



Funding at Great Hearts and Veritas Prep

What is Great Hearts?

Great Hearts is a non-profit 501c3 organization that opens and operates public charter schools. No part of our structure is for-profit, and no individuals privately own the organization. We are a mission-driven organization dedicated to improving education through classical preparatory K-12 academies. Our core purpose is to cultivate the hearts and minds of students in the pursuit of Truth, Goodness, and Beauty.

Why does Veritas Prep and the schools in the Great Hearts network have a need to fundraise?

There is a gap between what the state invests in our schools and what it actually costs to run them.

Public charter schools are funded differently than public district schools. Both districts and charters receive what is called a base per-pupil amount. For our school, the total of this base amount comes from the state's general fund and some federal grants. For a district school, the majority of this amount comes from local property taxes, which charter schools do not receive. However, a district school's base per-pupil amount can be increased from sources that are also not provided to charter schools like local bonds, voter-approved budget overrides, and facilities funding received from the state's school facilities board.

When all sources of public revenue are totaled, district schools receive significantly more in public funding than charter schools.

Even still, this doesn't tell the whole story. Charter schools must pay rent or a mortgage on their facilities. District schools don't have that expense as the local tax-payer covers that payment. This means that charter schools only have their per-pupil funding at their disposal to ensure students have a safe and functional school in which to learn.

Here's how this ends up working out at Veritas Prep:

| | |
|------------------|---|
| \$7,936 | = The amount that Veritas Prep receives in total per-pupil funding from the state and federal sources |
| <u>+ \$549</u> | = What your Community Investment dollars add, per-pupil, to our school funding |
| \$8,485 | = Total Unrestricted Per-Pupil Funding Amount |
| <u>- \$1,754</u> | = Mortgage payment on our facility on a per-pupil basis |
| \$6,731 | = Total Per-Pupil Amount Left Over To Operate Our School |

In the public school district that Veritas Prep resides, Scottsdale Unified School District, the reported total per-pupil funding amount is around \$10,804. In real dollars, this constitutes a \$4,073 difference between the funding of a SUSD student and a Great Hearts student. **This means that our school receives approximately \$89,606 less in funding per classroom.**



We fundraise not only because of these low per-pupil investments, but also because we provide more inside our classrooms than you will find at many district schools: Smaller class sizes, lower student-to-teacher ratios, daily, core curricular programs like art, music, foreign language, drama, and poetry, along with college counseling, and a range of extra-curricular and cultural opportunities. All of this adds to the richness of the student experience and all of it costs money.

We know this is what our children deserve, and it is why we rely on our partnership with families to help provide their children with this unique and worthwhile education.

What is the Community Investment campaign?

The annual Community Investment campaign helps to buffer our school from the reality of public funding. The amount we receive from public funding is insufficient to run the programs we believe students deserve. While the \$1,500 per student we ask families to consider donating does not fully cover the gap that exists, it has historically helped us achieve positive operating incomes, albeit narrowly.

It is important to note that 100% of all Community Investment campaign gifts made to the school stay at the school and directly support the school's operating budget.

Gifts to the Community Investment campaign:

- Cover some of the gap between what we need to deliver the top-tier education that our children deserve and what we receive from public funding
- Help us support our excellent and dedicated faculty
- Keep our class sizes smaller for more individualized attention
- Enable us to offer programs such as art, music, and foreign language on a daily basis
- Allow us to offer our students a private school caliber education in a public school setting

What is the Arizona Public School Tax Credit drive?

The Arizona Public School Tax Credit allows Arizona taxpayers to contribute to the public school of their choice and receive a dollar-for-dollar credit on their state tax liability. Married couples may contribute up to \$400 and single filers may contribute up to \$200 and receive the full credit from their state tax liability. Tax Credit contributions support our qualified extra-curricular and athletic programs, field trips, and character-building programs. 100% of all Tax Credit gifts stay at the school where they were donated.

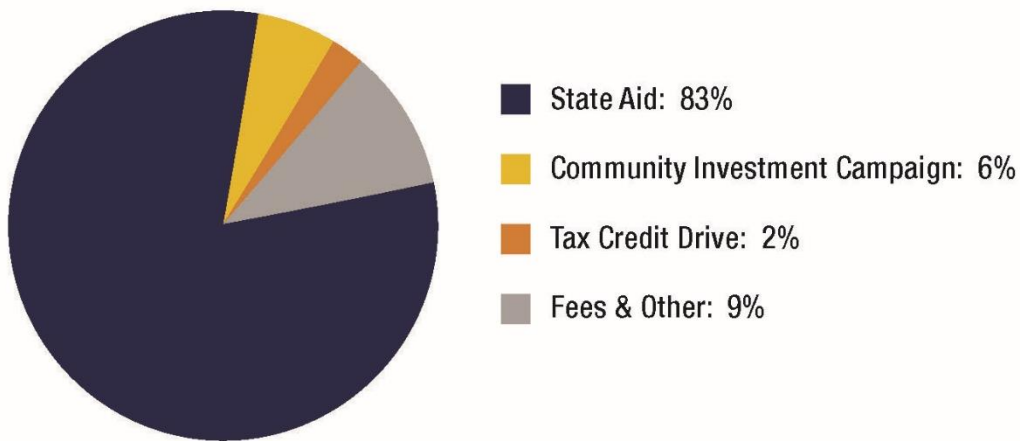
I have questions. Where should I go?

Please contact Nikki Fujiwara, Academy Giving Manager, at 602-263-1128 or NFujiwara@veritasprepacademy.org.

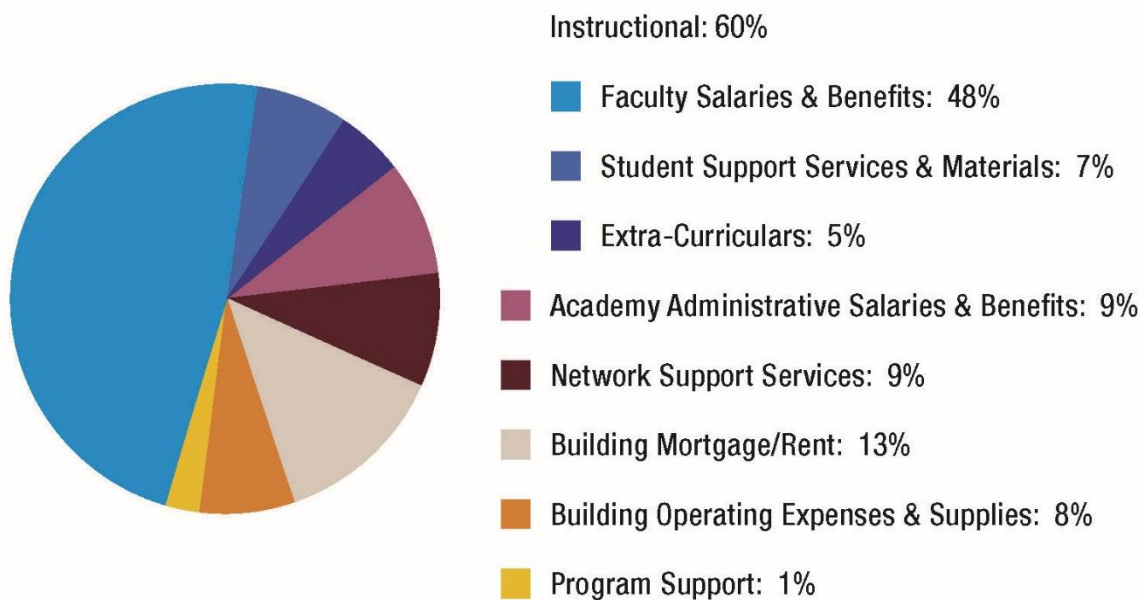
Please see the final three pages of this document to learn more about Veritas Prep's funding for the 2019-20 school year.



Where Does Our Funding Come From?



Where Does Our Funding Go?





Pie Graph Category Descriptions

Where Does It Come From?

Public Funding & State Aid:

- State funding including state aid, Prop 301, Prop 123, and the instructional improvement fund
- Federal funding including IDEA (ESS), Title I, II & III, AZCSP, REAP, NSLP

Community Investment:

- Community Investment gifts

Tax Credit:

- Tax Credit contributions

Extra-curricular, Special Programs & Other:

- Summer School
- Athletics
- Clubs
- School Meals
- Rental Income
- Other Contributions and Gifts
- PSO Donations

Where Does It Go?

Instructional

Faculty Salaries & Benefits:

- Salaries
- Hourly Wages and Overtime
- Stipends
- Performance Pay
- Summer School
- Employee Insurance (Medical, Dental, Life, STLT Disability, etc.)
- FICA (Social Security/Medicare)
- SUTA (State Unemployment)
- Retirement Matching
- Workers' Comp

Student Support Services & Materials:

- Instructional and Exceptional Student Services Expenses
- Support Staff for Students
- Textbooks and Instructional Supplies
- Photocopying Related Expenses

Extra-curriculars:

- Athletics
- Clubs

Academy Administrative Salaries & Benefits:

- Salaries
- Hourly Wages and Overtime
- Stipends
- Performance Pay
- Employee Insurance (Medical, Dental, Life, STLT Disability, etc.)
- FICA (Social Security/Medicare)
- SUTA (State Unemployment)
- Retirement Matching
- Workers' Comp

Network Support Services:

- Shared Services from Great Hearts
 - Human Resources
 - Curriculum Development
 - State Compliance and Reporting
 - IT
 - Marketing
 - Facilities Support
 - Enrollment
 - Finance and Accounting
 - Exceptional Student Services Support
 - Fundraising Support
 - Teacher, Staff, and Leadership Professional Development

Building Mortgage/Rent

Continued on Page 5



VERITAS
PREPARATORY ACADEMY
A Great Hearts Academy

Building Operating Expenses & Supplies:

- General Liability Insurance
- Utilities
- Waste Management
- Cleaning Services
- Landscaping Services
- Pest Control
- Facilities Supplies
- Alarm Services
- Common Area Maintenance
- Repairs and Maintenance
- IT and Internet
- Phone

Program Support:

- Software Subscriptions
- Yearbook
- Vision/Hearing Screenings
- Library Related Expenses
- Fundraising Expense
- Credit Card Merchant Fees
- Audit Fee
- Accreditation
- Dues and Fees
- Legal

Questions?

Please contact Nikki Fujiwara, Academy Giving Manager, at 602-263-1128 or NFujiwara@veritasprepacademy.org.

Thank you!