Edupreneur Academy

Micro-School Sample Budget

One Room, Two Cohorts, Blended Learning – Grades 3-5

Description of Model

In our One Room, One Cohort, Blending Learning – Grades 3-5 model, we estimated costs for a micro-school of one cohort of 15 mixed-aged elementary (3rd - 5th grades) students that meet in a one room shared space for three days of the week. The other two days were available to students in a "study hall" format in which the students work independently at home or the teacher is available on site to provide guidance and assistance.

In this model, we assume the same space and the same number of teachers as the One Cohort example, but maximize the use of the space by increasing our enrollment to 30 students in two cohorts.Each cohort attends school two days a week. Cohort 1 attends Monday and Wednesday, and Cohort 2 attends Tuesday and Thursday. Students work independently at home when they are not scheduled to attend school. Fridays are available for a "study hall" in which students may attend as needed for guidance and assistance from the teacher. Fridays may also be used for in-class activities and enrichment projects.

Budget for the Model

The following "big picture" budget categories are provided with sample costs for the given micro-school model. We also modeled an identical school with 30 student cohorts.

Salaries - Oklahoma's minimum teacher salary schedule ranges from $31,600 for a new teacher with no experience to $46,000 for a teacher with 25 years of experience and a doctoral degree (Oklahoma State Department of Education, 2017). In our example, one teacher (teacher owner) will be hired to provide instruction to all 15 mixed-aged students. Included in our salary estimate is a 30% cost for benefits. Benefits include health insurance, FICA, Medicare, and other required employment costs. Overall salary costs will be determined by the Federal requirements for organizations of your size and the requirements of your State. Although we are increasing the size of enrollment to 30 students, we are budgeting for one teacher as only 15 students will be attending at one time. For the purposes of this example, we have budgeted $40,000 for one teacher salary plus $12,000 for benefits for a salary total of $52,000. For the 30 cohorts we added one aide at a salary plus benefits of $25,000.

Facilities Rental – Based on space requirements of the State and the Department of Human Services, this model estimates a need of 30 square feet/child. Therefore, our square footage needs are 15 students x 30 square feet for a total need of 450 square feet. The cost per square foot is determined by the average cost of rental a commercial space in the location we want to open the school. Commercial rent in the area is available for $10-$20 per square foot. For the purposes of this budget, we have estimated $17 per square foot of shared space with no build out necessary. For 450 square feet of space, we estimate a yearly lease of $7,650 ($17/square foot x 450 square feet).

Utilities – Although some lease agreements will include utilities in the overall cost, other rental properties require you to pay for your own utilities. In addition, you may have to pay a common use fee for shared spaces such as entryways, bathrooms, and kitchen areas. If you are sharing a space with a larger organization, such as in this example, you may be responsible for a percentage of the utilities based on the square footage you are occupying. For the purposes of this example, we are including the utilities and cost of shared space in our $17/square foot rental cost.

Furniture – As our micro-school target population is a mixed-age group of students ranging from 3rd to 5th grade, we will plan for several learning centers which offer flexible seating and opportunities for students to work individually, in small groups, or meet in one large group. In the first year, our estimate for furniture is $200 per student for a total of $3,000. We would assume that in subsequent years, furniture costs would be minimal, needed only for replacement or repair of damaged items. In this budget we assume an average useful life of 4 years resulting in an average annual cost of $50.

Technology - Blended learning generally requires that each student have a personal device, e.g. a Chromebook. This budget assumes each student receives a Chromebook with an average life of 2 years.

Curriculum – As this model is based on a blended learning environment, curriculum will include costs for a learning management system, online curriculum, and materials and supplies for use in the physical classroom. The price range for online curriculum varies depending on the level of support provided by the vendor. Micro-schools can access online open educational resources to create their own online curriculum at no cost or supplement with computer applications for as little as $.99 per application per student. Online curriculum can also be access through an outside vendor. The cost for this curriculum can range from $250 per course per student for fully developed and supported online curriculum to $850 per course for a teacher-led experience (teacher is provided by the vendor).For the purposes of this example, we will provide four online courses (math, science, English, and social studies) through an online course provided for $250 per course per student. This totals $1,000 per year per student or $30,000 per year for the class. Additional curriculum costs for project based learning and in-class activities will be estimated at $25 per student per year for a total of $750.

Miscellaneous Costs – Micro-schools will assume several nominal costs related to general operation of a school. These may include security, repairs and improvements on the building, copy supplies, marketing and advertising, and substitute teacher costs.These costs will be determined by your particular micro-school design and context. For the purposes of this example, we are budgeting $200 per month for miscellaneous costs for a total of $2,400.

Insurance – Common types of insurance recommended for schools include general liability, educator's legal liability, property, and crime. An insurance specialist that specializes in insurance packages for schools can answer questions about the insurance coverage you need. For the purpose of this example, we are estimating $1,200 a year for insurance.

School Year Estimate

The following sample budget is an estimate of cost of our micro-school model with an enrollment of 30 students in two cohorts based on a two-day a week school schedule with two days of homeschool and one flexible day for on-site assistance for students as needed. These numbers are estimates are provided as a guide for how to complete the budget for you micro-school design. The Budget Line Item column includes our "big picture" budget items. The Assumption column is based on our estimates, but can be changed to reflect your context. The Total Cost column calculates the assumed cost times the number of units (number of students, number of months, etc.).

Budget Line Item	**Assumption**	**Total Cost 15 Students/Cohort**	**Total Cost 30 Students/Cohort**
Salaries and Benefits (1 Teacher)	$52,000/Teacher $25,000/Assistant	$52,000	$77,000
Rent	$17/sq ft	$7,650	$15,300
Utilities	Included		
Furniture	$50/Student	$750	$1,500
Cirriculum	$1,025/Student	$30,750	$61,500
Technology	$100/Student	$3,000	$6,000
Miscellaneous	$200/Month	$2,400	$2,400
Insurance	$1,200/Year	$1,200	$1,200
Total		$96,66	$163,750

In this example, the total cost for the micro-school model for two cohorts of 15 students in Year 1 is $96,660 or approximately $3,218 per student. For two cohorts of 30 students, the total cost is $163,750 or $2,729 per student.

In this example, tuition is the main source of revenue for the school year. Although other revenue sources may be pursued (e.g., grants, sponsorships, donations), it is assumed in this example that these revenue sources are nominal compared to total revenue for the micro-school

The following table estimates tuition revenue for the students in our example and net income. Net income for the school year increases as tuition rates increase. Determining tuition costs is based on the number of students, comparison to similar schools in the area, analysis of the market, and recognition of the capacity of the target population.

Tuition Revenue for Two Cohorts 15 Students/ Cohort	**Cost Per Student**	**Total Net Income**
$97,020 ($3,218/Student)	$3,218	$0
$105,000 ($3,500/Student)	$3,218	$8,460
$120,000 ($4,000/Student)	$3,218	$23,460
$135,000 ($4,500/Student)	$3,218	$38,460

Tuition Revenue for Two Cohorts 30 Students/ Cohort	**Cost Per Student**	**Total Net Income**
$163,740 ($2,729/Student)	$2,729	$0
$228,000 ($3,800/Student)	$2,729	$64,260
$240,000 ($4,000/Student)	$2,729	$76,260
$270,000 ($4,500/Student)	$2,729	$106,260