C.4 Start-Up Budget Assumptions

Ethos Academy: A Challenge Foundation Academy ("Ethos Academy") developed a start-up budget, in effect from February 1, 2014 to July 31, 2015, based around the following budget assumptions.

Explanation of Start-Up Revenue

Start-Up revenue is based on the Arizona Charter Starter Program grant and the TeamCFA Challenge Foundation grant. These awards are for $400,000 in CSP grants (made in 2 payments of $200,000) and $100,000 in TeamCFA grants during the start-up phases.

Explanation of Expenses

<u>Administration, Instruction, and Support (AIS) Expenditures</u>

Salaries: School Director/Principal

- Assumes a .25 full-time employee ("FTE") for the founding School Director at a total of $12,000 for twelve-months. Total salary assumes 13.65% required employer contributions for a total of $13,638. (Feb. 1, 2014 – Jan. 31, 2015)
- Assumes a .25 full-time employee ("FTE") for the founding School Director at a total of $12,000 for six-months. Total salary assumes 13.65% required employer contributions for a total of $13,638. (Feb. 1, 2015 – July 31, 2015)

Salaries: Teachers

- Assumes teachers will be paid in August for Professional Development that takes place in July.

Salaries: Dean of Academics

- Assumes a .5 full-time employee ("FTE") for the founding Dean of Academics at a total of $24,000 for twelve-months. Total salary assumes 13.65% required employer contributions for a total of $27,276. (Feb. 1, 2014 – Jan. 31, 2015)
- Assumes 1 FTE for a Dean of Academics position for a total of $18,000 for six-months. Total salary assumes 13.65% required employer contributions for a total of $20,457. (Feb. 1, 2015 – July 31, 2015)

Salaries: Dean of Families

- Assumes .5 FTE for a Dean of Families position at a total of $15,000 for twelve-months. Total salary assumes 13.65% required employer contributions for a total of $17,048. (Feb. 1, 2014 – Jan. 31, 2015)
- Assumes 1 FTE for a Dean of Families position at a total of $15,000 for six-months. Total salary assumes 13.65% required employer contributions for a total of $17,048. (Feb. 1, 2015 – July 31, 2015)

Salaries: Dean of Operations/Manager

- Assumes .5 FTE for an Operations Manager position at a total of $15,000 for twelve-months. Total salary assumes 13.65% required employer contributions for a total of $17,048. (Feb. 1, 2014 – Jan. 31, 2015)
- Assumes 1 FTE for an Operations Manager position at a total of $15,000 for six-months. Total salary assumes 13.65% required employer contributions for a total of $17,048. (Feb. 1, 2015 – July 31, 2015)

Employee Benefits

- Assumes no additional employee benefits will be offered. The 401(k) benefit will be made available to the four start-up employees in August 2015 and is reflected in the three-year budget.

Employee Insurance

- Assumes all employees elect the maximum $350 monthly allowance ($4200 annually) for health and dental insurance. Ethos Academy expects 3 FTE from February 1, 2015 – July 31, 2015 for six months at a total of $6,300.

Office Supplies (Paper, Postage, etc…)

- Assumes office and postage costs of $3,600 for 18 months. Costs based on comparisons with other TeamCFA schools.

Membership Dues, Registrations, and Travel

- Assumes Arizona Charter Schools Association membership of $200, considering no students, and based on quote from organization. Assumes $1,000 for local conferences (5 x $200 per) offered the Department of Education.
- Assumes $12,000 for national Professional Development conferences and $12,000 in related travel expenses (air, car, lodging, and food).
- Assumes $25,000 for ACSA Charter Starter Program.
- Assumes $5,000 for High Bar governance training dues.

Contracted Services (AIS)

- Assumes $5,000 in contracted curriculum development services for pre-planning and pacing alignment. Cost provided by other TeamCFA schools for similar services.
- Assumes $7,000 in contracted language development services for pre-planning of the ELL/ELD programs. Cost provided by other TeamCFA schools for similar services.
- Assumes legal services with Warren Charter Law at $25,000 for 18 months at an average of $250 per hour. The costs were provided by Warren Charter Law, LLC.
- Assumes accounting services with Crisler Business Services, LLC at $22,800 for 18 months at an average of $60 per hour. The costs were provided by Crisler Business Services, LLC.
- Assumes information technology services with Compass Network Solutions, LLC at $1,000 per month for the six months leading up to the start of school. The cost and hourly assumptions were provided by Compass Network Solutions, LLC.
- Assumes payroll services with Payroll Experts, Inc. at $6,000 for 18 months. The costs were provided and verified by Payroll Experts.

Curriculum and Resource Materials

- Assumes $18,100 in student and teacher resources for Reading and Language Arts. Costs provided by CKLA, the curriculum provider, and assume costs required for 2 Kindergarten classes, 2 first grade classes, 2 second grade classes, and 1 third grade class.
- Assumes $17,700 in student and teacher resources for Mathematics. Costs provided by Houghton Mifflin Harcourt, the curriculum provider for Math in Focus, and assume costs required for 2 Kindergarten classes, 2 first grade classes, 2 second grade classes, and 1 third grade class.
- Assumes $7,140 in student and teacher resources for Social Studies. Costs provided by Pearson, the curriculum provider for Pearson Core Knowledge, and assume costs required for 2 Kindergarten classes, 2 first grade classes, 2 second grade classes, and 1 third grade class. Consideration provided to the fact that Social Studies will have a Reading Integrated emphasis in grades K-3.
- Assumes $3,370 in student and teacher resources for Mathematics. Costs provided by Houghton Mifflin Harcourt, the curriculum provider for Science Fusion, and assume costs required for 2 Kindergarten classes, 2 first grade classes, 2 second grade classes, and 1 third grade class. Consideration provided to the fact that Science will have Reading Integrated emphasis in grades K-3.
- Assumes $5,000 in curriculum samples during the Feb. 1, 2014 – Jan. 31, 2015 pre-planning phase.

Library Resources and Software

- Assumes $700 in library resources. Cost is based on a $100 budget for each classroom to establish a baseline of materials that will be used for training purposes.

SAIS Software

- Assumes the initial purchase of the SAIS software of $10,000 and $1,500 in training. Costs provided by SchoolMaster and confirmed by other TeamCFA schools.

Other Fees

- Assumes $10 per student fee annually for NWEA MAP. Costs based on comparisons with other TeamCFA schools.
- Assumes $8 per student fee annually for Galileo assessments. This cost was provided by other TeamCFA schools utilizing the same resources.
- Assumes $80 per student fee annually for CompassLearning Odyssey. Costs based on comparisons with other TeamCFA schools.
- Assumes the total of all three fees to equal $98 per student for 158 students of the budget enrollment.

<u>Operations and Maintenance (O&M) Expenditures</u>

Supplies

- Assumes janitorial supply costs of $1,000 for six-months and based on actual costs for other TeamCFA schools and adjusted for size.

Marketing/Advertising

- Assumes $0 in marketing and advertising materials, since costs will be assumed by the TeamCFA Marketing Committee. Assumes additional advertising costs of $3000 in additional costs for 18 months to advertise in local media based on quotes from regional publications in the central Glendale area.

Contracted Services

- Assumes $0 in landscaping and janitorial costs as the school will employ a part-time custodian and the landscaping costs will be included in the facility leasing agreement as an expense to the landlord.

Building Rent/Lease/Loan

- Assumes $10,800 in startup office space ($600 x 18 months). Costs provided by landlords for one office room, including utilities for the first year, at the actual site of the two facility options. The utilities for rent after Feb. 1, 2015 are included in the utilities section.

Building Improvements

- Assumes $0 in costs for building improvement as these are the responsibility of the landlord. Assumes initial improvements, if required, are already built into the Projected Facility Costs.

Land Improvements

- Assumes $0 in land improvement costs as these are the responsibility of the landlord. Assumes initial improvements, if required, are already built into the Projected Facility Costs.

Fees/Permits

- Assumes $0 in fees and permit costs as these are the responsibility of the landlord. Assumes initial fees and permits, if required, are already built into the Projected Facility Costs.

Property/Casualty/Liability Insurance

- Assumes $5,063 general liability insurance and $2,050 umbrella insurance for six months. Costs provided by estimates obtained at other TeamCFA schools.
- Assumes workers' compensation insurance at $330 for six months. Costs provided by estimates obtained at other TeamCFA schools.
- Assumes all insurance costs are included in the Liability Insurance line item.

Utilities (Electric, Gas, Water, Waste)

- Assumes $1,200 in utility costs for six months of office use only leading up to the first day of school. Water and waste are assumed to be costs absorbed by the landlord.

Phone/Communications/Internet Connectivity

- Assumes $1,500 for six months of office use prior to the start of school and will be built into the office lease for the startup time period. Staff will utilize personal cell phones during the Feb. 1, 2014 – Jan. 31, 2015 pre-planning stage.

Student Furniture and Other Equipment

- Assumes $17,500 ($2,500 x 7 classrooms) to provide desks and chairs in advance of the school year starting. Costs provided by Arizona Furnishings.

Office Furniture and Other Equipment

- Assumes $3,000 in general office equipment for the Feb. 1, 2014 – Jan. 31, 2015 pre-planning stage.
- Assumes $7,700 in office equipment ($770 x 10 additional FTE) to provide desks, chairs and file cabinets in the six months prior to the start of school. Costs provided by Arizona Furnishings and account for increases in staffing during this stage.

Student Technology Equipment

- Assumes $51,726 to provide 50 Chromebooks ($250 each), 2 computer carts, ($1,700 each), 7 Mimeos ($16,045 including mounting), insurance/local server ($6,556), and additional infrastructure technology ($13,225). Costs provided by the TeamCFA Technology committee.

Office Technology Equipment

- Assumes $4,000 in laptops for the founding staff during the Feb. 1, 2014 – Jan. 31, 2015 pre-planning stage. Costs provided by the TeamCFA Technology committee.
- Assumes $11,250 to provide 10 computers, monitors and keyboards ($1,125 x 10 additional FTE) for both instructional and non-instructional staff. Costs provided by the TeamCFA Technology committee.

Other Leases (Security/Copiers)

- Assumes $9,000 in copier costs for the first 18 months at an average of $500 per month. Costs provided by other TeamCFA schools and pro-rated based on expected use.