REVISED Business Plan C4 Startup Budget Assumptions

Phoenix Collegiate Academy has already begun the work of budgeting for PCA Elementary. This growth, driven by CMO management, is supported by PCA, Inc. funds and grants.

All assumptions are conservatively based on price quotes, current market rate, and thorough research and conversations with School Directors at comparable charter schools, along with 5 years of existing knowledge of operating campuses in South Phoenix, and experience starting up two charter campuses. While we fully expect to utilize the expertise on our Board to help with significant fundraising, none of this is included in the startup budget documents. Startup and implementation can be carried out without reliance on outside support. The PCA management team, including Principal-in-Residence, also plans to use the planning year to prepare grant applications for submission upon authorization. The budget file already includes secured AZCSP grant funds, supported by the grant award letter included in the Verifiable Proof of Secured Funds section (document: "PCA Elementary Business Plan C4.2 Verifiable Proof of Funds (A)").

Detailed Assumptions

AIS - Salaries and Benefits

- Assumes (1/12 yr, or1 month—July of year 1) one FTE for the Principal, during the start-up year, with 10% required employer contributions.
- Assumes 7 FTEs for Regular Education Teachers, 2 FTEs Special Education Teacher, 1 FTE Receptionist, 1 FTE Operations Manager, 1 FTE Teaching Fellow (aid/trainee), 1 FTE Special Area Teacher all employed starting in July. The aide and special area roles are included in the "Other" category (one of each position makes a total of 2 for this category). During the start-up year, teachers will receive a market rate salary at PCA schools with 10% required employer contributions. Social Security and Medicare taxes are 7.65%. Unemployment contributions can be as high as 2%. And up to 0.1% can be required for AZ job training taxes, so estimating slightly more than the 9.75% maximum will more than adequately cover the potential cost.
- Assumes no custodial staff until building is occupied in Aug 2015.
- Assumes current average benefits costs for 1 month, including employee insurance. The estimated 7% is higher than observed at other PCA campuses to adequately cover for potential increases from inflation or the opportunity to further increase benefits. Specifically, there is budget space here for a potential 3% employer match in 401k contributions. The table below provides justification for the assumption.

	FY12	FY13	FY14
Health/Dental/Vision Premiums	$34.2K	$59.8K	$74.9K
Workers' Comp Premiums	$4.4K	$4.8K	$5.9K
Cell Phone Benefits	0	$66	$1.7K
Total Benefits	$38.6K	$64.6K	$82.4K
Total Salaries	$975K	$1,541K	$2,020K

% of Salaries	4.0%	4.2%	4.1%

AIS Other

- Assumes most consumable instructional supplies for school year are purchased after August 1 or provided by district and through donations as has occurred for previous campuses. $500 is budgeted for planning use instructional consumables purchased for first month of school.
- Assumes district provision for memberships.
- Assumes SAIS software based on estimates provided by ETC (vendor).
- Assumes curriculum materials purchased in June 2015 to service first year students as detailed below:

Figure C4.A: Startup Curriculum Expenses

July 2015 Purchases For Year 1 of School Operation				
Curriculum and Resources	**Unit Cost**	**Qty**	**Subtotal**	**Notes**
1st Plans - Math, ELA, Sci, SS, Character	1000	5	$ 5,000.00	Indep Contractor developed (observed market rate) curriculum plans
2st Plans - Math, ELA, Sci, SS, Character	1000	5	$ 5,000.00	Indep Contractor developed (observed market rate) curriculum plans
3st Plans - Math, ELA, Sci, SS, Character	1000	5	$ 5,000.00	Indep Contractor developed (observed market rate) curriculum plans
4st Plans - Math, ELA, Sci, SS, Character	1000	5	$ 5,000.00	Indep Contractor developed (observed market rate) curriculum plans
1st-4th Gr Science Kits (FOSS)	699	7	$ 4,893.00	1 set per classroom
1st-4th Gr Math Manipulatives (enVision)	399.97	7	$ 2,799.79	1 set per classroom
NWEA MAP Assessments	12.5	185	$ 2,312.50	1 per student, 3 administrations
STEP kits	475	4	$ 1,900.00	1 per grade
STEP Annual Data Management Fee	750	1	$ 750.00	Annual
Step Student License	14	185	$ 2,590.00	1 per student
STEP Professional Development Day	2500	6	$ 15,000.00	Min 5 required
STEP Annual Professional Support	3500	1	$ 3,500.00	Annual
CGI Investigations Kits/Maniputaltives	944.97	4	$ 3,779.88	1 per grade
iReady Reading 1 yr	29.99	185	$ 5,548.15	1 per student
Total			**$ 63,073.32**	

- Assumes library materials purchased in June 2014 to service first year (K and 1st grade) students as detailed below and supplemented by donations (as already observed at other campuses and using DonorsChoose program and in-kind gifts) and existing PCA materials:

Figure C4.B: Startup Library Expenses

July 2015 Purchases For Year 1 of School Operation				
Library Resources	**Unit Cost**	**Qty**	**Subtotal**	**Notes**
Leveled books 1st-4th	4.68	350	$ 1,638.00	50bks/clssrm; 7 new rooms; observed avg price/bk from pref vendors
Magazine Subscription (Nat Geo)	71.1	1	$ 71.10	shared campus-wide
Reading A-Z	84.95	7	$ 594.65	1 set per class
Text Talk Vocab Instruc Readers	1100	1	$ 1,100.00	shared campus-wide
Total			**$ 3,403.75**	

Operations and Management

- Assumes supply costs provided by CMO.
- Assumes elementary school marketing costs estimated as historically paid by PCA campuses in marketing and advertising in student recruitment.

- Assumes bulk of operations and management contracted services provided by PCA, Inc. (CMO). Other full fiscal year services are included in the 3 year budget, not during the planning period.
- Assumes payment is 1/12 of total year payment (July 2015) for elementary space on MS campus calculated by square footage share. Estimated based on market rates and consultation with financing partners.
- Assumes equipment costs based on pricing at School Outfitters for 7 classrooms.
- Assumes CMO provision of office technology needs.
- Assumes technology costs as estimated by school catalogs for mobile computing carts.
- Assumes interest payment from existing agreement for land (future construction site).

Balance

- Assumes 1% contingency for unplanned changes and incorrect assumptions.