

Charter School Budgeting Worksheet 1

This worksheet is designed to help you gauge the parameters of what you can afford, and hopefully make you aware of potential pitfalls. We don't expect you to have exact numbers in your head—it's ok to use estimates right now.

1. What is my *maximum* gross revenue? (Gross means before expenses.)

Step 1: How many students do you expect to enroll in year one: _____

Step 2: How much per pupil revenue will you have: _____

Calculate: # of students X per pupil revenue = maximum gross revenue

My maximum gross revenue is: _____

2. What is my *likely* gross revenue?

Most new schools suffer 10% attrition from opening day

Calculate: Maximum gross revenue X .9 = likely gross revenue

My likely gross revenue is: _____

3. How much should I spend on my building?

Total occupancy costs should be no more than 15% your revenue.

Calculate: 15% X likely gross revenue = maximum facilities expense

My maximum facilities expense is: _____

4. How big a building do I need?

75 ft² per student is standard. 100 sf per student is ideal.

Calculate: # students X 75 = minimum square footage. (My min sf is: _____)

Calculate: maximum rent or mortgage payment / minimum square footage
= maximum cost per sf (My max cost per sf is: _____)

5. About what rent or mortgage payment can I afford?

Your rent may not include things like utilities, Common Area Maintenance (CAM), or operating expenses. A mortgage payment certainly won't. You may need to set this money aside out of your maximum facility expense. \$6 per sf is typical.

Calculate: Max cost per sf - \$6 = Max mortgage or non-inclusive rent per sf. (Mine is _____)

Calculate: Max mortgage or non-inclusive rent per sf X building size in sf (use the figure from #4)
= Max mortgage or non-inclusive rent. (Mine is _____)

6. What can I pay my teachers?

Calculate: # students / average class size = # of classes.

Classes x Average # teachers per class = # of teachers.

Likely gross revenue X .55 = minimum teacher staffing budget. (Mine is _____)

Minimum teacher staffing budget / # teachers = Salary and benefits per teacher.

My average salary and benefits per teacher could be: _____

7. How much can I spend on student support, administration, and everything else?

Calculate: Likely gross revenue - minimum teacher staffing budget - maximum facilities expense = Budget for everything else! (Admin, student support, etc.)

I have _____ to spend after my building and a minimum teacher costs are accounted for.

Use your entries from Charter School Budgeting Worksheet 1 to fill in your Year 1 column below.

Key Rules

- 1. **Teacher Staffing Budget** = 55% Likely Gross Revenue
- 2. **Facility Budget** = 15% Likely Gross Revenue
- 3. **Minimum facility size** = 75 sf per student.
100 sf per student is ideal.

Then calculate for Year 5. How much can you afford to spend on rent in your first year? In your fifth? After teacher salaries and facility costs, what’s left for administrative and support expenses?

Next, consider what happens if your school grows at half the projected rate? Or if it misses performance targets and the regulator limits the number of students your charter allows? In the “Year 5 – Scenario B column”, calculate Year 5 with half the number students you currently expect.

	Year 1	Year 5		Year 5 - Scenario B
Grades				
Students per grade (average)				
Total # Students				
Per Student Revenue (\$)				
Revenue				
Maximum Gross Revenue (\$)				
Expected attrition (%)				
Likely Gross Revenue (\$)				
Expenses				
Facility Budget				
Maximum facilities expense				
Minimum building size				
Max cost/square foot				
Operating and Fixed Costs				
Mortgage Payments/Rent				
Teacher Staffing Budget (\$)				
Average class size				
# Teachers				
Salary/Benefits per Teacher				
Maximum for other expenses				