

Attachment 15: Budget Narrative

Sage Collegiate Public Charter School

APPEAL REVISION

The attached budget and cash flow projection are based on conservative estimates of actual costs to operate Sage Collegiate Public Charter School. Assumptions used to create the budget model are based on rates provided by the State of Nevada, historical financial data, and comparable school estimates in Las Vegas, NV.

For future years, the budget factors in a 3% inflation rate for the primary state funding source, Title funds, and the majority of expenditures. In taking a conservative approach and as required by the Nevada State Public Charter School Authority (SPCSA) budget template, the budget does not include other possible funding and financing sources that will likely be available once the charter is approved, including:

- Charter School Revolving Loan from the Nevada State Public Charter School Authority
- Charter School Program (CSP) Grant → [We received notice on Tuesday, January 21, 2020 that we would receive the requested amount \(\\$600,000\) contingent upon authorization.](#)
- Federal Title I, II and III funding - \$89k likely additional funding in Year 1
 - Title I estimated to bring \$365/student
 - Title II estimated to bring \$95/student
- Federal Special Education IDEA funds – estimated to bring \$750 per SpEd student in Year 1
- National School Lunch Program
 - Approved application and funding are likely in Year 1, but the school would have matching expenses to offset revenue in the budget

REVENUES

- **Distributive School Account:** The largest source of revenue is the Distributive School Account based on enrollment. The budget reflects a slow growth model assuming an enrollment of 168 students in year 1. For Year 1, we assume Kindergarten, 1st grade and 2nd grade will each have 2 classes of 28 students. Each year, the school will backfill the Kindergarten grade with 56 new students, growing to 400 students by Year 5 (2024-25). Information on the Student Enrollment tab reflects projections for subgroups.
- **Federal and State Revenue:** Federal and state revenue assumptions are based on rates provided by the State of Nevada and comparable local charter schools in their first year of operations. While not in this budget, sources of Federal revenue will include eligible Title funding, special education funding, and the National School Lunch Program. Percentages of students identified as eligible for free and reduced lunch, English Language Learners, and Special Education are based on the average demographics of the schools in our target community, reflecting our commitment to serving students attending under-performing schools. The budget assumes the school would not receive State Special Education during their first year in operation.
- **Start-Up Funding:** Upon authorization, the school will receive \$100,000 from Opportunity 180 to help with school start-up expenses. Between the time of authorization and August 2020, the school intends to engage in several fundraising initiatives to help fund start-up expenses. These funds will be used to support planning year, and, if granted, used with the Charter School Program (CSP) grant. We also assume our giving Board of Directors will help raise startup funds for the school.

EXPENSES

Salaries

- Salaries/Personnel

The head count included in the budget is below.

Year	2020-21 (Y1: K-2)	2021-22 (Y2: K-3)	2022-23 (Y3: K-4)	2023-24 (Y4: K-5)	2024-25 (Y5: K-6)	2025-26 (Y6: K-7)
School Staff						
Executive Director	1	1	1	1	1	1
Coordinator of Operations & Family Liaison	1	1	0	0	0	0
Manager of Curriculum & Instruction	1	1	1	1	1	1
Coordinator of Student Services	1	1	1	1	2	2
K-5 teachers	6	8	10	12	12	12
6-8 teachers					2	4
Enrichment Teachers		1	2	2	3	3
Director of Development				0	0	1
Manager of Operations			1	1	1	1
Office Manager			0	1	1	1
Operations Fellow			0.5	0.5	0.5	0.5
Director of Curriculum & Instruction: Elem			0	0	0	1
Director of Curriculum & Instruction: Secondary					0.5	0.5
Manager of Community & Culture			0	1	1	1
Community Coordinator & Family Liaison			0.5	1	1	1
Director of Students Services			1	1	1	1
Student Support Specialists		1	2	2	3	3
Coordinator of High School Outreach						0.5
Total FTEs at School	10	14	20	24.5	30	34.5

- Expenses for benefits are based upon state requirements and current Clark County School District rates. The average annual cost for medical benefits is estimated to be \$7,000 per employee. The school will also offer retirement benefits through NV PERS. Other benefit related costs include Medicare tax of 1.45%, and unemployment insurance at 3% of eligible costs up to the annual salary cap in the State of Nevada. Note that the budget template does not provide a line to reflect workers compensation expense, which will also be required. This item, estimated at \$4,000 in Year 1 based on estimate received from insurance broker, is included with the liability insurance amount in the Facility section of the budget template.
- The budget includes \$1000 per FTE for professional development in all budgeted years.

Instruction Related Expenses

- Curriculum costs: The budget assumes \$100 per student in textbooks and related materials, \$73 per student for educational software and \$130 per student in student supplies
- For recruiting and marketing, Sage Collegiate expects to spend \$8,360 in year 1 to recruit both students and teachers

- To ensure the school can service its projected special education population, in addition to the salaried special education personnel, the budget also includes \$25,200 in Special Education Contractor Costs in Year 1, increasing each year based on enrollment increases.
- Other supplies to support student learning include student supplies at \$130 per student, office supplies at \$50 per student, assessment costs at \$96 per student, and health supplies at \$25 per student

Operation Related Expenses

- Operational contracted expenses for the school include fees for an annual audit budgeted at \$3,000 in Year 1 with increase in Year 2 for full year of costs incurred. Also included are legal expenses budgeted at \$7,000 in Year 1, increasing proportionally each year based in population growth.
- Back office support services (Financial Services) are based on a quote from EdTec, who assisted the Committee to Form in the creation of this budget. Services include payroll, budgeting, accounting, financial reporting, and accounts payable.
- Nutrition: Revenue and related expenses have been excluded from this budget, though the school expects to apply for and receive funding for this program. The revenue of this program is expected to cover the costs of providing meals to students. Daily breakfast and lunch rates (estimated at \$2.00 and \$3.00 per student, respectively), will be based on benchmarked data from a number of charter schools throughout Las Vegas, Nevada.

Facilities

- Facility costs are estimated at \$5 per square foot, with estimated 22,000 to be leased in Year 1. We expect to work with partners to structure a lease that increases with student enrollment, indicating the increase each year. This cost is aligned with estimates per square feet from facilities located in our target community. In addition to lease costs, the budget assumes utilities at 10% of annual rent costs, or .64 per square foot, totaling \$14,000 in Year 1.
- Custodial costs and facility upkeep are estimated at \$1,300 per month, or .71 per square foot, based on contracted costs at similar facilities in the community.

Technology and Equipment

- Classroom Technology:
 - Devices: Each teacher will be provided a laptop computer for lesson preparation and all other professional expectations, equipped with full Microsoft Office. Students will use Chromebooks, used for blended learning program for literacy, and when available, math. In the first years, a ratio of 1 computer to 5 students is used and that ratio will build with enrollment with the eventual goal being 1:1 device to support learning and assessment needs. The estimated average cost per device is \$400.
- Other Technology:
 - Student Information Systems (SIS) costs are based on vendor quotes and informed by similar school experiences.
 - Copier Lease rates of \$700/mo are based on similar costs of neighboring charter schools and include estimated usage fees.

- Furniture:
 - The school expects to purchase necessary faculty and student furniture based on a budget of \$500 per FTE for faculty and per student.

Budget Summary & Cash Flow

- With meticulous efforts to budget conservatively while still providing resources to fulfill the school's mission, we were able to create a balanced budget with a surplus in each year. The growing fund balance would protect the school from contingencies such as reduced funding levels, change in enrollment, or other unforeseen events.
- This petition budget is built to ensure the school maintains a positive cash balance in all months. The school's cash flow forecast in Year 1 assumes that they will not need to borrow over the course of the year. However, if cash flow needs arise, the school may enter into receivable sales where future guaranteed State revenues are factored, and funds are received in advance of actual payment at a fee. Cost for such borrowing would be approximately 10%.
- The start-up budget includes \$15,000 in fundraising, while we have conservatively budgeted Years 1-5 to exclude fundraising revenue.
- While these funds are not built into the budget, the school also hopes to secure revenue from the Charter School Program (CSP) Grant.