



COLORADO LEAGUE *of*
CHARTER SCHOOLS

Bootcamp

Day 2

www.coloradoleague.org



Agenda

- Start-up, non-profit business
- Pre-Launch Budget Considerations
- Post-Launch Budget Considerations
- Back of the napkin exercise

Start-up, Non-Profit Business

Needs

- What need are you filling?
- How do you know there is a need?
- What data supports this?
- Who else fills this need?
- Who is your competition?



Product and Services

- Describe your product
- Describe your customers



It's a Start-Up Business

- How do you get paid?
- When do you get paid?
- What are your sources of revenue?
- Who are your vendors?
- What are your expenses?
- How do you pay them?



It's a Non-Profit Business

- What is a non-profit organization?
- Does it mean the organization can't make a profit?
- What role does IRS have?



Economics 101

- Supply and Demand
 - Product/service
 - Customers
 - Building Inventory



Minimum Viable Product

A minimum viable product is a version of a product with just enough features to be usable by early customers who can then provide feedback for future product development.

What is the *minimum* number of customers you need to be viable as you launch your educational model? How many in year 2 and year 3?



Customers

- Define them
- Where do they come from?
- How will they get to your school?
- How will they hear about you?

Take out your phone exercise



Customers

- How do you attract them?
- How do you track them?
- What happens (policies, procedures, people) once they are “in?”
- Create a pipeline – demand - waitlist
- Data, data, data



Pre-Launch Budget Considerations

Funding Sources

- Cash
- Fundraising/donations
- Grants
- Line of Credit



M: **Money**

How much money should the organization have to get started?



Expense Considerations/categories

- Reimbursement type grants (like CSP)
- Professional Services – what is their value? What is their cost?
 - Attorney – general counsel and real estate
 - Insurance – health, property and casualty, liability
 - Back office/CFO service/accounting
 - Owner's representative
 - Commercial Realtor
 - Marketing/Website development and maintenance
 - Grant writer
 - Salary for school leader and others
- Deposits for facility, equipment, software
- Tenant improvements



DO NOT ASSUME!

An approved charter contract from your authorizer does not imply your school has a strong operational plan.

Post-Launch Budget Considerations

A young child with red hair is shown in profile, looking down at a metal pot on a stove. The child's hand is resting on the edge of the pot. The background is dark and out of focus.

B:

Big kid budget

Congratulations!

The school is open!

You're a big kid now!

Funding Sources

- Per Pupil Revenue (PPR)
- Title Funds
- Possible - Mill Levy
- Grants
- Donations/Fundraising
- Other



Significance of Public Funds

Heightened level of:

- Prudence
- Scrutiny
- Transparency
- Responsibility



Best Practice Ratios

- Facilities Costs
- Salaries and benefits
- Size of facility



Back of the Napkin Exercise

- PPR = \$9,000
- 100 square feet/pupil



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For more information, please contact:

Patti Glock

Director of Business Services

pglock@coloradoleague.org