



**To:** Finance Committee and Executive Committee Members  
**From:** *EW* Eric Williams, Ed.D., President & CEO  
*AK* Ann Kohler, Chief Financial and Administration Officer  
**Date:** May 6, 2026  
**Subject:** FY27 Proposed Budget

You've heard us comment before that we are unsettled by unmet student and educator needs. We know you feel the same way – the Board of Directors has made it clear, including through the adoption of the Strategic Roadmap, that we need to expand our impact. The FY27 Proposed Budget fulfills that mandate. With the proposed budget, we aim to

- serve many more students, recognizing that we doubled the number of admitted students this fiscal year in comparison to recent history and reemphasized college and career access support for students not enrolled in our programs;
- provide a higher-impact Golden Apple teacher recognition program, with the return to community-based nominations, a sit-down dinner, a television broadcast, and six Golden Apple recipients, as well as increased honoraria; and
- maintain our increased level of classroom grants, while also providing systemic impact through schoolwide innovation grants.

Staff members across the entire team were much more active than in recent years in developing the proposed budget. We did not simply rollover the amounts in line items and apply an inflation factor. Staff members reviewed individual expenditures and donor histories in projecting FY27 expenses and income. The Strategic Roadmap guided our decision-making in the development of this budget.

The first tab in the accompanying spreadsheet is labelled FY26 Projected v Budget. This tab reflects projected income \$473,557 higher than budgeted and projected expenses \$185,060 less than expected. With higher than budgeted projected dividend and interest income, the net income gain is almost \$1.3m more than budgeted. Even excluding \$850,000 associated with two expansion commitments booked in FY26, we still project FY26 to end approximately \$377,527 better than budget, shifting from a budgeted loss of \$175,000 to a projected gain of \$202,527.

The second tab is entitled FY27 budget. The proposed FY27 expenses of \$4,296,401 are 16% higher than the FY26 budgeted expenses. The proposed FY27 net income loss is \$402,506. \$400,000 of this amount would be covered with a portion of two large gifts that were booked as FY26 income and intended to support our expansion. The remaining \$2,506 would be funded through the use of cash reserves as approved by the Board of Directors on January 20, 2026, via approval of a Strategic Roadmap Resolution. This Resolution stated,

Be it further resolved that, in support of the program expansion envisioned in the Strategic Roadmap, the Board authorizes the use of up to \$450,000 of unrestricted cash reserves and up to \$568,453 of unrestricted endowment cash

reserves during FY26 through FY28 to help fund program expansion, subject to ongoing Board oversight and alignment with approved budgets and long-term financial sustainability.

The third tab, labelled Development Revenue, reflects a 12% projected increase in development revenue when comparing budgeted FY27 Development Revenue with projected FY26 development revenue. The projected FY26 development revenue excludes the expansion funds received from two donors this year above what was budgeted.

The fourth tab, entitled 2027-2029, shows our projected trajectory towards erasing the net income loss. It reflects a projected 6% increase in development revenue from FY27 to FY28 and again from FY28 to FY29. Even after FY29, we project \$940,388 of remaining cash reserves out of the amount that the Board of Directors and I envisioned using for expansion, as reflected in the Strategic Roadmap Resolution adopted in January 2026. We project that we will have a net income gain by the time we use all the cash reserves envisioned for program expansion. Thus, the proposed FY27 budget reflects a deliberate period of investment and expansion as Champions for Learning scales programs, strengthens infrastructure, and implements fundraising strategies to support long-term sustainability.

FY27 Budget Detail, the fifth tab, provides greater detail by expense type. Here are examples of increased expenditures:

- The increase in salaries reflects a 4% COLA/Market Adjustment for every staff member with a satisfactory or higher performance review to maintain competitiveness and support retention, as well as the salary for the new Chief Program Officer position approved conceptually via the Strategic Roadmap in January 2026.
- The increase in Employee Benefits includes funds for a projected increase of 13% in health insurance.
- The increase in IT & Technical Support Services includes \$20,000 to support migration of our data, software, and technology systems from on-site servers to cloud-based platforms.
- Increased video production expenses include \$25,000 of additional expenses relating to the television broadcast of Golden Apple.
- The scholarships line item includes funds to purchase more scholarships due to serving more students.
- The grants to third parties line item includes funds for schoolwide innovation grants.

The final tab, Funding Resources, is based on our Statement of Financial Position from March 31, 2026. Cell H7 indicates available resources of \$2,941,490. This amount reflects the sum of cash and cash equivalents at EverBank and Schwab, and pledges receivable less total liabilities and \$500,000. It does not include any of the investments held at CCF, though the Board approved the use of unrestricted endowment cash reserves in January 2026. Available funding resources exceed the need.

With consideration of this proposed budget and eventual approval of a budget, the Finance Committee and Board of Directors thoughtfully invest resources to meet more unmet needs among students and educators while advancing the priorities established in the Strategic Roadmap.