



IDAHO PUBLIC CHARTER SCHOOL COMMISSION

# GUIDANCE: SCHOOL EXPANSION PROPOSALS



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## Guidance on School Expansion Proposals

The purpose of this document is to assist you in understanding what information is important to the PCSC's evaluation of school expansion proposals. Such proposals include expansion into additional grades or increased enrollment for grades already served.

### Applicable Statute, Administrative Rule, and PCSC Policy

All statutes, administrative rules, and PCSC policies relevant to charter and/or performance certificate amendments apply to school expansion proposals. Please review the relevant documents for details such as materials submission deadlines, format, etc.

### Planning Ahead

Bear in mind that it is wise to advise PCSC staff of your intended proposal well in advance of the meeting materials deadline. This will allow staff to provide any guidance or answer questions related to the details of your proposal.

Whenever possible, complete meeting materials (see *Materials to Submit* below) should be submitted several weeks prior to the meeting materials deadline. This will give PCSC staff an opportunity to let you know if your submission appears inadequate while there is still time to make corrections or additions.

PCSC policy allows for one staff review and opportunity for revision of proposed amendments prior to their consideration by the PCSC; however, the turnaround time on such revisions is typically very tight, so you are advised to ensure your initial proposal is high-quality and thorough.

## Materials to Submit

Your expansion proposal should include three, separate components:

- A cover letter
- The proposed amendment text
- A packet of supporting documentation

Expectations for each of these components is described in greater detail below.

### Cover Letter

Your cover letter should provide a brief (1-2 page) summary of your expansion proposal. Please address the following questions:

- What is the nature of the proposal? (To expand into additional grades? Enlarge enrollment in existing grades? Will the expansion occur all at once, or in phases? Are you proposing a pilot or a permanent change? What is your proposed timeline?)
- What is the new proposed total enrollment cap?
- What is the motivation for your proposal?
- What is the market for your proposal?
- What is your capacity to implement your proposal?

## Proposed Amendment Text

As with any amendment proposal, you need to submit a copy of the relevant pages of your charter with your proposed changes shown in legislative format. (Note that you do not need to submit a copy of the entire charter and appendices. Please send only the relevant sections.) Depending on the extent of your proposal, it is likely that you will need to show changes in the following sections of the charter:

- Executive Summary, Mission and Vision (if applicable) Statements
- Educational Program and Goals
- Financial and Facilities Plans
- Student Demand and Marketing
- Student Enrollment Charts demonstrating amended enrollment caps (if expansion is phased in gradually, include grade-level caps by school year until expansion is complete)
- Other sections of the charter should also be amended, if applicable.

## Supporting Documentation

Supporting documentation is supplementary information submitted in addition to the charter with proposed changes marked in legislative format (not as part of the proposed charter amendment itself). It should provide detail to support the merits of your proposal. Supporting documentation typically falls into three categories: Financial, Market, and Capacity.

An expansion proposal represents your request to take responsibility for more students' futures and taxpayers' dollars. Just as you would need to make a compelling case to a venture capitalist to help you expand a business, you need to make a compelling case for the PCSC to "invest" in your school on behalf of children and taxpayers. This means doing your homework and providing meaningful documentation to support your proposal.

Minor expansions (such as an increase of just a few students per grade, or the addition of a single classroom) represent a relatively small investment. Major expansions (such as doubling of many grades or expansion into a new category of grades) represent a significant investment. The level of documentation required by the PCSC will vary somewhat depending on the extensiveness of your proposal. The supporting documentation requirements described below are for major expansions; if you are interested in a minor expansion, please contact PCSC staff to discuss reduced requirements.

## Supporting Documentation Detail

### Supporting Documentation: Financial

When evaluating major expansion proposals, it is critical for the PCSC to understand your school's present financial status, as well as the financial impact likely to result from the proposed expansion. For this reason, we ask you to submit the following:

- **Fiscal Status Update:** A current copy of the income statement and balance sheet (budget report for 2M users) generated from the existing school's accounting software. You may disregard this requirement if you reported 2<sup>nd</sup> quarter financials within 3 months of a submitted proposal, unless otherwise requested by PCSC staff.
- **3-year Budget Projections and Assumptions:** Use the PCSC template titled "Appendix A Template - Charter Petition Budget Template" to complete budget projections for three years. You do NOT need to complete the "break-even" scenario. Year 1 should reflect the year in which your proposed expansion is to begin. Please include thorough information regarding your budget assumptions on the template or as a supplementary document that can be referenced to the budget projections.
- **1-year Cash Flow Statement:** Please complete a cash flow statement for Year 1 of the proposed expansion. Use the cash flow tab on the PCSC template titled "Appendix A Template - Charter Petition Budget Template" to complete the cash flow.

Remember that your financial documents should dovetail with the remainder of your proposal in terms of proposed enrollment, facility costs, staffing requirements, curriculum and equipment, etc. Don't let your proposal be derailed by inconsistencies such as a budget that fails to reflect your expanded facility needs.

### Supporting Documentation: Market

When evaluating major expansion proposals, the PCSC must have a clear picture of the level of community need and interest in additional seats at your school. The more objective data you can provide (as opposed to anecdotes), the better your chance of approval. Please address the following, making sure to provide documentation and cite your sources:

- Community demographics (How many students in the relevant grades reside in the area? Is the population growing or shrinking? At what rate? Are demographic shifts occurring?)
- Capacity of other area schools (What other schools in your area serve the same grades? How does their current enrollment compare to their capacity?)
- Impact on other area schools (How have local district schools and other charter schools reacted to your proposal? Why do you believe the market is sufficient to support your expansion in addition to existing programs?)
- Waiting lists, broken out by grade level, preferably over several years (Do you have a history of consistently strong waiting lists, particularly in the relevant grades? Generally speaking, your waiting lists should be larger than your proposed expansion.)
- Community need (Why does the community need your particular program? What do you offer that is presently unavailable? What market research have you done, and what data have you collected to document community interest?)

### Supporting Documentation: Capacity

“Capacity” is a broad term referring to your ability to successfully serve an expanded student body. Depending on the nature of your expansion, your proposal should address the following and include documentation whenever possible:

- Increased staffing needs (consider administration, teachers, support staff, special education, etc.)
- Increased facility needs (document nature, availability, and cost; draft leases or remodeling quotes are examples of such documentation)
- Contracts and service agreements (such as with educational management providers)
- Professional development and other methods of ensuring successful implementation (particularly if you are implementing a new-to-you educational model)
- Evidence of past success (Does your school have a history of strong academic performance? How do your results compare to those of other area schools and/or to schools serving a similar student population? Do you have a history of timely submission of state reports, compliance with federal and state laws, and stable finances?)

Together with your cover letter, proposed amendment, and supporting documentation, the PCSC will consider your school’s fiscal, operational, and academic status. When necessary and possible, third-party resources will be consulted to verify or elucidate information. Schools achieving “good standing” or higher in all areas on their annual performance framework reports are considered candidates for possible expansion.