



May 5, 2011

Appendix MMM-11-9
May 23, 2011

TO: Board of Education

FROM: Daniel A. Nerad, Superintendent

RE: Madison Prep Finances

I. Introduction**A. Title/topic** – Madison Prep Finances**B. Presenter/contact person** –
Erik Kass – Assistant Superintendent of Business Services**C. Background information** –

The Board of Education approved the planning grant for Madison Preparatory Academy on February 28, 2011. At that meeting, there was a lot of conversation around how the finances of Madison Prep should be treated moving forward. At that meeting Erik Kass stated that in order to proceed in accordance with what the Board was asking we would need to revisit this topic to receive proper guidance.

D. BOE action requested – Formal guidance provided on how to proceed with the finances for Madison Prep.**II. Summary of Current Information****A. Provide summary** –

The review of resources moving forward to be allocated for Madison Prep need further conversation for Administration to gain further direction. At the February 28, 2011 meeting dealing with Madison Prep differing ideas were talked about by various individuals as to the best way to deal with Madison Prep. In order to better understand the direction the board would like administration to head financially with this school, an understanding of what has been done in the past is necessary.

When the finances were completed for Badger Rock, they were put together with the express direction of the majority of the Board that they should break even and not cause reductions in other areas of the district budget. This was accomplished by transferring resources from Sennett Middle School specifically as those kids were moved from Sennett to Badger Rock. This worked for Badger Rock because they defined an attendance area, and agreed that 80% or 40 kids would be from the Sennett attendance area.

For Madison Prep, the issue of transfer becomes more difficult as they will technically pull students from all of our Middle School attendance areas. The amount of funds we are able to segregate for transfer with this model are much less if we are under the same circumstances where we should have a program that breaks even or doesn't cause reductions in other areas of the budget.

What became confusing at the February 28th meeting, was when individuals spoke about providing the same resources to Madison Prep that we provide to our other schools. If that is the direction the Board would like to take, we just need to understand that we will unfortunately have to reduce programs to our existing schools in order to make that work with the current proposal.

B. Recommendations and/or alternative recommendation(s) – None at this time

III. Implications

A. Budget – To be calculated at a future date.

B. Strategic Plan – N/A

C. Equity Plan – N/A

D. Implications for other aspects of the organization – N/A

IV. Supporting Documentation –