

Budget Narrative for **First State Military Academy**

State Funds

Line 1 – The state funds recorded in the budget were derived from the Charter School Web Site Revenue Estimates worksheet provided by DDOE.

Line 2 – The School district Local Fund Transfers amounts shown on line two were derived from the Charter School Web Site Revenue Estimates worksheet provided by DDOE.

Line 3 – Carryover funds from prior fiscal year budgets were brought forward.

Line 4 through 15, excluding line 9– The proposed site for the school is in Kent County. Therefore, the salary schedules of the Smyrna School District were used as a base for salary calculations. The salaries on all lines, except line 8, were calculated using ninety percent (90%) of the Smyrna salary schedule. Movement on the salary schedule was calculated, as was the increase in FTE's for each year the school grows.

Line 8 – The administrative salaries for the school were calculated by comparing the size of the school with other like charter schools.

Line 16 – Line 16 is automatically calculated, OECs are currently at 29.85%.

Line 17 – The amount of \$10,926, the average employer cost of State of Delaware health insurance plans. Because the amount of state share is provided by the state according to the insurance selected by the employee, this is a pass-through amount. Actual amounts will be adjusted when the school is in operation.

Line 18 – The school will offer no additional health benefits.

Line 19 – The amount indicated for transportation of students was derived by using the amount indicated on the Charter School Web Site Revenue Estimates worksheet provided by DDOE.

Line 20 - Extra Curricular has not been established at this point.

Line 21 – Cafeteria funding is based on the current reimbursement rates issued by the USDA.

Line 22 – Extra Curricular has not been established at this point.

Line 23 – Supplies and Materials are budgeted at \$40 per pupil.

Line 24 – Textbooks costs are based on actual amounts from vendor listings.

Line 25 – Curriculum costs are included in the CMO fees.

Line 26 – Professional Development costs are included in the CMO fees. These dollars are for travel to/from professional development opportunities that may be offsite.

Line 27 – Assessments costs are budgeted at \$15 per pupil. This also includes a one-time training fee of \$1350 in Year 1.

Line 28 – Other educational programs are not budgeted.

Line 29 – Therapists costs are estimated at \$1500 per special student per year. This estimate is based on the actual costs at comparable schools.

Line 30 – Classroom technology costs are budgeted at \$750 per individual in the building (pupils, teachers, assistants, etc.) Assumes each individual will be provided a laptop (or similar) and includes licensing fees, cost of printers for each classroom, and projectors. This also includes a one-time set-up cost of \$75,000 in Year 1 for servers and wiring.

Line 31 – School Climate costs are not budgeted as the school model does not require a separate line item.

Line 32 – Computers are budgeted as part of the classroom technology costs.

Line 33 – Contracted services are based on projected costs for student population. Contracted expenses are for auditors (ranging from \$18,000-\$19,000 per year), and legal fees (\$2,000 per year).

Line 34 – Other costs have not been budgeted at this time.

Line 35 – Insurance estimate is based on information prepared by an insurance professional with experience with charter schools in Delaware.

Line 36 - There will be no rent costs in the initial charter. The Board plans to purchase a building.

Line 37 – Mortgage costs are based on estimates to purchase their facility.

Line 38 – Utilities are based on the industry standard / similar size schools.

Line 39 – Maintenance costs are budgeted at \$150 per pupil

Line 40 – Telephone/Communications are budgeted at \$20 per pupil.

Line 41 – Construction is not part of the school budget.

Line 42 – Funds for renovations are not needed.

Line 43 – Maintenance contracts to clean / maintain the interior / exterior of the building.

Line 44 – Equipment leases will include copier equipment for the school.

Line 45 – Equipment purchased for administrative use is included in the technology plan. The computer for the principle in Year 1 is included in this category.

Line 46 - Supplies and materials for administrative are budgeted at \$10 per pupil.

Line 47 – Printing and copying expenses are included in administrative and student support supplies. These costs are budgeted at \$30 per pupil.

Line 48 – Postage and shipping are budgeted at \$5 per pupil. Postage for marketing and recruitment are included in the CMO fees.

Line 49 – Expenses for enrollment and recruitment (including development of website, student recruitment materials, advertising, etc.) during the Planning Year are included in the CMO fees. The school will pick up the costs for advertising etc. for the school in Year 1 of operations.

Line 50- Expenses for staffing recruitment and assessment are included in the CMO fees.

Line 51 – Costs associated with the Technology Plan were prepared by a professional consultant. The costs are included in the classroom technology line of this budget.

Line 52 - Other costs have not been budgeted at this time.

Lines 53 – 56 – The CMO fees are for services to include things such as marketing, recruiting staff, professional development, board training, as well as back office services that will include human resources, payroll, benefits administration, COBRA processing, pension counseling and processing, budgeting, financial reporting, accounts payable, accounting receivable, procurement, and entry into the state's PHRST and FSF systems. (Please note that the CMO fees for Years 1-3 (total) and Year 4 (portion) are included on the Other Funds Sheet)

Line 57 – Estimated Loan Payments

Line 58 – Estimated enrollment

Federal Funds

No Federal Start-Up Funds are contemplated in this budget.

Line 1 – Not budgeted at this time

Line 2 – Estimated Federal Entitlement Funding – used an estimate of \$400 per student.

Line 3-55 – Not budgeted at this time

Line 56 – Estimated enrollment

Other Funds

Line 1 – Non-profit grants have not been budgeted at this time.

Line 2 - Estimated start-up revenue from fundraising – see Fundraising plan for additional detail.

Line 3 – Donations – Carryover from previous year

Line 4 - Estimated start-up revenue from capital loans / operating revenue.

Line 5 - Cafeteria funding is based on the current reimbursement rates issued by the USDA.

Line 6-9 – Not budgeted at this time.

Line 10 – The administrative salaries for the school were calculated by comparing the size of the school with other like charter schools. The school leader will be paid as in independent contractor in Year 1, therefore, no OECs or health insurance is budgeted at this time.

Line 11-20 – Not budgeted at this time.

Line 21 - Cafeteria expense is based on the current reimbursement rates issued by the USDA.

Line 22 – Not budgeted at this time.

Line 23 – Supplies start-up costs - budgeted at \$40 per pupil.

Line 24 – Textbook start-up costs - based on actual amounts from vendor listings.

Line 25-29 – Noth budgeted at this time.

Line 30 - Classroom technology costs are budgeted at \$750 per individual in the building (pupils, teachers, assistants, etc.) Assumes each individual will be provided a laptop (or similar) and includes licensing fees, cost of printers for each classroom, and projectors. This also includes a one-time set-up cost of \$75,000 in Year 1 for servers and wiring.

Line 31 – 32 – Not budgeted at this time.

Line 33 – Contracted services – Legal

Line 34- Not budgeted at this time.

Line 35 – Board liability insurance

Line 36 – 42 - Not budgeted at this time.

Line 43 - Maintenance contracts to clean / maintain the interior / exterior of the building.

Line 44 - Not budgeted at this time.

Line 45 - Equipment purchased for administrative use is included in the technology plan. The computer for the principle in Year 1 is included in this category.

Line 46 – Start-up supplies and materials for the School Leader.

Line 47 – Start-up printing and copying for the School Leader.

Line 48 – Start-up postage and shipping for the School Leader.

Lines 49-52 - Not budgeted at this time.

Lines 53 – 57 – The CMO fees are for services to include marketing, recruiting, staffing, professional development, board training, as well as IT, and back office services that will include human resources, payroll, benefits administration, COBRA processing, pension counseling and processing, budgeting, financial reporting, accounts payable, accounting receivable, procurement, and entry into the state's PHRST and FSF systems.

Line 58 – Estimated enrollment