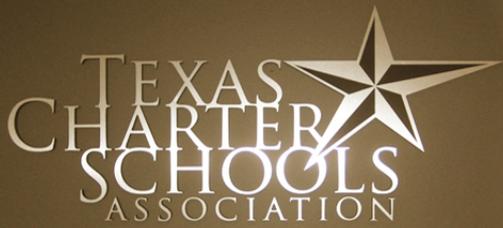




A Promise Fulfilled:
The Next Level for Public Charter Schools
*The Importance of Quality Options and
Putting Student Achievement First*





Introduction & Overview

Introduction and Background

Now in its 5th year of operation, TCSA has found itself at **an inflection point** as an organization and as the leader of the Texas charter school movement.

Texas has experienced **significant growth in the size and quality of its public charter schools**, has seen the legislative and public policy environment become much more favorable to charter schools, and has seen charter schools and charter school parents and community speaking with one voice in favor of additional choices for parents and for Texas students. Now is the time to take the next steps forward to ensure quality public charter schools are ready for the next level.

Accordingly, TCSA's Board of Directors initiated a robust strategic business planning effort that has resulted in more than a year's worth of introspection, stakeholder engagement, analysis, research, and decision-making.

Taking Stock

- **All charter members were reached out to for Strategic Plan Survey;** over 60 responses received.
- **Thirty-four (34) stakeholder/staff interviews,** including 13 staff, 8 TCSA Board members, and 10 key external stakeholders and charter holders.
- **One focus group** of TCSA funders (Gates Foundation, Arnold Foundation, Walton Foundation, and Michael & Susan Dell Foundation).
- Two interviews with **similar benchmark organizations,** the statewide charter school associations in Ohio and Arizona.
- **Online survey of TCSA board and staff** (completed by 8 board and 14 staff).
- **Initiated discussions and solicited member feedback regarding** strategic plan priorities for the organization moving forward at **the September 2012 Member Council meeting.**
- **Review of key documents** including those associated with marketing, operations, finance, fundraising, planning & governance.

Overview and Purpose

What is the **promise of charter schools (TEC 12.001)**?

- Improve student learning
- Increase choice in public schools
- Attract new teachers to public schools
- Establish a new form of accountability for public schools
- Encourage different and innovative learning methods.

To **fulfill this promise**, we must insist upon a high quality school for every student. In order to improve learning, we must embrace accountability which will ensure an effective school for every student. And, we must *BE INNOVATIVE* and *SHARE INNOVATION* across all public schools to achieve our ultimate vision of a high quality education for every student.

How Does This Affect My Charter?

1. Advocacy: increase support in the Legislature based on increasing quality and ratings.
2. Litigation: secure a win for equitable funding for charter students from the Legislature.
3. The reputation of public charter schools: known for quality and innovation.
4. The New Plan will: Attract additional foundation support for Texas charters.
 - A. Funders support the increased quality and growth focus
5. The New Plan will: Allow TCSA to offer an enhanced suite of services to existing members including the following services.
 - A. New Member Services: Incubation Services and Facilities Support Services for existing schools
 - B. Business Officer certification program will enhance the knowledge of charter school back office personnel & create professional clout for those positions.
6. Fulfill our Mission: Serving more Texas students looking for options
7. Fulfill our Mission: Partnering with more ISDs on facilities and innovation

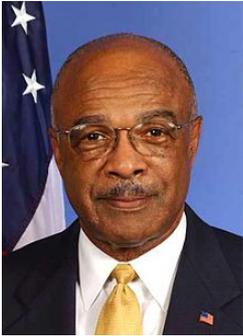
What is the problem?

We need more quality schools that serve students well, and overall, we need an educational system across the nation that adjusts to meet the ever-changing needs of students



Only 8.3% of students from low-income families have earned a bachelor's degree by their mid-20s.

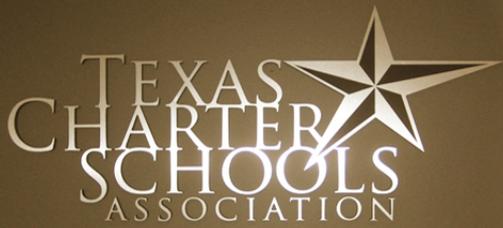
Source: Tom Mortensen, postsecondary.org



“One of the promises of charter schools is that they can serve as Laboratories of Innovation -- they can be public education’s “R&D” arm. Because they have greater autonomy than traditional public schools, and since they tend to attract pioneering educators, they can try out new approaches to education that, if proven effective, can be transplanted back into the larger public education system.”
– Former US Secretary of Education, Rod Paige



“... So to fully deliver on the dream, charter schools must do more to take innovation to scale and continue to tackle the very toughest educational challenges.”
– Arne Duncan, US Secretary of Education, 2013



The Case for Change

Percentage of Enrollment in Texas & U.S.

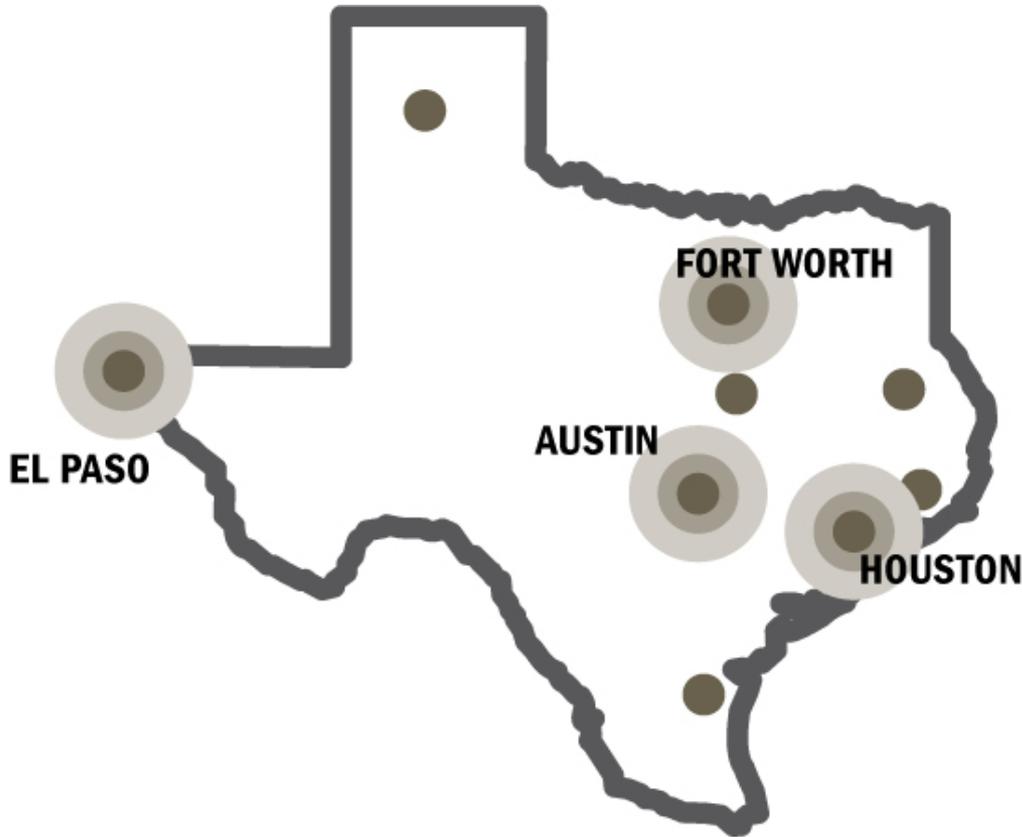
Other states (2010-11 data)

New Orleans	70%
Washington DC	39%
Detroit	37%
Kansas City	35%
Flint	35%
Gary	32%
St. Louis	29%
Dayton, OH	27%
Youngstown, OH	24%
Albany	23%
Cleveland	23%
Toledo	23%

Texas major metro area charter enrollment

	2012 Charter School Enrollment	2012 Traditional School Enrollment (only districts with charters)	Percent Charter School Enrollment
Austin	11,268	193,621	5%
San Antonio	15,544	334,483	4%
Houston	49,967	914,022	5%
DFW	62,906	859,103	7%
RGV	19,335	305,585	6%

The Case for Change More Charter Options and Seats



Need for Charter Growth Around Texas

TCSA has found in our analyses that certain geographic areas of the state are particularly ripe for additional charter schools and seats, based on factors including:

1. enrollment and known expansion projected to be below 20% by 2025
2. performance of surrounding school districts

This graphic shows our “Top 5” list of areas we plan to prioritize in encouraging and promoting additional charter school growth.

1. Austin
2. El Paso
3. Fort Worth
4. Houston
5. Underserved mid-size communities



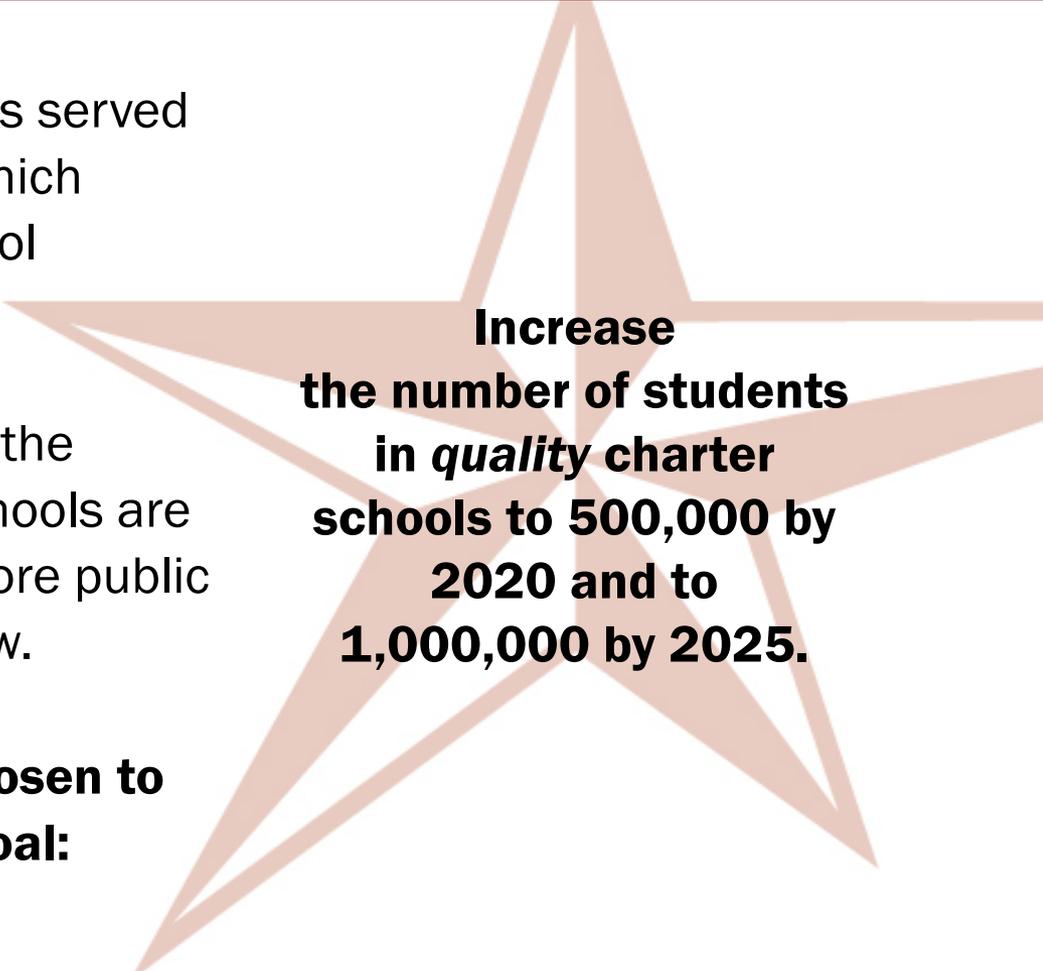
New Strategic Direction and Goals

TCSA's 2020 and 2025 Goals

In 2012-13, charter schools in Texas served approximately 180,000 children, which represents about 3% of public school enrollment in the state.

The capacity is not enough to meet the demand. The wait lists for these schools are long, and the ongoing clamor for more public education choices continues to grow.

The TCSA Board and staff have chosen to set their sights on an ambitious goal:



**Increase
the number of students
in *quality* charter
schools to 500,000 by
2020 and to
1,000,000 by 2025.**

100,000 Students on Current Wait lists

- Despite charter school growth, this number continues to grow
- Most new charter school campuses open with a waitlist

210,000 Students Attend a Traditional School Requiring Improvement

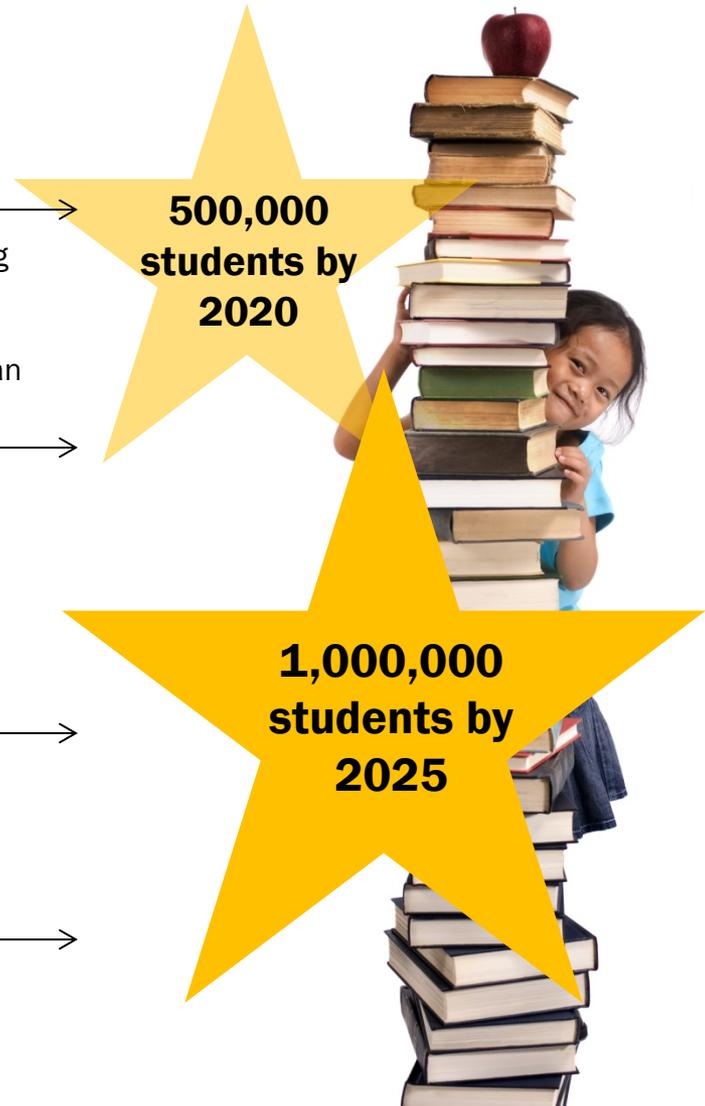
- This does not include middle performing schools with which families may be dissatisfied
- Partnerships with traditional districts can help reach these kids

125,000 Students Who Should Be in High School This Year Have Dropped Out

- Alternate accountability has been addressed in SB1538
- Dropout recovery charters do not count against the cap per SB2

Most Large National Operators Not in Texas

- Several networks that serve 10,000+ students in other states
- SB2 helps make Texas more attractive to these CMOs



What We Believe

Every student in Texas deserves a **high quality education**

Public charter schools play an increasingly vital role in **student academic achievement**

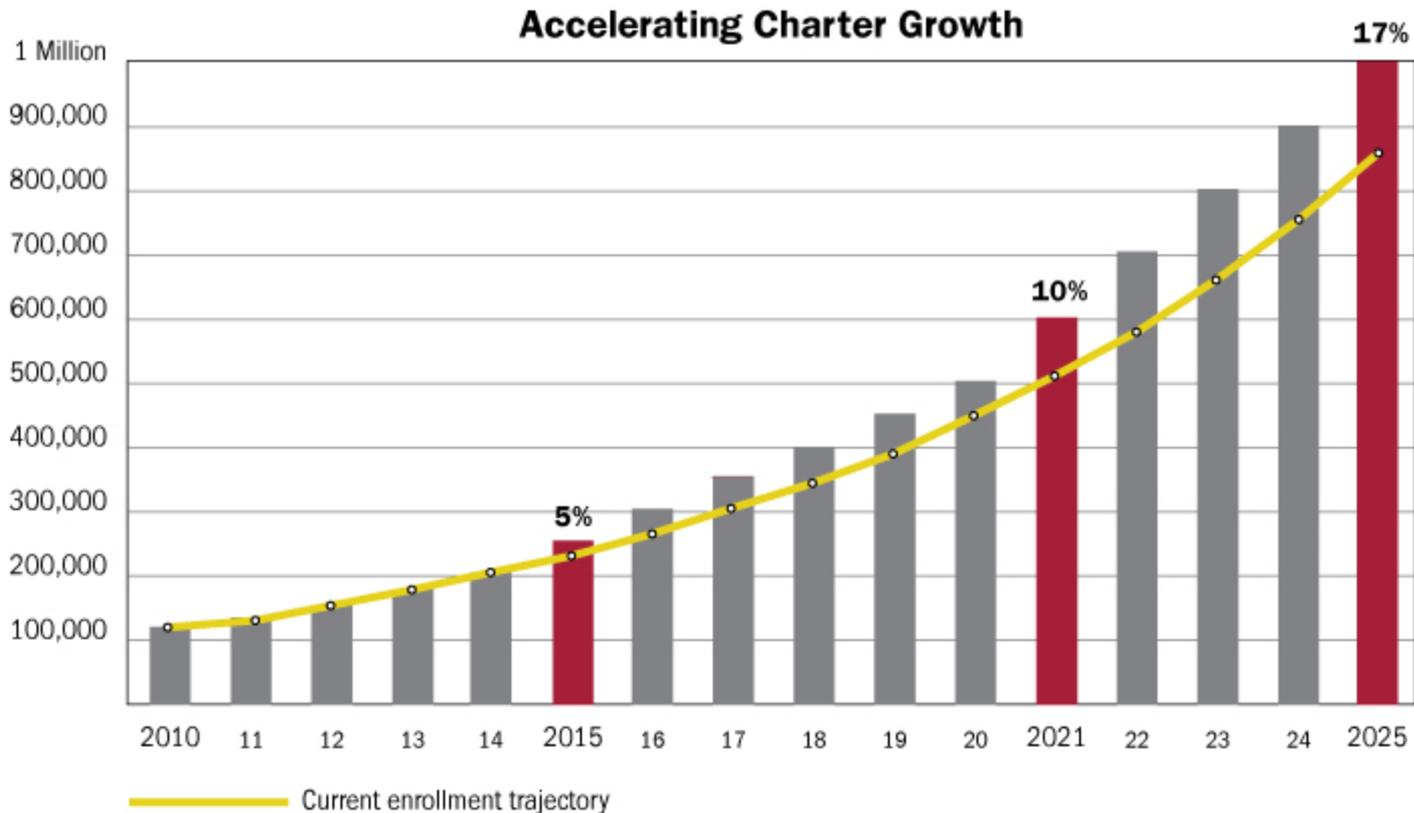
Charters are sparking **educational innovation** within and **knowledge transfer** to the broader public school system

More high quality charter schools are needed to give parents choices and improve overall public school performance

TCSA can and should play a **more active role** in growing the size, quality, and impact of the charter school system in Texas

New Strategic Direction and Goals

Below is an estimate of how Texas can achieve the 500,000 and 1,000,000 charter student goals using interim targets and factoring in an underlying 2% growth per year in overall student population.



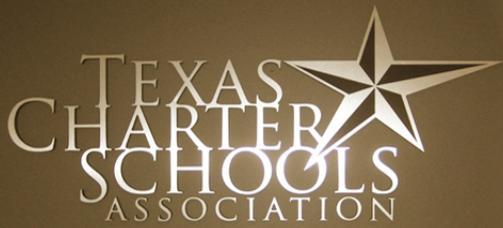


New Strategic Direction and Goals

Keys to Success

TCSA identified several **keys to success** that will be required to achieve these goals, including:

- The **quality of charter schools** must be unquestionably strong, and we will maintain our commitment to continuous improvement. We need to spotlight schools performing at a high level and share those best practices to increase the quality of other charters. In addition, when schools are consistently not meeting the needs of students, we must publicly support closure or takeover as appropriate
- Litigation and legislative **advocacy wins** result in equitable funding for public charter schools
- The overall **regulatory environment** in Texas will need to continue to improve to promote both “organic” growth and new operator entry
- **General public awareness** and understanding of charters and the ability for parents to have quality choices needs to be increased
- **TCSA’s own work** needs to incorporate an increased effort to recruit operators, promote growth, and catalyze new funding.
- Significant **new philanthropic funding** will be needed to fuel the envisioned level of charter growth in the state



New Strategic Direction and Goals

TCSA's Vision Statement

Our vision statement is a depiction of the desired future we are working to bring about. TCSA's new Vision Statement is:
A high quality education for every student in Texas



TCSA's Mission Statement

Our mission statement is a description of the primary work we plan to perform to achieve our vision. It is the primary means by which our vision will be achieved.

TCSA's new Mission Statement is:

TCSA improves student achievement in Texas by advocating for and strengthening a diverse set of high quality charter schools.



TCSA's vision and plan for the charter movement in Texas includes:

- Nearly **tripling the number of students** in *quality* charter schools in 6 years (500,000 by 2020), and growing to 1,000,000 by 2025
- Increasing during this growth phase the **quality of charter schools**, as measured by academic performance and other factors
- Promoting excellence in **all K-12 education** across the state by leveraging charter schools' ability to innovate and share leading practices

TCSA will achieve this plan by:

- Continuing and expanding our focus on **advocating for charter schools** to make Texas the most charter-friendly state in the nation
- **Aggressively pursuing growth** in charter schools, from organic growth among existing charter operators, recruiting and developing new Texas charter operators, bringing high-quality, out-of-state operators to Texas, and creating authentic district-charter partnerships
- Enhancing and emboldening our focus **on high-quality charter schools** and demonstrable academic performance

Our Bold Plan 3 Primary Levers

In addition to ensuring its own sustainability as a leader of the charter movement in Texas, TCSA has **3 primary levers** it can pull to help achieve these ambitious goals:

ADVOCACY

- Legislative
- Judicial
- Executive (TEA/SBOE)
- General public awareness-building & durable grassroots

QUALITY

- Academic performance
- Financial and administrative effectiveness
- Innovative practice sharing

GROWTH

- Current quality charter school expansion
- New operators in Texas
- District-charter partnerships

Our Impact Goal

500,000 Students in Quality Charters by 2020 and 1,000,000 Students by 2025

TCSA's Success Equation

Critical Interim Outcomes *Ultimate Impact*

$$\overbrace{A + B + C + D}^{\text{Critical Interim Outcomes}} = UI$$

A

Significant **advocacy** wins in the courts, the legislature, with TEA and SBOE, and with the general public, **including creation and support of a durable advocacy network of parents, teachers and community supporters**

+

B

Significant **growth** in charter school options and seats available to Texas families and students

+

C

Increased **quality** and performance of charter schools

+

D

A larger, more sustainable, more sharply focused **TCSA organization**

TCSA Success Equation: Key Performance Indicators/Metrics

A

Advocacy Wins

1. Favorable court opinion by Dec 2014.
2. Facilities funding by 2015 and full equitable funding by 2017.
3. General public awareness of and favorable views toward charter schools increase by 15 percentage points by 2015 and another 10 percentage points by 2017.
4. An accurate measurement standard for dropout / RTC mission schools is in place by 2016.

+

B

More Seats

1. 650,000 new seats via expansion of current operators
2. 75,000 new seats via active recruitment and development of Texas based educational entrepreneurs.
3. 200,000 new seats via new charter operators recruited to Texas
4. 75,000 new seats via district contracts and partnerships

+

C

Higher Quality

1. % of charter students in TCSA's lower left and upper right quadrants shifts from 7%/20% in 2011 to 2%/30% in 2025.
2. % of charter students' schools receiving lowest financial and academic ratings drops from 9%/10% in 2012 to 5%/5% in 2025.
3. Average first year SSM from -3% in 2011 to +10% in 2025.

+

D

A Stronger TCSA

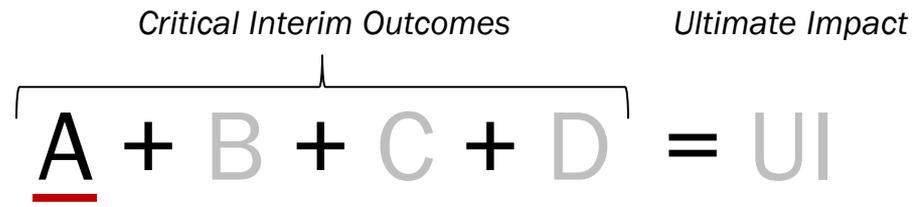
1. TCSA's earned revenue grows to 65% by 2020 and maintains
2. TCSA's cash balance grows to \$2M by 2018 and maintains.
3. TCSA board adds 4 high-impact board members by 2015
4. TCSA reorganizes its functions and fully staffs up by June 30, 2014

A

Advocacy Wins

1. Favorable court opinion by Dec 2014.
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3. General public awareness of and favorable views toward charter schools increase by 15 percentage points by 2015 and another 10 percentage points by 2017.
4. An accurate measurement standard for dropout / RTC mission schools is in place by 2016.

TCSA's Success Equation



Tactics, Improvements, and Specific Changes to be Implemented

- a. Create and support a durable advocacy network of parents, teachers and community supporters to expand grassroots and legislative advocacy and prominence-building efforts.
- b. Pursue favorable 2014 appeal to the Supreme Court of Texas requiring the State Legislature to provide equitable funding to charter school students.
- c. Target additional PR efforts at and long-term relationship-building with key house and senate member districts.
- d. Enhance public awareness generally of charters and their benefits through TCSA website and other efforts.
- e. Enter into more strategic collaborative partnerships to promote the charter movement, particularly with civil rights, business- and workforce-focused organizations

Our Bold Plan Increased Advocacy Wins



For long-term strategic success, we need a strong network of parent, teacher, supporter organizations for local and advocacy support.

- Durable network of supporters at every school.
- Grassroots is not a session-only effort, it requires a year-round focus.
 - Not issue to issue, but sustainable and growing.
- TCSA will help develop and mobilize campus-based networks throughout Texas to press for funding, advance our agenda, and defend against pushback.
- TCSA will provide direct action organizing with tools, tactics, and support built in.
- Marketing changes across the association including a revamped website and weekly outreach to members and supporters.

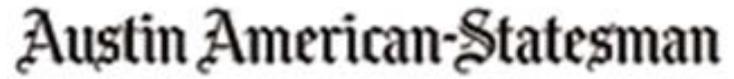
It's time to take our advocacy and grassroots communication and mobilization to **the next level.**

Our Bold Plan Increased Advocacy Wins

For long-term strategic success, we need an increased public relations campaign and proactive media outreach for the charter school movement, TCSA and member schools.

- Deliverables focused on the number of media hits achieved.
- A focus on charter school coverage that advances the movement, that focuses on TCSA's quality push to ensure integrity, and that highlights member schools both large and small that showcase the best of the movement.
- Marketing changes across the association including a revamped website and weekly outreach to members and supporters.

It's time to take our Media outreach, PR and public awareness to **the next level.**





On June 26, 2012, TCSA and five charter parents sued the State of Texas in historic litigation **demanding equitable funding** for charter students. Tried in January 2013, the case remains pending in state district court. Although TCSA expects limited relief from the district court, its strategic sights are set on **a 2014 appeal to the Supreme Court of Texas**. Precedent from the high court suggests that it is disposed favorably to the charter claims. If the Supreme Court appeal is successful, then the State Legislature will **be required to provide equitable funding** to charter school students.

B

More Seats

1. 650,000 new seats via expansion of current operators
2. 75,000 new seats via active recruitment and development of Texas based educational entrepreneurs.
3. 200,000 new seats via new charter operators recruited to Texas
4. 75,000 new seats via district contracts and partnerships

TCSA's Success Equation

$$\begin{array}{c}
 \text{Critical Interim Outcomes} \qquad \qquad \qquad \text{Ultimate Impact} \\
 \hline
 A + \underline{B} + C + D = UI
 \end{array}$$

Tactics, Improvements, and Specific Changes to be Implemented

- a. Advise and assist quality charters on how best to expand the number of students served, including addressing the biggest obstacles to growth
- b. Create a new initiative within TCSA to focus on new operator recruitment and existing school replication and growth
- c. Recruit existing high quality charter operators to Texas from other states
- d. Identify interested districts and help them engage in authentic charter contracts / partnerships
- e. Streamline the award and replication / expansion processes for charters with proven results
- f. Continue raising the standard for membership in the Association



Our Bold Plan More Charter Options and Seats

B

More Seats

TCSA Success Equation: Baseline, Interim, and Achievement Metrics

1. 650,000 new seats via expansion of current operators
2. 75,000 new seats via active recruitment and development of Texas based educational entrepreneurs.
3. 200,000 new seats via new charter operators recruited to Texas
4. 75,000 new seats via district contracts and partnerships

2013 Baseline Metric	Interim Metric #1 (2016)	Interim Metric #2 (2020)	Achievement Metric (2025)
180,000 current operator seats	275,000 current operator seats	410,000 current operator seats by 2020	650,000 seats via expansion of current operators
0	5000 new Texas operator charter seats	20,000 new Texas operator charter seats	75,000 seats via new charter operators developed in Texas
0	2500 new out of state charter operator seats	50,000 new out of state charter operator seats	200,000 seats via out of state charter operators recruited to Texas
0	1000 new district partnership seats	20,000 new district partnership seats	75,000 seats via authentic district partners

New TCSA services are designed to address critical needs in the open enrollment charter school sector that are not being addressed effectively by any other entity.

GROWTH

1. Charter School Incubation Services
2. Facilities Support Services

GROWTH

Charter School Incubation Services

The creation of a **charter school incubation service** puts TCSA at the forefront of developing charter schools that are Tier 1 on Day 1, thereby having a direct impact on increasing the number of quality charter school seats in Texas. TCSA will use its Charter Start training program to identify potentially strong applicant groups and an internal RFP process to **identify existing schools** who will compete to be selected by TCSA to receive high caliber technical assistance in the five most critical areas of charter school application, replication and launch: **Leadership Development, Instructional Strategies, Facilities Support, Financial Back Office Support, and Fundraising.**

GROWTH

Charter School Incubation Services

Opportunity: Over half of brand new charter schools fail or barely meet the state's standards for student academic performance, and even new schools from existing charter holders tend to be lower performing than their tenured counterparts. TCSA will ensure these applicants successfully navigate the charter school application or replication process and launch an effective charter school. TCSA's commitment to a cohort group could span up to 4 years.

Feasibility: TCSA's new Vice President of Growth Initiatives and new Director of Growth Initiatives will design and implement a comprehensive incubation service in contracted partnership with selected TCSA vendor members. If resources allow, contractors may eventually phase out as TCSA's internal capacity increases.

Challenges: Each applicant's cost of program participation must be underwritten by grant funding secured by the Association, funding supplied by each applicant group, or a combination of both. This service is not likely to produce a high monetary ROI, but will be designed to break even.

GROWTH

Facilities Support Services

While advocating through the state's legislative and judicial branches for increased facilities funding, TCSA also will lend direct assistance to help member schools address their facilities needs. TCSA's Facilities Support Services team will match schools to available financial resources such as grant funding, credit enhancement programs, philanthropy, bond financing, leasing, and lease-to-own arrangements, traditional bank loans, QZABs, new market tax credits, district-charter partnerships, site selection analysis, and other viable facilities options.

GROWTH

Facilities Support Services

Opportunity: Securing affordable, appropriate charter school facilities is the most significant barrier to charter school growth. National and state studies confirm that charter schools must spend a significant portion of their operations funding on facilities expenses.

Feasibility: TCSA's Quality Services team will design and implement an effective fee-based program. The program will act solely as a clearinghouse in the initial years, with the long term goal of also creating a capital fund from which selected charter schools can borrow. Repayments to the fund can be recirculated to finance additional charter school facilities.

Challenges: TCSA must conduct a breath of legal research and financial analysis before the launch of a capital fund for charter school facilities.

C

Higher Quality

1. % of charter students in TCSA's lower left and upper right quadrants shifts from 7%/20% in 2011 to 2%/30% in 2025.
2. % of charter students' schools receiving lowest financial and academic ratings drops from 9%/10% in 2012 to 5%/5% in 2025.
3. Average first year SSM from -3% in 2011 to +10% in 2025.

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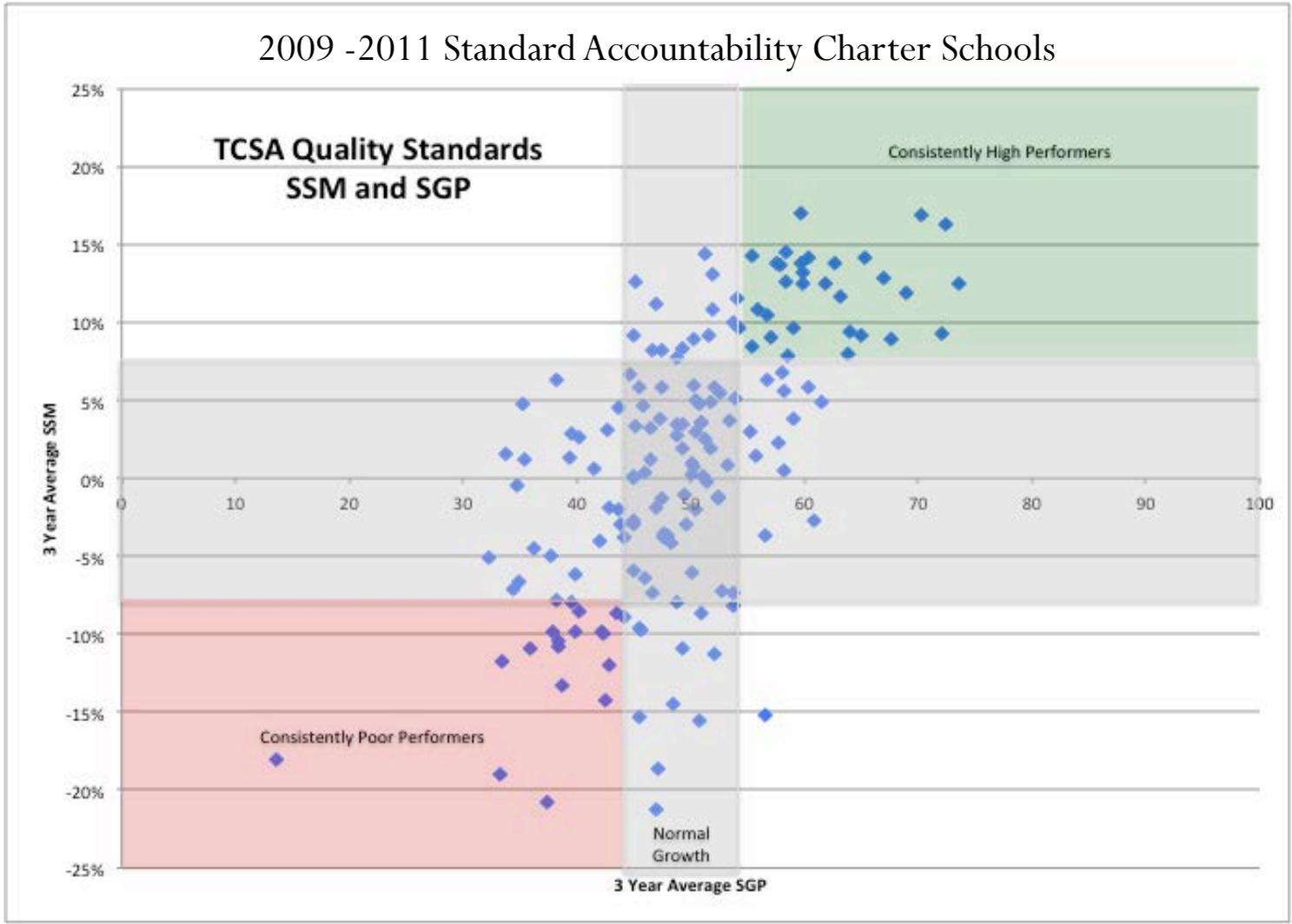
Tactics, Improvements, and Specific Changes to be Implemented

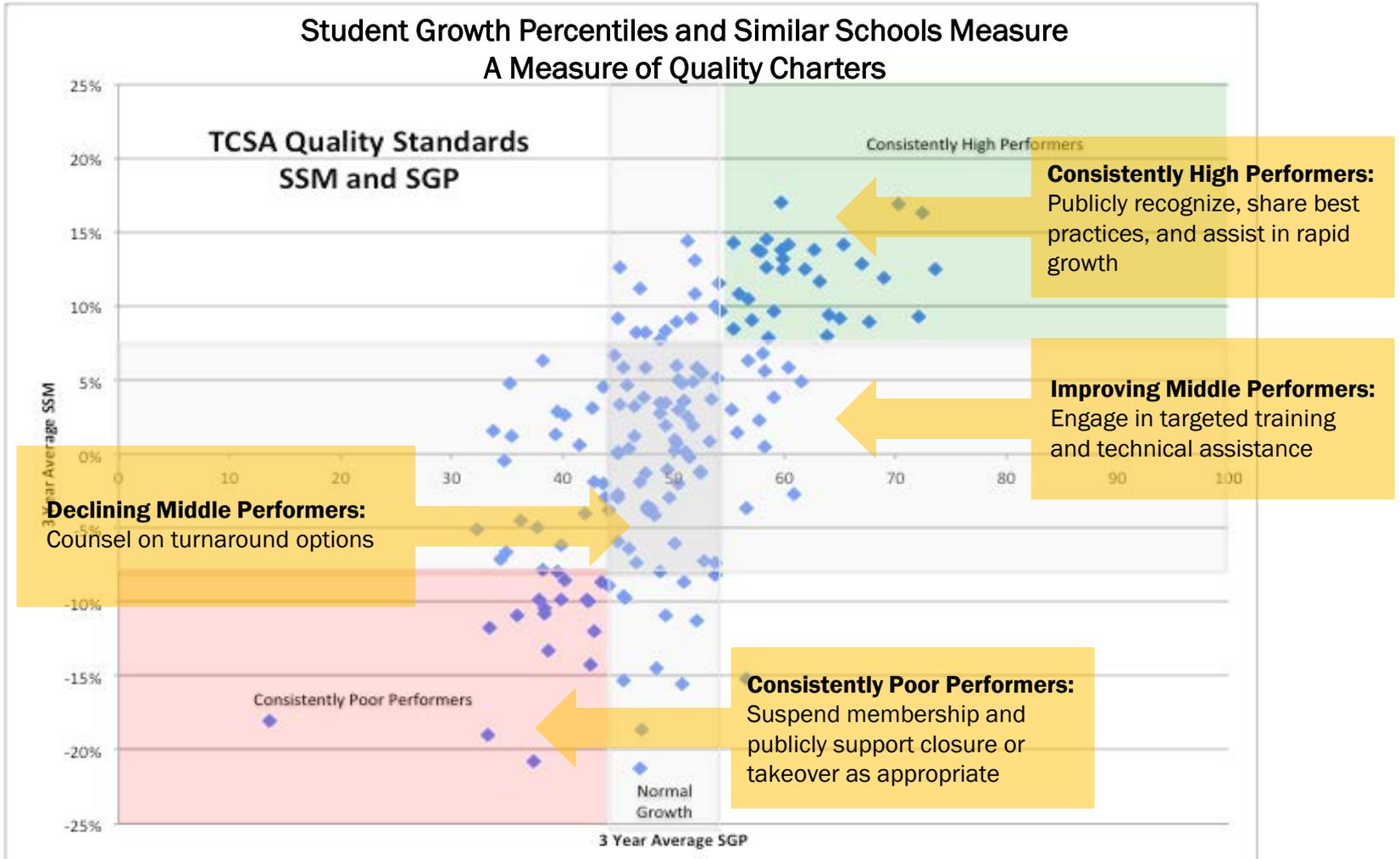
- a. Work more closely with TEA / SBOE on tightening the new charter approval process
- b. Create a new initiatives to focus on Business Officer Certification and Quality Improvement Intensive Services
- c. Advocate for the creation of an Achievement School District
- d. Create a more robust charter startup process assistance service
- e. Implement baseline "standards" of charter school academic performance, based on current metrics of SSM and SGP
- f. Recognize and reward excellence in performance
- g. Research and promote leading practices from high-performing charters
- h. Insist for under-performing schools to improve as a condition of continued membership in TCSA

Two Key Questions:

1. Are students at the school consistently showing academic growth that is above average across the state, regardless of their prior performance levels?
2. Is the school consistently performing above the level of all schools across the state serving a similar student population?

2009 -2011 Standard Accountability Charter Schools





New TCSA services are designed to address critical needs in the open enrollment charter school sector that are not being addressed effectively by any other entity.

QUALITY

Charter School Business Officer Certification
Quality Improvement Intensive Service

QUALITY

Charter School Business Officer Certification

Through the creation of a **charter school business offer certification**, TCSA can equip all Texas charter schools with competent, knowledgeable, and well trained business office employees. Each certificate holder will demonstrate competency in all six areas of an effective business office: **Finance, Facility, Personnel, Marketing and Public Relations, Charter Vision/Mission, and Student Services.** TCSA's certification lifts the professional status and career opportunities for certificate holders.

QUALITY

Charter School Business Officer Certification

Opportunity: TCSA's QF and training work with member schools, charter school performance on FIRST ratings, and the relatively large number of negative TEA financial audit findings on charter schools leads to the conclusion that charter schools generally lack sufficient, sustained expertise in the business office.

Feasibility: TCSA intends to contract for the administration and creation of a comprehensive certification curriculum, which will be incorporated into TCSA's Training program. The cost of program implementation will be borne by the participation fees paid by each person seeking certification.

Challenges: TCSA must stimulate demand across the sector for "TCSA-certified" charter school business officers. An effective campaign directed at charter board members and CEOs, coupled with regulatory affirmation of the certification by TEA, should be sufficient to create and sustain long term demand for TCSA-certified charter school business personnel.

QUALITY

Quality Improvement Intensive Service

In order to accelerate improvement in the quality of public charter schools, TCSA will coordinate and oversee a selective cohort of schools to receive customized and intensive technical assistance.

QUALITY

Quality Improvement Intensive Service

Opportunity: By choosing a strategic group of motivated and capable schools, TCSA can ‘double down’ on the impact of the Quality Portal by bringing together subject matter experts to deliver in depth support. This assistance would be delivered in a way to maximize the impact on school sustainability and student success.

Feasibility: TCSA has existing relationships with several technical assistance providers who could be utilized in this type of program. A selection process would need to be created, and the right scope and sequence designed for this curriculum.

Challenges: While other state associations are administering similar programs, none have been operating long enough to have proven impact. We have access to the right types of technical assistance, but the key question is whether we can select the ‘right’ schools and whether any quality improvement persists after the program is over.

D

A Stronger TCSA

1. TCSA's earned revenue grows to 65% by 2020 and maintains
2. TCSA's cash balance grows to \$2M by 2018 and maintains.
3. TCSA board adds 4 high-impact board members by 2015
4. TCSA reorganizes its functions and fully staffs up by June 30, 2014

TCSA's Success Equation

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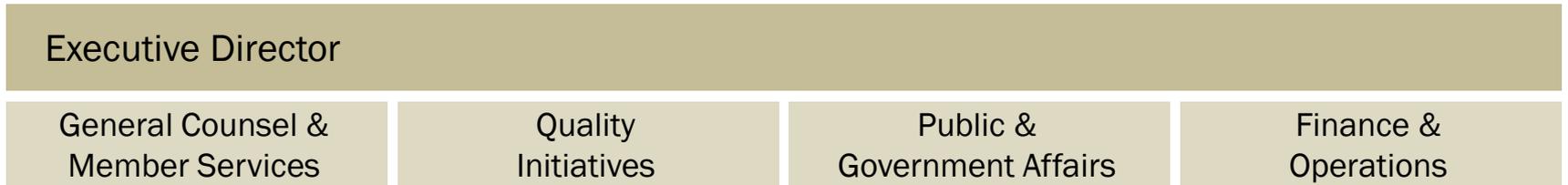
Tactics, Improvements, and Specific Changes to be Implemented

- a. Streamline existing fee-based services and add new services to achieve high ROI, both financially and from an impact perspective
- b. Continue to pursue state contracts, where consistent with this strategy, to bring in additional revenue
- c. Actively pursue new sources of funding from foundations, corporations, and individuals to support elements of this strategy
- d. Increase the percentage of funding from dues/earned revenue to 65-75% of total by 2020
- e. Increase the number of politically- and financially-connected board members
- f. Reorganize staffing model to promote greater alignment to these priorities



Our Bold Plan A Stronger TCSA

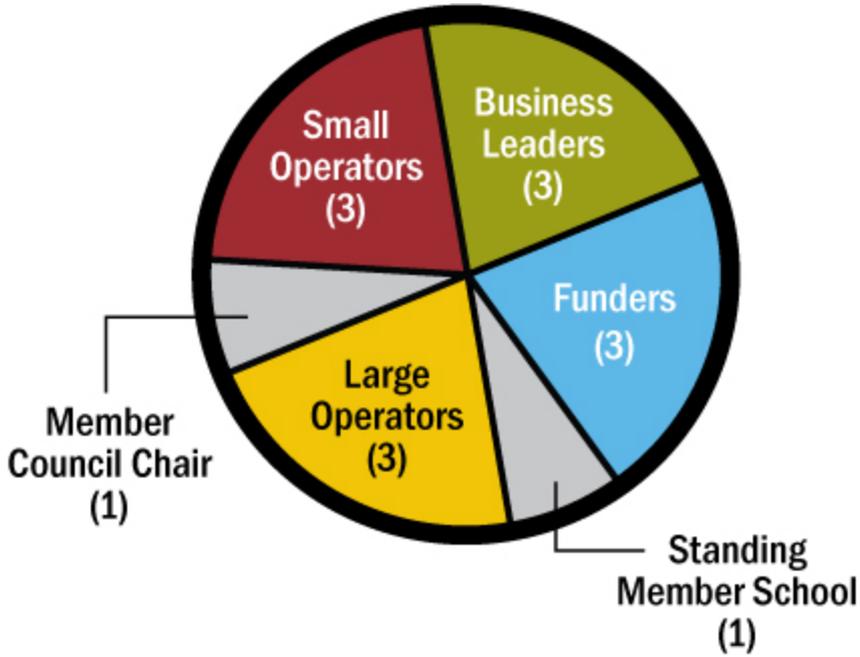
Current Organization



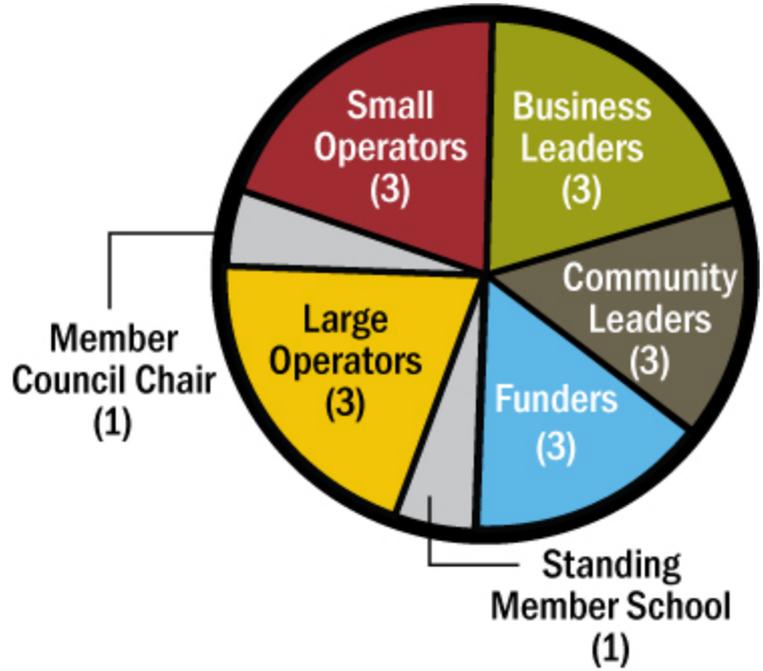
Needed Organization



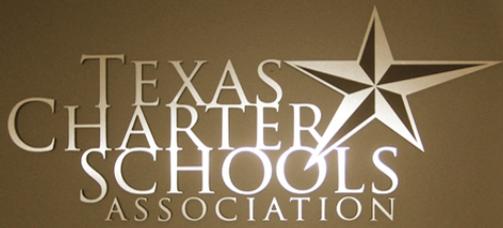
Current Board Make-Up (14)



Future Board Make-Up (17)



Currently, the board has vacancies in the funder (2) and business leaders (1) positions.



Implementation New Major Initiatives

Much of what TCSA currently does will continue under this strategic plan, however a number of new initiatives and services (and some associated investments) will be required to ensure plan success.

New Initiatives	Full Time Employee	Investment Required 2014 - 2016
Grassroots Advocacy	1	\$500,000
Statewide PR Campaign/Marketing	1	\$1,500,000
Litigation	0	\$750,000
New Charter Operator Recruitment	1.5	\$460,000
Quality Improvement Intensive Service	.5	\$820,000
Charter School Incubation Service	2.5	\$775,000
Facilities Support Services	.5	\$70,000
Charter School Business Office Certification	.5	\$280,000
Research Project	1	\$210,000
Totals	8.5	\$5,365,000



Financial Forecast

Cash Basis	Budget	Projected	Projected	Projected	Projected	Projected	% of Rev
	07/13 - 06/14	07/13-06/14	07/14 - 06/15	07/15 - 06/16	07/16 - 06/17	07/17 - 06/18	2018
REVENUES							
Member Fees	625,600	908,009	1,170,155	1,171,302	1,368,046	1,563,600	24%
Service revenues	723,088	1,005,748	1,296,323	1,510,955	1,662,051	1,828,256	28%
Contributions	2,150,000	2,450,000	3,415,000	2,700,000	2,400,000	2,400,000	37%
Conference & Other	599,069	599,069	629,022	660,474	693,497	728,172	11%
TOTAL REVENUES	4,097,757	4,962,826	6,510,500	6,042,731	6,123,595	6,520,028	100%
COSTS							
Personnel	1,841,544	1,860,067	2,480,394	2,660,106	2,739,909	2,822,107	50%
Non-Personnel	1,535,168	2,312,341	3,711,711	3,323,062	3,122,754	3,216,437	38%
TOTAL COSTS	3,376,712	4,172,408	6,192,105	5,983,168	5,862,663	6,038,543	88%
NET GAIN/LOSS	721,045	790,418	318,395	59,562	260,931	481,485	12%
Beginning cash	229,000	229,000	1,019,418	1,337,813	1,397,375	1,658,307	
Ending Cash	950,045	1,019,418	1,337,813	1,397,375	1,658,307	2,139,792	
Earned Revenue % of Total	48%	51%	48%	55%	61%	63%	

Revenue Assumptions

- Grow member fees in concert with Charter growth with 85% of Charters participating as members
- Service Revenues grow 10% per year including all sources
- New Charter Quality Initiatives funded by Fee for Service and Philanthropy Contributions increase for Public Relations campaign phased over 3 years and then stay flat
- Conference grows by 5% annually

Expense Assumptions

- Add 8.5 FTE's to current budget by 12/31/2015
- Non personnel costs increase for Public Relations campaign and new Charter Quality initiatives
- Overall existing costs increase 3% per year
- Litigation expenses and revenues are incorporated in financial projections