



Madison Preparatory Academy for Young Men



Urban League of
Greater Madison
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Midwest

BUDGET NARRATIVE

Submitted by

Urban League of Greater Madison
February 10, 2011

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Introduction

The Urban League of Greater Madison (ULGM) is submitting this budget narrative to the Madison Metropolitan School District Board of Education as a companion to its line-item budget for Madison Preparatory Academy for Young Men (Madison Prep). The budget was prepared in partnership with MMSD's Business Services office. The narrative provides context for the line items presented in the budget.

Madison Prep's budget was prepared by a team that included Kaleem Caire, President & CEO of ULGM; Tami Holmquist, Business Manager at Edgewood High School; Laura DeRoche-Perez, ULGM Charter School Development Consultant; and Jim Horn, ULGM Director of Finance. Representative of ULGM and MMSD met weekly during the development of the Madison Prep budget. These meetings included including Erik Kass, Assistant Superintendent for Business Services and Donna Williams, Director of Budget & Planning. The budget was also informed by ULGM's charter school design teams and was structured in the same manner as start-up, non-instrumentality public charter school budgets submitted to the District of Columbia Public Charter School Board in Washington, DC. DCPCSB is widely regarded as one of the most effective authorizers of charter schools in the nation.

In addition, Madison Prep's Facilities Design Team is led by Dennis Haefer, Vice President of Commercial Banking with Johnson Bank and Darren Noak, President of Commercial Building with Tri-North Builders. Mr. Noak is also the Treasurer of ULGM's Board of Directors. This team is responsible for identifying Madison Prep's school site and planning for related construction, renovation and financing needs.

Charter School Applicant

The Urban League of Greater Madison is one of the oldest and largest community and economic development organizations in Dane County. Its mission is to eliminate social and economic barriers for African Americans, other people of color, and the economically disadvantaged in Dane County by transforming our community into a place of opportunity, personal and professional growth, prosperity, and success for everyone. Its federal employer identification number is 39-1098146.

ULGM was established as a chartered affiliate of the National Urban League in 1968 and operates as a nonprofit 501(c)(3) organization in Madison, Wisconsin. It is the "developer" of Madison Prep.

Charter School Authorizer

ULGM is developing Madison Preparatory Academy for Young Men. Pursuant to Wisconsin Statute 118.40 (Charter Schools), ULGM is seeking authorization from the Madison Metropolitan School District Board of Education to establish and operate Madison Prep as a non-instrumentality public charter school within the Madison Metropolitan School District.

The MMSD Board of Education provides governance and leadership to a school district serving 24,471 students in kindergarten through 12th grade with a staff of more than 3,600, including 2,506 teachers.¹

Budget Summary

The budget for Madison Prep covers a six-year period, from SY2011-12 through SY016-17. The first year, 2011-12 is the planning and implementation year followed by the first five years of operation. The budget was constructed with great attention to detail and a special focus on start-up and operational costs associated with a new and high quality non-instrumentality public charter school. The budget also accounts for Madison Prep's goals and objectives, curricular focus and program design. It also addresses the school's need for talented and effective instructional and support staff, the ability to effectively serve diverse learners and engage parents and the community in the education of Madison Prep's students, and the need to ensure the school is effective in both its instructional and business functions.

The budget also ensures Madison Prep is able to deliver favorable results in the following areas:

- Student Performance
- Instructional Performance
- Financial Performance
- Operational Performance
- Leadership and Governance
- Community Engagement and Impact

Budget Highlights

A. Cost of Education

In 2008-09, the Madison Metropolitan School District received \$14,432 in revenue per student from a combination of local, federal and state government and local property taxes. The largest portion of revenue came from property taxes, \$9,049 (62.7%), followed by \$3,364 in state aid (23.3%), \$1,260 in federal aid (8.7%) and \$759 in other local revenue (5.3%). That same year, MMSD spent \$13,881 per student on educational, transportation, facility and food service costs for 25,011 students for a total of \$347,177,691 in spending. ²

In 2010-11, MMSD's Board of Education is operating with an amended budget of \$360,131,948, a decrease of \$10,155,522 (-2.74%) from 2009-10. MMSD projects spending \$323,536,051 in its general education fund, \$10,069,701 on food service and \$8,598,118 on debt service for a total of \$342,203,870. Considering the total of only these three spending categories, and dividing the total by the official 2010-11 enrollment count of 24,471 students, MMSD projects to spend \$13,984 per student.³ This is the amount per pupil that ULGM used as a baseline for considering what Madison Prep's baseline per pupil revenue should be in its budget for SY2011-12. ULGM then determined the possibility of additional cutbacks in MMSD revenue for SY2011-12 and reduced its base per pupil revenue projection to \$13,600 per student. It then added a 1% increase to it's per pupil base spending amount for each academic year through SY2016-17.

ULGM recognizes that per pupil funding is an average of total costs to educate 24,471 children enrolled in MMSD schools, and that distinctions are not made between the costs of running elementary, middle and high schools. ULGM also understands that the operating costs between all three levels of schooling are different. Middle schools costs more to operate than elementary schools and high schools costs more than middle schools.

Reviewing expense projections for middle and high schools in MMSD’s SY2010-11 Amended Preliminary Budget, ULGM decided to weight per pupil spending in middle school at 1.03% and 1.16% in high school. Thus, in SY2012-13 when Madison Prep opens, ULGM projects a need to spend \$14,148 per student, not including additional costs for serving English language learners and students with special needs, or the costs of Madison Prep’s third semester (summer).

B. Cost Comparisons between Madison Prep and MMSD

Staffing Costs

In 2010-11, MMSD projected it would spend \$67,133,692 on salaries (and benefits) on 825.63 staff in its secondary (middle and high) schools for an average salary of \$81,312. This includes teachers, principals and in-school support staff. In its first year of operation (SY2012-13), ULGM projects Madison Prep it will spend \$1,559,454 in salaries and benefits on 23 staff for an average of \$67,802 in salary, including salaries for teachers, the Head of School (principal) and support staff. In its fifth year of operation, Madison Prep is projected to spend \$3,560,746 in salaries and benefits on 52 staff for an average of \$68,476 per staff person. In both years, Madison Prep will spend significantly less on salaries and benefits per staff member than MMSD.⁴

Additionally, MMSD spends an average of \$78,277 on salaries and benefits for staff in its middle schools and \$79,827 on its staff in its high schools.⁵

Management/Business Services Costs

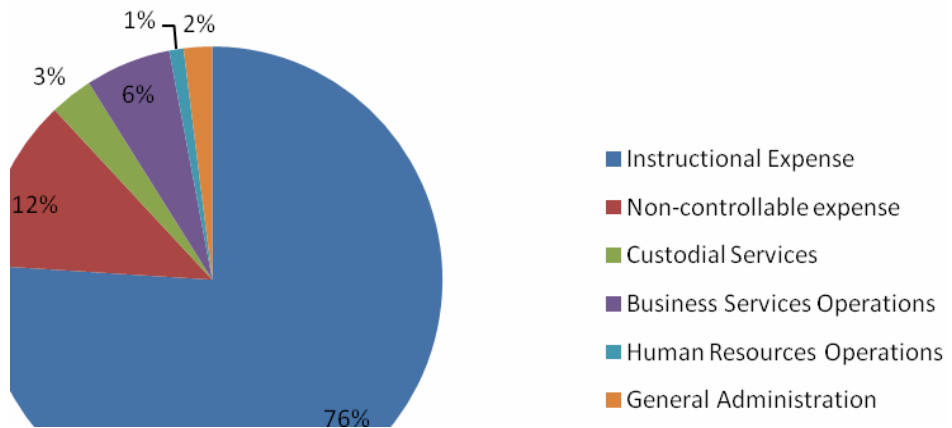
ULGM will provide business services (accounting, human resources, fundraising and marketing) to Madison Prep and will charge the school \$750 per student for these services. This fee was set by calculating the amount MMSD spends on similar services through its central office. MMSD spends the following amounts on such services:

<u>Page</u>	<u>Service</u>	<u>Amount</u>
2-134	Office of Business Services	\$264,285
	Budget, Planning and Accounting	\$3,795,882
	Administrative Services	\$7,201,751
	Total	\$11,261,918
2-169	Human Resources	\$418,995
	Employment Services	\$1,365,821
	Operations	\$711,469
	Total	\$2,496,285
2-252	Office of the Superintendent	\$2,393,039
	Public Information/Comm Development	\$1,097,332
	Special Assistant to the Superintendent	\$1,164,972
	Board of Education	\$213,676
	Total	\$4,869,019
	Grand Total	\$18,627,222
	MMSD Business Services Per Pupil Expense	\$761
	ULGM Management Fee Per Student	\$750

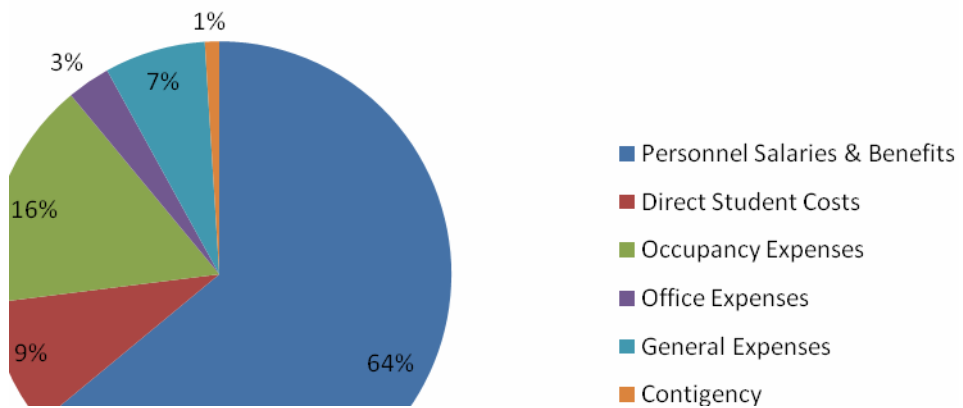
Costs Allocation

MMSD has a 10:1 teacher-to-student ratio. Madison Prep will 9:1 teacher-to-student ratio, but will cost less.

Where MMSD Dollars Go?



Where Madison Prep's Dollars Will Go?



Budget Narrative: Expenditures

Enrollment	
Sections	The number of classrooms where students will be taught.
Enrollment	The total number of students who will enroll in the school each year.
Middle School Attendance Area	The number of students that will attend middle school.
High School Attendance Area	The number of students that will attend high school.
Staffing Expenditures	
Administrators	
President & CEO	Will oversee the school.
Head of School	Will provide instructional leadership and the day-to-day operations.
Assistant Head of School	Will assist with providing instructional leadership when Madison Prep adds high school students.
Dean of Students	Will be the primary person responsible for the planning, execution and oversight of non-academic student services and discipline.
Director of Teaching & Learning	Will serve as the IB coordinator, focus on curriculum and instruction and supervise all non-special education teachers.
Director of Family & Community Partnerships	Will ensure strong ties are maintained between parents and the school, that parents are supported by the school, and will lead student recruitment.
Director of Learning Support	Will ensure students have adequate instruction and learning support, individualized learning plans and that their need for remediation and additional challenge is addressed.
Athletic Director/Activities Coordinator	Will serve as physical education teacher and supervise the school's athletic program.
Professional Employees	
Human Resources Manager	Lead hiring, orientation, benefits and personnel support.
Grants & Compliance Manager	Will ensure the school complies with all grant and reporting requirements to funders, MMSD, and government agencies.
Registrar & Attendance Coordinator	Manage registration and attendance compliance.
IT & Communications Manager	Implement and manage the school's Information Technology and phone system(s), website and related functions.
Skills Mastery Center Coordinator	Deleted
Volunteer Coordinator	Recruit tutors, mentors and others interested in engaging in the school's programs.
Student Recruitment Coordinator	Deleted

Teachers	
Master Teachers	Will have a specific expertise in Language Arts (English) and Mathematics, and serve as a coach to others. (2 in the first year)
Teachers – General	Classroom teachers.
Teachers – Special Education	Teacher of students identified with a special need.
Teachers – ESL	Teachers of students who are English Language Learners.
Teachers – Phy Ed	Physical Education Teacher.
Trimester Teachers	Teachers who teach in the summer.
Substitutes	Funding to hire teachers who can fill in when teachers are ill or on leave.
Clerical	
Business Manager	Will manage Madison Prep’s budget, planning, P&L and personnel matters.
Instructional Support	
Counselors	Provide emotional and social support to students, as well as advise them of their college and career options.
School Nurse	Providing nursing care and health screeners on-site.
Psychologists	Contracted services.
Social Worker	Address the social support needs of young people and their families.
Librarian/Media Specialist	Set-up and supervise the library and assist teachers with preparing special learning activities and events for their students.
Supporting Staff	
Maintenance/Custodial	For maintenance work and custodial work at the school.
Food Service	The cost of serving students meals at breakfast and lunch.
Security Personnel	Covers the costs of a security guard to ensure students’ safety.

Contacts and Connections

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[Madison Prep on Facebook](#)

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¹ Sources: MMSD Third Friday Enrollment Count, September 2010 and data provided to ULGM by MMSD's administration in September 2010 and January 2011.

² Madison Metropolitan School District FY2008-09 Comparative Cost Per Member, School Finance Data Warehouse, Wisconsin Department of Public Instruction.

³ Madison Metropolitan School District 2010-11 Amended Preliminary Budget, Part 1: Financial Summaries, page 59.

⁴ Madison Metropolitan School District 2010-11 Amended Preliminary Budget, Part 2: Secondary Schools, page 40.

⁵ Madison Metropolitan School District 2010-11 Amended Preliminary Budget, Part 2: Secondary Schools, pages 48-52.