

Feasibility Study

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Disclaimer

This Feasibility report is to present a general idea and information on the said matter. Although, the material included in this document is based on data / information gathered from various reliable sources; however, it is based upon certain assumptions. The information has been provided on, as is where is basis without any warranties or assertions as to the correctness or soundness thereof. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. Education Paradigms, its employees or agents do not assume any liability for any financial or other loss resulting from this report in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this report is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision.

Executive Summary

This Feasibility Study builds on the findings of the pre-feasibility Study. It takes into consideration the discussions between the European Commission's DGNear and the Georgian Ministry of Education, Culture and Sport, UNOPS and Education Paradigms. The assumptions that are captured in the Feasibility Study reflect these discussions. These deviate from the original Terms of reference.

Assumptions

- The school will be a private legal entity founded by the Georgian government. The EU would enter into an agreement with the Georgian Government that clearly outlines the purpose of their funding and the areas to which this funding would be allocated. It is the authors understanding that the EU would not be part of the governance of the school.
- The school will open in 2023.
- Based on the experience of the pilot phase, the enrolment of students will be gradual, starting in 2023 with 4 cohorts in the lower grade (7th and 8th grade of the Georgian national track with elements from ES) and two cohorts in the penultimate year (Grade 11 IB Diploma track). As enrolled students move onto the next grades, new cohorts (one or two) will be enrolled each year. The school is expected to reach a stable state – i.e. about 420 students – within a period of 5 years following the first enrolment.
- Grades 7-10:
 - The School will offer the revised Georgian secondary curriculum framework from grades 7 – 10.

- The 7th to 10th grade programme will integrate as much content of ES school subjects as possible to align with the overall national educational objectives. Grades 7 and 8 students will be given also intensive English language instruction.
- In the initial stages of the school's development subjects taught in English will be introduced from Grade 10. However it is the school's long-term goal to offer such subjects in English from Grade 9. The introduction in Grade 9 would require an additional International School Hire of between 0.5-1 FTE.
- A second foreign language (EU) will be introduced as compulsory from Grade 7
- Personal and service learning projects will be integrated into the Georgian curriculum
- Once the students from the national track reach grade 11 they will have the choice to remain with the national diploma programme or move to the IB track subject to pre-requisites being met. The EaP students awarded EU scholarships will follow the IB track.
- Grades 11 and 12 will be split into two tracks:
 - one track will offer the Georgian leaving qualification, following the logic of the 7th to 10th grade, while the second track will be based on the IB diploma programme with a European focus (transposing and enhancing the model as adopted for the pilot phase) (see Appendix 1)
 - A new European subject would be developed for the IB Diploma and this subject would be adjusted at age appropriate levels to be taught throughout the school and be delivered within the History curriculum offering. (See Appendix 1). Should the IB not accept the new subject the school would adapt the curriculum offering to come as close into line with the European subject whilst adhering to the IB approved framework and offering.
 - The School will not offer a European Baccalaureate but will seek to align itself to the goals of the European Curriculum
 - Students within the Georgian programme will benefit from the creation of original research projects, a philosophy programme similar to TOK of the IB and service learning.
- The MoE will take the legislative steps required to have a special recognition of this new Georgian curriculum (integrating ES content) in national law as well as to initiate the process for accreditation of a new IB diploma school.
- The IB section for non-scholarship students would be fee paying. The Georgian Section is based on a per student revenue. This revenue might not be generated by fees but from other revenue streams such as Government premiums, private support and International Grants.
- The fees of the school are set to be at the lower end of International Schools in Tbilisi although it will offer more International teachers than many others.

- Forms would be of approximately 20 students. There will be a 3 form entry in all classes other than Grades 11-12 in the Georgian Section (2 Form entry). Any less and the teachers would be underutilized and the learning environment for the pupils would be disadvantaged. Total Enrolment would be 440 by year 6 (see Enrolment section page 5)
- In addition to the EU IB Diploma funded scholarship students it was also indicated the government would support additional local scholarship students.
- It is suggested that the school will be led by an experienced International school head, with a deputy who would take responsibility for the Georgian section. We would suggest that a minimum of one leader and at least the IB Coordinator should be appointed 6 – 9 months before the school opens to deal with teacher and student recruitment, the scholarship process, procurement of teaching resources, working with the IB and overseeing the fit-out of the building. Optimal would be if the International Head and Georgian Deputy both be appointed 6-9 months prior to the opening of the school. The Pre-Operational assumed are set at the minimum requirement and outlined in Appendix 3.
- A Pre-Operational period commencing 2020 would incorporate concept design cost, initial set up for the school and recruitment (Appendix 3)
- A learning Academy will be established in 2021 to begin preparing the Teachers. This will be led by the International Director and initial International IB Teachers. By Year 4 it is envisaged that Georgian Master Teachers will have been developed that will be able to instruct subsequent cohorts (See Appendix 11)
- The Learning Academy can be enhanced further to incorporate the Ministry's priorities for education e.g., partnerships with universities. This has not been costed in this study.
- The School faculty will be made up of the following:
 - Georgian Section: Tier 3 & 4 Georgian Teachers plus International and International Georgian Teachers supporting the professional development and languages
 - International Georgian teachers are Georgians with internationally recognised teaching qualifications from international universities and who have teaching experience within an international setting.
 - IB Section: International Teachers who have IB experience & International Georgians who have been hired locally who have a bachelors or Master degree in an English speaking University in their respective subject
 - The first 4 years will be seen as a growth period and will have more International teachers who will set up the school and ensure sustainability

- The School building would be mostly shared between the Georgian and IB sections. There would be a couple of additional rooms for the IB (see appendix 9 for Schedule of Accommodation)
- The buildings would conform to the anticipated new Georgian framework for buildings in relation to sustainability. The buildings would adhere to International Certification.

Enrolment

The enrolment model is based upon the premise that there is high demand for a private school with the education concept and calibre of teachers that is being proposed in this study. It is important to note that there is no specific quantitative marketing data to support this other than the anecdotal evidence of other schools in the Tbilisi area. The enrolment model of the pre-feasibility study has been scaled back to take into account a more traditional admissions approach.

We have assumed the following enrolment:

Enrolment							
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
ESG 2 (S2)	60	60	60	60	60	60	60
ESG 3 (S3)	20	60	60	60	60	60	60
ESG 4 (S4)	0	20	60	60	60	60	60

ESG 5 (S5)	0	0	35	60	60	60	60
EBG1 (S6)	0	0	0	22	40	40	40
EBG2 (S7)	0	0	0	0	22	40	40
DP 1 (S6)	40	60	60	60	60	60	60
DP 2 (S7)	0	40	60	60	60	60	60
European Georgian	80	140	215	240	240	240	240
European Georgian Diploma	0	0	0	22	62	80	80
IBDP European	40	100	120	120	120	120	120
Total Lissi Enrolment	120	240	335	382	422	440	440

Feasibility Analysis

Summary Table

The Summary table below takes into consideration all project related costs highlighted at this stage. There will be movement within these costs between Feasibility and the opening of the school. Any changes will be down to inflation, enrolment patterns, mix of teachers and their subject areas as well as choice of design, materials and supplies.

The top section of the table summarises all costs in relation to the School Operations.

There are two scenarios within this. The difference reflects the minimum and optimal staffing that the feasibility study is recommending in order to deliver the long-term vision of the school. Each cost element is set out in a corresponding appendix as outlined in the Table of Contents eg. The pre-opening costs are outlined in Appendix 3.

The bottom section of the table outlines the capital costs. The breakdown can be found in Appendix 9 and 10. Although the tables include all capital costs they do not assume the effect of depreciation, interest or amortisation. The School would need to seek professional local tax advice to this extent.

In both Scenarios the Curriculum model and staffing is able to deliver a stable school model in Year 5. This stable state is subject to the school achieving the enrolment targets outlined and the revenue per student target. The possible Income models are outlined in Appendix 13.

The revenue model has been based upon fees that are at the lower end of the Georgian private school market. The teacher expenses have been based upon data from 2 schools in Tbilisi as well as other International Schools in Central and Eastern Europe as outlined in the pre-feasibility Study. The expenses have been put together using local pricing. They assume that much of the equipment for the IB Diploma programme will have to be brought in from international sources due to the programme. The pricing is higher than some of the private schools in Tbilisi to reflect the premium quality and the curricula and programme on offer. It should also be noted that the pricing is looking at a 2023 opening and therefore needs to take into account the growth of Georgia and corresponding inflationary pressures.

Scenario 1 – Minimum Staffing

	2021-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Pre-Operational	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Enrollment		120	240	335	382	422	440	440
A: Revenues		514,280	1,216,272	1,708,655	2,062,899	2,381,278	2,639,046	2,836,974
Tuition Income		514,280	1,216,272	1,708,655	2,062,899	2,381,278	2,639,046	2,836,974
B: Expenses	643,000	1,359,331	1,585,553	2,050,270	2,273,826	2,334,706	2,313,745	2,349,241
Faculty Salaries	40000	559,360	700,994	817,746	902,009	869,387	799,282	808,627
<i>Georgian</i>		17,600	24,720	44,982	50,703	95,443	98,306	109,853
<i>International Georgian</i>		48,760	98,262	139,445	157,528	161,060	221,189	227,825
<i>International</i>	40000	493,000	578,012	633,319	693,779	612,884	479,786	470,949
Staff Salaries	139,000	360,171	407,160	545,474	651,267	665,799	685,694	700,961
<i>Non-Academic Admin</i>	29,000	109,277	123,323	140,323	181,869	186,416	191,076	195,853
<i>Leadership</i>	110,000	138,305	160,513	255,551	260,190	264,944	274,818	279,814
<i>Academic Admin Staff</i>	0	112,589	123,323	149,600	209,209	214,439	219,800	225,295
Other Costs	464,000	439,800	477,400	687,050	720,550	799,520	828,770	839,653
<i>Curriculum Costs</i>	200,000	103,500	123,500	148,500	181,500	193,500	203,500	203,500
<i>Professional Development</i>	24,000	28,000	36,000	40,000	45,000	45,000	48,000	48,000
<i>Technology</i>		88,000	50,000	54,000	66,000	71,180	73,365	73,556
<i>Operational Costs</i>		222,300	271,900	450,550	436,050	497,840	513,904	524,596
<i>Consultancy</i>	240,000	40,000	40,000	0	0	0	0	0
Saldo: A+B	-643,000	-845,051	-369,281	-341,615	-210,927	46,572	325,300	487,733
Cummulative		-1,488,051	-1,857,332	-2,198,947	-2,409,874	-2,363,302	-2,038,002	-1,550,269
Capital Expenditure	8,897,714	0	0	0	260,000	360,000	300,000	0
School Construction	5496060							
Contingency (5%)	275000							
School Professional fees	495000							
Equipment & Furniture	1350000				260000	360000	300000	
Dormitory Construction	966414							
Contingency (5%)	48300							
Dormitory Professional Fees	86940							
Equipment	180000							

Scenario 2 – Optimal Staffing

	2021-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Pre-Operational	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Enrollment		120	240	335	382	422	440	440
A: Revenues		514,280	1,216,272	1,708,655	2,062,899	2,381,278	2,639,046	2,836,974
Tuition Income		514,280	1,216,272	1,708,655	2,062,899	2,381,278	2,639,046	2,836,974
B: Expenses	643,000	1,418,021	1,582,051	2,125,721	2,291,790	2,365,208	2,393,387	2,422,675
Faculty Salaries	40000	618,050	697,492	893,197	919,973	899,889	878,924	882,061
<i>Georgian</i>		24,000	24,720	50,923	52,451	108,049	111,290	114,629
<i>International Georgian</i>		53,000	98,262	157,438	173,744	178,956	184,325	189,854
<i>International</i>	40000	541,050	574,510	684,836	693,779	612,884	583,309	577,578
Staff Salaries	139,000	360,171	407,160	545,474	651,267	665,799	685,694	700,961
<i>Non-Academic Admin</i>	29,000	109,277	123,323	140,323	181,869	186,416	191,076	195,853
<i>Leadership</i>	110,000	138,305	160,513	255,551	260,190	264,944	274,818	279,814
<i>Academic Admin Staff</i>	0	112,589	123,323	149,600	209,209	214,439	219,800	225,295
Other Costs	464,000	439,800	477,400	687,050	720,550	799,520	828,770	839,653
<i>Curriculum Costs</i>	200,000	103,500	123,500	148,500	181,500	193,500	203,500	203,500
<i>Professional Development</i>	24,000	28,000	36,000	40,000	45,000	45,000	48,000	48,000
<i>Technology</i>		88,000	50,000	54,000	66,000	71,180	73,365	73,556
<i>Operational Costs</i>		222,300	271,900	450,550	436,050	497,840	513,904	524,596
<i>Consultancy</i>	240,000	40,000	40,000	0	0	0	0	0
Saldo: A+B	-643,000	-903,741	-365,779	-417,066	-228,891	16,071	245,658	414,299
Cummulative		-1,546,741	-1,912,520	-2,329,587	-2,558,478	-2,542,407	-2,296,749	-1,882,450

Capital Expenditure	8,897,714	0	0	0	260,000	360,000	300,000	0
School Construction	5496060							
Contingency (5%)	275000							
School Professional fees	495000							
Equipment & Furniture	1350000				260000	360000	300000	
Dormitory Construction	966414							
Contingency (5%)	48300							
Dormitory Professional Fees	86940							
Equipment	180000							

Staff Salaries

The faculty required has been set out in the below table. The detailed analysis of headcount required is provided in Annex 3.

Year	Year 1			Year 2			Year 3			Year 4			Year 5			Year 6		
	International	Georgian International	Georgian	I	GI	Georgian	I	GI	Georgian	I	GI	Georgian	I	GI	Georgian	I	GI	Georgian
Georgian	0	1		0	1		0	2	0.5	0	2	0.7	0	2	1	0	2	1
English	2			2			2	1.3		2	2		2	2		2	2	
French	1			1			1			1			1	0.2		1	1	
German		0.3			0.6			1			1		0	1		0	1	0.3
Spanish		0.2			0.4			0.6			1		0	1		0	1	0.2
Maths	1	1	1	1	1	1	1	1	1	1	1	1	1	1.25	1	1	2	1
Biology	1	0		1			1			1	1		0.9	1		1	1	1
Physics		0.6			1			1	0.6		0.7		1		1	1	1	1
Chemistry	1			1	0.6		1	1		1	1		1	1	0.5	1	1	0.5
History	1			1	1		1	1		1	1		1	1	1	1	1	1
Geography	1			1	1		1	1		1	1		0	1	1	0	1	1
Business Management	0			1			1			1			1			1		
ICT			0.4		0.4			0.4		0.3	0.1			0.5				0.5
Civil Education		1			1			1		1			1			1		
PE			0.5			0.7			1			1.1			2			2
Music			0.3			0.5			0.75			1			1			1
Art		0.5			1			1.5			1.6		1	0.6		1		1
Boarding Coordinator	1			1			1			1			1			1		
IB Coordinator	1			1			1			1			1			1		
Minimum	10	4.6	2.2	11	9	2.2	11	12.4	5.25	11	13.6	5.8	10	13.45	10.6	7	16	11.5
Optimal	11	5	3	11	9	3	12	14	6	12	15	6	10	15	12	9	15	12

The above table illustrates the numbers of faculty required. A more detailed breakdown can be found in Appendix 4. The minimum full time equivalent assumes that International Teachers will be used to 100% whereas the Georgian and international Georgians may be

recruited on a part time basis. The optimal number assumes that full time positions are required. This would also allow for the development of departments and total buy in from all teachers rather than an environment where the faculty are part time and do not support all of the additional responsibilities that the school's curriculum and learning journeys would suggest.

There is a difference in faculty costs between the minimum and optimal. It is important to note that in Year 6 the International Maths, Biology and Business Management Teacher could move to International Georgian. It should also be noted that for the purposes of the Study Human Sciences are taught in Georgian until Grade 10. Should Human Sciences be taught from Grade 9 this would require an additional International Teacher at between 0.5-1 full time equivalent