

Classrooms to Cash Flow:

SBS Lessons From a Former Charter CAO

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Introduction

**How will we make
it to Washington
D.C.?**



**How will we get
these students to
NYC?**



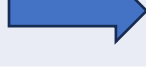
**Who needs filtered
water anyway?**



Inside the DPI Building

- One working copier
 - Internet goes out
 - Things leak & we walk to work in the rain
 - Air conditioning is unpredictable
 - Meetings that could be emails
 - Department budgets get cut
 - “Any Other Duties as Assigned” is your primary job description
- Students are the focus
 - Customer support matters
 - Everything is reviewed
 - We do know your names
 - We love to hear what schools are doing

Then vs. Now

My Time as CAO		Now at DPI
Improving Equitable Instruction		Supporting School Leaders and Reducing Barriers
Improving Academic Outcomes		Explaining Outcomes / Trends
Teacher Morale		Preventing Financial Hardships
Day-to-Day Logistics		Webinars / Trainings / Customer Service
Student Program Development		Improving Systems
Long-Range Planning		Long-Range Problem Solving
Single PSU Thinking		State-Wide Accessibility & Logistics

Key Insights

- 115 LEAs + 218 IPSs = 333 total PSUs
 - Serving 2701 schools
 - Over 1.5 millions students
- Crucial for data to be accurate and aligned across systems
 - Every school and every student matters
 - One missing report, file, attendance record, etc. halts the entire state or throws off calculations
- Cash flow is a complex process
 - Legislation
 - State Budget Management
 - DPI
 - PSU
 - Schools
 - Back to DPI
 - State Controller
- State level work requires longer timelines and multiple approvals
 - It is important to get it right
 - Information shared out must be easy to digest by PSUs

Takeaway # 1: The mission of the office of school business

*To effectively, efficiently, and transparently manage and oversee state and federal funds, policies , and data for K-12 public instruction and provide outstanding **customer service** to every public-school unit and all NC education stakeholders.*

- DPI is your biggest cheerleader
- DPI is here to support you
- DPI is far outnumbered

Takeaway #2: DPI often serves as translator

- DPI does not pass budgets, DPI just enacts them.
- Legislative language must be translated into processes, guidance systems, and actions that PSUs can understand and implement.
- Much work happens between law and action often in a short period of time.
 - Reverted PRC 230 Hurricane Helene
- Complex information must be simplified without losing accuracy.

Takeaway #3: Every decision has statewide implications

- A process that works for one PSU must work for all 333 PSUs
- Policies and guidance must be scalable from the smallest PSU to the largest PSU
- DPI must consider unintended consequences before implementation
 - Preliminary MFR
 - Good intentions
 - Great in theory
 - Hidden consequences

Takeaway #4: Relationships drive success

- Strong partnerships between DPI and PSU leaders, CMOs, and consultants help solve problems faster and more effectively.
 - When one PSU is having an issue, there will be others.
 - Professional networks become critical during emergencies and time-sensitive situations.
- Collaboration produces better solutions.
- Relationships make communication more effective during times of significant change.
- Difficult conversations are easier when strong relationships exist.

Takeaway #5: EDDIE, EDDIE, EDDIE

- Why did we not know?
 - EDDIE
- Why am I getting this message?
 - EDDIE
- How can I find out in the future?
 - EDDIE
- Why are you calling them instead of me?
 - EDDIE
- Can you make sure I am included in these conversations?
 - EDDIE

Portugal & Spain

Every Instructional Decision is a Financial Decision

My School's Story

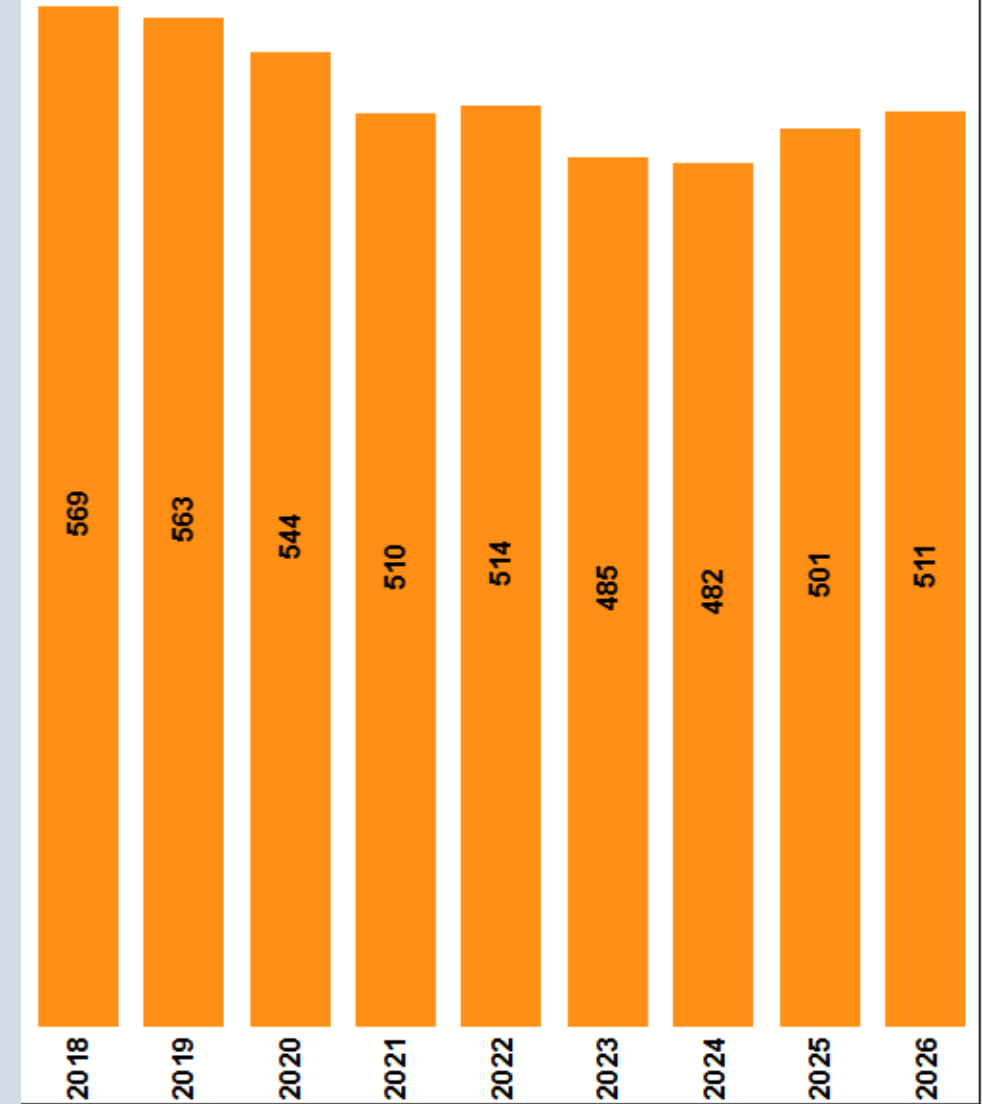
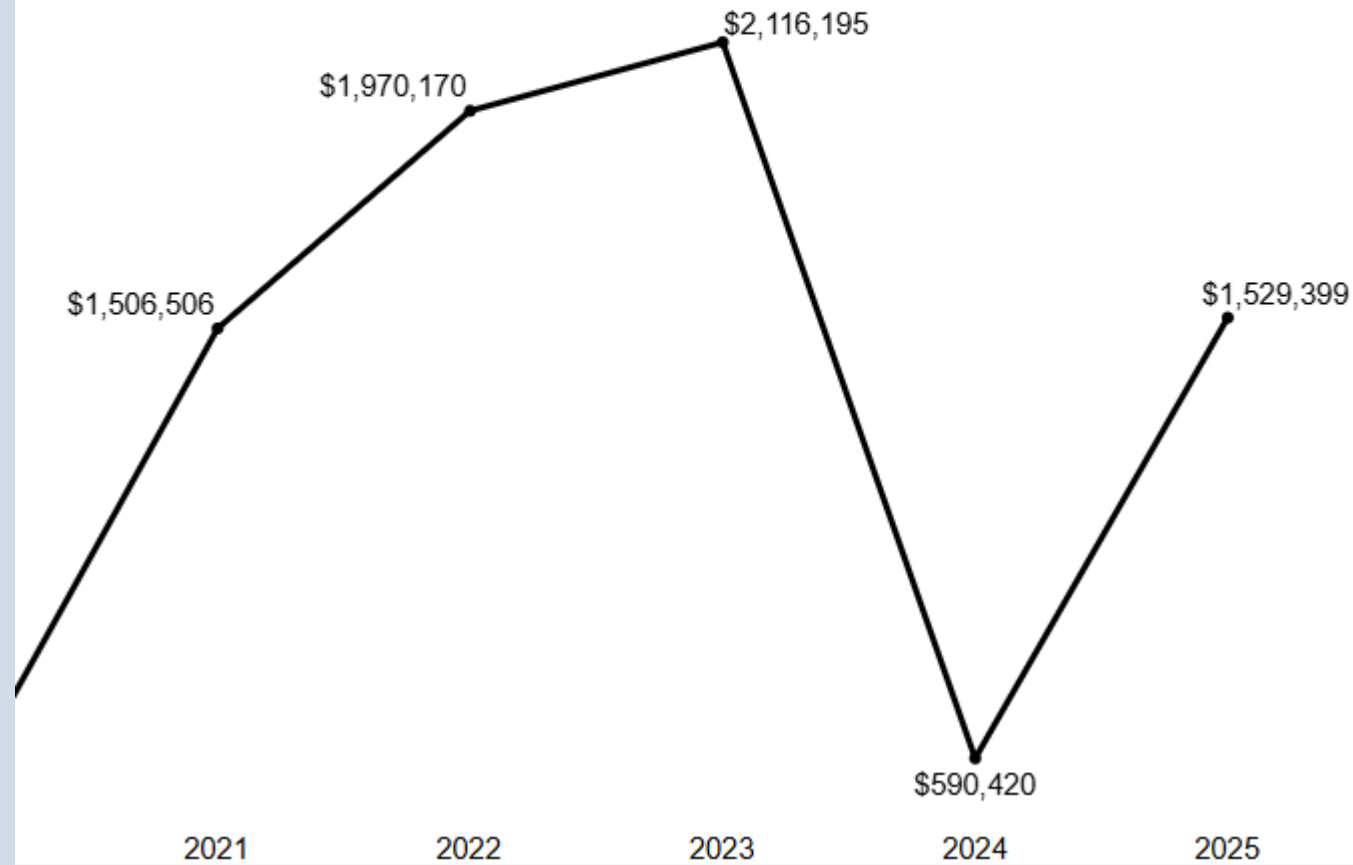
- Founded 1997
 - Oldest cohort of charter schools in the state
- Pamlico County (Rural)
- ESSER COVID-19 funds
- Declining ADM
 - While being held harmless
- Over \$750,000 in budgetary cuts required to balance the budget after ESSER ran out
 - Board of Directors and parents also wanted gym renovations



Financial

General fund balance data comes from annual school audits. Expenditure data comes from the Management Information System (MIS). Revenue data comes from the Student Information System (SIS).

Unassigned General Fund Balance



Takeaway #6: Every Instructional Decision is a Financial Decision

- Staffing Models
 - Class sizes
 - Teachers / Teacher Assistants
 - Small group instruction
- Scheduling
 - Shared spaces (cafeteria, gymnasium, playground, etc.)
 - Human capital
- Program Additions
 - Intervention
 - Electives
 - MTSS

Cont'd: Every Instructional Decision is a Financial Decision

- What I did not fully see as CAO:
 - Long-term cost implications
 - Hidden costs (benefits, overhead, sustainability)
 - Rising costs
 - A three year-\$80,000 program may cost \$100,000 three years from now
- DPI Lense
 - Trends across schools
 - Overextensions
 - Program turnover
 - Short-term grants → long-term obligations
 - Invested staff turnover
- “What does this cost now—what does this cost to sustain?”

Cont'd: Every Instructional Decision is a Financial Decision

- Finance and Academics cannot work in isolation
- Common Mistake
 - Budgets built without instructional strategy
 - Instructional plans built without budget reality
- What Works
 - Early collaboration between CAO/Principal & Finance Officer
 - Shared Language
 - Compromise
- Joint planning = fewer surprises + sustainable outcomes

1. THE MEETING BEGINS



2. CLARIFICATION ATTEMPTS



3. ESCALATION



4. THE TRANSLATOR APPEARS



5. PEAK COLLABORATION



6. SIX MONTHS LATER



Familiar Experience

- Instructional team identifies an end of year resource for test preparation.
- They receive a free trial and pilot the resource.
- Teachers vet the program and begin planning instruction around this additional resource.
- Finance team gets a quote for the resource.
- Adding in shipping and adjusting the quantity of materials needed they exceed available budget.
- CFO says “no”

Result: You end up with the online only version of the resource, and human capital was wasted planning for a program that did not come to fruition.

Takeaway #7: Every Financial Decision is an Academic Decision

- The COVID cliff
- PSU must cut over 750K in operating expenditures
 - Elective teachers
 - Enhancement programs
 - Social/emotional support
 - Teacher assistants
 - Online resources
 - Schedule changes
 - Outsourcing services
- Each of these have a fundamental impact on the success of the academic program

Takeaway #8: Sustainability Beats Innovation

(If you must choose)

- Educators love new programs
 - Any program takes a minimum of three years to yield expected growth
- Reality:
 - Grants run out
 - Funding does not always last
 - Personnel change
 - ADM declines
 - Overhead cost increase
- DPI Insights
 - Predict the “funding cliff”
 - Can we afford this three years from now?
- Scenarios
 - Hiring staff with temporary funds
 - Adopting new programs without exit plans or sustainability plans
 - Adopting systems with limited staff in mind

Takeaway #9: Compliance Matters

- CAO Perspective
 - Barrier
 - Paperwork
 - One more thing
 - Slows work down
- DPI Perspective
 - Protects resources
 - Protects students
 - Protects your long-term goals
 - Ensures funding sources stay active
 - Prevents Audit Findings, Funding Loss, Operational Disruption
- Understand the “why” behind compliance tasks

Takeaway #10: You can stay on top of your financial management

- DART Tools
 - ADM tracking
 - Staff vs. ADM
 - Monthly Reports
- Develop multi-year budgets
- Funding in arrears
- Budget for contingencies and savings

“If we have data, let’s look at data.

**If all we have is opinions, let’s go
with mine.”**

-James L. Barksdale

What I would have done differently?

- Bring academic folks to finance PD and bring finance folks to academic PD.
 - Do internal PD about cash flow, purchasing processes, etc.
- Partner earlier and more often with finance staff.
- Prioritize sustainability
- Develop a multi-year mindset
- Connect mission to money, don't plan them separate
- Educate staff on budget related items
 - No one wants to hear, “no we don't have the money...”
 - But they will accept, “here is how funding that program will impact others...how can we prioritize?”

IPS Survey

- How can School Business provide better support and communication to Charters, Labs, and Regional Schools?

