C.5 Three Year Operational Budget Assumptions

Western School of Science and Technology: A Challenge Foundation Academy ("Western Tech: CFA") created its first three years' operational budgets based around the following budget assumptions.

Explanation of Revenue

State equalization funding is based around the following grade-level target enrollments for the first three years of operation.

Grade Level	Year 1	Year 2	Year 3
7th	50	75	75
8th	75	50	75
9th	75	100	75
10th	n/a	75	100
11th	n/a	n/a	75
12th	n/a	n/a	n/a
Total	**200**	**300**	**400**

Table C.5.1: Grade-Level Enrollment

Although the above in Table C.5.1 are the grade-level full enrollments for years 1-3, the budget is based on 90% of students, an assumption used to provide conservative budgeting projections.

The below Table C.5.2 details the conservative enrollment estimates used in the operational budget revenue assumptions.

Grade Level	Year 1	Year 2	Year 3
7th	44	68	66
8th	68	44	68
9th	68	90	68
10th	n/a	68	90
11th	n/a	n/a	68
12th	n/a	n/a	n/a
Total	**180**	**270**	**360**

Table C.5.2: Conservative 90% Enrollment Estimates

State equalization funding also assumes 10% of the student population has special needs (based on the conservative 90% enrollment projection), which is comparable to Pioneer Preparatory School: A Challenge Foundation Academy ("Pioneer Prep: CFA"), a TeamCFA charter school in the target neighborhood, 25% of the student population classified as English Language Learners (ELLs; also based on the conservative 90% enrollment projection), which is a conservative assumption based on the population of Pioneer Prep: CFA, and a 200-day academic calendar.

Years 2-3 also assume $100,000 per year zero-interest loans that convert to grants from TeamCFA, which have been guaranteed for start-up schools, and Year 2 assumes $230,000 for the third year of the Arizona Charter Schools Incentive Program grant.

Explanation of Expenses

Administration, Instruction & Support (AIS) Expenditures

Salaries

Director/Principal

- Assumes 1 full-time employee ("FTE") for the Founding School Director at $60,000 annual salary in Year 1. Total salary assumes 13.65% required employer contributions for a total of $68,190. Cost is based on comparable positions at TeamCFA charter schools.
- Assumes enrollment and performance goals are met and salary increases to $66,000 in Year 2 and $72,000 in Year 3, with 13.65% required employer contributions for a total of $75,009 and $81,828, respectively.
- Throughout this document, required contributions are assumed to be 13.65% based on payroll and unemployment taxes.

Teacher-Regular Education

- Assumes 7 FTE for the Teacher-Regular Education at $40,000 annual salary each in Year 1. Total salary assumes 13.65% required employer contributions for a grand total of $318,220. Cost is based on comparable positions at TeamCFA charter schools with an additional incentive for a 200-day calendar and to recruit and retain talent.
- Assumes 11 FTE for the Teacher-Regular Education at $41,200 (3% increase, assumes performance goals are met) annual salary each in Year 2. Total salary assumes 13.65% required employer contributions for a grand total of $515,062.
- Assumes 16 FTE for the Teacher-Regular Education at $42,436 (3% increase, assumes performance goals are met) annual salary each in Year 3. Total salary assumes 10% required employer contributions for a grand total of $771,656.22.

Teacher-Special Education

- Assumes 1 FTE for the Special Education Teacher at $40,000 annual salary in Year 2. Total salary assumes 13.65% required employer contributions for a total

of $45,460. Cost is based on comparable positions at TeamCFA charter schools with an additional incentive for a 200-day calendar and to recruit and retain talent.

- Assumes performance goals are met and salary increases 3% to $41,200 in Year 3, with 10% required employer contributions for a total of $46,823.80.

Instructional Assistants

- Assumes 3 FTE for the Instructional Assistants at $20,000 annual salary each in Year 1. Total salary assumes 13.65% required employer contributions for a grand total of $68,190. Cost is based on comparable positions at TeamCFA charter schools.
- Assumes 4 FTE for the Instructional Assistants at $20,600 (3% increase, assumes performance goals are met) annual salary each in Year 2. Total salary assumes 13.65% required employer contributions for a grand total of $93,648.
- Assumes 4 FTE for the Instructional Assistants at $21,226 (3% increase, assumes performance goals are met) annual salary each in Year 3. Total salary assumes 13.65% required employer contributions for a grand total of $96,493.40.

Clerical

- Assumes 1 FTE for the Receptionist at $20,000 annual salary in Year 2. Total salary assumes 13.65% required employer contributions for a total of $22,730. Cost is based on comparable positions at TeamCFA charter schools.
- Assumes performance goals are met and salary increases 3% to $$20,600 in Year 3, with 13.65% required employer contributions for a total of $23,411.90.

Other (Dean of Operations)

- Assumes 1 FTE for the Dean of Operations at $48,000 annual salary in Year 1. Total salary assumes 13.65% required employer contributions for a total of $54,552. Cost is based on comparable positions at TeamCFA charter schools.
- Assumes performance goals are met and salary increases to $53,000 in Year 2 and $58,000 in Year 3, 13.65% required employer contributions for a total of $60,235 and $65,917, respectively.

Other (Dean of Students/Counselor)

- Assumes 1 FTE for the Dean of Students/Counselor at $48,000 annual salary in Year 1. Total salary assumes 13.65% required employer contributions for a total of $54,552. Cost is based on comparable positions at TeamCFA charter schools.
- Assumes performance goals are met and salary increases to $53,000 in Year 2 and $58,000 in Year 3, 13.65% required employer contributions for a total of $60,235 and $65,917, respectively.

Other (Special Education Director/Teacher)

- Assumes 1 FTE for the Special Education Director/Teacher at $42,000 annual salary in Year 1. Total salary assumes 13.65% required employer contributions for a total of $47,733. Cost is based on comparable positions at TeamCFA charter schools.
- Assumes performance goals are met and salary increases 3% to $43,260 in Year 2 and 3% to $44,558 in Year 3, with 13.65% required employer contributions for a total of $49,165 and $50,639.94, respectively.

Other (Office Manager/Registrar)

- Assumes 1 FTE for the Office Manager/Registrar at $30,000 annual salary in Year 1. Total salary assumes 13.65% required employer contributions for a total of $34,095. Cost is based on comparable positions at TeamCFA charter schools.
- Assumes performance goals are met and salary increases 3% in Year 2 to $30,900 and 3% in Year 3 to $31,827, with 13.65% required employer contributions for a total of $35,118 and $36,171.39, respectively.

Other (Nurse)

- Assumes 1 FTE for the Nurse at $30,000 annual salary in Year 2. Total salary assumes 13.65% required employer contributions for a total of $34,095. Cost is based on comparable positions at TeamCFA charter schools.
- Assumes performance goals are met and salary increases 3% to $30,900. Total salary assumes 13.65% required employer contributions for a total of $35,117.85.

Other (Instructional Coach)

- Assumes 1 FTE for the Instructional Coach at $45,000 annual salary in Year 3. Total salary assumes 13.65% required employer contributions for a total of $51,142.50. Cost is based on comparable positions at TeamCFA charter schools.

Other (College Counselor)

- Assumes 1 FTE for the College Counselor at $45,000 annual salary in Year 3. Total salary assumes 13.65% required employer contributions for a total of $51,142.50. Cost is based on comparable positions at TeamCFA charter schools.

Other (Food Service Manager)

- Assumes 1 FTE for the Food Service Manager at $20,000 annual salary in Year 3. Total salary assumes 13.65% required employer contributions for a total of $22,730. Cost is based on comparable positions at TeamCFA charter schools.

Employee Benefits

- Assumes all employees elect the maximum 4% employer contribution, but includes the contribution in “required employer contributions.”

Employee Insurance

- Assumes all employees elect the maximum $350 monthly allowance for health and dental insurance for $63,000 in Year 1, $96,600 in Year 2, and $130,200 in Year 3.

Office Supplies

- Assumes office sand postage supply costs of $4,667 in Year 1, $7,000 in Year 2, and $9,310 in Year 3. This cost assumption was based upon the contract for Pioneer Preparatory School: A Challenge Foundation Academy ("Pioneer Prep: CFA") and Staples and adjusted for the difference in school size.

Membership Dues and Travel

- Assumes Arizona Charter Schools Association membership for $3 per student, $5,000 for travel and other professional dues each year in Years 1-3. This cost assumption was provided by the Arizona Charter Schools Association website and the TeamCFA Business Committee.
- Assumes $5,000 in costs associated with attending the Core Knowledge Conference in Years 1-3. This cost assumption was provided by TeamCFA.
- Assumes $8,000 membership cost with The High Bar, LLC in Years 2-3. This cost was provided by The High Bar, LLC.

Contracted Services (AIS)

- Assumes legal services with Warren Charter Law at $200 per hour for ten hours per month starting August 1, 2104 for twelve months in Year 1, decreasing to five hours per month in Years 2 and 3, with a 3% increase to the hourly rate each year. The cost was provided by Warren Charter Law, LLC with the hourly assumptions provided by the TeamCFA Business Committee.
- Assumes accounting services with Crisler Business Services, LLC at $58 per hour for thirty hours per month starting August 1, 2014 for twelve months in Years 1-3, with a 3% increase each year. The cost was provided by Crisler Business Services, LLC with the hourly assumptions provided by the TeamCFA Business Committee.
- Assumes information technology services at $3,000 per month starting August 1, 2014 for twelve months in Years 1-3, with a 3% increase each year. This is based upon the expense for Compass Network Solutions, LLC for Pioneer Preparatory School: A Challenge Foundation Academy ("Pioneer Prep: CFA"). Although the two schools are different sizes, it is assumed the amount of technology needs will be approximately equal.
- Assumes payroll services at $2,160 per year starting August 1, 2014, with a 3% increase per year in Years 2-3. This is based upon the expense for Payroll Experts, Inc. for Pioneer Prep: CFA.

- Assumes 401(k) plan administration costs of $2,500 per year starting August 1, 2014, with a 3% increase per year in Years 2-3. This cost assumption was provided by the TeamCFA Business Committee.

Contracted Services (Special Education)

- Assumes $700 per year for psychological evaluations, speech, physical, or occupational therapy for one-third of the special education population per year. Cost was based on information provided by Cenpatico Special Education Consultants.

Curriculum & Resource Materials and Instructional Consumables

- Assumes $0 of curriculum and resource materials and instructional consumables; assumes curricular materials will be either teacher-created or free, open source, and online through the usage of hybrid learning, through the TeamCFA Educational Technology Committee, or through participation in free curriculum effectiveness studies with research-based curricula from Arizona State University.
- Potential online partners for this initiative include Khan Academy, Hippocampus, CK12, Merlot, or LiveMocha. All have been recommended by the TeamCFA Educational Technology Committee.

Library Resources & Software

- Assumes $0 in library resources and software, as books for both classroom and school-wide libraries will be free, open source, and online through the TeamCFA Education Technology Committee.

SAIS Software

- Assumes SAIS software maintenance and training costs of $4,500 per year in Year 2 and Year 3. This cost was provided by the TeamCFA Business Committee and based on the cost for School Master at Pioneer Prep: CFA.

Auditor Fees

- Assumes auditor fees of $10,000 per year in Year 2 and Year 3, with a 3% increase each year. This cost was provided by the TeamCFA Business Committee and based on the cost for Fester & Chapman, LLC at Pioneer Prep: CFA.

Professional Development

- Assumes outside professional development costs of $14,105 in Year 1, increasing 3% in Years 2 and 3. Assumption is based upon participation in and a quote provided by the Arizona Charter Schools Association Quality Schools Program.

- Assumes $5,000 per year in outside professional development from the Core Knowledge Foundation in Years 1-3. This cost was provided by TeamCFA.

Other

- Assumes NWEA MAP Assessment costs of $10 per student each year. This cost was provided by the TeamCFA Business Committee.
- Assumes CompassLearning Odyssey costs of $14,400 in Year 1, $21,600 in Year 2, and $28,728 in Year 3. This cost was provided by the TeamCFA Educational Technology Committee.
- Assumes Galileo assessment resources at a cost of $8 per student in Years 1-3. This cost was provided by Galileo.
- Assumes $2,625 in Year 3 in ACT test registration costs for students. Assumption is based upon the $35 cost for the ACT for each 11th grade student in Year 3.
- Assumes $4,125 in Year 2 and $9,625 in Year 3 for AP test costs for students. Assumption is based upon the $55 reduced cost for each AP test for 75 10th grade students taking AP Chemistry in Year 2, 100 10th grade students taking AP Chemistry in Year 3, and 75 students taking AP Physics in Year 3.
- Assumes $1,050 in Year 1, $2,450 in Year 2, and $3,500 in Year 3 for PSAT test costs for students. Assumption is based upon the $14 cost for the PSAT for each 9th, 10th, and 11th grade student in Years 1, 2, and 3.
- Portions of these costs will come from the earmarks for "Core Knowledge Resources" and "Additional Instructional Materials" line items from the TeamCFA grant.

Operations & Maintenance (O&M) Expenditures

Supplies

- Assumes janitorial supply costs of $3,333 in Year 1, $5,000 in Year 2, and $6,650 in Year 3. This cost assumption was based upon the contract for Pioneer Preparatory School: A Challenge Foundation Academy ("Pioneer Prep: CFA") and Jani King and adjusted for the difference in school size.

Marketing & Advertising

- Assumes booth and travel costs of $700 each for four teacher recruitment events, for a total of $2,800. This cost was based on teacher recruitment event costs at which Pioneer Preparatory School: CFA has participated.
- Assumes $0 for student marketing or advertising materials, since costs will be assumed by the TeamCFA Marketing Committee.

Contracted Services - O&M

- Assumes contracted landscaping services at $1,000 per month for Years 1-3, with a 3% increase per year. This cost is based on the cost for Pioneer Prep: CFA with Landcare Unlimited for services on a similarly-sized lot.
- Assumes contracted janitorial services at $30,000 per year in Year 1, with a 3% increase per year. This cost is based on the cost for Pioneer Prep: CFA with Jani King and adjusted for facility size.

Building Rent/Lease/Loan, Land & Improvements, Fees/Permits

- Assumes rent of $70 per student per month, based on the current lease charged by Challenge Foundation Properties.
- Assumes land and land improvements, fees, and permits built into lease.

Building & Improvements

- Assumes rent of $23,333 of building maintenance costs in Year 2, with a 3% increase in Year 3. Cost assumption is based upon the maintenance budget for Pioneer Prep: CFA, and adjusted for differences in school facility size.

Liability Insurance, Property/Casualty Insurance

- Assumes $13,500 general liability insurance, $5,467 umbrella insurance, and $1,191 student accident insurance in Year 1.
- Assumes $20,250 general liability insurance, $8,201 umbrella insurance, and $1,786 student accident insurance in Year 2.
- Assumes $26,933 general liability insurance, $10,907 umbrella insurance, and $2,375 student accident insurance in Year 3.
- These cost assumptions were provided by the TeamCFA Business Committee.
- Assumes workers' compensation insurance at $2,871.76 in Year 1, $4,634.05 in Year 2, and $6,896.54 in Year 3. This cost assumption was provided in a quote from The Hartford via Wells Fargo, and is based on $0.42 per $100 of payroll.
- Assumes all insurance costs are included in the Liability Insurance line item.

Utilities

- Assumes $50,000 in electric services in Year 1. This is based upon Pioneer Prep: CFA's current expenses for the same services through SRP and adjusted for the smaller size of the facility and smaller population of Western Tech: CFA.
- Assumes 3% increase in electric service in Years 2-3.
- Assumes $3,333 in water and trash services in Year 1. This based upon Pioneer Prep: CFA's current expenses for the same services through the City of Phoenix and adjusted for the smaller size of the facility and smaller population of Western Tech: CFA.
- Assumes water and trash services increase to $5,150 in Year 2 based on population increases and a 3% increase in rates.

- Assumes water and trash services increase to $7,073 in Year 3 based on population increases and a 3% increase in rates.

Phone/Communications/Internet Connectivity

- Assumes $28,000 for telephone and internet connectivity. Cost is based on phone and internet connectivity costs at Pioneer Prep: CFA.
- Assumes 3% increase in Years 2-3.

Transportation

- Assumes $0 in transportation cost, as Western Tech: CFA will not be providing transportation.

Food Service

- Assumes $0 in food service cost; assumes cost will be offset based on participation in the National School Lunch Program and Breakfast Program.

Student Furniture & Other Equipment

- Assumes $1,470 per classroom for five classrooms' worth of student tables and chairs, plus an additional $1,000 per science classroom for one classroom worth of laboratory equipment, plus an additional $1,000 each per maintenance of original eight classrooms in Year 2. Costs were determined from www.officemax.com and www.carolina.com and are based upon needs of similar-sized TeamCFA schools.
- Assumes $1,470 per classroom for five classrooms' worth of student tables and chairs, plus an additional $1,000 per science classroom for one classroom worth of laboratory equipment, plus an additional $1,000 per maintenance of original thirteen classrooms in Year 3. Costs were determined from www.officemax.com and www.carolina.com and are based upon needs of similar-sized TeamCFA schools.
- Assumes an additional $14,000 for cafeteria tables and chairs in Year 2; in Year 1 students will eat in classrooms. Costs were determined from www.officemax.com.

Office Furniture& Other Equipment

- Assumes $4,750 for three desks, three chairs, three filing cabinets, and three bookcases to be purchased in Year 2. Costs determined from www.officemax.com.
- Assumes $4,750 for three desks, three chairs, three filing cabinets, and three bookcases to be purchased in Year 3. Costs determined from www.officemax.com.

Student Technology Equipment

- Assumes $250 each for 110 Samsung/Google Chromebooks; $3,525 for one Mimeo per classroom for five classrooms; $700 for one document camera per classroom for five classrooms; and $500 for one projector per classroom for five classrooms for a total of $51,125 in Year 2. Costs determined from www.officemax.com and the TeamCFA Educational Technology Committee.
- Assumes $250 each for 110 Samsung/Google Chromebooks; $3,525 for one Mimeo per classroom for four classrooms; $700 for one document camera per classroom for four classrooms; and $500 for one projector per classroom for four classrooms for a total of $46,400 in Year 3. Costs determined from www.officemax.com and the TeamCFA Educational Technology Committee.

Office Technology Equipment

- Assumes $1,500 for server maintenance in Years 1-3.
- Assumes $250 each for eleven Samsung/Google Chromebooks in Year 2. Costs determined from www.officemax.com and the TeamCFA Educational Technology Committee.
- Assumes $250 each for eleven Samsung/Google Chromebooks in Year 3. Costs determined from www.officemax.com and the TeamCFA Educational Technology Committee.

Other Leases (Security, Copiers, etc.)

- Assumes $1,600 per month for one copier in Years 1-3. Cost assumption was provided by the TeamCFA Business Committee.
- Assumes 3% increase in Years 2-3. Additional increases are not assumed due to Western Tech: CFA's focus on a blended, online, open-source curriculum.