Business Plan

C.4 Instructional Resources

Start-Up Budget

Revenues

- Only secured funds ($30,000) are included in the start-up budget. Those funds have been provided by a school community member (see verifiable proof of secured funds attachment).

Expenditures

- As shown in the Start-Up budget, funds will be expended toward three months of Principal's stipend on the basis of an independent contract prior to employment ($7,500), legal fees ($1,000), SAIS software ($5,000), initial office supplies ($500), marketing and advertising ($1,500), communications – telephone and Internet, student furniture and equipment deposit ($1,500), down payments toward student furniture purchases ($1,000), office furniture and a copy machine ($2,000) ,. A total of $20,000 will be sufficient to cover all essential needs in the start-up period. An additional $10,000 in start-up funds will be available should any additional need arise, or alternatively carry forward toward Year 1 cash flow.

Operational Budget

- The budget assumes conservative revenue projections and careful design of expenditures based on actual quotes, estimates and market studies.
- The budget is based on secured revenues only. No unsecured revenues are included.
- The budget is designed to be scalable – both in its revenue and in its expenditure parts. The founders of the school possess strong skills and knowledge in budget and financial matters and are able to quickly respond to any direction.

Revenues

- Enrollment projections and student count/ADM used for revenue projections:

K-8 estimates used for revenue projections:

	KG		1	2	3	4	5	6	7	8	Total	
	#	ADM	#								#	ADM
Year 1	25	12.5	25	25	25	25					125	112.5
Year 2	25	12.5	25	25	25	25	25	25			175	162.5
Year 3	25	12.5	25	25	25	25	25	25	13	12	200	187.5

K-3 estimates (Ad-Ons) included in revenue projections:

	KG		1	2	3	Total K-3	
	#	ADM	#			#	ADM
Year 1	25	12.5	25	25	25	100	87.5
Year 2	25	12.5	25	25	25	100	87.5
Year 3	25	12.5	25	25	25	100	87.5

- FY 2012 Work Sheets published by ADE Finance are used for the calculation of equalization funds for Years 1-3.
- Revenues include audit estimates (the same are included in the expenditures)
- Equalization funds are calculated based on 180 days of instruction.
- Equalization funds are calculated based on 100% estimate of the school enrollment. The founders of the school are confident that they will reach the target enrollment based on the following:
  - Enrollment estimates are based on careful research and study of the target market area, including community and school demographics, social characteristics and trends, population and enrollment trends, schools' academic performance and demand for school choice.
  - The school is designed as a small school (max 225 students) and small class size (25 students) and represents a very attractive alternative to the big district schools.
  - The Paideia Academy of Chandler is the first of its kind school program in the target area and we anticipate strong demand and a strong waiting list.
  - The school will be located on a very attractive site in Chandler (selected on the basis of strong parental demand for that particular site). It has an already established commercial grade facility designed and built specifically to address the requirements of early and elementary school educational programs.
  - The founders of the school have designed a very strong marketing and advertising campaign that reflects closely the target market.
  - In addition, the design of the school program, as part of a larger Learning Center Model, includes a separate pre-school and arts programs located on the same site, which ultimately function as strong feeders for the K-8 program.
- Very conservative revenue projections:
  - The founders of the school are aware of the current state of education funding on a state level and the budget is conservative in its revenue base – it assumes no increase in base and/or additional level support
  - The 10-mile target area study shows that the school is expected to enroll an average for Metro Phoenix percentage of low-income students, special education students, and ELL students. Based on those projections, the school may be eligible to receive additional funds to the base level equalization support. Those funds are not included in the revenue projections.
  - Additional federal funds - Based on the above projections, the school may be eligible to receive federal support under Title I, IDEA, and other title funds, which are not included in the revenue projections.

Expenditures

Salaries:

- Salaries for the Principal (0.5 FTE in Year 1), Office Manager (1.0 FTE in Year 1) and Executive Director (.25 FTE in Year 1) are estimated respectively at a total compensation of $30,000, $35,000 and $17,500 for Year 1.

- Salaries for the regular education teachers, which include the specialty teachers (5.0 FTE), are estimated to start at $34,000 in Year 1.
- Salaries for the Instructional Assistants-Regular (1.0 FTE) and Special Education (0.5FTE) in Year 1 are estimated to be at $25,000 for those positions in Year 1.
- Salary for the Business Manager is included in Purchased Services as part of the business management contract.
- Salaries reflect 3% adjustment for inflation in years 2 and 3.
- Employee benefits (required employer contributions) are calculated using a formula of twelve (12%) percent of total salaries plus 6% for retirement plans.

Office Supplies:
- Amounts are budgeted for office supplies (i.e., paper, postage, pencils, etc.):
- $1,500 is budgeted for each Year 1, Year 2, and Year 3.

Instructional Supplies:
- Estimate for instructional supplies is based on the founder's decade experience in charter school instruction and administration and based on the anticipated student enrolment and re-use of materials. The first three-year period expenditures are as follows: $15,000 is budgeted for instructional supplies in Year 1, $20,000 for Year 2, and $25,000 for Year 3..

Membership Dues, Registration, and Travel:
- Amounts are budgeted for membership dues (AZ Charter School Association) and travel (includes travel for professional development)
- $2,000 is budgeted for each Year 1, Year 2, and Year 3.

Purchased Services
- Legal - to cover 501c3 application and other legal services needs as necessary
- Accounting
- Consultants - Year 1 only - $8,000 one time license fee for use of The Principal's Office Walk About tool for classroom observations and teacher feedback.
- Professional development: Estimates in budget based on actual vendor quotes. Scaled where necessary.

Professional Development: Actual Quotes	
Junior Great Books	Year 1 – Small Class (up to 15) – approx $4,000; On site consultation 2 days – approx $4,000 Year 2- Small Class (up to 15) – approx $4,000; On site consultation 5 days – approx $9,000 Year 3- Small Class (up to 15) – approx $4,000; On site consultation 5 days – approx $9,000
Core Knowledge	Year 1- $6,475 Three consecutive days of professional development (K-8) Getting Started with the Sequence (3 days) $6,000 Three Follow-up Visits (2 Days Each) Grade-level Consultations; Work on SIP; Work on Curriculum Plan; Classroom Observations $5,000 Sending 5 teachers to the 2011 Core Knowledge Natl Conference (incl. travel and lodging) $2,000 Principal and attending a Leadership Institute (includes lodging) Year 2 – $10,225 Five consecutive days of professional development $6,475 (K-8) Domain-based Unit Writing (3 days) $4,450 (K-8) Implementation Analysis (2 days) $6,000 Three Follow-up Visits (2 Days Each) Grade-level Consultations; Work on SIP; Work on Curriculum Plan; Classroom Observations $3,000 Sending 3 teachers to the 2011 Core Knowledge Natl Conference (incl. travel and lodging) Year 3- $11,950 Five consecutive days of professional development for K□8 $7,550 (K-8) Domain□based Unit Writing (3 days) $5,200 (K-8) Implementation Analysis (2 days) $6,000 Three Follow□up Visits (2 Days Each) Grade-level Consultations; Work on SIP; Work on Curriculum Plan; Classroom Observations
Singapore Math	Year 1 - $6,000 Year 2 - $7,000 Year 3 - $7,000

Special Education Outside Services:

- $24,000 is budgeted for special education outside services - $2,000 per month for 12 months in Year 1.
- The estimates in Year 2 and 3 follow the increase in student enrollment, respectively- $3,000 per month for 12 month in Year 2 and $4,000 per month for 12 months in Year 3.
- Estimate is based on the market study for special education services. This includes the .25 FTE for Special Education Director during Year 1 and Year 2, and 0.5 FTE thereafter.

Curriculum and resource materials:

- Estimates in budget based on actual vendor quotes. Scaled where necessary.

Summary: Curriculum and Resource Materials		Year 1	Year 2	Year 3
	# of Students	125	175	200
Junior Great Books		$5,000	$5,000	$5,000
Core Knowledge		$10,000	$20,000	$25,000
Singapore Math		$5,000	$10,000	$15,000
	Total:	$20,000	$35,000	$45,000

Detail: Curriculum and Resource Materials – Actual Quotes	
Junior Great Books	**Year 1 Approx. $5,000 – grades 3,4 and 5 includes:** Book One and Book Two of each grade level: 15 each Student Anthologies, 15 Readers Journals and 1 Leader's Edition for each level, Taxes, Shipping and Handling **Year 2 Approx $5,000 – grades 3, 4, 5, 6 includes:** Added the second class at each grade level for grades 3, 4 and 5. Added 15 students in grade 6 to use the new Roundtable Series Added Reader's Journals (our consumable workbooks) for all of the students Taxes, Shipping and Handling **Year 3 Approx $10,000 (estimate) – grades 3, 4, 5, 6, 7 and 8**
Core Knowledge	**Year 1** Approx. $10,000 for Required Materials (K-5) Starter Kit (K-1) Listening & Learning Kits2 Art Teacher Set (1 set of Art Resources for each grade served K-5) Music Teacher Set (Joyful Noise and K-8 Music CDs) Realms of gold 6-8 (All the shorter literary works — poems, stories, essays, speeches and autobiographical excerpts — specified in the Core Knowledge Sequence for Grades 6–8) Pearson Learning History & Geography Kits **Year 2-** Approx. $20,000 for Required and Additional Materials Scholastic Core Knowledge Libraries Additional resources for students ($200.00 per student) Additional resources as needed teachers ($500.00 per teacher) **Year 3** Approx. $25,000 for Required and Additional Materials Additional resources for students ($200.00 per student) $Additional resources as needed teachers ($500.00 per teacher)
Singapore Math	**Year 1- $5,000** 25 Kindergarten text sets (A and B) 25 Kindergarten Activity Books sets (A and B) 100 student text sets (A and B) for grades 1 – 4 100student workbook sets (A and B) for grade 1 – 4 CD Roms for Tests – one each for grades 1 – 4 Supplemental books for differentiation grades 1 – 6 **Year 2- $10,000** 25 Kindergarten text sets (A and B) 25 Kindergarten Activity Books sets (A and B) 150 student workbook sets (A and B) for grades 1 – 6 150 student text sets (A and B) for grades 1 – 6 CD Rom for Tests – grade 6 Supplemental books for differentiation grade 6 **Year 3- $15,000** 25 Kindergarten text sets (A and B) 25 Kindergarten Activity Books sets (A and B) 150 student workbook sets (A and B) for grades 1 - 8 150 student textbook sets (A and B) Supplemental books for differentiation grade 8

Library Resources / Software:

- Estimated at $75 per student for 125 students in Year 1 and in subsequent years based on the respective student enrollment increases. This estimate includes Success Center Online (with ACUITY) - $8,000 per year.

SAIS Software

- In year one, $2,000 is budgeted for SAIS software maintenance in the event any changes are required to the start-up budget of $5,000. Thereafter, $5,000 is budgeted for each consecutive year.

Auditor's Fees

- Year 1 assumes $5,000 for auditor's fees (reflects school size)
- Year 2 assumes $6,000 for auditor's fees (reflects school size)
- Year 3 assumes $7,000 for auditor's fees (reflects school size)