A Promise Fulfilled: The Next Level for Public Charter Schools

The Importance of Quality Options and Putting Student Achievement First
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.
Background & Planning Process

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.
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.
Introduction & Overview

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
### Other states (2010-11 data)

<table>
<thead>
<tr>
<th>City</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orleans</td>
<td>70%</td>
</tr>
<tr>
<td>Washington DC</td>
<td>39%</td>
</tr>
<tr>
<td>Detroit</td>
<td>37%</td>
</tr>
<tr>
<td>Kansas City</td>
<td>35%</td>
</tr>
<tr>
<td>Flint</td>
<td>35%</td>
</tr>
<tr>
<td>Gary</td>
<td>32%</td>
</tr>
<tr>
<td>St. Louis</td>
<td>29%</td>
</tr>
<tr>
<td>Dayton, OH</td>
<td>27%</td>
</tr>
<tr>
<td>Youngstown, OH</td>
<td>24%</td>
</tr>
<tr>
<td>Albany</td>
<td>23%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>23%</td>
</tr>
<tr>
<td>Toledo</td>
<td>23%</td>
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</tbody>
</table>

### Texas major metro area charter enrollment

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

Goals

500,000 students by 2020

1,000,000 students by 2025
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
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.
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.
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
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.
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

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**Our Impact Goal**

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

TCSA’s Success Equation

Critical Interim Outcomes

A + B + C + D = UI

Ultimate Impact

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
**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.

**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

**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.

**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
Our Bold Plan
Increased Advocacy Wins

TCSA’s Success Equation

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.

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.
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.
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.
Critical Interim Outcomes  Ultimate Impact

A + B + C + D = UI

TCSA’s Success Equation

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

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
TCSA Success Equation: Baseline, Interim, and Achievement Metrics

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>180,000 current operator seats</td>
<td>275,000 current operator seats</td>
<td>410,000 current operator seats by 2020</td>
<td>650,000 seats via expansion of current operators</td>
</tr>
<tr>
<td>0</td>
<td>5000 new Texas operator charter seats</td>
<td>20,000 new Texas operator charter seats</td>
<td>75,000 seats via new charter operators developed in Texas</td>
</tr>
<tr>
<td>0</td>
<td>2500 new out of state charter operator seats</td>
<td>50,000 new out of state charter operator seats</td>
<td>200,000 seats via out of state charter operators recruited to Texas</td>
</tr>
<tr>
<td>0</td>
<td>1000 new district partnership seats</td>
<td>20,000 new district partnership seats</td>
<td>75,000 seats via authentic district partners</td>
</tr>
</tbody>
</table>

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
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.

1. Charter School Incubation Services
2. Facilities Support Services
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.**
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.
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.

TCSA’s Success Equation

Critical Interim Outcomes

A + B + C + D = UI

Ultimate Impact

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?
Our Bold Plan
Defining Quality

2009-2011 Standard Accountability Charter Schools
Our Bold Plan
Addressing Quality

Student Growth Percentiles and Similar Schools Measure
A Measure of Quality Charters

All schools continue to have access to the elements of the Quality Portal

Consistently High Performers:
Publicly recognize, share best practices, and assist in rapid growth

Consistently Poor Performers:
Suspend membership and publicly support closure or takeover as appropriate

Declining Middle Performers:
Counsel on turnaround options

Improving Middle Performers:
Engage in targeted training and technical assistance
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
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.
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.
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 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.
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

\[ A + B + C + D = UI \]

Critical Interim Outcomes

Ultimate Impact

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

<table>
<thead>
<tr>
<th>Executive Director</th>
<th>General Counsel &amp; Member Services</th>
<th>Quality Initiatives</th>
<th>Public &amp; Government Affairs</th>
<th>Finance &amp; Operations</th>
</tr>
</thead>
</table>

#### Needed Organization

<table>
<thead>
<tr>
<th>Executive Director</th>
<th>General Counsel &amp; Legal Services</th>
<th>Quality Services</th>
<th>Growth Initiatives</th>
<th>Public &amp; Government Affairs</th>
<th>Finance &amp; Operations</th>
</tr>
</thead>
</table>
Currently, the board has vacancies in the funder (2) and business leaders (1) positions.
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.

<table>
<thead>
<tr>
<th>New Initiatives</th>
<th>Full Time Employee</th>
<th>Investment Required 2014 - 2016</th>
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<tbody>
<tr>
<td>Grassroots Advocacy</td>
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<tr>
<td>Statewide PR Campaign/Marketing</td>
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<td>Litigation</td>
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<td>New Charter Operator Recruitment</td>
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<td>Quality Improvement Intensive Service</td>
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<td>Charter School Incubation Service</td>
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<td>Facilities Support Services</td>
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<td>Research Project</td>
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<td><strong>Totals</strong></td>
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# Financial Forecast

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<th>Budget</th>
<th>Projected 07/13-06/14</th>
<th>Projected 07/14-06/15</th>
<th>Projected 07/15-06/16</th>
<th>Projected 07/16-06/17</th>
<th>Projected 07/17-06/18</th>
<th>% of Rev 2018</th>
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<td><strong>REVENUES</strong></td>
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<tr>
<td>Contributions</td>
<td>2,150,000</td>
<td>2,450,000</td>
<td>3,415,000</td>
<td>2,700,000</td>
<td>2,400,000</td>
<td>2,400,000</td>
<td>37%</td>
</tr>
<tr>
<td>Conference &amp; Other</td>
<td>599,069</td>
<td>599,069</td>
<td>629,022</td>
<td>660,474</td>
<td>693,497</td>
<td>728,172</td>
<td>11%</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>4,097,757</td>
<td>4,962,826</td>
<td>6,510,500</td>
<td>6,042,731</td>
<td>6,123,595</td>
<td>6,520,028</td>
<td>100%</td>
</tr>
<tr>
<td><strong>COSTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>1,841,544</td>
<td>1,860,067</td>
<td>2,480,394</td>
<td>2,660,106</td>
<td>2,739,909</td>
<td>2,822,107</td>
<td>50%</td>
</tr>
<tr>
<td>Non-Personnel</td>
<td>1,535,168</td>
<td>2,312,341</td>
<td>3,711,711</td>
<td>3,323,062</td>
<td>3,122,754</td>
<td>3,216,437</td>
<td>38%</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td>3,376,712</td>
<td>4,172,408</td>
<td>6,192,105</td>
<td>5,983,168</td>
<td>5,862,663</td>
<td>6,038,543</td>
<td>88%</td>
</tr>
<tr>
<td><strong>NET GAIN/LOSS</strong></td>
<td>721,045</td>
<td>790,418</td>
<td>318,395</td>
<td>59,562</td>
<td>260,931</td>
<td>481,485</td>
<td>12%</td>
</tr>
<tr>
<td>Beginning cash</td>
<td>229,000</td>
<td>229,000</td>
<td>1,019,418</td>
<td>1,337,813</td>
<td>1,397,375</td>
<td>1,658,307</td>
<td></td>
</tr>
<tr>
<td>Ending Cash</td>
<td>950,045</td>
<td>1,019,418</td>
<td>1,337,813</td>
<td>1,397,375</td>
<td>1,658,307</td>
<td>2,139,792</td>
<td></td>
</tr>
<tr>
<td>Earned Revenue</td>
<td>48%</td>
<td>51%</td>
<td>48%</td>
<td>55%</td>
<td>61%</td>
<td>63%</td>
<td></td>
</tr>
</tbody>
</table>
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