Baltimore Education Initiatives Inc.

Financial Roadmap, Fundraising Targets, Capital Development, and Reserve Strategy

Phase-Based Business Plan Financial Framework

1. Core Financial Principle

Baltimore Education Initiatives must be able to operate the schools already serving students, build the facilities those students will need next, and maintain enough reserve funding to protect the continuity of the educational program.

Annual Operating Cost + Scheduled Capital Investment + Required Reserve Growth = Annual Fundraising Goal

The organization should not begin a construction phase simply because it can afford to break ground. It should have a financial path to complete construction while continuing to operate every school already serving students.

2. Phase 1 - Capital Formation

2027

Minimum cumulative fundraising goal: $1 billion

The principal objective is to establish substantial philanthropic, foundation, corporate, institutional, and major-donor support.

2028

Minimum cumulative fundraising goal: $2 billion

By the end of 2028, Baltimore Education Initiatives should seek to have at least $2 billion raised or firmly committed. This creates the financial foundation necessary to move into major implementation and construction.

3. Phase 2 - Primary School Construction

Primary School construction begins in 2029.

The existing Financial Plan estimates the one-time capital requirement for the five Primary Schools at $946.5 million-$1.219 billion. This includes land, construction, site development and infrastructure, furniture, equipment, technology, professional services, permits, insurance, and contingency.

4. Primary School Opening - Target 2031

The target is for the five Primary Schools to be ready for students by approximately 2031, subject to fundraising, construction, approvals, land, staffing, and implementation readiness.

By the day the schools open, the Primary School capital investment will already have been spent.

Minimum remaining fund on opening day: $4 billion

This $4 billion is separate from the money already spent constructing the Primary Schools. It is intended to provide financial strength for school operations, secondary-campus construction, operating reserves, contingencies, organizational continuity, and protection against temporary fundraising shortfalls.

Opening-Day Calculation	Amount
Primary capital already spent	$946.5M-$1.219B
Minimum remaining fund	$4.000B
Minimum cumulative capital raised before opening	$4.947B-$5.219B

The cumulative amount above does not include additional organizational expenses that may arise before opening.

5. Fundraising Requirement From 2029 Through Opening

If the Initiative reaches $2 billion cumulative by the end of 2028, it will still need approximately $2.947B-$3.219B additional capital before opening in order to complete the Primary capital program and still retain at least $4 billion.

A practical fundraising target for 2029, 2030, and the 2031 opening period is therefore approximately $1.0B-$1.1B per year. If fundraising exceeds these goals and implementation readiness exists, construction and later phases may accelerate.

6. Operating Reserve Policy

Baltimore Education Initiatives should seek to maintain a reserve equal to two years of projected annual operating expenses.

The reserve should increase as additional grades and school divisions open. Its purpose is to protect the students already enrolled if fundraising temporarily slows. The opening-day $4 billion fund will contain the initial operating reserve. Thereafter, annual fundraising goals will include the additional amount needed to increase that reserve as operating costs rise.

7. Existing Annual Operating Budgets

Operating Component	Four-Campus Model Annual Budget
Five Primary Schools - Grades 1-5	$300M-$370M
Middle Schools - Grades 6-8	$228M-$273M
High Schools - Grades 9-12	$444M-$544M
Shared Secondary Campus Operations	$100M-$124M
Central Administration	$10.6M-$12.4M
Full Secondary Division	$772M-$941M
Fully Operational Grade 1-12 System	$1.083B-$1.323B

8. Operating-Cost Ramp as Grades Are Added

For business-planning purposes, the existing full annual budgets are phased proportionally as each grade is added. This is a planning calculation based on the approved annual budgets and does not replace the full operating budgets. Central administration is conservatively included at its full planned amount from the first operating year. Shared secondary-campus operating costs are treated as active when Middle School opens because the shared campuses themselves are then in service.

9. School Operating Years 1-5 - Primary Expansion

School Year	Grades Operating	Operating Cost	Two-Year Reserve Target	Reserve Growth	Fundraising Target
Year 1	Grade 1	$70.6M-$86.4M	$141.2M-$172.8M	Initial reserve in opening-day fund	$100M
Year 2	Grades 1-2	$130.6M-$160.4M	$261.2M-$320.8M	$120M-$148M	$1.0B
Year 3	Grades 1-3	$190.6M-$234.4M	$381.2M-$468.8M	$120M-$148M	$1.1B
Year 4	Grades 1-4	$250.6M-$308.4M	$501.2M-$616.8M	$120M-$148M	$1.2B
Year 5	Grades 1-5	$310.6M-$382.4M	$621.2M-$764.8M	$120M-$148M	$1.25B

Beginning in School Year 2, the fundraising target also includes the secondary capital program described below.

10. Secondary Capital Development - Four-Campus Model

Capital Component	Four-Campus Capital Requirement
Middle School capital	$640M-$835M
Shared secondary-campus capital	$1.637B-$1.994B
High School capital	$770M-$1.010B
Total Secondary capital	$3.047B-$3.839B

11. School Years 2-5 - Middle School and Shared Campus Construction

Beginning in School Operating Year 2, Baltimore Education Initiatives will begin construction of the four secondary campuses, excluding the dedicated High School academic buildings.

The first secondary construction stage consists of $640M-$835M for Middle School capital plus $1.637B-$1.994B for shared secondary-campus capital, for a total of $2.277B-$2.829B.

To have the Middle School system ready by Year 6, this amount is planned across School Years 2-5. The average annual capital requirement is approximately $569.25M-$707.25M per year.

12. Year-by-Year Fundraising Goals - School Years 2-5

Year	Operating Cost	Secondary Capital	Reserve Growth	Assessed Requirement	Fundraising Target
2	$130.6M-$160.4M	$569.25M-$707.25M	$120M-$148M	$819.85M-$1.016B	$1.0B
3	$190.6M-$234.4M	$569.25M-$707.25M	$120M-$148M	$879.85M-$1.090B	$1.1B
4	$250.6M-$308.4M	$569.25M-$707.25M	$120M-$148M	$939.85M-$1.164B	$1.2B
5	$310.6M-$382.4M	$569.25M-$707.25M	$120M-$148M	$999.85M-$1.238B	$1.25B

13. School Year 6 - Middle School Opens and High School Construction Begins

In School Year 6, the first cohort enters Grade 6. The Middle School and shared secondary-campus facilities must therefore be ready. At this point, construction begins on the dedicated High School facilities.

The four-campus High School capital requirement is $770M-$1.010B. This is the dedicated High School capital category only. The land, parking, internal roads, utilities, athletic facilities, site development, security infrastructure, and other shared-campus work were already funded in the earlier shared-campus capital phase and are not counted again.

If the High School capital program is spread across School Years 6-8, the average annual High School construction requirement is approximately $256.7M-$336.7M per year.

14. School Years 6-8 - Middle School Expansion and High School Construction

Year	Grades Operating	Operating Cost	High School Capital	Reserve Growth	Assessed Requirement	Fundraising Target
6	Grades 1-6	$486.6M-$597.4M	$256.7M-$336.7M	$352M-$430M	$1.095B-$1.364B	$1.4B
7	Grades 1-7	$562.6M-$688.4M	$256.7M-$336.7M	$152M-$182M	$971.3M-$1.207B	$1.25B
8	Grades 1-8	$638.6M-$779.4M	$256.7M-$336.7M	$152M-$182M	$1.047B-$1.298B	$1.3B

By the end of Year 8, the High School facilities should be substantially complete and ready for the first cohort to enter Grade 9 in Year 9.

15. School Years 9-12 - High School Expansion

Year	Grades Operating	Operating Cost	Reserve Growth	Assessed Requirement	Fundraising Target
9	Grades 1-9	$749.6M-$915.4M	$222M-$272M	$971.6M-$1.187B	$1.2B
10	Grades 1-10	$860.6M-$1.051B	$222M-$272M	$1.083B-$1.323B	$1.35B
11	Grades 1-11	$971.6M-$1.187B	$222M-$272M	$1.194B-$1.459B	$1.5B
12	Grades 1-12	$1.083B-$1.323B	$222M-$272M	$1.305B-$1.595B	$1.6B

At full operation, the two-year reserve target is approximately $2.166B-$2.646B.

16. Summary Financial Roadmap

Milestone	Financial Goal
End of 2027	$1B cumulative
End of 2028	$2B cumulative
2029	Primary construction begins
Primary capital investment	$946.5M-$1.219B
Target school opening	2031
Minimum fund remaining at opening	$4B
Minimum cumulative raised before opening	$4.947B-$5.219B+
School Year 1 fundraising target	$100M
School Year 2	$1.0B
School Year 3	$1.1B
School Year 4	$1.2B
School Year 5	$1.25B
School Year 6	$1.4B
School Year 7	$1.25B
School Year 8	$1.3B
School Year 9	$1.2B
School Year 10	$1.35B
School Year 11	$1.5B
School Year 12 / full system	$1.6B
Full-system two-year reserve	$2.166B-$2.646B
Total four-campus secondary capital	$3.047B-$3.839B

17. Financial Discipline

- The Primary Schools should not open unless the Primary capital program has been paid and the organization still has at least $4 billion available or firmly committed.
- Secondary construction should begin in School Year 2 so that Middle School facilities are ready before the first cohort reaches Grade 6.
- High School construction should begin in School Year 6 so that the High School is ready before the first cohort reaches Grade 9.
- The organization should seek to maintain a two-year operating reserve throughout the growth of the system.
- Annual fundraising goals should include operating expenses, construction requirements, and the amount necessary to increase reserves as enrollment grows.
- If fundraising exceeds expectations, construction and implementation may accelerate, provided financial reserves and operational readiness remain protected.

18. Long-Term Financial Objective

The goal is not simply to raise enough money to construct schools. The goal is to create an organization capable of building and operating the complete twelve-year educational system without placing the education of enrolled children at risk.

By the day the first Grade 1 students enter Baltimore Education Initiatives, the financial foundation for their entire educational journey should already be underway. Fundraising will continue every year, but the organization should maintain sufficient capital and reserves so that the future of the students does not depend entirely on the success of the next fundraising cycle.

Source basis: Baltimore Education Initiative Financial Plan - five Primary Schools and four-campus secondary model. Figures are preliminary planning estimates and should be updated as actual costs, fundraising commitments, construction schedules, and operating experience become available.