would have negative programmatic effects, but has been deemed as an area where Truth can absorb losses with the least impact to mission-aligned priorities (such as extended and personalized learning blocks, a high-functioning on-site student-support team, and classrooms sessions with deep-dive learning experiences).

Truth is designing its model in order to be fully sustainable through public or earned revenue, and to not rely on philanthropy or non-guaranteed grants to close structural deficits. Nevertheless, the organization will engage in ongoing efforts to fundraise and increase the capacity to offer additional mission-aligned supports and programs. Truth is currently receiving financial support from CityBridge Foundation, and is in consideration from New Schools Venture Fund for additional grant funding. CityBridge has committed \$120,000 for the planning year upon charter approval, and up to an additional \$150,000 for the first year of operation (although these first year funds have not yet been committed and so are not included in the budget workbook). Of the initial funds committed through May of 2019, over \$100,000 remain and will be put forward to further planning and implementation beyond May. Truth is also in consideration for a Walton Family Foundation grant or an EdForward grant, and is pursuing a Cafritz Foundation grant for the spring of 2019. OSSE has been engaged to ensure that Truth takes advantage of Title V, Part b funding for Charter Schools Programs, and OSSE has expressed that, if Truth is approved, the school can expect \$280,000 in funding for Year 1 and another \$280,000 for Year 2.

The projected budget plan was created with direct support from *Building Hope*, and Truth plans to continue contract work with this team throughout the planning year year and Year 1. Aside from putting an emphasis on generally responsible management of funds, Truth will continue to prioritize the funding of mission-aligned and Montessori-aligned aspects of the model such as the urban farm and a robust social-emotional support team. Truth will also prioritize maintenance of adequate cash balances to meet all financial obligations. Truth is budgeting for at least 30 days of operational cash on hand during year one, and building from there with the goal of reaching at least 60 days of cash on hand as soon as possible. *Building Hope* will work directly with the Executive Director and the Director of Operations to manage cash flow and support solvent financial operations, and Truth will also receive oversight and guidance from its Board Finance Committee.

Truth understands the expectations set forth by D.C. Code § 38-1802.13(b)(1), and that the DC PCSB has authority to revoke charters under circumstances of fiscal mismanagement where the school has engaged in a pattern of noncompliance with accepted accounting principles, general financial mismanagement, or if the school is no longer economically viable. Further, Truth acknowledges the Maintenance of Effort (MOE) requirement that Local Education Agencies have to “maintain non-federal funding for activities described in their application at a level level which is not less than expenditures for such activities during the fiscal year prior to receiving the grant,” and that failure to meet MOE may result in the inability to receive IDEA and other funding. To this end, Truth will maintained detailed accounts each year of current and projected non-federal revenue sources in order to ensure the ability of satisfactory MOE reporting.

PART 3: Budget Workbook

Two versions of a long-term budget workbook are attached. The first version is the most conservative, and assumes no uncommitted philanthropic grant money (and thus includes no funds from organizations like EdForward, New Schools Venture Fund, the Walton Foundation, or Year One grant funding from The CityBridge Foundation). The second version assumes moderate philanthropic revenue, and provides a financial and staffing outlook in the event that Truth is awarded one of the additional grants for which it is applying.