

DAVID Y. IGE  
GOVERNOR



CATHERINE PAYNE  
CHAIRPERSON

STATE OF HAWAII  
**STATE PUBLIC CHARTER SCHOOL COMMISSION**  
**(‘AHA KULA HO‘ĀMANA)**  
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## RECOMMENDATION SUBMITTAL

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DATE: June 18, 2015

TO: Catherine Payne, Chairperson

FROM: Mitch D’Olier, Chairperson  
Applications Committee

AGENDA ITEM: Action on Revisions to Pre-Opening Assurances for Ka’u Learning Academy

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### I. DESCRIPTION

Applications Committee recommends that the Commission amend the Pre-Opening Assurances for Ka’u Learning Academy to reduce the target enrollment from 111 to 85 students.

### II. AUTHORITY

**Pre-Opening Charter Schools:** Pursuant to §302D-14.5(c), Hawaii Revised Statutes (“HRS”), “[a] charter applicant shall not be considered an entity of the State until the pre-opening charter school is established by execution of the charter contract[.]”

Pursuant to §302D-1, HRS, pre-opening charter school means “a charter school that has not yet satisfactorily fulfilled the authorizer’s pre-opening assurance as required under section 302D-14.5 or has not yet commenced full operations as charter school during its first full academic year.”

**Establishing Pre-Opening Criteria:** Pursuant to §302D-14.5(d), HRS, “[t]he authorizer shall establish pre-opening criteria in order to ensure that a pre-opening charter school is prepared to successfully open and operate as a charter school. Until such time as the pre-opening school satisfactorily meets such pre-opening criteria and commences operations in its first full academic year, the pre-opening charter school: (1) [s]hall not be entitled to receive funding under section 302D-26, 302D-28, 302D-29, or 302D-29.5; (2) [s]hall employ no employees but may engage independent contractors; (3) shall not be subject to the performance framework under section 302D-16; and (4) [m]ay be granted temporary exemptions from provisions of the charter contract by the authorizer.”

**Failure to Meet Pre-Opening Criteria:** Pursuant to §302D-14.5(e), HRS, “[t]he charter contract of a pre-opening charter school that fails to satisfactorily meet its pre-opening criteria within the start-up period initially established or subsequently extended by the authorizer shall be void. The pre-opening charter school shall thereupon be considered an approved charter applicant that has withdrawn its application.

### III. BACKGROUND

At its March 12, 2015 general business meeting, the Commission approved Pre-Opening Assurances as the pre-opening criteria for Ka’u Learning Academy (“KLA”), set the deadline for KLA to meet the criteria to July 7, 2015, and delegated authority to the Executive Director to extend the pre-opening criteria deadline as necessary, but in no event later than July 17, 2015. One pre-opening criterion requires that KLA provide evidence that it has enrolled 111 students, the target enrollment number for the first year of operation as described in KLA’s approved application.

KLA now requests that its target enrollment number be reduced to 85 because the school believes it is important to complete its pre-opening criteria as soon as possible.

### IV. DECISION MAKING STATEMENT

Because enrollment drives the revenue of a school, it is important that KLA provide a sound budget reflecting the reduced enrollment and demonstrate that the revised budget is sufficient to successfully implement its academic program.

KLA has provided a revised budget for Years 1 through 3 (Fiscal Years 2016 through 2018), attached as **Exhibit A**, and an accompanying budget narrative, attached as **Exhibit B**. Year 1 provides for a revised enrollment of 85 students, 105 students in Year 2, and 125 students in Year 3. KLA reports that, to date, the school has won two grants from the Chamberlin Foundation totaling \$50,000 and another from Hawaiian Electric Industries, through American Savings Bank, for \$10,000<sup>1</sup>. In addition, KLA notes in its budget narrative that the use of its facilities is being donated for Year 1, reducing operating costs for the year.

KLA’s revised budget appears to be reasonable. The school expects to end each year with a surplus, and even without any grants in Year 1, the year would end at break-even. Further, all positions in the revised staffing plan are accounted for.

The most significant cost saving comes from cutting clerical salaries, a technology services position, and an instructional leadership position. KLA has budgeted \$5,000 for contracted technology services, which it plans to use for a contract at a reduced rate with a community member who has already donated services and who the school believes can provide sufficient IT support. Further, the school believes its Executive Director can also serve as the instructional leader, negating the need for that position.

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<sup>1</sup> As noted in the budget narrative, the Hawaiian Electric Industries grant is reflected in the revised budget through a lower expense figure for the technology line item.

The revised staffing plan includes four teachers (three of whom will be contracted through Teach For America), two Education Assistants (“EA”), an Executive Director, a Managing Director, a part-time office assistant, a bus driver/lunch program person, a meals program/office assistant person, and a custodian/driver/maintenance person. KLA also anticipates the Department of Education providing a half-time special education teacher and a part-time teacher, neither of which would be a school expense and thus not reflected in the budget.

To demonstrate that the revised staffing plan is sufficient to deliver the academic plan, KLA has provided a school schedule, attached as **Exhibit C**, that illustrates where each grade and staff member will be each day. Note that the schedule does not include one of the EAs, the part-time office assistant, or the custodian/driver/maintenance person.

The staffing plan and schedule appear to be reasonable. Staff had questions surrounding the collective bargaining agreements that would be applicable to the positions of bus driver/lunch program person, meals program/office assistant person, and custodian/driver/maintenance person; the alignment of the compensation for those positions to the applicable collective bargaining agreements; and whether supplemental collective bargaining agreements would be necessary. However, KLA addressed these questions by clarifying and confirming salaries with the Hawaii Government Employees Association and United Public Workers and providing staff with a budget containing slightly revised salaries.

To ensure that KLA is staying true to its approved application and serving its proposed student population, staff asked the school to provide its best estimate of the percentage of applicants who qualify for federal Free and Reduced Lunch (“FRL”) and English Language Learner (“ELL”) services.<sup>2</sup> The approved application for KLA states that the school’s student population will mirror that of the surrounding community, in which about 85% of students are eligible for FRL and 30% are ELLs.

KLA estimates that about 85% of its applicants are eligible for FRL, but it currently does not appear to be on track to enroll enough ELL students. The school has provided a plan for recruiting more ELL students, as well as an explanation of its estimates, attached as **Exhibit D**. The recruitment plan notes that school representatives are continuing to conduct community outreach efforts to the large Marshallese community in the area and that the admissions application is being translated into Marshallese.

A translated application could be beneficial to ELL recruiting efforts, and staff encourages the school to continue engaging the Marshallese community.

Overall, the revised budget and staffing plan based on an enrollment of 85 students appear to be reasonable and sufficient to successfully implement the academic plan. Staff recommended to the Applications Committee that KLA’s request to reduce its pre-opening criteria target enrollment from

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<sup>2</sup> KLA can only provide estimates because it will not know if students are considered FRL and/or ELL until the school has access to the eSIS student information system and the students are officially enrolled.

111 to 85 students be approved. The Applications Committee agrees with staff and recommends to the full Commission that the school's request be approved.

V. RECOMMENDATION

Motion from the Committee:

**“Moved to amend the Pre-Opening Assurances for Ka’u Learning Academy to require the school provide acceptable evidence that it has enrolled at least 85 students, instead of 111, or evidence that the school has raised an additional cash amount equivalent to the May 2015 estimate of the per-pupil amount for Fiscal Year 2016 in unrestricted cash donations for every student below 85 students.”**

Exhibit A

**KLA Revised Budget Summary and Functional Expenses for Years 1 through 3**

NAME: 

Form A1

**Annual Budget KLA**

For Fiscal Year July 1, 2015 through June 30, 2016

		Year 1	<u>Line</u>	<u>Instructions/Notes</u>
<b>OPERATING REVENUES</b>				
1	State Per Pupil	554,200.00	1	Per Pupil Funding (85 x \$6520)
2	Grants - State Facilities		2	Facilities Funding
4	Grants - Federal (Title 1)	32,300.00	4	Title 1 Grant (85 x \$380)
	Grants - Federal (Title II)			Title II
	Impact Aid - Federal	17,000.00		\$200 per student
5	Grants - Private	50,000.00	5	Private Grants & Awards (Projected)
6	FRL Reimbursement	73,710.00	6	Breakfast and Lunch Reimbursement (Based on 92% of 85 students on FRL/Breakfast at \$1.75, lunch at \$3.50 Reimbursement)
7	Student Lunch Fees	1,653.00	7	Lunch Program Student Fees-8% of Students @ \$1.75 for breakfast, \$3.50 Per Lunch, 50% of the days (90 days)
	Fundraising Net	5,000.00		
14	<b>TOTAL OPERATING REVENUES</b>	<b>733,863.00</b>	14	Total Operating Revenue
<b>OPERATING EXPENSES</b>				
15	Administration	213,180.00	15	Total Administrative Expenses
16	Instructional Services	267,312.00	16	Total Instructional Services
17	Student Services	136,094.00	17	Total Student Services
	Operations	68,673.00		Total Operations
23	<b>TOTAL OPERATING EXPENSES</b>	<b>685,259.00</b>	23	Total Operating Expenses
24	<b>TOTAL OPERATING GAIN/(LOSS)</b>	<b>48,604.00</b>	24	Total Operating Gain/Loss
<b>FACILITIES FUNDRAISING</b>				
25	Fundraising Programs	15,000.00	25	Facilities Fundraising
33	<b>TOTAL FACILITIES FUNDRAISING</b>	<b>15,000.00</b>	33	Total Facilities Fundraising

**Annual Budget July1, 2015-June  
30, 2016**

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<b>Line Functional Category</b>	<b>Year 1</b>	
<b>100 ADMINISTRATION</b>	213,180.00	<b>ADMINISTRATION</b>
<b>110 Subtotal - Local School Board (LSB)</b>	3,000.00	<b>BOD Expenses/Training</b>
111 Travel	2,000.00	BOD Travel and Communication
112 Board Meetings	1,000.00	Board Meetings
<b>120 Subtotal - School Leadership</b>	96,000.00	<b>School Leadership Expenses</b>
121 Salary - Executive Director	96,000.00	Executive Director Salary
122		
<b>130 Subtotal - Business and Finance</b>	81,180.00	<b>Business Administration</b>
131 Salary - Managing Director	72,000.00	Managing Director Salary
132 Salary - Part time office assistant	9,180.00	Office Assistant
<b>140 Subtotal - Human Resources</b>	5,000.00	<b>Human Resources</b>
141 Hiring /Background Checks	500.00	Hiring/Background Checks
142 Payroll Services	4,500.00	Payroll Services
<b>150 Subtotal - Contracted Business Services</b>	15,000.00	<b>Contracted Services</b>
151 Audit	12,000.00	Audit
152 Legal Services	3,000.00	Legal Services
<b>160 Subtotal - Info. Management &amp; Technology</b>	5,000.00	<b>Info Management &amp; Technology</b>
161 Contracted Services	5,000.00	Contracted Tech Support
162 Contracted Services	-	DOE ESIS, ECSSS
<b>170 Subtotal - Development</b>	8,000.00	<b>School Development</b>
171 Video Production/Printables/Postage	2,500.00	Video Production/Printables/Postage
172 Student Recruitment	500.00	Student Recruitment
173 Staff and Board Recruitment (Including Travel)	5,000.00	Staff & Board Recruitment (including travel)

**Annual Budget July1, 2015-June  
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Line Functional Category	Year 1	
<b>200 INSTRUCTIONAL SERVICES</b>	267,312.00	<b>INSTRUCTIONAL SERVICES</b>
<b>220 Subtotal - Classroom and Specialist Teachers</b>	161,452.00	<b>Teacher Salaries</b>
221 Salaries - Teachers, Classroom	161,452.00	Teachers - 3 TFAat \$34,000 each + \$15000 TFA fee, + 1 certified at \$44,452
222 Salaries - Teachers, Specialists		SPED Provided by DOE
<b>230 Subtotal - Other Teaching Services</b>	52,760.00	<b>Teaching Services</b>
231 Salaries - Paraprofessional	32,760.00	Education Assistants - two at \$16,380 each
232 Substitute Teachers	20,000.00	Substitute Teachers
<b>240 Subtotal - Professional Development</b>	8,100.00	<b>Professional Development</b>
241 Stipends- Professional	5,600.00	PD Stipends, 4 Teachers x \$140 per day x 10 days
242 Contracted Services	1,500.00	PD Contracted Services
243 Supplies and Materials	1,000.00	Supplies
<b>250 Subtotal - Guidance, Psychological &amp; Testing</b>	1,000.00	<b>Guidance, Psychological, and Testing.</b>
254 Contract Services	1,000.00	Contract Services
<b>260 Subtotal - Materials, Equipment &amp; Technology</b>	44,000.00	<b>Instructional Equipment &amp; Supplies</b>
261 Textbooks & Online Curriculum	15,000.00	Textbooks, Workbooks, Computer Software/Programs
262 Other Texts	1,000.00	Other Texts (Library, Research, Etc.)
263 Lab/ Instructional Equipment	8,500.00	Lab/Instructional Equipment (\$100/student)
264 Consumables	1,500.00	Consumables
265 Field Trips	3,000.00	Field Trips
266 Technology	15,000.00	Computers, Servers, and other Technology
<b>300 STUDENT SERVICES</b>	136,094.00	<b>Student Services</b>
310 Salary-Bus Driver/lunch	21,669.00	Bus Driver/lunch
311 Salary - Meals Program/Office Assistant	21,600.00	Office Assistant/lunch help
320 Student Transportation	12,500.00	Transportation (bus amortized over 3 years + fuel)
350 Food Services	80,325.00	Food Service \$5.25 per student per day X 85 students X 180 days
<b>400 OPERATIONS</b>	68,673.00	<b>OPERATIONS - Calculates automatically.</b>
410 Salary - Operation & Maintenance of Plant	18,673.00	Custodian/Driver/Security
415 Utilities	26,000.00	Utilities (Electric, Water, Internet, Phone)
425 Maintenance of Equipment	4,000.00	Equipment & Vehicle Repair
435 Depreciation of Equipment, Building, & Grounds	3,000.00	Equipment Depreciation (including vehicle)
440 Rental/Lease of Buildings & Grounds	-	Lease
445 Rental/Lease of Equipment	5,000.00	Copier and Supplies
450 Furniture & Equipment	5,000.00	School Equipment and Furniture
455 Custodial Supplies	4,000.00	Custodial/Landscape Supplies
Insurance	3,000.00	Insurance
<b>800 TOTALS</b>	685,259.00	<b>Total</b>

NAME:

Form A1

**Annual Budget KLA**  
For Fiscal Year July 1, 2016 through June 30, 2017

		Year 2	<u>Line</u>	<u>Instructions/Notes</u>
<b>OPERATING REVENUES</b>				
1	State Per Pupil	684,600.00	1	Per Pupil Funding (105 x \$6520)
2	Grants - State Facilities		2	Facilities Funding
4	Grants - Federal (Title 1)	39,900.00	4	Title 1 Grant (105 x \$380)
	Grants - Federal (Title II)			Title II
	Impact Aid - Federal	21,000.00		\$200 per student
5	Grants - Private	50,000.00	5	Private Grants & Awards (Projected)
6	FRL Reimbursement	91,287.00	6	Breakfast and Lunch Reimbursement (Based on 92% of 105 students on FRL/Breakfast at \$1.75, lunch at \$3.50 Reimbursement)
7	Student Lunch Fees	3,969.00	7	Lunch Program Student Fees-8% of Students @ \$1.75 for breakfast, \$3.50 Per Lunch, 50% of the days (90 days)
	Fundraising Net	5,000.00		
14	<b>TOTAL OPERATING REVENUES</b>	<b>895,756.00</b>	14	Total Operating Revenue
<b>OPERATING EXPENSES</b>				
15	Administration	213,180.00	15	Total Administrative Expenses
16	Instructional Services	333,520.00	16	Total Instructional Services
17	Student Services	154,994.00	17	Total Student Services
	Operations	138,673.00		Total Operations
23	<b>TOTAL OPERATING EXPENSES</b>	<b>840,367.00</b>	23	Total Operating Expenses
24	<b>TOTAL OPERATING GAIN/(LOSS)</b>	<b>55,389.00</b>	24	Total Operating Gain/Loss
<b>FACILITIES FUNDRAISING</b>				
25	Fundraising Programs	15,000.00	25	Facilities Fundraising
33	<b>TOTAL FACILITIES FUNDRAISING</b>	<b>15,000.00</b>	33	Total Facilities Fundraising

**Annual Budget July1, 2016-June  
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Line Functional Category	Year 2	
<b>100 ADMINISTRATION</b>	213,180.00	<b>ADMINISTRATION</b>
<b>110 Subtotal - Local School Board (LSB)</b>	3,000.00	<b>BOD Expenses/Training</b>
111 Travel	2,000.00	BOD Travel and Communication
112 Board Meetings	1,000.00	Board Meetings
<b>120 Subtotal - School Leadership</b>	96,000.00	<b>School Leadership Expenses</b>
121 Salary - Executive Director	96,000.00	Executive Director Salary
122		
<b>130 Subtotal - Business and Finance</b>	81,180.00	<b>Business Administration</b>
131 Salary - Managing Director	72,000.00	Managing Director Salary
132 Salary - Part time office assistant	9,180.00	Office Assistant
<b>140 Subtotal - Human Resources</b>	5,000.00	<b>Human Resources</b>
141 Hiring /Background Checks	500.00	Hiring/Background Checks
142 Payroll Services	4,500.00	Payroll Services
<b>150 Subtotal - Contracted Business Services</b>	15,000.00	<b>Contracted Services</b>
151 Audit	12,000.00	Audit
152 Legal Services	3,000.00	Legal Services
<b>160 Subtotal - Info. Management &amp; Technology</b>	5,000.00	<b>Info Management &amp; Technology</b>
161 Contracted Services	5,000.00	Contracted Tech Support
162 Contracted Services	-	DOE ESIS, ECSSS
<b>170 Subtotal - Development</b>	8,000.00	<b>School Development</b>
171 Video Production/Printables/Postage	2,500.00	Video Production/Printables/Postage
172 Student Recruitment	500.00	Student Recruitment
173 Staff and Board Recruitment (Including Travel)	5,000.00	Staff & Board Recruitment (including travel)

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Line Functional Category	Year 2	
<b>200 INSTRUCTIONAL SERVICES</b>	<b>333,520.00</b>	<b>INSTRUCTIONAL SERVICES</b>
<b>220 Subtotal - Classroom and Specialist Teachers</b>	<b>222,260.00</b>	<b>Teacher Salaries</b>
221 Salaries - Teachers, Classroom	222,260.00	Teachers -5 certified at \$44,452
222 Salaries - Teachers, Specialists		SPED Provided by DOE
<b>230 Subtotal - Other Teaching Services</b>	<b>57,760.00</b>	<b>Teaching Services</b>
231 Salaries - Paraprofessional	32,760.00	Education Assistants - two at \$16,380 each
232 Substitute Teachers	25,000.00	Substitute Teachers
<b>240 Subtotal - Professional Development</b>	<b>10,000.00</b>	<b>Professional Development</b>
241 Stipends- Professional	7,000.00	PD Stipends, 5 Teachers x \$140 per day x 10 days
242 Contracted Services	1,500.00	PD Contracted Services
243 Supplies and Materials	1,500.00	Supplies
<b>250 Subtotal - Guidance, Psychological &amp; Testing</b>	<b>1,000.00</b>	<b>Guidance, Psychological, and Testing.</b>
254 Contract Services	1,000.00	Contract Services
<b>260 Subtotal - Materials, Equipment &amp; Technology</b>	<b>42,500.00</b>	<b>Instructional Equipment &amp; Supplies</b>
261 Textbooks & Online Curriculum	15,000.00	Textbooks, Workbooks, Computer Software/Programs
262 Other Texts	1,000.00	Other Texts (Library, Research, Etc.)
263 Lab/ Instructional Equipment	10,500.00	Lab/Instructional Equipment (\$100/student)
264 Consumables	2,000.00	Consumables
265 Field Trips	4,000.00	Field Trips
266 Technology	10,000.00	Computers, Servers, and other Technology
<b>300 STUDENT SERVICES</b>	<b>154,994.00</b>	<b>Student Services</b>
310 Salary-Bus Driver/lunch	21,669.00	Bus Driver/lunch
311 Salary - Meals Program/Office Assistant	21,600.00	Office Assistant/lunch help
320 Student Transportation	12,500.00	Transportation (bus amortized over 3 years + fuel)
350 Food Services	99,225.00	Food Service \$5.25 per student per day X 105 students X 180 days
<b>400 OPERATIONS</b>	<b>138,673.00</b>	<b>OPERATIONS - Calculates automatically.</b>
410 Salary - Operation & Maintenance of Plant	18,673.00	Custodian/Driver/Security
415 Utilities	32,000.00	Utilities (Electric, Water, Internet, Phone)
425 Maintenance of Equipment	4,000.00	Equipment & Vehicle Repair
435 Depreciation of Equipment, Building, & Grounds	3,000.00	Equipment Depreciation (including vehicle)
440 Rental/Lease of Buildings & Grounds	60,000.00	Building Rental/Lease
445 Rental/Lease of Equipment	5,000.00	Copier and Supplies
450 Furniture & Equipment	8,000.00	School Equipment and Furniture
455 Custodial Supplies	4,000.00	Custodial/Landscape Supplies
Insurance	4,000.00	Insurance
<b>800 TOTALS</b>	<b>840,367.00</b>	<b>Total</b>

NAME: 

Form A1

**Annual Budget KLA**

For Fiscal Year July 1, 2017 through June 30, 2018

		Year 3	<u>Line</u>	<u>Instructions/Notes</u>
<b>OPERATING REVENUES</b>				
1	State Per Pupil	815,000.00	1	Per Pupil Funding (125 x \$6520)
2	Grants - State Facilities		2	Facilities Funding
4	Grants - Federal (Title 1)	47,500.00	4	Title 1 Grant (125 x \$380)
	Grants - Federal (Title II)			Title II
	Impact Aid - Federal	21,000.00		\$200 per student
5	Grants - Private	50,000.00	5	Private Grants & Awards (Projected)
6	FRL Reimbursement	108,675.00	6	Breakfast and Lunch Reimbursement (Based on 92% of 125 students on FRL/Breakfast at \$1.75, lunch at \$3.50 Reimbursement)
7	Student Lunch Fees	4,725.00	7	Lunch Program Student Fees-8% of Students @ \$1.75 for breakfast, \$3.50 Per Lunch, 50% of the days (90 days)
	Fundraising Net	5,000.00		
14	<b>TOTAL OPERATING REVENUES</b>	<b>1,051,900.00</b>	14	Total Operating Revenue
<b>OPERATING EXPENSES</b>				
15	Administration	257,780.00	15	Total Administrative Expenses
16	Instructional Services	405,002.00	16	Total Instructional Services
17	Student Services	176,394.00	17	Total Student Services
	Operations	140,173.00		Total Operations
23	<b>TOTAL OPERATING EXPENSES</b>	<b>979,349.00</b>	23	Total Operating Expenses
24	<b>TOTAL OPERATING GAIN/(LOSS)</b>	<b>72,551.00</b>	24	Total Operating Gain/Loss
<b>FACILITIES FUNDRAISING</b>				
25	Fundraising Programs	15,000.00	25	Facilities Fundraising
33	<b>TOTAL FACILITIES FUNDRAISING</b>	<b>15,000.00</b>	33	Total Facilities Fundraising

**Annual Budget July1, 2017-June  
30, 2018**

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<b>Line Functional Category</b>	<b>Year 3</b>	
<b>100 ADMINISTRATION</b>	257,780.00	<b>ADMINISTRATION</b>
<b>110 Subtotal - Local School Board (LSB)</b>	3,000.00	<b>BOD Expenses/Training</b>
111 Travel	2,000.00	BOD Travel and Communication
112 Board Meetings	1,000.00	Board Meetings
<b>120 Subtotal - School Leadership</b>	112,000.00	<b>School Leadership Expenses</b>
121 Salary - Executive Director	112,000.00	Executive Director Salary
122		
<b>130 Subtotal - Business and Finance</b>	108,280.00	<b>Business Administration</b>
131 Salary - Managing Director	92,000.00	Managing Director Salary
132 Salary - Part time office assistant	16,280.00	Office Assistant
<b>140 Subtotal - Human Resources</b>	6,500.00	<b>Human Resources</b>
141 Hiring /Background Checks	500.00	Hiring/Background Checks
142 Payroll Services	6,000.00	Payroll Services
<b>150 Subtotal - Contracted Business Services</b>	15,000.00	<b>Contracted Services</b>
151 Audit	12,000.00	Audit
152 Legal Services	3,000.00	Legal Services
<b>160 Subtotal - Info. Management &amp; Technology</b>	5,000.00	<b>Info Management &amp; Technology</b>
161 Contracted Services	5,000.00	Contracted Tech Support
162 Contracted Services	-	DOE ESIS, ECSSS
<b>170 Subtotal - Development</b>	8,000.00	<b>School Development</b>
171 Video Production/Printables/Postage	2,500.00	Video Production/Printables/Postage
172 Student Recruitment	500.00	Student Recruitment
173 Staff and Board Recruitment (Including Travel)	5,000.00	Staff & Board Recruitment (including travel)

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Line Functional Category	Year 3	
<b>200 INSTRUCTIONAL SERVICES</b>	405,002.00	<b>INSTRUCTIONAL SERVICES</b>
<b>220 Subtotal - Classroom and Specialist Teachers</b>	266,712.00	<b>Teacher Salaries</b>
221 Salaries - Teachers, Classroom	266,712.00	Teachers - 6 certified at \$44,452
222 Salaries - Teachers, Specialists		SPED Provided by DOE
<b>230 Subtotal - Other Teaching Services</b>	79,140.00	<b>Teaching Services</b>
231 Salaries - Paraprofessional	49,140.00	Education Assistants - three at \$16,380 each
232 Substitute Teachers	30,000.00	Substitute Teachers
<b>240 Subtotal - Professional Development</b>	11,650.00	<b>Professional Development</b>
241 Stipends- Professional	8,400.00	PD Stipends, 6 Teachers x \$140 per day x 10 days
242 Contracted Services	1,500.00	PD Contracted Services
243 Supplies and Materials	1,750.00	Supplies
<b>250 Subtotal - Guidance, Psychological &amp; Testing</b>	1,500.00	<b>Guidance, Psychological, and Testing.</b>
254 Contract Services	1,500.00	Contract Services
<b>260 Subtotal - Materials, Equipment &amp; Technology</b>	46,000.00	<b>Instructional Equipment &amp; Supplies</b>
261 Textbooks & Online Curriculum	15,000.00	Textbooks, Workbooks, Computer Software/Programs
262 Other Texts	1,000.00	Other Texts (Library, Research, Etc.)
263 Lab/ Instructional Equipment	12,500.00	Lab/Instructional Equipment (\$100/student)
264 Consumables	2,500.00	Consumables
265 Field Trips	5,000.00	Field Trips
266 Technology	10,000.00	Computers, Servers, and other Technology
<b>300 STUDENT SERVICES</b>	176,394.00	<b>Student Services</b>
310 Salary-Bus Driver/lunch	21,669.00	Bus Driver/lunch
311 Salary - Meals Program/Office Assistant	21,600.00	Office Assistant/lunch help
320 Student Transportation	15,000.00	Transportation (bus amortized over 3 years + fuel)
350 Food Services	118,125.00	Food Service \$5.25 per student per day X 125 students X 180 days
<b>400 OPERATIONS</b>	140,173.00	<b>OPERATIONS - Calculates automatically.</b>
410 Salary - Operation & Maintenance of Plant	18,673.00	Custodian/Driver/Security
415 Utilities	34,000.00	Utilities (Electric, Water, Internet, Phone)
425 Maintenance of Equipment	4,000.00	Equipment & Vehicle Repair
435 Depreciation of Equipment, Building, & Grounds	3,000.00	Equipment Depreciation (including vehicle)
440 Rental/Lease of Buildings & Grounds	60,000.00	Building Rental/Lease
445 Rental/Lease of Equipment	7,500.00	Copier and Supplies
450 Furniture & Equipment	5,000.00	School Equipment and Furniture
455 Custodial Supplies	4,000.00	Custodial/Landscape Supplies
Insurance	4,000.00	Insurance
<b>800 TOTALS</b>	979,349.00	<b>Total</b>

**Exhibit B**  
**KLA Narrative for Revised Budget**

**Overview**

These budgets are based on figures available for the 2015 – 2016 school year. They do not incorporate any unknown increases in allocations from the state or federal sources. Each year reflects our anticipated minimum enrollment.

The budgets attached are based upon our request to amend student enrollment as follows:

Year One – 85 students

Year Two – 105 students

Year Three – 125 students

Assumptions:

Operating Revenues

1. Per pupil funding will be \$6,520 per student
2. No facilities funding is available from the state
3. Title 1 monies will remain the same
4. Impact aid will remain the same
5. Private Grants will remain at least at the level we have received to date. In addition to those foundations that have provided us funding and have indicated they will continue to do so, we anticipate developing relationships with other foundations based on ongoing and previous discussions.
6. FRL program reimburse will remain the same and our eligible student percentage will remain stable

Operating Expenses

1. Administrative and Instructional services expenses will remain as shown for the number of students set out each year. Should student count warrant additional instructors or staff, the increased per pupil revenues will be sufficient to manage the costs. Our Year One instructional services costs reflect a significant savings as we are contracted with Teach For America for all but one of our teachers. The line item for Classroom Teacher Salaries includes a one-time \$15,000 fee to TFA (\$5,000 for each teacher they provide.) Years Two and Three reflect all our teachers being paid as Certified at the scale set out in the HSTA agreement. Some grant monies have been provided by Hawaii Electric Industries specifically for classroom technology. This grant is reflected in a lower figure for Technology

(line item 266) than might otherwise be expected. Each student will have a tablet or laptop.

2. Student services are based on relatively fixed costs with no anticipated major changes year-to-year. It may be necessary to add an additional bus and driver should student count increase beyond our projections, costs that can be absorbed by the increased revenues. We are entering into a contract with Akita to purchase a full size school bus and possibly an additional smaller bus. The cost of these is very reasonable, under \$2,500 each. The operation of our fundraising café has afforded us the opportunity to understand meal service, train our meals program staff, test recipes in quantities that we will serve, and have a clear plan for meal cost management.
3. Operations costs for Year One reflect the donated use of our building. This allows us to operate comfortably with the lower student count, providing a significant expense savings and ending the year with a modest surplus. Student counts in Years Two and Three allow us to operate with the cost of building rent. Additionally, the surplus shown in Year One will be used to offset any costs associated with moving to our new facility.

**Exhibit C**  
**KLA School Schedule**

<p><b>Classroom 1</b></p> <p>8:45-9:35 3<sup>rd</sup> Grade Math---B' Lane (50)</p> <p>9:40-10:45 6<sup>th</sup> Grade Math---B' Lane (50+ 15 recess)</p> <p>10:50-11:40 5<sup>th</sup> Grade Math---B' Lane (50)</p> <p>11:45-12:25 5<sup>th</sup> Grade SS---B' Lane (40)</p> <p>12:30-1:10 Lunch for B' Lane</p> <p>1:15-2:05 4<sup>th</sup> Grade Math---B' Lane (50)</p> <p>2:10-2:52 M-3 T-4 W-5 Th-6---B' Lane (42)</p> <p>3:00-3:45 Prep---B' Lane (45)</p>	
<p><b>Classroom 2</b></p> <p>8:45-9:35 4<sup>th</sup> ELA---Kalika (50)</p> <p>9:40-10:45 3<sup>rd</sup> ELA---Kalika (50+15 recess)</p> <p>10:50-11:40 6<sup>th</sup> ELA---Kalika (50)</p> <p>11:45-12:25 Lunch Kalika (40) <b>6<sup>th</sup> SS-Lindsey (40)</b></p> <p>12:30-1:10 4<sup>th</sup> SS---Kalika (40)</p> <p>1:15-2:05 5<sup>th</sup> ELA---Kalika (50)</p> <p>2:10-2:52 M-4 T-5 W-6 Th-3---Kalika (42)</p> <p>2:52-3:37 Prep---Kalika (45)</p>	<p><b>Classroom 3</b></p> <p>8:45-9:35 5<sup>th</sup> Science---Kalena (50)</p> <p>9:40-10:45 4<sup>th</sup> Science---Kalena (50 + 15recess)</p> <p>10:50-11:40 3<sup>rd</sup> Science---Kalena (50)</p> <p>11:45-12:25 Lunch for Kalena (40)</p> <p>12:30-1:10 3<sup>rd</sup> SS---Kalena (40)</p> <p>1:15-2:05 6<sup>th</sup> Science ---Kalena (50)</p> <p>2:10-2:52 M-5 T-6 W-3 Th-4---Kalena (42)</p> <p>2:52-3:37 Prep---Kalena (45)</p>
<p><b>Computer Lab</b></p> <p>8:45-9:35 6<sup>th</sup> Lab---Lindsey (50)</p> <p>9:40-10:45 5<sup>th</sup> Lab---Lindsey (50+15 recess)</p> <p>10:50-11:40 4<sup>th</sup> Lab---Lindsey (50)</p> <p>11:45-12:25 Lunch for Students</p> <p>12:30-1:10 Lunch for Lindsey (40)</p> <p>1:15-2:05 3<sup>rd</sup> Lab---Lindsey (50)</p> <p>2:10-2:52 M-6 T-3 W-4 Th-5---Lindsey (42)</p> <p>2:52-3:37 Prep---Lindsey (45)</p>	
<p><b>Covered Classroom</b></p> <p>8:45-9:35 IEP Learning/Master's Class---Beth (50)</p> <p>9:40-10:45 IEP Learning/Master's Class ---Beth (50+15 recess)</p> <p>10:50-11:40 IEP Learning/Master's Class ---Beth (50)</p> <p>11:45-12:25 3<sup>rd</sup>-4<sup>th</sup> Lunch---Ali, James Outside Duty---Beth (30)</p> <p>12:30-1:10 5<sup>th</sup>-6<sup>th</sup> Lunch---Ali, James (30)</p> <p>1:15-2:05 IEP/Master's Class---Beth (50)</p> <p>2:10-2:52 Special Programs and Speakers</p> <p>2:52-3:15 Car Rider Duty---Beth, Teachers Alternate (15)</p>	

Outside Play Area/Bus/Kitchen	
7:00-8:15	Bus---James (75)
7:15-8:15	Kitchen---Ali (60)
8:15-8:45	Serve Breakfast---Ali (30) James (30) Outside Duty--- Beth (30)
8:45-9:35	Clean-up kitchen and Lunch Prep---Ali (50)
9:40-10:45	Admin-Kitchen/Reception Area---Ali (65)
9:40-9:55	Recess---
10:30-10:45	Recess---
10:50-11:40	Lunch Prep---Ali, James (50)
11:45-12:25	Lunch Service---Ali, James (40)
12:30-1:10	Lunch Service---Ali, James (40)
1:15-2:00	Lunch Cleanup---Ali (50)
2:00-3:00	Lunch---Ali (60)
3:00-3:15	Bus Duty---Ali (15) James(15)
3:15-4:30	Bus---James (75)

	Bus	Kitchen	Outside Duty	Reception
7:00-8:15	James (75) Drive Bus			
7:15-8:15		Ali (60) Prepare Breakfast		
8:15-8:45		James (30) Ali (30) Serve Breakfast	Beth (30) EA (30)	
8:45-9:35	<b>James off (50)</b>	Ali (50) Breakfast Cleanup		
9:40-9:55	<b>James off (15)</b>		Ali (15) EA (15) Recess Duty	
9:55-10:30	<b>James off (35)</b>			Ali Break (35)
10:30-10:50	<b>James off (20)</b>		Ali (15) EA (15) Recess Duty	
10:50-11:45		Ali (55) James (55) Lunch Prep		
11:45-12:25		Ali (40) James (40) Lunch Service	EA and Beth (40) Lunch Duty	
12:30-1:10		Ali (40) James (40) Lunch Service	EA and Beth(40) Lunch Duty	
1:10-1:30		James (20) Ali (20) Lunch Cleanup		
1:30-2:05	James (35) Gen Maint.			Ali Break (35)
2:05-2:40	James (35)	Ali (35)	Beth Break (35)	

	Gen Maint.	Food Prep		
2:40-2:50		Ali (10) Food Prep	Beth Break (10)	James Break (10)
2:50-3:15		Ali (25) Food Prep	James(25) Beth (25) Bus Duty	
3:15-3:40		Ali (25) Food Prep	Beth Prep (25)	
3:15-4:30	James (75)			

**Exhibit D**  
**KLA Estimated Demographics and ELL Recruitment Plan**

As of 5/21/15, Ka'u Learning Academy PCS has received 76 complete or mostly complete enrollment applications and eleven partial applications. If all of these applications are completed, KLA will have 87 students enrolled. Of these 87, eight of them have not responded in quite some time despite our numerous attempts to reach out to them, so we are hesitant to count them. Therefore, we feel comfortable saying that we have 79 solid applications.

We do not currently have access to eSIS, so the following demographic information is our best guess based on the applications we have received so far.

<u>Grade Level</u>	<u>Third</u>	<u>Fourth</u>	<u>Fifth</u>	<u>Sixth</u>
Number of Students	25	22	22	18
FRL	22	19	17	16

Total Percentage of FRL 85%

While it is quite possible that we will meet our original enrollment projections, we believe it is important to complete our pre-opening assurances as soon as possible. Therefore, we are requesting to amend the enrollment target from 111 to 85. We are on track to meet all of our pre-opening assurances requirements by the first week in July, and we would like to be able to complete our contract at that time. We will, of course, continue to recruit and enroll students until we open.

Based on an enrollment count of 85 students, our budget is strong. This is, in part, due to a few modest grants, donations, volunteer labor, donation of a building, and conservative spending. We will, most definitely, be able to fulfill the mission and vision of our school without compromise.

Because we do not have access to eSIS, we are unable to estimate the number of ELL students we will have. Based on our applications and interactions with our future students, it seems that we are not on target to hit 30% ELL as projected. We have made great efforts to reach into the Marshallese community. Our State Representative Richard Creagan speaks fluent Marshallese and has accompanied us into one particular Marshallese compound where he encouraged community leaders to help families enroll their children. Though the response of the people is extremely positive, we believe the application is overwhelming to parents. We are working with a community leader to translate the application into the Marshallese language, but, in general, things move slowly in their community. We have visited church services on a few occasions and have met with other leaders from the Marshallese community, but it is difficult to convey the sense of urgency. Another possible reason we don't have a higher Marshallese enrollment yet is that the Marshallese have a strong sense of family and community, and they don't want to send one child to KLA while another has to stay at Naalehu School. The only way we could overcome this obstacle is by opening to more grades which is not possible at this time. We are in the process of simplifying the application as much as we possibly can and translating it into the Marshallese language. We will also continue to visit their compounds on a regular basis in order to establish trust and a sense of urgency.