C.5 Operational Expenditures/Overhead

Supplies
Office supplies include various consumables such as paper, toner, stationary, etc. Based on observations for such needs in comparable charter schools, the school founders have budgeted for office supplies as follows:

- Year 1 - $6,000
- Year 2 - $9,000
- Year 3 - $12,000

Marketing/Advertising
To support the marketing/advertising and promotional efforts of the school, the following expenditures are budgeted:

- Year 1 - $7,500 (printing, brochures, door-hangers, mailing, community meetings, website maintenance, list serve)
- Year 2 - $10,000 (printing, brochures, door-hangers, mailing, community meetings, website maintenance, travel, refreshments, media advertisement, list serve maintenance)
- Year 3 - $15,000 (printing, brochures, door-hangers, mailing, community meetings, website maintenance, travel, refreshments, media advertisement, list serve maintenance)

Purchased Services/Contracted Services/Custodial/Maintenance

- Year 1 - $7,500 is budgeted for Purchased Services/Contracted Services, Custodial and Maintenance. This includes the Management Contract which covers Business (Business Manager, Accounting and Payroll) and Administrative services;
- Custodial services
- A very small amount is budgeted for maintenance, as the school will occupy a brand new building and most maintenance will be covered under the warranty of the construction.
- Year 2 - $20,000
- Year 3 - $27,500

Lease

- The budget assumes lease payment estimated not to exceed 19% of all received equalization funds and less than 15% of all school revenues. This arrangement is in alignment with the school size at start-up and the landlord’s cost and coverage requirement estimates.
- In Year 1 and 2 the rent payments are below market rate to allow the school to establish operations. In Year 3 the rent payments reflect market rates.

Fees / Permits
Most permits and certificates related to the facility use will besecured by the developer. The school has budgeted for various other fees/permits (City, County, State) as follows:

- Year 1 - $700
- Year 2 - $1,200
- Year 3 - $1,500

Insurance: Property/Casualty
Pursuant to A.R.S.15-183 M the school shall secure insurance for liability and property loss.

- Year 1 - $450/month for 12 months is the estimate for property/casualty insurance
- Year 2 - $475/month for 12 months is the estimate for property/casualty insurance
- Year 3 - $485/month for 12 months is the estimate for property/casualty insurance

Insurance: Liability
Pursuant to A.R.S.15-183 M the school shall secure its own liability insurance coverage and coverage for the governing body of the school.

- Year 1 - $350/month for 12 months is budgeted for liability insurance
- Year 2 - $375/month for 12 months is budgeted for liability insurance
- Year 3 - $400/month for 12 months is budgeted for liability insurance

Utilities

- Utilities – electric, gas, water and waste – are estimated based on expenditures for similar size charter schools. The new construction will include energy efficient HVAC system and internal electric and climate control system, an investment which will substantially reduce the utilities consumption and payments for utilities. Additionally, the facility is designed with a lot of "green features", including large dual-pane windows and skylights to allow for plenty of natural light – an ergonomic and at the same time energy-saving feature.
- Year 1 utilities expenditures are estimated at $900 per month
- Year 2 utilities expenditures are estimated at $1,000 per month
- Year 3 utilities expenditures are estimated at $1,100 per month

Phone/Communications/Internet

- Year 1 estimates are $900/month
- Year 2 estimates are $1,200/month
- Year 3 estimates are $1,500/month
- E-Rate - the school may be eligible to apply to for E-rate discounts. The 10-mile target area study shows that the school is expected to enroll certain percentage of low-income students and based on that the school may be eligible to for telecommunications and internet access expenditures every year that the school applies for such funding. The school will apply for those discounts, which will reduce the phone/communication/Internet bill by as much as 40%. This will release funds in the budget in Years 2 and 3 and subsequently that will be used for curriculum and instruction and other areas as identified. For the purposes of including only secured funds in the budget, E-Rate funds are not included in the budget.

Transportation
The school will not be providing transportation services.

Food Service
The school will not be providing food services.

Furniture and Equipment

- **Student:**
  Student furniture (desks, chairs and tables) is budgeted based on vendor quote estimate
  - Year 1 – 125 students @ $125/student = $15,625
  - Year 2 – additional 50 students @ 125/student = $6,250
  - Year 3 – additional 25 students @ 125/student = $3,125

  Student equipment includes computers for student use and is estimated based on vendor quote estimate
  - Year 1 – 20 student computers @ $500 ea = $10,000
  - Year 2 – 20 student computers @ $500 ea = $10,000
  - Year 3 – 20 student computers @ $500 ea = $10,000

- **Office**
  Office furniture (desks and chairs) for teachers and staff
  - Year 1 - $5,500
  - Year 2 - $2,500
  - Year 3 - $2,000

  Office technology equipment (computers) for teachers and staff
  - Year 1 – 10 computers @ $500 ea = $5,000
  - Year 2 – 5 computers @ $500 ea = $2,500
  - Year 3 – 5 computers @ $500 ea = $2,500

Leases

- Copier/Printer/Scanner – the school will lease a commercial networked Copier/Printer/Scanner to be used by teachers and staff.
  - Year 1 - $5,000 budgeted based on vendor estimate
  - Year 2 - $7,000
  - Year 3 - $7,000