C.5 Three Year Operational Budget Assumptions

Student Count and Revenue

Arizona Autism Charter Schools, Inc. (AZACS) has developed a conservative three-year operational budget based solely on projected state equalization revenues. In the first year, these projected revenues are for 69 students, 15% less than our projected student count which is 81. Student count is projected to increase by 9 students in the second year and 9 more students in the third year, but similarly, calculations for revenues in years two and three are based on 15% fewer students than expected. Although AZACS plans to pursue an aggressive fundraising campaign as well as entitlement grants upon charter approval, this budget is only based on state funding.
Based on research AZACS has done on 6 other charter schools around the country with a focus on children with autism, it is predicted that most students seeking admission to AZACS will be diagnosed with autism and be on an Individual Education Plan (IEP). The AZACS revenue worksheets are based on a higher than average special education population based on the target population AZACS intends to serve. Other assumptions are based on conservative estimates from vendors and service providers. Research was also conducted on costs incurred by similarly sized charter schools and private schools serving children with autism during first three years of operations.

Administrative, Instruction & Support (AIS)

Salaries	***Fiscal Year 2013***	***Fiscal Year 2014***	***Fiscal Year 2015***
Executive Director: ***$72,000***	First year salary is set at $72,000, which is competitive with other charter schools of similar size for first year director salaries. Because this is a specialty school serving an special education population this salary must remain competitive to ensure the most experienced and dedicated professional is hired for the job and remains with the school for as many years as possible.	Cost of living salary increase of 3% in year two.	Cost of living salary increase of 3% in year three.

Curriculum and ABA Supervisor Consultant: ***$37,500 half-time position(.50 of $75,000)***	This is a high level supervisory position. This position will be held by a Ph.D. level autism education expert, school psychologist and Board Certified Behavior Analyst. This has been designated as a half-time position because the person will be a consistent resource to AZACS as needed, but may not be on campus day to day with a full-time schedule.	Cost of living salary increase of 3% in year two.	Cost of living salary increase of 3% in year three.
Curriculum Director, BCBA: ***$55,000***	This salary is set at $55,000 for the first year. This salary is based on research with the Behavior Analyst Certification Board for Master's level Board Certified Behavior Analyst with experience in curriculum development for children with autism. The AZACS team has already identified BCBAs who have worked in private school settings serving children with autism and would be eager to take on this role.	Cost of living salary increase of 3% in year two.	Cost of living salary increase of 3% in year three.

Teachers-Special Education: ***$40,000***	AZACS expects to hire nine special education teachers each serving 9 students in year one. The staring salary is $40,000. This salary is competitive with starting salaries for special education teachers in the Phoenix Metro area. We will seek only the best professional teachers with experience as well as a passions for working with children with autism. Teachers will be motivated to work at AZACS for its low student-teacher ratios and professional development under Master's level and Doctoral level Board Certified Behavior Analysts.	One additional teacher is added in year two. Budget also includes a 3% cost of living increase.	One additional teacher added in year three. Budget also includes a 3% cost of living increase.
Paraprofessionals: ***$20,000***	In order to maintain low student teacher ratios, AZACS will hire two paraprofessionals or teacher aides for each classroom (18). AZACS will seek to hire college students who are studying special education or a related field. Salary is set at $20,000 in year one.	Two additional Paraprofessionals are added in year two. Budget also includes a 3% cost of living increase.	Two additional Paraprofessionals are added in year three. Budget also includes a 3% cost of living increase.

Business and Operations Manager: ***$50,000***	Salary is set at $50,000 which is in line with similar positions at other charter schools of the same size. This person will oversee the school office and receptionist, maintain budget reports and be the main liaison for contractor Diamond Financial Services which will be providing "back-office" services.	Cost of living salary increase of 3% in year two.	Cost of living salary increase of 3% in year three.
Administrative Assistant: ***$28,000***	First year salary set at $28,000. This compensation is in line with other entry-level office assistant jobs at similarly sized charter schools. This person will serve as a receptionist and support school staff and families as needed.	Cost of living salary increase of 3% in year two.	Cost of living salary increase of 3% in year three.
Custodial Maintenance: ***$9,000 half-time position***	AZACS has budgeted $9,000 for a part-time custodian and maintenance person to help with cleaning and repair jobs that may arise on at the school.	Cost of living salary increase of 3% in year two.	Cost of living salary increase of 3% in year three.
Required Contributions	The budgeted amount for required contributions includes 10% in taxes, FICA and workers compensation. ***$31,150***	The budgeted amount for required contributions includes 10% in taxes, FICA and workers compensation. ***$32,085***	The budgeted amount for required contributions includes 10% in taxes, FICA and workers compensation. ***$33,047***

Employee Benefits	The budgeted amount for employee benefits includes a 2% 401k retirement fund.	Same as year 1.	Same as year 1.
Employee Insurance	AZACS will provide a health insurance plan for its fulltime employees through JPET at the cost of $400 per month. Employees will be expected to contribute half the monthly expenses through payroll deduction.	Same as year 1.	Same as year 1.
Office Supplies (Paper, Postage, etc.)	The budgeted amount for office supplies, such as paper, postage, etc. is based on similar sized charter schools.	Same as year 1.	Same as Year 1.
Instructional Consumables	Based on similar sized charter schools. The cost are estimated at $1,000 per classroom each year. Includes costs for student notebooks/binders and supplies for data collection.	Budgeted amount is $1,000 per classroom.	Budgeted amount is $1,000 per classroom.

Membership Dues, Registrations, & Travel	The budgeted amount for this category is based on the estimated cost for the Executive Director to attend the yearly National Autism Conference in Pennsylvania and other local Autism awareness functions.	Same as year 1.	Same as year 1.
Contracted Services (AIS)	The budgeted amount for Contracted Services (AIS) is based on a $33,000 quote from Diamond Financial Services who will be providing accounting, payroll and SAIS services and a $7,000 quote from the law firm of Leo Condos who will be providing legal services.	Based on quotes as in year one with a 3% yearly increase due to expanded services.	Based on quotes as in year one with a 3% increase due to expanded services.
Contracted Services (Special Education)	The budgeted amount for Contracted Services (Special Education) is based on market rates and quotes for Speech and OT Services from Integrated Education Services.	Based on quotes and market rates as in year one with a 3% yearly increase due to expanded services.	Based on quotes and market rates as in year one with a 3% yearly increase due to expanded services.
Curriculum & Resource Materials	The budgeted amount for Curriculum & Resources is based on a quote from McGraw Hill to provide text books and resources for grades K-5. First year costs of $20,000 is $5,000 more than year two and three.	Year two and three will be $15,000 per year as there will already be existing curriculum materials from start-up and year one.	Year three will be $15,000 per year.

IEP Software	$3,000 based on a quote from IEPro for IEP management software resources.	Same as year 1.	Same as year 1.
SAIS Software	The budgeted amount for SAIS software is based on a quote from School Master and includes on-site training, installation and support.	Same as year 1.	Same as year 1.
Auditor Fees	The budgeted amount for auditor fees is based on similar fees charged to other charter schools of our size.	The budgeted amount for auditor fees increases by $1,000 in year two to cover revenue and school growth.	The budgeted amount for auditor fees increases by $1,000 in year three to cover revenue and school growth.

Expenditures

Operations & Maintenance (O&M)

	Fiscal Year 2013	***Fiscal Year 2014***	***Fiscal Year 2015***
Supplies	Cost estimate based on cleaning supplies, light bulbs, and other misc. supplies for our facility.	Same as year 1.	Same as year 1.
Marketing/Advertising	The budgeted amount for Marketing & Advertising is based on quotes from Famouspress.net to print brochures, pamphlets and other collateral.	The budgeted amount for Marketing & Advertising is based on quotes from Famouspress.net to print brochures, pamphlets and other collateral.	The budgeted amount for Marketing & Advertising is based on quotes from Famouspress.net to print brochures, pamphlets and other collateral.

Contracted Services - O&M	The budgeted amount for Contacted Services - O&M is based on quotes from Goodman's Landscape and Sexton pest control services.	Same as year 1.	Same as year 1.
Building Lease	The budgeted amount for the Building Lease is based on a quote from the owner/lessor. The building is a former Charter School and is already zoned for a school. The building is approximately 10,000 SF. The cost of the lease is $12 per SF per year. We will be using approximately 2,000 SF during start-up and the remainder of the facility starting July 1, 2013. The landlord is willing to waive the security deposits and differ the costs associated with modifying the facility. The lease payments are fixed for three years.	Lease payments are fixed and remain the same.	Lease payments are fixed and remain the same.

Building Improvements	The budgeted amount for Building Improvements are based on a quote and an agreement with the Landlord to differ the costs associated with minor building modifications required during the start-up phase. These modifications include, converting a section of the parking lot to a play area and fencing off the perimeter. In addition, there will be some minor remodeling required to add additional classrooms in in year 2 and three. The total for year one is $10,000 and will be paid in two installments of $5,000. The remaining payments will be made in year 2 and three in $5,000 installments.	The second installment of $5,000 will be paid on 9/1/14.	The third installment will be paid on 9/1/15.
Fee/Permits	$300 for City of Phoenix Fire and Safety permit, $250 for asbestos report, $200 for Health Dept. permit, $250 for misc. fees	Same as year 1.	Same as year 1.
Property/Casualty Insurance	Average of quotes from CSIPros. & USI Insurance Services. Quote based on similar sized charter schools.	Same as year 1.	Same as year 1.

Liability Insurance	Average of quotes from CSIPros. & USI Insurance Services. Quote based on similar sized charter schools.	Same as year 1.	Same as year 1.
Utilities (Electric, Gas, Water and Waste)	The budgeted amount for Utilities is based on quote from the Landlord that bases the costs at $2.00 per SF.	The budgeted amount for Utilities is the same as year 1 multiplied by a 3% price increase adjustment per year.	The budgeted amount for Utilities is the same as year 2 multiplied by a 3% price increase adjustment.
Phone/Communications/Internet Connectivity	The budgeted amount is based on a quote from Cox Business Communications and Verizon Wireless.	The budgeted amount is based on a quote from Cox Communications and Verizon Wireless with an increase in additional services.	The budgeted amount is based on a quote from Cox Communications and Verizon Wireless with an increase in additional services.
Student Furniture & Other Equipment	The budgeted amount for Student Furniture & Other Equipment is based on used surplus prices from the Mesa Public Schools Used Surplus Facility. The estimate is based on nine student desks per classroom, teacher desk, storage cabinets and shelving.	The budgeted amount for Student Furniture & Other Equipment is based on used surplus prices from the Mesa Public Schools Used Surplus Facility. The estimate is based on adding an additional classroom.	The budgeted amount for Student Furniture & Other Equipment is based on used surplus prices from the Mesa Public Schools Used Surplus Facility. The estimate is based on adding an additional classroom.
Office Furniture & Other Equipment	The budgeted amount for Office & Furniture & Other Equipment is based on used surplus prices from the Mesa Public Schools Used Surplus Facility.	The budgeted amount for Student Furniture & Other Equipment is based on used surplus prices from the Mesa Public Schools Used Surplus Facility. The estimate is based on adding an additional classroom.	The budgeted amount for Student Furniture & Other Equipment is based on used surplus prices from the Mesa Public Schools Used Surplus Facility. The estimate is based on adding an additional classroom.

Student Technology Equipment	The budgeted amount for Student Technology Equipment is based on quotes for providing three Apple Ipads per classroom to be used as communications devices and for other education apps.	Additional three Ipads purchased for additional classroom.	Additional three Ipads purchased for additional classroom.
Office Technology Equipment	The budgeted amount for Office Technology Equipment is based on a quote from CDW to provide an additional office computer work station and necessary peripherals.	Same as year 1.	Same as year 1.
Other Leases (Security, Copiers, etc.)	The budgeted amount for Other Leases (Security, Copiers, etc.) is based on a quote from Flex Print, Inc. to provide two office multi-function copiers, scanners and fax machines. In addition, the budgeted amount includes a quote from ADT, Inc. to provide alarmed monitoring security services.	Additional $1,000 increase to cover additional equipment and expansion.	Additional $1,000 increase to cover additional equipment and expansion.