

The Drexel Fund

Necessary Components of a School Business Plan

This document provides guidance to founders of new private schools that are seeking school start-up support from the Drexel Fund. The Drexel Fund recognizes that School Business Plans should be appropriately tailored to meet the specific circumstances, local context and individual needs of each new school. There are critical components, however, intrinsic to the creation and ongoing management of any strong, new school that are contained within the requirements of this document.

Any submitted School Business Plan will be considered incomplete unless it satisfactorily addresses each of the components below:

School Description

The School Description should include the following elements:

- A. Proposed name of the school;
- B. Specific location of the school;
- C. The school's mission and vision statements;
- D. Brief description of the student body, including grade level counts at capacity and ideal target student demographic;
- E. The school's instructional philosophy and focus;
- F. Description (if applicable) of the school's faith formation or character development approach and goals; and
- G. A brief description of key leadership for the school.

Governance and Management Structure

The Governance and Management Structure should include reference to the following elements:

- A. Description of any proposed or existing relationships with sponsoring organization or educational management organizations;
- B. Description of any proposed or existing contracts for business, operational or instructional services;
- C. Division of responsibilities between sponsoring organization (if applicable), governing board, and administrators and how the board will hold management accountable; and
- D. Listing of board members and description of each board member's expertise in key

areas, including representation of local constituencies and fundraising capacity (consider including a talent matrix).

Human Resources Plan

The Human Resources Plan should include reference to the following elements:

- A. Staffing plan for the school, including an organizational chart and classification of employees (FTE, PTE, etc.);
- B. Description of the key qualifications of the first school leader;
- C. Recruitment plans for administrators, teachers, and aides, including listing partner organizations for human capital development; and
- D. Plans for providing key staff with feedback of their performance.

Instructional Approach

The Instructional Approach should include reference to the following elements:

- A. Proposed student goals and outcomes;
- B. Explanation of and rationale for achievement standards for key academic areas;
- C. List of chosen curricula with brief description of their relationship to standards;
- D. Mechanisms for periodically assessing progress towards goals, outcomes and achievement standards;
- E. Methods for addressing students whose baseline aptitude, performance, and prior school experience are dramatically below standard;
- F. Description of teacher feedback and evaluation systems and how they are used to inform teachers of areas that need improvement; and
- G. School calendar and daily schedule and description of how they help you achieve your goals.

Market Analysis

The Market Analysis should include reference to the following elements:

- A. Description of the neighborhood/area that the school will serve (include size of the target market);
- B. Description of the demographic characteristics (i.e., income, race/ethnicity, education levels and household structure) of the families in the neighborhood/area that the school intends to serve;
- C. Analysis of the current and expected educational options for children in your neighborhood/area - including traditional district, charter and private schools - with which your school will be competing for enrollment, noting key demographics and the academic performance of each school;
- D. Description of what makes your school unique in the current market; and
- E. Evidence of demonstrated interest in the school (i.e., on-the-ground interviews with families and key stakeholders).

Marketing Strategy

The Marketing Strategy should include reference to the following elements:

- A. Listing of the community organizations whose support will be necessary to ensure the success of the school and plans for communicating with them;
- B. Description of student recruitment plans, with particular attention to how you expect to achieve the enrollment you need to attain for launch; and
- C. Timelines for enrollment and admissions.

Analysis of State-Sponsored School Choice Program(s)

The Analysis of State-Sponsored School Choice Program(s) should include reference to the following elements:

- A. Name of the entity that will be required to provide approval in order for the school to participate in the state-sponsored school choice program, if applicable;
- B. Projected timeline and process for consideration of school's approval; and
- C. List a school (with its contact information) you have connected with in the state or city you intend to open your school that is using the choice program in the same manner you intend to use it and explain what you have learned.

Facilities Plan

The Facilities Plan should include reference to the following elements:

- A. Explanation of space needs over the next five years, how they will be met in your facility and a description of the facility's cost;
- B. Assessment of capital costs for technology, furnishings, and equipment needs; and
- C. Plans for financing a permanent home for your school, if applicable.

Fundraising Plan

A brief narrative of your Fundraising Plan should include:

- A. Description of revenue model (i.e., tuition, tax credit/voucher revenue, fundraising/philanthropy)
- B. Description of Leadership's track record in fundraising;
- C. Expectations for start-up, capital, and operational fundraising needs in pre-launch year and first several years of operation; and
- D. Description of secured funding and expected funding sources.

Network Growth Plan

Every applicant for Drexel Fund support must be creating a replicable school model (i.e., independent governance, fundraising lift no more than 15% of operations at full enrollment). The Network Growth plan should contain a high-level overview of any plans to grow into a school network, including motivation for and key objectives of your vision for a school network.

Critical Steps Timeline

Include a timeline showing when you intend to accomplish critical steps as you move toward opening your school – i.e., facilities, hiring, accreditation, fundraising, marketing, and recruitment.

Additional Required Documentation

When submitting the following required documents, use the naming convention described next to each document type substituting the school name for ‘xxx’:

A. FINANCIAL MODEL (XXX_BUDGET)

The Financial Model serves as a cornerstone component of the School Business Plan. The attached “School Financial Template” is the required format for budget submission. The template is meant to be a starting point; the assumptions and line items should be adjusted to reflect your school’s specific market and model. Additionally, please note the following about specific documents within the Financial Template:

- The annual operating budget (see first tab in the Excel Workbook) will show your school’s revenues (include only committed sources), estimated expenses, and projected surplus or deficit. All income (committed and potential sources) should be listed in the Income and Fundraising section below the Annual Operating Budget (see the lower section on first tab in the Excel Workbook).
- The five-year projections of anticipated income and expenses (see second tab in workbook) will forecast the planned growth, development and needs of the school over time and should demonstrate what the school’s finances look like at its steady state (past the initial start-up years).
- The enrollment tab should demonstrate the school’s expected enrollment until it reaches full enrollment capacity. These numbers should reflect your approach to student retention. Some schools build in planned attrition without backfilling students at certain grades. The hypothetical model assumes backfilling for all students that don’t reenroll at all grades.

B. 501(C)(3) DOCUMENTATION (XXX_501C3)

A copy of the school or founding organization’s 501(c)(3) determination letter from the Internal Revenue Service.

C. SCHOOL BY-LAWS (XXX_BYLAWS)

Most recent copies of school by-laws.

D. LEADERSHIP TEAM RESUME’S/JOB DESCRIPTIONS (XXX_RESUMES/JD)

Resumes of all school leaders who have business, administrative, or academic responsibilities beyond full-time classroom duties. Include job descriptions for each position (please cut and paste into one document).

E. SCHOOL CHOICE PROGRAM PARTICIPATION APPROVAL (XXX_APPROVAL)

Evidence that the school will be able to participate in the state’s school choice program (if applicable).

F. FACILITY CONTRACT (XXX_FACILITY)

A signed document which outlines a facilities agreement or purchase.