CCS4/CCS5
Budget Narrative

All assumptions in the budget are based on the experience of Crescent City Schools in running open-enrollment charter schools in Orleans Parish since 2011. The schools we currently operate are of similar size and student composition as we anticipate for CCS4 and CCS5. Additionally, we have been overly conservative in our budgeting approach by low-balling revenue (assuming lower student counts and less special education revenue than we believe is likely) and inflating some expenses (assuming more special education related services and student transportation than we believe is likely).

Variable Income
While we anticipate engaging in fundraising activities and have a long, successful track record of raising significant funds for our schools, we have not included any uncommitted revenue in out budgets.

Per Pupil Revenue
We were unable to use the figures in the provided template to calculate per pupil revenue because it did not include the Orleans Parish differentiated funding formula and thus did not accurately represent how charter schools in Orleans Parish are funded. Instead, we used our own conservative per pupil funding projections when creating the budget for CCS4/CCS5. We assumed student population and demographics that are similar to our current schools but decreased overall enrollment and special populations so as to generate a conservative revenue projection. The table below outlines our student population and revenue assumptions.

Grade	10/1	2/1	Per Pupil Funding
K	60	60	
1	60	60	
2	60	60	
3	60	60	
4	60	60	
5	60	60	
6	60	60	
7	60	60	
8	60	60	
Total	**540**	**540**	**$7,231**
Special Education			
Level 1		**12**	**$1,436**
Level 2		**26**	**$8,438**
Level 3		**15**	**$13,465**
Level 4		**12**	**$15,619**
Level 5		**7**	**$21,544**
Gifted/Talented		**5**	**$359**
ELL	**60**	**60**	**$2,154**

Overage (at least 2 years)		**16**	**$1,615**

*While we intend to operate a PreK, since PreK is a separate application process with the LDOE, we have not included revenues or expenses related to a PreK program. However, in our experience, we have found operating a PreK to be a revenue-expense neutral activity.

Anticipated Funding Sources
The main source of anticipated revenue is per pupil funding. Other additional sources of funding include:

- State pay raise funds of $732 per pupil
- Title and IDEA funds (estimated at amounts similar to our other schools)
- Medicaid reimbursements (estimated at amounts similar to our other schools)
- Federal food service reimbursements (assuming CEP and attendance rates similar as at our other schools)
- Revenue from the State's EEF and High Cost Service grants (estimated at amounts similar to our other schools)
- Student fees (uniform reimbursements and field trip contributions - though these are not charged of students who cannot afford them - estimated at amounts similar to our other schools)
- Revenue from credit card points redemptions and Mardi Gras parades participation (estimated at amounts similar to our other schools)

Staffing Model
The CCS4 and CCS5 staff, which is based on the current school staffing models, includes:

- 1 Principal
- 3 Directors of Curriculum & Instruction
- 1 Director of Special Education
- 1 Director of Student Support
- 1 Director of Finance & Operations
- 1 Chief of Staff
- 36 General Education Classroom Teachers (4 teachers per grade, K-8)
- 4 Enrichment Teachers
- 8 Special Education Teachers
- 4 Special Education Paraprofessionals
- 4 Behavior Interventionists
- 1 Counselor & 1 Social Worker
- 1 Speech Language Pathologist
- 1 Office Manager
- 1 Data Manager
- 1 Nurse
- 1 Operations/Technology Coordinator
- 4 Custodians

Total Personnel Costs: $4,161,564

Other Expenses
Other major expenses (all are based on actual expenses at schools currently operated by Crescent City Schools) include:

- Special education purchased services (evaluations, occupational therapy, physical therapy, alternative setting placements, etc.): $243,500
- Professional development services: $8,500
- Student data systems: $23,747
- Property services (including utilities): $272,000
- Student transportation (6 tiered routes, 3 non-tiered routes): $350,000
- Food services: $684,201
- Insurance (including property insurance premium paid to OPSB): $114,600
- Supplies & materials: $200,000

- Communications: $64,615
- OPSB admin fee (2% of MFP): $104,675
- CMO fee (5.5% of recurring government revenues): $312,002

Sustainability
We assume an average raise of 2% each year. Other expenses are tied to inflation rates based on historical trends at the schools in the Crescent City Schools network. We believe this is a conservative projection of future year expenses.

We assume no revenue increase in future years except for food service reimbursements increasing by 2% each year - though this is largely offset by a corresponding 2% increase in food service costs. We believe this is a very conservative projection of future year revenues.

The CMO fee is projected to be 5.5%. Unlike many other CMOs, Crescent City Schools only charges the amount necessary to cover its expenses in a given fiscal year (with a maximum of 7%). We believe we will be able to charge a maximum 5.5% to cover the CMO's expenses with the addition of CCS4 and CCS5 to the Crescent City Schools network.

Even with these very conservative cost and revenue projections, we forecast that CCS4 and CCS5 will have an excess of revenue over expenditures for at least the first 5 years of operations.

Start-Up Costs
Start-up costs, including personnel costs in July of the first year of operation, are included in the Crescent City Schools CMO budget. Without creating a deficit, the CMO is able to fund the start-up costs incurred prior to the school's first MFP payments in July. These start-up costs are anticipated to include hiring school leadership staff for 1-3 months, advertising and other recruitment, facility improvements, and some general supplies.

Facility
Crescent City Schools is only interested in operating a transformation school that is already located in a long-term facility. We have no intention of starting a new school and having to locate a facility for it. We will be able to make our program work in whatever facility the school is already located in. We have budgeted facility maintenance, operations, and repair costs based on the experiences of our current schools.