C.5 Operation Expenditures/Overhead

In identifying expenses, La Tierra Community School (LTCS) has gathered historical data for enrollment and expenses at comparable schools in the area. LTCS can reasonably base its budget assumptions on such data, given that the school will serve a similar student body. LTCS has received budget advice from experts that work within the Arizona charter network. Additional comparisons have been made with other Expeditionary Learning schools of comparable size and management.

- **La Tierra Campus:** The school facility will have the capacity to accommodate 46 students during the first year with a classroom ratio of one classroom instructor to about 18 students (1:18). At this time, La Tierra Community School has a letter of commitment from Granite Peak Unitarian Universalist Congregation stating an excellence lease price in a facility designed for young children.

- **Revenue:** To compute the State Equalization Revenue, 35 students were used for the first year of operation. The number comes from 40 projected students, minus 5 (half the Kindergarten class) as the State currently only pays for 50% of a Kindergarten student. This calculation was done for all three budgeted years. The student count was multiplied by $6,300, a validated estimate for the per student allocation. The $6,300 number was not increased in subsequent years, being used for all three years of the budget projections.

- **Employee Benefits:** To project the amount for employee benefits, the total salary projection was multiplied by 22%. This number reflects all State and Federal mandates.

- **Travel:** La Tierra teachers will attend professional development trainings off campus. This projection allows for a teacher to have this opportunity each year.

- **Purchase Services:** This budgeted amount would be set aside to cover the cost of an Expeditionary Learning Memorandum of Understanding and other purchased services such as NWEA MAPS testing, auditor, legal, and other consultants.

- **Special Education:** Based on local cost estimates for Special Ed services and a projected Special Ed enrollment of around 11% (similar to other charters and traditional schools in the area). The Yavapai County ESA advised that this budgeted amount will be sufficient based on projected student count.

- **SAIS Software:** SAIS software is a necessary tool for reporting to the State of Arizona. The software cost for Year 1 is paid for in the Start-up budget.

- **Curriculum &Resource Materials:** This budgeted amount would cover the cost of basic teaching and learning materials. La Tierra teachers will create much of

their own curriculum (based on state standards) but also use resources such as NCTM.

- **Instructional Supplies:** This amount would cover basic classroom materials needed to support teaching and learning.

- **Legal:** This amount maintains minimal fees that would cover advice on school issues.

- **Auditor:** An auditor would be employed each year of the budget and adequate funds have been designated towards this process.

- **Marketing:** The funds set-aside for this important component of the school do not reflect the number of people hours also devoted to this task. LTCS will take advantage of numerous free outlets including but not limited to social networking sites like Facebook and Twitter, along with building promotional videos for YouTube. Because of the school's affiliation with both Expeditionary Learning Schools, and Prescott College, marketing through those institutions will be free and ongoing.

- **Printing / Postage:** The budgeted amount will cover the costs of the school's needs in this area if there are significant, consistent practices that work to be a paperless environment.

- **Supplies:** LTCS is projecting a limited amount of additional school supplies will need to be purchased.

- **Phone / Communication:** A vital part of the school, LTCS designated a significant amount of funds to this component of the school. This aligns with the experiences of other start-up charters.

- **Custodial Services:** Students at LTCS will have a variety of campus service responsibilities, one of which will be assisting the contracted custodians. The budgeted amount reflects the support given by the students and staff to keeping the campus clean and efficient.

- **Advertising:** La Tierra will utilize their network opportunities through both Expeditionary Learning Schools and Prescott College to advertise for prospective, well-qualified staff candidates. Both of these areas to advertise will be free. Still, there is some money set aside to do paid advertising as well.

- **Property / Casual Insurance:** The budgeted amount reflects market rates in the Prescott area.

- **Utilities:** Potentially, the utilities could be built into the lease agreement but there is money set aside to cover this expense as well.

- **Rent:** The rent was estimated based on a letter of commitment that LTCS has received from Granite Peak Unitarian Universalist Fellowship. La Tierra (the private school) currently has a relationship with GPUU and both parties feel as if this could and should continue. For the two classrooms, LTCS would rent the facility for $1200 a month, which would include utilities. The facility meets all the state and city requirements and is licensed to use as a school facility. After Year 1, La Tierra has allocated over 10% of its operating budget for lease costs.

- **Fees / Permits and dues**: La Tierra Community School plans on being a part of the Arizona Charter School Association and will use these designated funds for that purpose.

- **Transportation:** At this time, LTCS is not planning to budget any money towards transportation. As the school grows, the Corporate Board may reconsider this and find ways to either contract or run their own transportation lines.

- **Food Service:** At this time, LTCS does not intend to have a school breakfast or lunch program.

- **Accounting Services:** Because several individuals on the Corporate Board have accounting background, currently there is no cost projected.

- **Land and Improvements:** There is currently no plan to purchase land or make improvements that would be beyond what is built into a lease.

- **Building and Improvements:** There is also no current plan to purchase a building and practically all building improvements would be built into the lease. LTCS would probably do some beautifying as a good faith gesture throughout the school year.

- **Computer Equipment:** The budgeted amount would cover the cost of a computer for each staff member the first year. LTCS would be inclined to purchase refurbished computers for the first couple years of existence. In Year 2 and 3 computers would be purchased for additional staff and classrooms. LTCS plans to work with other schools and entities that are upgrading their technology.

- **Furniture and Equipment:** La Tierra Community School will work hard to get furniture donations that will cover the office. Prescott College has already donated some equipment that could be used for the school. Within their classroom budgets, teachers will purchase instructional supplies that may also be equipment.

- **Upgrades (Connectivity):** La Tierra has budgeted a sufficient amount to cover minimal upgrades and internet connections.

- **Leases / Loan Payments:** As a public charter, it is anticipated that LTCS would continue to have a relationship with Granite Peak Unitarian Universalists Congregation and lease some of their space. Currently, LTCS—the public charter, does not have a lease payment.

- **Other---Copier Lease:** The copier, an essential tool for many teachers, will be covered under the budgeted amount---but as was mentioned earlier, La Tierra will work to be as paperless as possible.

- **Extended Payments:** Some expenditures, such as computing technology equipment, furniture and some instructional and curriculum materials will be negotiated and paid to the vendors in monthly installments. Most materials will not be purchased until mid-July.

Timelines for purchasing:

- **February 2011** Commit to a facility and sign a lease (pay the deposit but monthly payments will not begin until August, 2011.)
- **March 2011** Begin to purchase some technology needed for the start-up. This would include a computer and printer. Phones have already been donated. Also, some office supplies would be purchased and an "office" established.
- **March 2011** Intense marketing efforts will be underway. A targeted mailing will be the bulk of the expense.
- **March 2011** Staff will be hired
- **March 2011** Contracted services such as legal and accounting will be established.
- **May 2011** The two classrooms will spend a small amount money on instructional supplies. More supplies will be purchased in mid-July.
- **June-July 2011** Staff will begin training in the E.L. model, preparing for the opening of LTCS in August, 2011.
- **July 2011** Additional classroom supplies and technology will be purchased.
- **July 2011** Furniture that is not donated or part of the rent agreement will be purchased. Because the potential facility is already furnished, this expense is not anticipated to be very high.
- **July 2011** More intense marketing will happen during this month.
- **July 2011** All contracted services, such as Special Education will be established and some may begin to be utilized with students that are enrolled.

- **August 2011** La Tierra Community School opens its doors.