

Budget

The International Studies Language Academy (ISLA) Governing Board will oversee all aspects of the fiscal management of the school. As described in the petition, the ISLA Governing Board will retain Academica, an educational services and support provider.

Under the supervision of the Board, Academica will be responsible for the ISLA's bookkeeping and financial reporting. Academica may also be assigned by the Board to bid out third-party services that the Charter School requires such as an independent audit. Once all bids have been received, Academica will present the proposed contracts and pricing to the ISLA Board for their decision. The principal of ISLA will be responsible for overseeing portions of the budget that are within his/her control such as expenses related to office supplies, travel, copier, etc. Academica will review the budget with the principal on a monthly basis and will present financial documents at each Governing Board meeting.

ISLA will have a system of checks and balances for financial management of school funds. ISLA will adopt a Purchase Order (PO) System in which a PO will be made out for every school purchase. The Governing Board will adopt comprehensive fiscal policies and procedures. ISLA will continually strive to comply with generally accepted accounting principles (GAAP) and relevant California law.

Budget Narrative-

To be fiscally conservative only revenue sources which can be fully relied on have been included. Due to the manner in which funds such as LCFF, EPA, Lottery, etc. are distributed, ISLA will need to secure a Line of Credit to pay for month-to-month cash flow deficits. This is an obstacle that charter start-ups face throughout California. ISLA will work diligently with its service provider Academica, to secure the best possible interest rates for the school. ISLA will also seek revenues outside of those included in the budget. Examples of these additional revenues include but are not limited to: SB 740, PSCPG Grant, Title II, and Title III.

Standardize Account Code Structure (SACS)-Title	Narrative:
Revenue	
8011-LCFF State Aid	ISLA used the Fiscal Crisis and Management Assistance Team’s (FCMAT) 16.2a calculator to project LCFF revenues for the 2016-2017 school year. Please see ISLA’s 5 year budget for LCFF revenue projections.
8012-Education Protection Account	ISLA used the Fiscal Crisis and Management Assistance Team’s (FCMAT) 16.2a calculator to project EPA revenues for the 2016-2017 school year. Please see ISLA’s 5 year budget for EPA revenue projections.
8096-In Lieu of Property Taxes	ISLA used the Fiscal Crisis and Management Assistance Team’s (FCMAT) 16.2a calculator to project Property Tax revenues for the 2016-2017 school year. Please see ISLA’s 5 year budget for Property Tax revenue projections.
Cash-Inflow – Line of Credit	<p>ISLA will secure a Line of Credit (LOC) for the monthly cash flow deficit that will be experienced due to belated revenue in the latter part of each fiscal year. ISLA will need to secure a minimum LOC of \$375,000 in its first year of operation.</p> <p>ISLA will work to secure SB 740 monies which would equate to \$345,000 (460 Students X \$750) in its first year. ISLA will identify additional sources of revenue to reduce the need for a LOC.</p>

Additional Revenue Sources-	<p>ISLA attempted to be conservative in its approach to projecting revenues for the 2016-2017 school year. Included revenue sources in the 5 year budget included: Lottery, Cash Inflow (CA Charter School Revolving Loan), Mandate Block Grant, One-Time Mandate Revenue, Special Education (Federal), National School Lunch Program Revenue, Title I, Interest and Transfers from County offices - SPED State Portion.</p> <p>ISLA did not include revenues from Title V, PCSGP grant, SB 740 reimbursement, Title II and Title III.</p> <p>ISLA will seek and apply for a multitude of state and federal grants.</p>
Expenses	
Standardized Account Code Structure (SACS) - Title	Narrative:
1000 & 2000- Certified Salaries	<p>In Year 1, ISLA budgeted \$105,000 for a Principal salary, \$48,500 average teacher salary for 19 Teachers, \$52,000 average salary for 2 Special Education Teacher(s) which includes a SPED teacher designated as SPED Coordinator, \$60,000 for a Lead Teacher, \$34,500 for substitute teachers, average salary of \$20,000 for 2 teacher's aides, \$48,500 for 1 office manager, \$20,000 for 1 receptionist and \$25,000 for 1 campus monitor (custodian). Estimated total salaries for certified and classified staff Year 1 of operation is \$1,338,500.</p> <p>Salaries are projected to increase 3% each year until year 5 due to an expected lesser increase in funding. Additional positions added in years 2-5 include: Assistant Principal (\$75,000) in Year 2, Registrar (\$40,000) in Year 2, SPED Instructional Aid (\$20,000) in Year 2, Director of Instruction (\$55,000) in Year 3 and Counselor (\$60,000) in Year 4.</p> <p>In years 2-5 the teacher and staff count increases incrementally with the enrollment growth of the school. Please see 5 year budget for staffing increase in years 2-5.</p> <p><i>*Insofar as is feasible, teachers will be paid salaries commensurate with their experience and comparable to GUSD. A competitive benefits program will be developed for teachers and staff to enhance retention and employment satisfaction. As the Charter School matures, teacher and staff salaries and benefits will increase. Teacher and staff input will be valued as this is a core component of job satisfaction. Accordingly, they will be provided opportunities for shared decision making with the proposed Charter School principal.</i></p>

4410 – Compute Hardware	<p>ISLA will enter into a Furniture, Fixtures, and Equipment Lease for these items in the first year of operation. ISLA projects to receive similar lease terms to schools currently managed by Academica. The budget assumes the lease will include a 4 year term at 5% interest with a purchase option at the end of the 4th year. Academica recommended ISLA to budget \$900 per student to outfit the school with textbooks, furniture, technology and equipment. The FFE lease payment for year 1 is budgeted to be \$111,170. Academica recommended ISLA to dedicate 20% of the lease amount (\$22,315) to computer hardware (Computers, Student Laptops, Smart Boards, etc.).</p> <p>The budgeted amount for the FFE Lease in years 2-5 increase proportionally with the student population increase.</p>
4701 - Non School District Food Service.	<p>ISLA plans to participate in the National School Lunch Program (NSLP). ISLA will identify a third party food vendor that has the necessary qualifications to provide school food within the NSLP requirements. ISLA has budgeted \$126,139 for non-school district food services. ISLA budgeted \$15,000 above the projected NSLP revenue.</p>
5210 – Training and Development Expenses	<p>ISLA budgeted \$10,000 in their first year of operation for training and professional development. This will allow ISLA to send identified staff to participate in local and national professional development opportunities.</p> <p>For Years 2-5 ISLA increased the budget incrementally by student population increase.</p>
5400 – Insurance	<p>ISLA will acquire all necessary insurances including but not limited to: Property, General Liability, Abuse, Employee Benefits Liability, Professional Educators Legal Liability, Auto, Equipment Breakdown, Crime, Excess Liability, D&O, Student Accident and Workers Comp.</p>
5500 - Operation and Housekeeping Services/Supplies	<p>ISLA will budget \$30,000 for third party janitorial services. This will include facility cleaning 5 nights a week and floor care throughout the year.</p>
5501 – Utilities	<p>ISLA will budget \$75,000 for utilities. ISLA based budget assumptions for utilities from schools of a similar size.</p>

5600 – Space Rental/Lease Expenses	ISLA expects to enter into a long term lease for its facility. ISLA conservatively will target a lease rate of no more than 17% of state revenues or \$499,832 in their first year. ISLA will look to identify a facility and lease terms that will not put the school into a financial burden. ISLA is working with local brokers and its services and support organization to identify a facility that fits within its budget and will act as a cohesive and appropriate environment for their students.
5601 – Building Maintenance	ISLA will budget \$17,500 for facility maintenance in its first year. ISLA will enter into third party service agreements to provide pest control, HVAC maintenance and repair, lawn care, etc.
5605 – Equipment Rental/Lease Expense	ISLA will budget \$15,000 to lease a commercial copier and teacher printers. ISLA expects to enter into a copier and printer lease agreement which the vendor is responsible for maintenance.
5800 – Professional/Consulting Services and Operating Services	ISLA will identify a third party to provide IT and technical services. ISLA budgeted \$23,396 for IT services in the first year of operation. Academica recommended that the school budget \$3.5 per student/per month for IT services, including a set-up fee of \$5,000 in its first year.
5805 – Legal / Audit	<p>ISLA will budget \$6,500 to retain the services of school counsel. ISLA will receive an audit for the first year of operation but the expense will not be realized until the second year. The school will budget \$15,000 for the school’s first audit.</p> <p>ISLA will factor in an annual increase of 3% for years 2-5 for legal and accounting services.</p>
5810 – Educational Consultants	ISLA plans to enter into an affiliation/trademark agreement with International Studies Charter School Inc. based out of Florida. The affiliation agreement is 1% of state revenues.
5899-Back Office Management Fee	ISLA plans to contract with Academica to provide back office services and support. Academica’s contract fee is \$550 per student/per year.
7010 – Special Education Encroachment	<p>ISLA will budget \$160,374 or 5% of state revenue in its first year of operation. This budget will be used for contracted services such as: speech pathology, physical therapy, occupational therapy, and psychology.</p> <p>ISLA allocated 5% of state revenues for the Special Education Encroachment budget line item for years 2-5.</p>

7438 – Line of Credit (Principal and Interest Payment)	ISLA budgeted for a LOC with an annual interest rate of 6%. Please see attached budget for detailed LOC principal and interest payments.
7438 – Debt Service (CA Charter Revolving Loan)	ISLA will seek a \$250,000 Charter School Revolving Loan from the state. ISLA plans to repay the loan over a 5 year period starting in October of 2016.
7438 - Debt Service (Start-up Loan)	ISLA plans to enter into a start-up loan with Academica for \$25,000 to pay for expenses during the planning year (2015-2016). The terms of the loan include a 2 year repayment term at 5% interest. If ISLA does not receive an authorized charter, Academica will write off the loan as a loss.
7500 – District Oversight Fee	ISLA will budget 1% of state revenues or \$32,075 for a district oversight fee.