



Strategic Impact with Multi-Year Financial Planning

September 5, 2025

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Better Outcomes. Brighter Futures.

Afton Partners is an impact-driven consultancy that reimagines and implements systems, policies, and practices that improve lives.

Afton's work with charter schools builds strategic finance capacity. We support charter schools in understanding the future of your finances, illuminating the short & long-term financial implications of organizational decisions, like capital projects, expansion, instructional models, & compensation strategy.

We have partnered with close to 100 charter school networks of all sizes around the country including many here in Colorado.



Purpose of our session

Consider ways we can use multi-year financial projections as a powerful decision-making guide for the leadership team and board—ensuring sustainability and resiliency financially and programmatically.



LET'S BEGIN



A photograph of three children playing on a series of tree stumps in a forest. The child in the foreground is a girl with brown hair, wearing a light blue shirt and grey pants, jumping from one stump to another. Behind her, a boy in a dark blue shirt and yellow pants is also jumping. To the right, another boy in a light blue shirt and orange pants is standing on a stump. In the background, there is a wooden playhouse with a thatched roof and more trees. The text "Why does this topic matter to you in your current role?" is overlaid on the image in a dark green, sans-serif font.

Why does this topic matter
to you in your current role?





Multi-year financial planning helps leaders understand the future impact of today's decisions and make choices that enable the organization to achieve its vision

Why create a multi-year forecast?

To see what needs to be true for the school/network to remain financially sustainable and programmatically viable.

To understand what levers an organization has to manage financial risk

To develop an understanding of the unit economics of existing schools to benchmark against potential new schools for the organization

What do we mean by “multi-year financial planning”?



Forward-Looking: Shows 5-10 years of your projected cash flow and debt service coverage ability under different operating scenarios.



Scenario Planning: Considers multiple *real-world* operating scenarios for enrollment, funding, staffing, compensation, facility options, and other operational items. Identify investment priorities that may necessitate de-prioritizing others.



Strategy: Aligns to goals and priorities around instructional improvement, staff development and possibly expansion.



Risk Management: Aids leaders in spotting financial challenges early so they can adjust thoughtfully and be proactive rather than reactive.



Sustainability: Ensures today's decisions (like taking on debt, expanding staff, or launching new programs) are financially sustainable years into the future.



Your biggest decisions have a multi-year financial impact - so understand before deciding!

- Growth & expansion decisions
- School staffing and overall operating plans
- Compensation and talent strategy
- Facility investments and related financings

What are the strategic decisions your organization is making that might be influenced by a multi-year financial projection?



What questions should you avoid when **creating** a Multi-Year Financial projection?

What does my enrollment need to be?

How much philanthropy do we need to raise?

How much can compensation inflation be?

Can we continue to pay 100% of employee's health insurance

*The answer to each of these questions is “it depends”.
These questions are all focused on the **output** of the model*



What questions should you to ask when **creating** a Multi-Year Financial projection?

Financial Inputs

What will the range of per pupil revenue growth be for each year?

What is the range of enrollment that we should expect for each year?

Will we receive one-time funds?

Programmatic Inputs

How many students per teacher should we have?

How often will we need to refresh our curriculum?

How many school administrators do we need?

Operational Inputs

What is the life cycle of our tech / furniture?

How often do we need to refresh classroom furniture?

Do we need to provide student transportation?

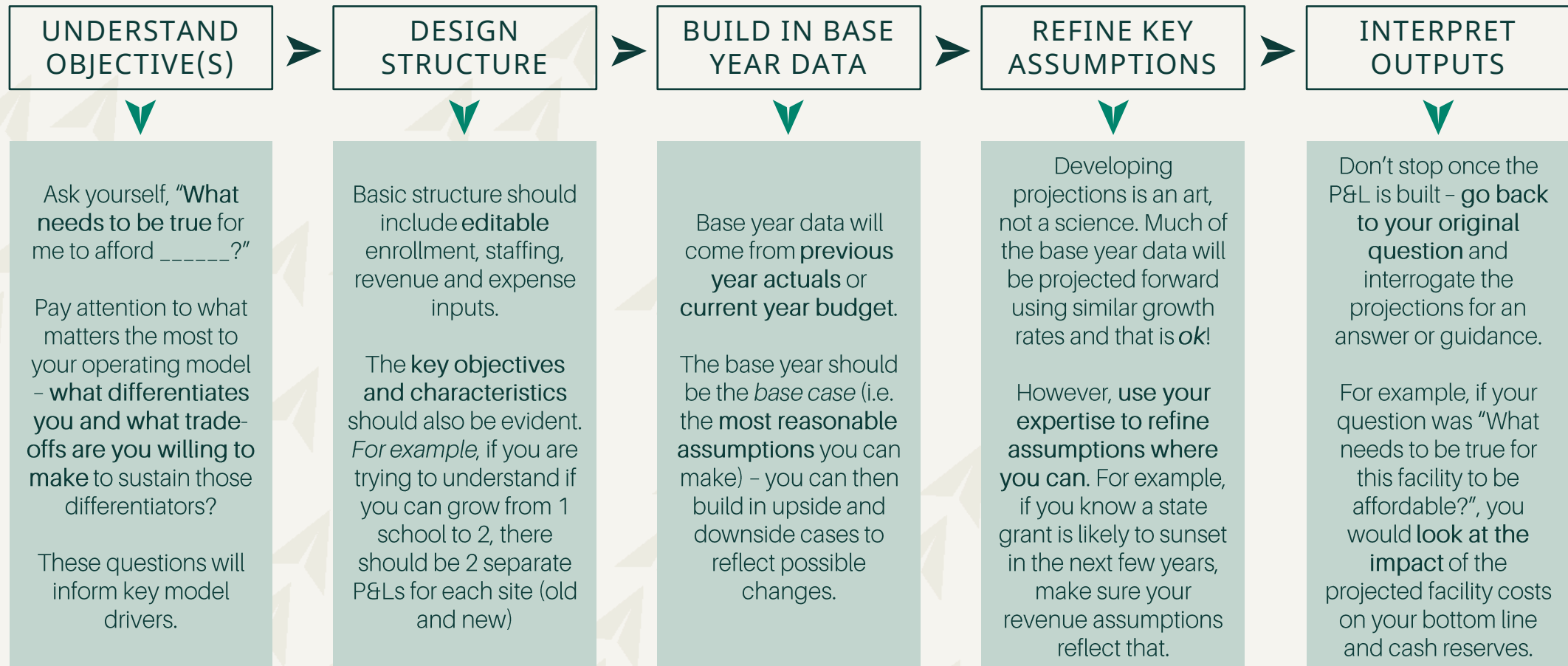
Should we push food services out for an RFQ?

Reflection

Share an experience or story you have when using financial projections to inform decision-making – what was the impact? Why?



What does a typical process look like to develop financial projections?



What are the key components of an effective multi-year financial projection?

Component	What You Need	Considerations	Why You Need It
Reasonable assumptions	<ul style="list-style-type: none">• Enrollment• Staffing FTE• Funding rates• Cost inflation	<ul style="list-style-type: none">• Enrollment based on data• Staffing based on strategies, scheduling, and projected enrollment• Revenue rates based on local/state/fed outlook	To assess the risks of decisions under different potential circumstances
Change in Net Assets Projections	<ul style="list-style-type: none">• School Level• Home Office/CMO• Consolidated	<ul style="list-style-type: none">• Primary line items for revenue and expenses• Bridge from accrual to cash• Include capital plans• Project debt service for financings	See cash & loan covenant projections and school level contributions to bottom line
Outputs	<ul style="list-style-type: none">• Top line financial health metrics• Revenue and expense metrics	<ul style="list-style-type: none">• View liquidity, loan covenant compliance, authorizer standards• View operating metrics	Communications and assessing reasonability



What do the key components of an effective multi-year financial projection look like?

Key Revenue Drivers

REVENUES INPUT SECTION		FY25	FY26	FY27	FY28	FY29	FY30
Federal Revenue - Recurring	FY25 PP Amount	Growth Rate Annual		2%	2%	2%	2%
Federal Revenue 1							
Federal Revenue 2							
Federal Revenue 3							
Federal Revenue 4							
State Revenue - Recurring	FY25 PP Amount	Growth Rate Annual		2%	2%	2%	2%
State Revenue 1							
State Revenue 2							
State Revenue 3							
State Revenue 4							
Local Revenue - Non Recurring	FY25 PP Amount	Growth Rate Annual		0%	0%	0%	0%
Local Revenue 1							
Local Revenue 2							
Local Revenue 3							
Local Revenue 4							
Philanthropic Revenue		Growth Rate Annual		2%	2%	2%	2%
Private Revenue #1							

What do the key components of an effective multi-year financial projection look like?

Enrollment

ENROLLMENT by GRADE	FY25	FY26	FY27	FY28	FY29	FY30
Pre-K Enrollment Total	30	30	30	30	30	30
K Enrollment Total	44	30	30	30	30	30
1 Enrollment Total	42	44	30	30	30	30
2 Enrollment Total	40	42	44	30	30	30
3 Enrollment Total	40	40	42	44	30	30
4 Enrollment Total	40	40	40	42	44	30
5 Enrollment Total	40	40	40	40	42	44
6 Enrollment Total	55	40	40	40	40	42
7 Enrollment Total	55	55	40	40	40	40
8 Enrollment Total	50	55	55	40	40	40

Staffing

Average Salary / % Year Growth	FY25	FY26	FY27	FY28	FY29	FY30
	Base Salary	Growth %	Growth %	Growth %	Growth %	Growth %
Position 1	\$0	3%	3%	3%	3%	3%
Position 2	\$0	3%	3%	3%	3%	3%
Position 3	\$0	3%	3%	3%	3%	3%
Position 4	\$0	3%	3%	3%	3%	3%
Position 5	\$0	3%	3%	3%	3%	3%
Position 6	\$0	3%	3%	3%	3%	3%
Position 7	\$0	3%	3%	3%	3%	3%

What metrics matter the most in a multi-year financial projection?

Metrics and Outputs	2026	2027	2028	2029	2030	2031	2032
School Enrollment	\$ 75	\$ 140	\$ 219	\$ 269	\$ 294	\$ 294	\$ 294
Surplus/(Deficit) on Recurring Revenue	\$ (916,922)	\$ (244,663)	\$ (52,475)	\$ 85,893	\$ 188,232	\$ 41,264	\$ 187,285
Surplus/(Deficit) on Total Revenue	\$ (776,922)	\$ (174,663)	\$ 17,525	\$ 85,893	\$ 188,232	\$ 41,264	\$ 187,285
% of Recurring Revenue of Total Revenue	84%	95%	97%	100%	100%	100%	100%
FTE Headcount	15.0	20.0	23.0	27.0	30.0	30.0	30.0
<i>Student/FTE</i>	<i>5.0x</i>	<i>7.0x</i>	<i>10.0x</i>	<i>10.0x</i>	<i>10.0x</i>	<i>10.0x</i>	<i>10.0x</i>
Per Pupil Revenue							
Total Recurring Revenue Per Student	\$ 9,578	\$ 10,416	\$ 10,457	\$ 10,410	\$ 10,509	\$ 10,714	\$ 10,924
Total Revenue Per Student	\$ 11,445	\$ 10,916	\$ 10,777	\$ 10,410	\$ 10,509	\$ 10,714	\$ 10,924
Per Pupil Expenses							
Personnel Expense Per Student	\$ 10,938	\$ 7,679	\$ 6,311	\$ 6,325	\$ 6,653	\$ 6,801	\$ 6,953
Non Personnel Expense Per Student	\$ 10,866	\$ 4,485	\$ 4,386	\$ 3,766	\$ 3,215	\$ 3,773	\$ 3,334
Total Expense Per Student	\$ 21,804	\$ 12,164	\$ 10,697	\$ 10,091	\$ 9,868	\$ 10,574	\$ 10,287
Cash Surplus/Deficit Per Student	\$ (10,359)	\$ (1,248)	\$ 80	\$ 319	\$ 640	\$ 140	\$ 637
Other Key Metrics							
Salary & Benefits as % of Recurring Revenue	114%	74%	60%	61%	63%	63%	64%
Debt Service as % of Recurring Revenue	0%	0%	16%	13%	12%	12%	8%
Facility Costs as % of Recurring Revenue	11%	5%	4%	3%	1%	1%	1%
Operating Margin	(48%)	(10%)	1%	3%	6%	1%	6%
Debt, Cash and Philanthropy							
Debt Service Coverage Ratio	N/A	N/A	1.0	1.2	1.5	1.1	1.7
Days Cash on Hand (DCOH)	228 days	15 days	14 days	23 days	46 days	47 days	71 days
Philanthropy Needed to get to 45 DCOH	\$ -	\$ 138,709	\$ 200,042	\$ 160,005	\$ -	\$ -	\$ -
<i>Philanthropy Needed per Pupil</i>	\$ -	\$ 991	\$ 913	\$ 595	\$ -	\$ -	\$ -

3

4

1

2

5



As with most exercises, there are some common obstacles to overcome

- ❑ The team has not formulated its operating plans for things like facilities, expansion, making it hard to “nail down” scenarios
- ❑ The management team has a more optimistic view on matters like enrollment and growth compared to the finance team
- ❑ There is a heightened degree of uncertainty with revenue and/or expenses drivers during the financial projection time-period
- ❑ The team does not have clear operational guardrails for key assumptions (e.g. students per classroom or TAs per section, etc.)

What ideas or experience do you have for breaking down some of these obstacles?



Your ability to communicate the results of the projections matters as much as the technical pieces

CONSIDER

- Who should be involved in the “assumptions” process of the projections?
- Who is your audience for communicating the output?
- What financial metrics need to be highlighted for decision makers in the takeaways (loan covenants, authorizer standards, credit worthiness, and liquidity)?

COMMUNICATE

- 1) Focus on the takeaways, less on the “sausage making”
- 2) Name the key assumptions used, and point to instructional strategies and how they show up
- 3) Show takeaways under a few different scenarios
- 4) Demonstrate an understanding that the financial implications are one of a few different aspects of decision making





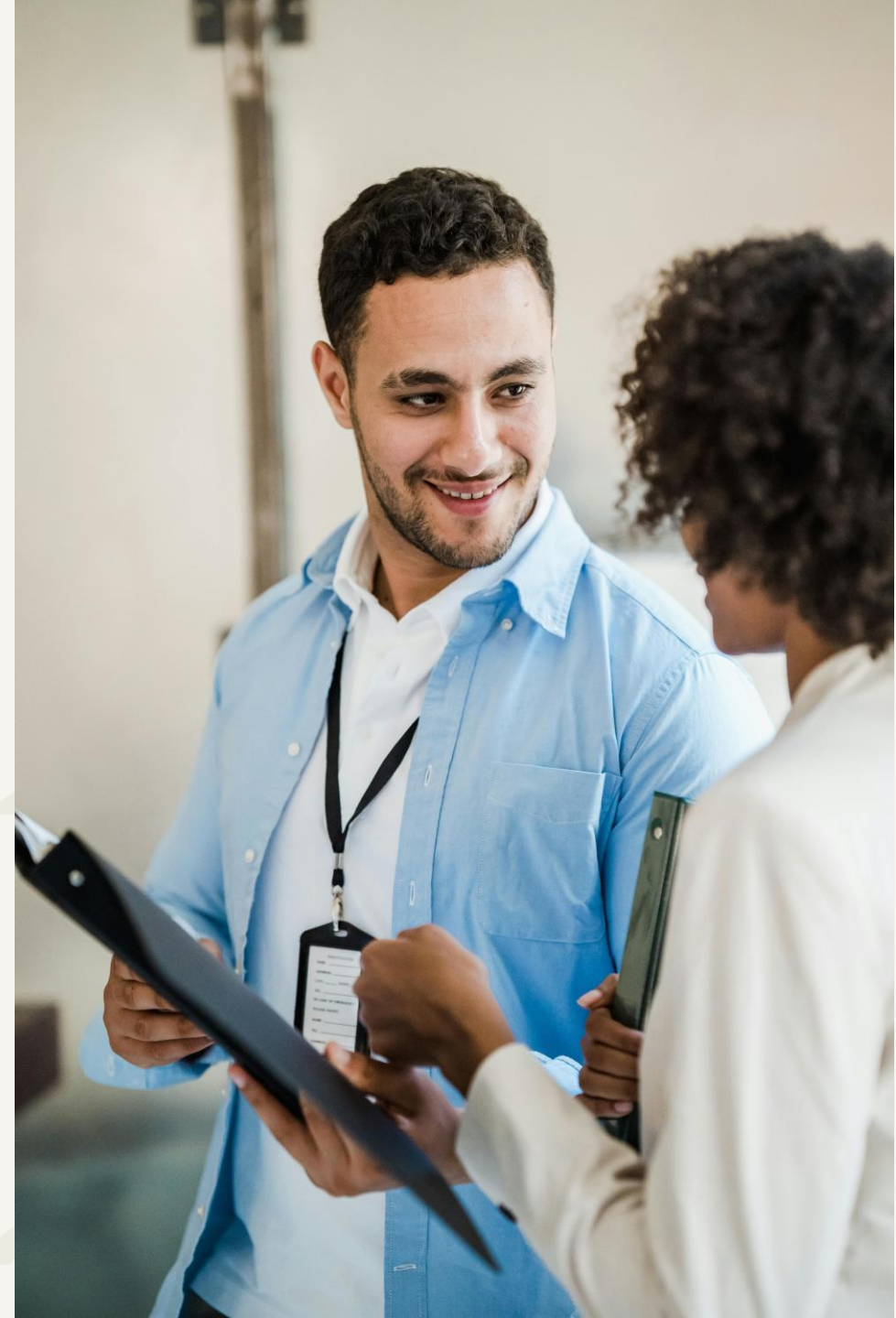
Your organization will have **strategic decisions to make.**

You can **protect your long-term sustainability** using
financial projections.

Reflections

What is **one new thing** that you learned today?

What is **one next step you will take** that stems from this material?



Try it out!

We are sharing a Colorado [financial projection template](#) as a starter for you and your team.



Appendix



What do we mean when we say “scenario planning”?

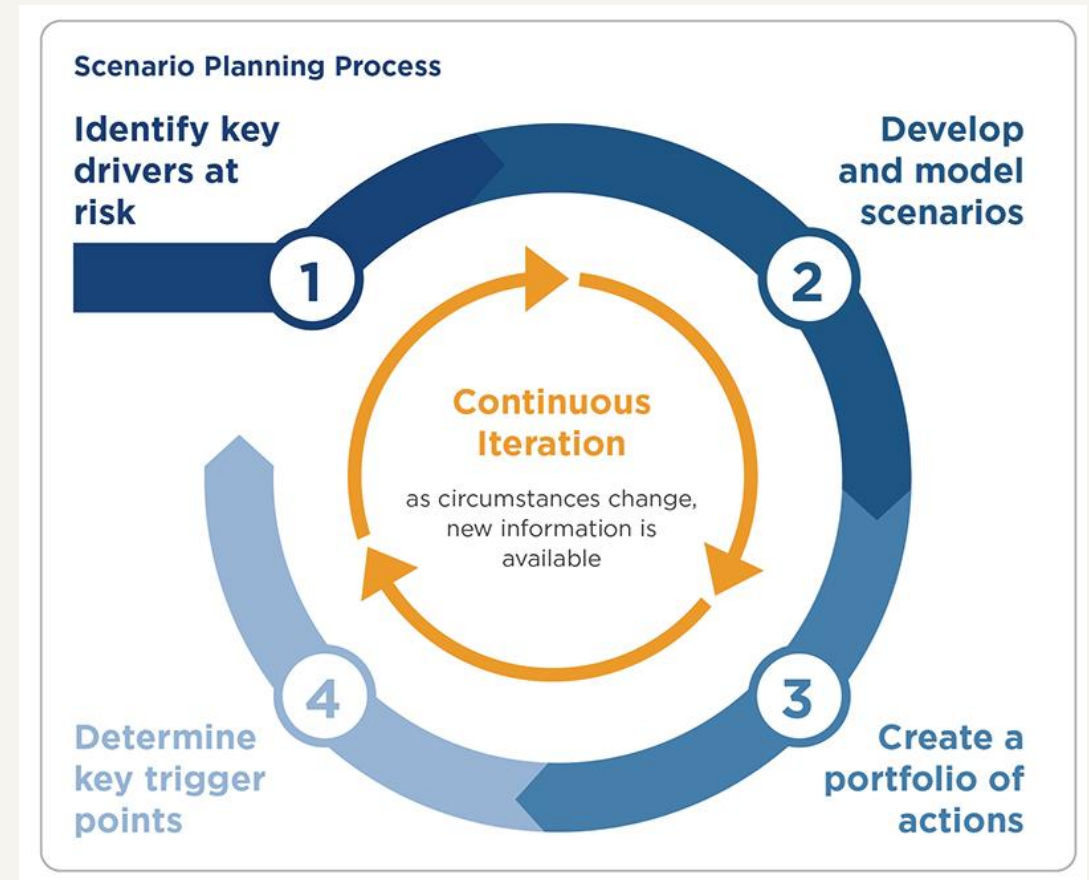
Identify the key drivers of risk, such as:

- enrollment level
- funding rates
- fundraising levels

Identify what you would change with staffing, services, etc. if those risk drivers change

Calculate the budget implications

Make plans for how you would adjust to keep your school quality AND financial health.



Source: Bridgespan
<https://www.bridgespan.org/insights/nonprofit-organizational-effectiveness/making-sense-of-uncertainty-nonprofit-scenario-planning>





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HOW DID WE DO?

Please take a moment to help us improve.



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State Facilities Incentive Grant – CDE Update

September 5, 2025

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Agenda

- Introductions
- What is the State Facilities Incentive Grant?
- CDE Grant Activities
 - Charter School Facility Assistance Program Update
 - Charter School Facility Finance Certification Program
- Upcoming in 2025-26
- Questions



Introductions

Charter School Office

Paola Paga (Director)

- Charter school questions
- Program Director to CSP-SFIG
- Overseeing work from office

Janyse Skalla (Senior Policy Consultant)

- State waiver approvals
- Reports (Charter School, Innovation)
- Fiscal Notes/Implementation Reports
- School Code Review Committee
- Home School

Nadine Penn (Special Education Compliance Monitor)

- Collaboration with ESSU
- Figuring out the barriers with students accessing school choice

Peg McMillen (Facility Finance Specialist)

- Overseeing the Charter School Facility Finance Certification Program
- Working with an Advisory Board to determine modules and mode of delivery

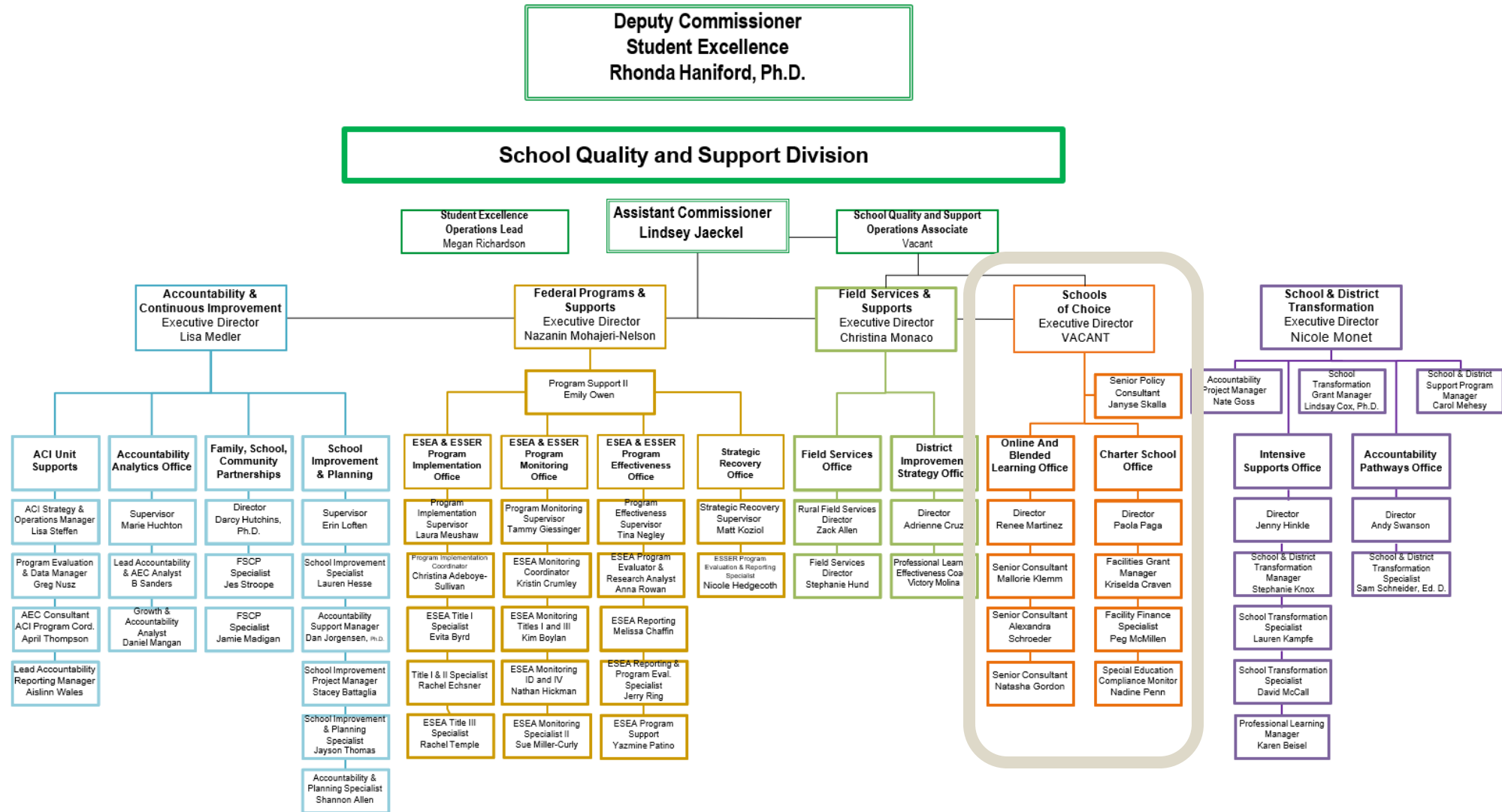
Kriselda Craven (Facility Grant Manager)

- Overseeing the Charter School Facility Assistance Program which will provide additional funding for charter school facility expenses.

Jessie Steinbaum (Operations Support)

- Program support
- SOC update newsletter

Schools of Choice Unit





What's the SFIG?



State Facilities Incentive Grant (SFIG)

- One of six federal grants under the larger “Charter Schools Program”
- SFIG is only awarded to State Education Agencies (i.e. CDE)
- Aims to strengthen and sustain state aid programs for charter schools
- Increases targeted funding to offset historic high cost for charter facilities
- CDE was awarded about \$38 million from 2024-2029 in October 2024.

The six CSP Grants:

State Entity Grants (CLCS)	CMO Grants (Direct)	Developer Grants (N/A in CO)
National Dissemination Grants (CSI/NACSA/CACSA)	Credit Enhancement for Charter Facilities (CSFS)	State Charter School Facilities Incentive Grants (CDE)

SFIG Grant Goals

Goal 1

Enhance the State's Charter Capital Construction Program

Starting in FY 24-25 and ending in FY 28-29, CO will disseminate **\$35,525,000 of new Federal funds** to eligible charter schools through a sub-grant structure. These funds will be highest in Year 1 and will be replaced by increased state funds by the end of the 5 years.

Goal 2

Strengthen State Capacity for High- Quality School Facilities Management and Decision Making

CDE will **create a certification program** to incentivize charter leaders to participate in high-quality training on charter school finance topics deemed critical for school success.

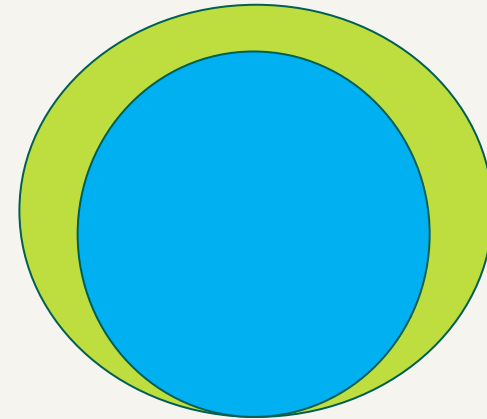
How Colorado Qualified for the Federal Grant

Year	A. State Fund	+ B. Excise Tax Revenue to Charters	+C. "One-time" or HB24-1448 Funding	Anticipated State Funding (CCAP)
FY 22-23	\$ 23,939,893.00	\$ 14,669,783.00		\$ 38,609,676.00
FY 23-24	\$ 24,379,016.00	\$ 8,855,662.60	\$ 10,000,000.00	\$ 43,234,678.60
FY 24-25	\$ 23,935,468.00	\$ 7,457,233.96	\$ 11,500,000.00	\$ 42,892,701.96
FY 25-26	\$ 24,287,686.51 \$ 23,523,071.20	\$ 7,643,864.37 \$ 6,709,709.15	\$ 12,000,000.00	\$ 43,931,550.88 \$ 42,232,780.35
FY 26-27*	\$ 24,641,675.07	\$ 8,491,264.33	\$ 13,000,000.00	\$ 46,132,939.40
FY 27-28*	\$ 24,995,663.64	\$ 9,063,803.42	\$ 14,000,000.00	\$ 48,059,467.06
FY 28-29*	\$ 25,349,652.21	\$ 9,666,187.54	\$ 15,000,000.00	\$ 50,015,839.75

*Note: Future year amounts are based on budget estimates

How do the State and Federal Funds Work Together?

- State Aid Program will work pretty much the same way that it always has - direct to school accounts
- Schools must apply for the Federal Aid Program
 - Not all schools will establish eligibility
 - Funds only for allowable uses
- The per pupil calculation will work like the state aid program
($\$ \text{ Amount of Federal Award} / \text{FTE of eligible schools}$)



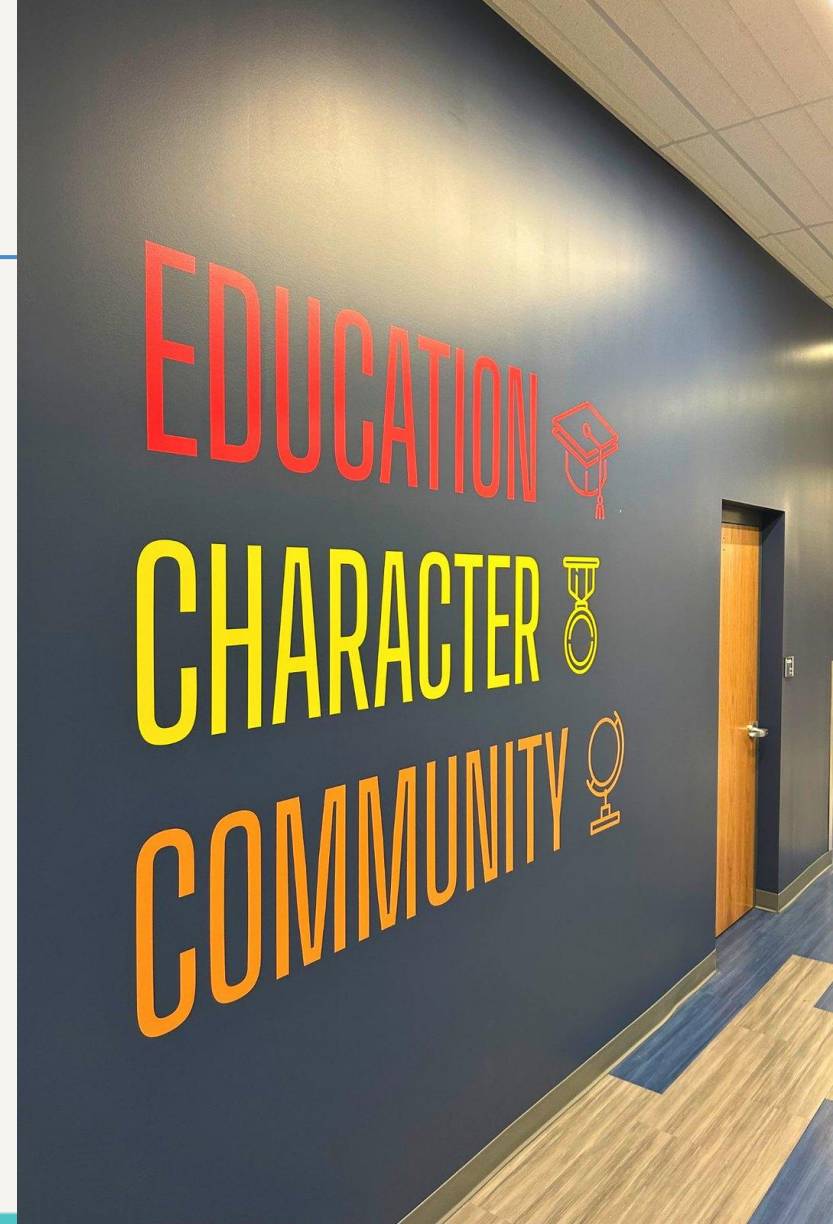


Charter School Facility Assistance (FA) Program

Allowable Use of Funds

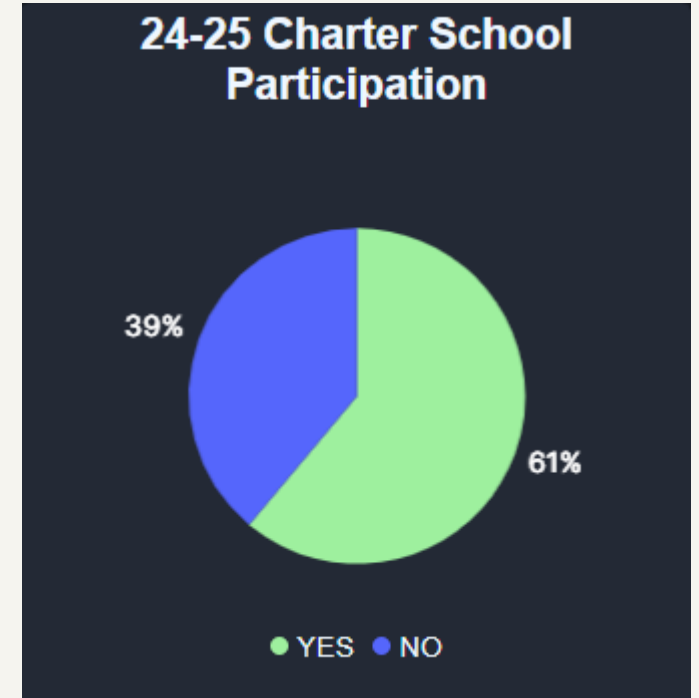
- Debt service on a school facility
- Rent/Lease
- Purchase of building or land*
- Construction* meaning -
 - Preparing drawings and specifications for school facilities projects;
 - Repairing, renovating, or altering school facilities;
 - Extending school facilities;
 - Erecting or building school facilities; and
 - Inspections or supervision related to school facilities.
- Renovation of an existing school facility*
- Leasehold improvements*

*Additional information and monitoring will be required if schools elect to use funds for these expenses



Eligibility – Year 1

- Must meet the Federal definition of a charter school (section 4310(2) of the ESEA)
- Must be serving students in the 2024-2025 school year and currently authorized by an “authorized public charter agency” as defined in section 4310(1) of the ESEA.
- Enrollment policy includes a lottery if more students apply for admission to the charter school than can be admitted.
- Charter schools must also qualify to receive state funds under the Charter School Capital Construction (CSCC) Program (state facility aid program), pursuant to C.R.S. 22-54-124.
 - Online charter schools are not eligible for either the Federal or state facility programs.



Eligibility – Year 2

- Must meet the Federal definition of a charter school (section 4310(2) of the ESEA)
- Must be serving students in the 2025-2026 school year and currently authorized by an “authorized public charter agency” as defined in section 4310(1) of the ESEA.
- Enrollment policy includes a lottery if more students apply for admission to the charter school than can be admitted.
 - Weighted lottery plans will be accepted in year 2
- Charter schools must also qualify to receive state funds under the Charter School Capital Construction (CSCC) Program (state facility aid program), pursuant to C.R.S. 22-54-124.
 - Online charter schools are not eligible for either the Federal or state facility programs.

How Much Support Can We Receive?

- The FAP numerator is known. The denominator will vary each year
- The fewer schools that participate, the larger the per-pupil award
- If we estimate ~75% participation from CSCC schools, then we estimate roughly:
 - \$139 per FTE in 2024-25
 - \$117* per FTE this Year
 - \$86* per FTE in Year 3
 - \$56* per FTE in Year 4
 - \$28* per FTE in Final Year

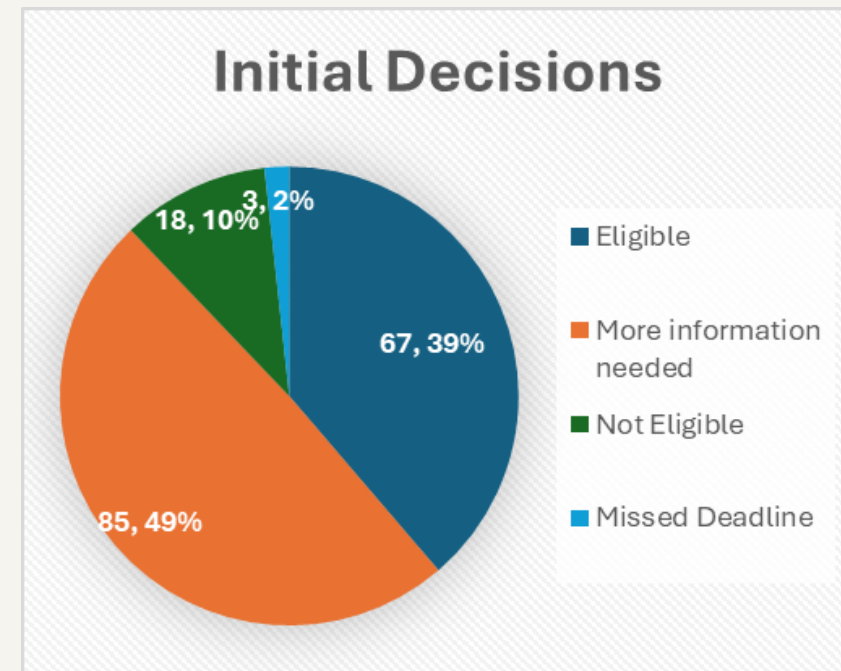
*These are all estimates. Highlighted cells on the next page are also estimates.

How Much Support Can We Receive? (shading notes estimates)

School Year	CSCC Numerator	CSCC Denominator	CSCC Per Pupil	FAP Numerator	FAP Denominator	FAP Per Pupil
22-23	\$38,609,676	107,655	\$359	—	—	—
23-24	\$43,234,679	109,122	\$396	—	—	—
24-25	\$42,892,702	110,409	\$388	\$11,025,000	81,000	\$139
25-26	\$42,232,780	109,863	\$384	\$9,800,000+	84,000	\$117+
26-27	\$46,132,939	114,000	\$405	\$7,350,000	85,500	\$86
27-28	\$48,059,467	116,000	\$414	\$4,900,000	87,000	\$56
28-29	\$50,015,840	118,000	\$424	\$2,450,000	88,500	\$28

2024-25 FA Program

- 176 Intent to Apply and Eligibility forms completed
- Initial Decisions
 - Those not eligible was because of no lottery or having a weighted lottery)
 - Enrollment priorities and preschool programs were the top two flags for schools meeting eligibility criteria.
- \$139.028 per pupil FTE (full-time equivalent)
- 151 schools completed the FA program application
- 138 schools in “CDE Director Approved”
- CDE Obligated \$9,353,039 for 2024-25
- Unspent funds will be carried forward to 2025-2026





Charter School Facility Finance Certification Program

Facility Finance Certification Program

- Two meetings (in March and June) with the Advisory board to set and approve content goals and objectives
- Program outcome portfolio: Master planning template for school and certificate for participant
- Curriculum development vendors selected with Purchase Order in draft
- Work to begin Oct 1, 2025
- Next Advisory board meeting in November to review and approve curriculum content
- Pilot to begin early Spring 2026



Facilities Finance Certification Program

- **Module No. 1: Mission and Vision**
 - Setting context for future decisions and alignment
 - Gap Analysis
 - Charter School Unique Market Offer
- **Module No. 2: Financial Health, Financing, and Debt Capacity**
 - Underwriting requirements
 - Sources of Capital
 - Public/Private/Community partnerships
- **Module No. 3: Facility Assessments**
 - Facility Condition Index
 - Environmental Considerations
 - Operational Costs





Upcoming in 2025-26

Upcoming Launches

Goal 1

Enhance the State’s Charter Capital Construction Program (Oct/Nov 2025)



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Goal 2

Strengthen State Capacity for High- Quality School Facilities Management and Decision M



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Questions?

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