

Micro-School Sample Budget

One Room, Two Cohorts, Half Day -- Grades PK-1

Existing Models

Micro-schools designed for early childhood students are unique in that many states have more flexible standards and regulations for prekindergarten and kindergarten students allowing for creative scheduling and curriculum. Many states also require only part-time early childhood programs providing for more opportunity for half-day micro-school programs or improved connections between homeschool or childcare programs.

Description of Models

As a school focused on early childhood, the decisions regarding learning environment, curriculum, and instructional delivery are based on what is developmentally appropriate for students of this age. A small student to teacher ratio, curriculum that extends learning outside the classroom, activities that encourage inquiry and play, and instruction that builds on skills such as personal responsibility, self-direction, social interaction, and logical/critical thinking are the factors driving the following examples.

- Wildhood: <http://www.wildhood.us/about.html>
- Highlands Microschool: <http://highlandsmicroschool.com>
- Verdier Eco School: <https://www.verdiecoschool.org>

In this example, we plan for two five-day, half-time programs, one morning program, and one afternoon program, serving 25 students each.

Budget for the Model

The following “big picture” budget categories are provided with sample costs for the given micro-school model.

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). The median teacher’s assistant salary in the United States is \$21,777 with a low of approximately \$20,000 and a high of approximately \$28,000 (Salary.com, 2017). In our example, one teacher (teacher owner) will be hired to provide instruction to all 25 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. For the purposes of this example, we have budgeted \$52,000 for salary and benefits for a certified teacher and \$25,000 for the salary and benefits of a teacher's assistant.

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. The cost per square foot is determined by the average cost of rental for 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.

However, as unstructured play is developmentally appropriate for students of this age, we also recommend planning for additional space outside of the classroom. The State of Oklahoma requires all childcare centers to plan for at least 75 square feet of outdoor or additional play space for each child. Although this extra space may not impact our lease rates, it will be a determining factor in the ultimate decision for classroom space. As many commercial rentals do not have access to outside play space or a large inside play space such as a gymnasium, micro-schools targeting early childhood students may seek out existing classroom environments such as places of worship, community centers, or facilities near public parks.

Utilities – Although some facilities may include utilities in the rent agreement, 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 cost of facilities in the rent estimate.

Furniture – As our micro-school target population is a mixed-age group of students ranging from PK-1st grade, we will plan for one meeting space for all students and several learning centers that offer flexible seating options and various hands-on activities. Additionally, these centers will need to be rotated throughout the year and changed as students master competencies. Storage is imperative in early childhood classrooms to minimize clutter and chaos and house the various materials. In the first year, our estimate for furniture and equipment is \$300 per student. We would assume that in subsequent years, furniture and equipment costs would be minimal, needed only for replacement or repair of damaged items. In this budget, we assume an average useful life of four years resulting in an average annual cost of \$75 per student.

Curriculum – In this example, students are attending school onsite five days a week for half a day. For the onsite learning space, curriculum will include manipulatives, books, and other print material, play toys, art supplies, printables, games, and other educational

materials. Although, in this example, we are not using online curriculum to deliver instruction, learning centers such as maker spaces and interactive games that use technology to supplement curriculum will be incorporated. The cost for supplemental technology ranges based on the method adopted. Online supplemental academic curriculum costs approximately \$75 per student; items for the maker space can include building blocks (\$30), coding robots (\$50), or electronic building kits (\$160), and tablets for game applications can cost as much as \$400 each. For the purposes of this example, we will estimate \$500 per year per student.

Miscellaneous Costs – Micro-schools will have 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 model, 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 model, we are estimating \$1,200 a year for insurance.

School Year Estimate

The following sample budget is an estimated cost of our micro-school example. These numbers are estimates and are provided as a guide for how to complete the budget for your 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 50 Students
Salaries and Benefits	\$52,000/teacher \$25,000/assistant	\$77,000
Rent	\$17/sq ft	\$12,750
Utilities	Included	
Furniture	\$75/student	\$1,875
Curriculum	\$550/student	\$27,500
Miscellaneous	\$200/month	\$2,400
Insurance	\$1,200/year	\$1,200
Total		\$122,725

In this example, one schoolroom is providing services for a total of 50 students: 25 students in the morning program and 25 students in the afternoon program. Though 50 students are enrolled, the cohorts are at different times during the day so costs associated with furniture and rent are for 25 students. Therefore, the total cost for Year 1 for two cohorts of 25 students is \$122,750 or \$2,454 per student.

The following table estimates tuition revenue 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 50 Students	Cost Per Student	Total Net Income
\$120,725 (\$2,454/student)	\$2,454	\$0
\$150,000 (\$3,000/student)	\$2,454	\$27,300
\$175,000 (\$3,500/student)	\$2,454	\$52,300
\$200,000 (\$4,000/student)	\$2,454	\$77,300