C.4 Start-Up Budget Assumptions

New America School-Phoenix created its start-up budget/ "planning period" , in effect from April, 2016 through July, 2016, based on the following budget assumptions:

Explanation of Start-Up Revenues

Start-up revenues are based upon $200,000.00 available remaining CSP Planning grant (conditionally awarded by the Arizona Board of Education on February 14, 2014 pending charter approval) and $50,000.00 from the Jared Polis Foundation (letter attached).

Explanation of Expenses

Administration, Instruction & Support (AIS) Expenditures

Salaries

- **Principal:** Assumes the NAS-Phoenix founding principal will be paid a salary beginning April, 2016 through July, 2016 (planning period) at which time the salary will become part of the first year operating budget. The salary will be $7,916.67.00 per month for a total 4 month planning year salary of $31,666.68. The annual salary beginning FY16/17 will be $95,000.00 which will be part of the first year operating budget. The total budgeted expense of $34,089.18 includes the required employer contributions to FICA of $2,422.60 plus the salary of $31,666.68 for the period of April 16 thru July 16.

- **Teacher/Regular Education:** Assumes that NAS-Phoenix will hire 2 teachers beginning in May, 2016 through July, 2016 to assist the principal in curriculum development, student recruitment management, ELL and Spec Ed testing and development, at a monthly salary of $3,750.00 for 3 months each. Total planning period salary $22,500.00. These teachers will become part of the teacher FTE beginning 1 August 2015. The total budgeted expense of $24,221.25 includes the salary for two (2) teachers/regular education from May 16 – July 16 at $11,250.00 each plus the required employer contributions to FICA for both of $1,721.25. ($22,500.00 + $1,721.25 = $24,221.25.)

- **Clerical:** Assumes that a lead office staff/student records manager will be hired beginning April, 2016 for 4 months out of the planning period funding at a salary of $2,500.00 per month for a total salary of $10,000.00. At the beginning of the operating school year, 1 August 2015, this person will become a full time student records/SAIS manager. The total budgeted expense of $10,765.00 for the period April 16 – Jul 16 includes $2,500.00 per month salary plus the employer portion of FICA taxes of $765.00. ($10,000.00 + $765.00 = $10,765.00.)

- **Assistant Business Manager/Bookkeeper/Finance:** Assumes that Assistant Business Manager will be hired beginning April, 2016 for 4 months out of planning period funding at a salary of $2,833.00 for a total salary cost of $11,332.00. Beginning in August, 2016 the Assistant Business Manager will be paid from the first year operating budget. The total budget expense of $12,198.90 includes 4 months of salary $11,332.00 plus the employer's share of FICA taxes of $866.90 ($11,332.00 + $866.90 = $12,198.90.)

Employee Benefits: Assumes that NAS-Phoenix does not join the Arizona retirement system in its first years of operation. NAS will invest in a 403B program for retirement for its employees (up to 6.0 %). At some time discussions will be brought to the Governing Council with regards to joining the Arizona retirement system. This item is calculated at a total of $3,854.92 during the start-up planning period.

Required Contributions: NAS-Phoenix will pay FICA @ 7.65% of salaries for a total cost of $5,093.53 and is reflected in the startup budget in the "required employer contributions" box.

Employee Insurance: Assumes that each employee will cost $400.00 a month for health , dental, vision, life insurance, and LTD insurance for the period of employment beginning the first of the month after month of employment. This item is calculated at a total of $6,000.00 during the start-up period assuming all employees are on board before May 1, 2016.

Office Supplies: Assumes start-up supplies, postage, etc. for the period April, 2016 through July, 2016 estimated at $700.00 per month, or a total of $2,800.00. A "basic load" of all types of office supplies be available especially during the first few months of the school opening.

Instructional Consumables: Assumes instructional materials and supplies be "on-hand" at the beginning of the school year for faculty and staff. This item is estimated at $6,500.00

Membership, Dues, and Travel: Assumes that the Principal will travel to the National Charter School Conference and AZ Alliance support conference and training. This item is estimated at $3,500.00.

Contracted Services: Assumes legal services with Ellis Carter for $5,250.00; accounting services with Diamond Financial Solutions $18,000; NAS-Network consulting on curriculum, facilities, HR, school operations for 4 months NTE $17,750.00. Professional Development Trainer for MAP's $4,000. The total budget for this line is $45,000.00.

Curriculum & Resource Materials: $7,500 is allocated for MAP and ELL testing materials that need to be "on-hand" at the beginning of the school year.

SAIS Software: Student Records System implementation, training, and lease at $12,500.00.

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

Supplies: Assumes $1,000.00 for janitorial supplies for temporary office space for 4 months.

Marketing/Advertising: Assumes radio, television and digital advertising, flyers, and temporary contracted staff for promotional events for the 4 month period prior to 1 August 16 at $10,000.00.

Building Rent/Lease: Temporary office space (including utilities) for 4 month at $5,000.00.

Property/Casualty Insurance: E&O insurance premium estimate for 4 months at $3,500.00, provided by Arizona Group.

Liability/Worker's Compensation Insurance: PLC insurance premium estimate for 4 months at $2,500.00, provided by Arizona Group. Worker's Compensation Insurance at $2,000.00. The total for this line item is $4,500.00.

Phone/Communications/Internet Connectivity: $1,000.00 for 4 months or $4,000.00 total for providing connectivity to temporary office space.

Student Furniture & Equipment: $5,000.00 for 5 classrooms or a total of $25,000.00. Included in this purchase are desk, chairs, smart boards, teacher desk. Estimate based on previous purchases for other NAS schools and a preliminary quote provided by Government & Educational Furnishings Enterprises (GEFE), LLC.

Office Furniture & Equipment: $4,500.00 for office furniture for principal, assistant business manager, clerical, and 2 staff. Quote provided by GEFE, LLC

Office Technology Equipment: 4 desktop computers at $500.00; 2 laptops computers at $800.00; software licenses at $4,000.00 for a line item total of $4,000.00. Quote provided by CKS LAN, LLC.

Other leases (copier): Copier lease for 4 months at $7,500.00 total. Based on current contracts.