

**Erie County Vocational-Technical School Foundation
Operations Manager Report
August 2017**

I would think we're projecting costs for three things: Start-up Consultation, Annual Franchise Fee, and Local Programming.

Start-up Consultation

I'm guessing the going consultant rate per day is \$500 plus expenses. SS probably has a pretty good estimate for that. I would use the first couple of new franchises to better set what that might amount to. If we're branding, then there are certain things that should occur – required partners, minimum prescribed programming, designated staffing, and required advisory groups. Most of this can occur through video or phone conferencing. There might be a handful of on-site days for organizational meetings or community presentations. I'm guessing 10 days to guide the work of a local group that is creating *Career Street Wherever*. Initially, phone or email support could be provided at no cost. Anything above a couple of hours of consultation would probably entitle a fee.

Estimated start-up consultation cost to a community is **\$5,000**.

Annual Franchise Fee

1. Administrative Costs: To estimate the set-up of this fee, Career Street has few expenses. Technology maintenance is budgeted for \$2,500 annually. We have another \$2,500 in legal and accounting fees, and the ECVTSF takes 8% of expenses to cover support services provided to Career Street activities (roughly \$10,000). That's it! Upscale that a little for new member activity, what are you asking for \$1,500 to \$2,000 annually?
2. Web Site Development Cost: I would think the ECVTSF would want to get its return in 5 to 7 years. Seven years into \$25,000 is \$3,600 annually. Divided by how many new members each year? This could be \$1,500 to \$2,000.

The total franchise fee estimate is between **\$3,000 and \$4,000**.

Local Programming

Entirely scalable! Use the categories below to guide a new franchise:

1. School services like reimbursements, software, substitute teachers, and mini-grants are all scaled to revenue. Career Street has \$57,000 in school services. Sponsorship of Newspapers in Education is \$10,000.
2. Personnel is also scalable. It was determined Erie needed a fulltime staff member. Other communities could assign duties to existing staff or use a part-time contract. The budget has \$63,000 for executive director.
3. Marketing and communications. Career Street budgets roughly \$12,000. We run ads in the Chamber and MBA magazines. There are also promotional items. Again, scalable to the community or revenue.
4. Administrative Costs. Postage, management fee (8% fee mentioned above), legal and accounting costs, dues and memberships, office supplies – Erie has \$17,000.