



POTENTIAL MSA & WLA MERGER

— DOCUMENT —
BRIEF



FEB. 23 2023

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WHY CONSIDER A MERGER?

A potential merger between Woodbury Leadership Academy and the Math & Science Academy is being explored for the following reasons:

- 1. It is an opportunity to provide a seamless, PK-12 quality education to our families.***
- 2. It is an opportunity to further solidify the strong financial standing of a merged organization.***
- 3. It is an opportunity to provide additional programming, operational resources, and services to our stakeholders.***

WHAT DOES THE MERGER PROCESS ENTAIL?

- 1. Consider Strategic Goals**
 - a. How does a merger align with WLA and/or MSA's Strategic Plan?
 - b. What gaps in strategic plans are accelerated/complimented with a potential merger?
 - c. What core assumptions need to be true for a merger to make sense?
- 2. Conduct Due Diligence with Combined WLA and MSA Administrators**
 - a. Identify operational efficiencies
 - b. Begin high level integration planning
 - c. Select integration leaders
- 3. Execute Merger**
 - a. Define structure and draft agreement, including non-negotiables
 - b. Submit Plan of Merger to MDE
 - c. Seek consents as needed
 - d. Create "Articles of Merger"
 - e. Sign and file "Articles of Merger"
 - f. Surviving school and authorizer execute new charter and file with MDE
 - g. MDE reviews Plan of Merger
- 4. Integrate Merger**
 - a. Execute communication plan (students, families, staff members, vendors, and additional stakeholders)
 - b. Execute operational merger integration plan

BUILDING A MERGER MODEL

It is critical that the merger model reflects the strategic rationale, and that assumptions are well documented and communicated.

- Merging may not be as straightforward as taking one school's five year projections and adding to the other
- The merger model should show a combined ADM in the projected years that is greater than the ADM sum of both schools in the same projected periods
- What costs (both variable and capital improvement) are needed to support the projected growth?
- Are there duplicative operational costs that can be eliminated in a merger scenario?
- Are there costs that will increase in a merger scenario? (One example often overlooked is differences in compensation / benefit programs.)
- Are there changes in control provisions in any contracts that need to be considered in the financial model? (ex. employment contracts, leases, bonding, etc.)
- Lastly, run sensitivities...what happens if we lose a certain number of students, what happens if we need to refinance any debt, what happens ifetc.

Finally, it is critical that a third-party assist in creating the merger model for it protects the board and the school. Firms like BKDV have advisory professionals that perform this type of work which is different from those in the outsources accounting/bookkeeping group.

ENSURING DUE DILIGENCE

Strategic Due Diligence

Due Diligence is the investigation or exercise of care that a reasonable entity is expected to take before entering into an agreement or contract. In a merger scenario, diligence is also confirming assumptions made up front on strategic fit. Many due diligence items/topics are purely “check-the-box” requests such as ensuring the potential merger partner has appropriately filed their tax returns, the heavy lifting in due diligence is analyzing facts and data to support the assumptions around fit, and around the drivers of growth in ADM in a merger scenario.

Operational Due Diligence

Legal / Compliance

- Review all contracts (ex. state/federal filings, leases, bussing, employment, charters, insurance policies, bonding agreements, etc.)
- Review school policies and procedures
- Review any historical / ongoing disputes, complaints, litigation, etc.
- Review historical board minutes, meeting packets, etc.

Finance

- Review books and records, tax filings, internal controls, audit, bonding agreements, etc.
- Review historical and projected financial performance, ADM trends and forecast,
- Develop financial model for combined organization (both sides should create their own)

Human Resources

- Benefit plan analysis
- Organizational (ex. job descriptions, compensation programs, org structure, etc.)

Curriculum

- Curriculum model, content development process, academic standards, etc.
- Review historical testing results and data (both externally reported and internal)

TECHNOLOGY

- Review systems, apps, security compliance, etc.

MSA/WLA POTENTIAL MERGER ORGANIZATIONAL ALIGNMENT

Mission

- MSA - We provide accelerated and inclusive curricula and instruction in all subjects, with an emphasis on math and science.
- WLA - The mission of WLA is to utilize leadership based programs and strategies grounded in solid research, combined with the demonstrated success of Core Knowledge curriculum as a basis of a rigorous overall educational program that builds strong skills in math, reading, literature, writing, music, science, and technology.

Vision

- MSA - To be an innovative, sustainable model of academic excellence for all students that creates well-rounded, lifelong learners and global citizens.
- WLA - The vision of WLA is to be a school where students and graduates become exceptional leaders, and are prepared to take on the academic and leadership challenges they will face as they transition into high school.

Strategic Priorities

- MSA
 - Success for all students
 - Facilities and Infrastructure to MSA Mission and Vision
 - Organizational Support to Support MSA Mission and Vision
- WLA
 - Exercise fiscal responsibility with sustainable growth, while maintaining quality facilities, ensuring competitive staff pay, and appropriating necessary instructional and operational supplies
 - Provide a safe and healthy learning environment that celebrates our diversity and builds community
 - Establish WLA as a respected destination school in the area, known for high academic achievement, and ranked nationally as a Core Knowledge School of Distinction

Student Enrollment and Demographics

Race/Ethnicity	MSA	WLA
Asian	29%	27%
Black	22%	20%
White	41%	36%
Hispanic	3%	7%
American Indian	1%	1%
2 or more races	5%	10%
	MSA	WLA
SPED	7%	11%
English Learner	2%	11%
Free/Reduced	4%	11%

FURTHER OVERVIEW:

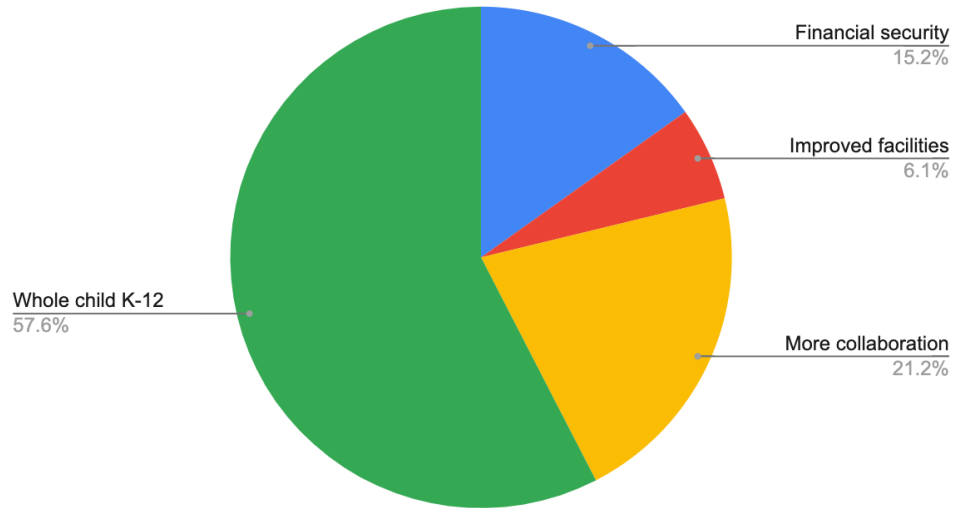
MSA

- Founded in 1998, by parents and teachers
- Premised on the belief for academic excellence, with a focus on math and science
- Authorizer: Student Achievement Minnesota (SAM) since 2009
 - Currently in the 4th year of a 5-year contract.
- Enrollment: 608 students in grades 6-12
- Awards and Commendations: #1 High School in Minnesota according to US News and World Report and Niche
- Facilities: 52,000 square feet spread between 4 buildings (2 leased and 2 owned)
 - Currently in the planning stages to remodel or build a new facility
- Staffing includes 35 teachers, 7 para professionals, 5.5 office support, vendor custodial services, 2.5 licensed support staff.
- Contracted services include landscaping, snow removal, special education (numerous contractors) technology (Justin Gehring) legal representative (James Martin) financial services (BergenKDV)
- Academic achievement: Rated #1 High School in Minnesota (among public traditional schools, public charter schools, and private schools) based on SAT scores (U.S. News and World Report)
- Financial Position: 45% fund balance
- Board Governance: 9 members (4 teachers, 3 parents, and 2 community members)
- Community Involvement: MSA enjoys a very active PTO, and utilizes volunteers as needed

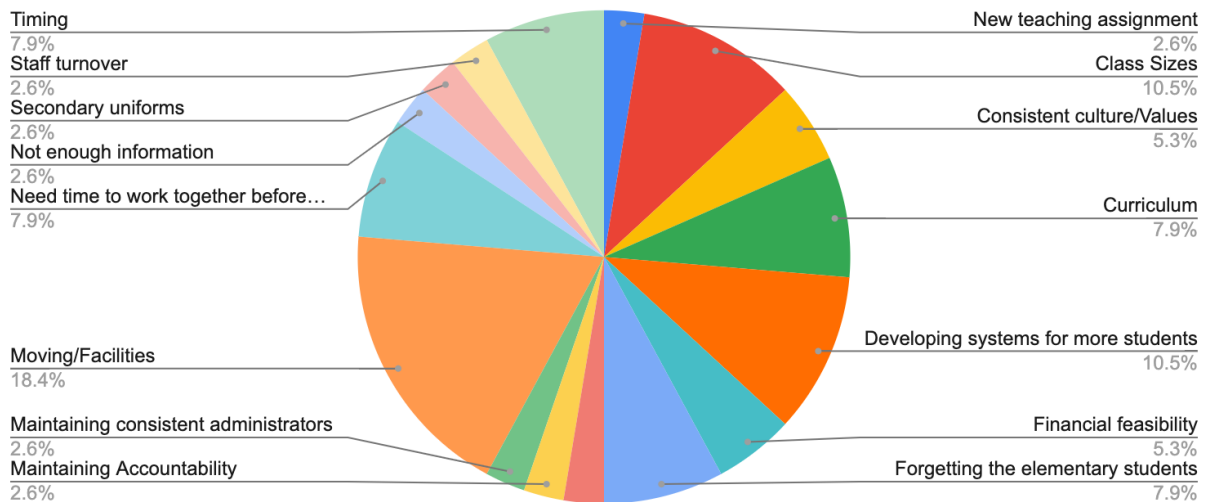
WLA

- Founded in 2014, by parents and teachers
- Premised on the belief for academic excellence, with a focus on Core Knowledge and leadership curriculum
- Authorizer: Volunteers of America (VOA) since 2014
 - Currently in 2nd year of a 5-year contract
- Enrollment: 680 students in grades K-8
- Awards and Commendations: Finance Awards every year since WLA inception (Minnesota Department of Education), Finance Award and Board Governance Award (VOA, 2022), Ranked within top 100 schools in Minnesota (Niche, 2019), Ranked 11th best middle school charter school in Minnesota and 14th best elementary charter school in Minnesota, (Niche, 2020) Ranked nationally in the top 1% of elementary schools and middle schools, (Niche 2021) Niche ratings are based on five categories including academic achievement, diversity, teacher quality and retention, extra-curricular activities, and parent satisfaction
- Facilities: WLA bonded in the spring of 2021 and “owns” their facilities. (through an ABC) All of the facilities have been remodeled or are newly built, and include two buildings for a total of approximately 120,000 square feet. WLA is located on a nine-acre campus. The facilities include over 53 classrooms, common areas for students to gather, library, art, and music rooms, office areas, a large gymnasium (divided) with an elevated walking track, a stage area equipped with lighting and sound for theatrical and music productions, a high capacity concession area that can serve as a hot lunch service area, office areas, multiple flex spaces of all sizes to support lunches, conferencing, remediation, special education services, parent-teacher organization storage needs, custodial and curriculum storage. Grounds include an underground irrigated soccer field, a kickball area, a naturalist walking path, playground areas, and an outdoor classroom. In the spring of 2023, WLA plans on adding a large pavilion, a fitness track, and fencing to enclose the outdoor spaces.
- Staffing: 97% retention of licensed staff members includes 51 teachers, 11 para professionals, 6 office support, 2 custodial services (plus a contracted evening cleaning crew), one licensed counselor, 3.5 FTE administrative support (Executive Director, Principal, Full-Time Dean of Students, and a Part-Time Dean of Students/Transportation Coordinator) Contracted services include landscaping, snow removal, special education (numerous contractors that have been committed to WLA for multiple years) technology (Justin Gehring) legal representative (James Martin) financial services (BergenKDV)
- Academic achievement: Currently exceeds the state average in reading in grades 3-5, and 7. Grades 6 and 8 are 1% point below the state average. Currently exceeds the state average in math in grades 3-6, and 8. Currently exceeds the state average in science in grade 5. Grades 8 is eight points below the state average.
- Financial Position: 30% fund balance
- Board Governance: 5-9 members (3 teachers, 3 parents, and 3 community members)
- Community Involvement: WLA enjoys a strong Parent-Teacher organization (PTO), various connections with area clubs such as K & S music, Young Rembrandts, and Soccer Shots to name a few. We also have established a partnership with the City of Woodbury Parks and Recreation Department.

What excites you about the potential of a merger?



What concerns you about a potential merger?



33 Staff responded to open ended questions 55% were WLA staff and 45% were MSA staff which is roughly proportional to the staff make up of both schools.

BONDING AND FINANCES

This information is from Mr. Bruce Sorenson of the Baird Financial Group:

1. In reviewing how bonding would be affected in the event that WLA and MSA merge, Bruce clarified that:
 - a. WLA received bonds at a BB- rating and MSA received bonds at a BBB- rating
 - b. That MSA received a better rating partly because they had been in existence since 1998, and enrollment was at full capacity for their facilities limit
 - c. That WLA received a lesser rating partly because we had been in existence since 2014, and have not yet reached full capacity since our enrollment is still growing
 - d. Also, that the bottom line is that projections are projections, and that as long as the school is balancing our budget, we'll be fine
 - e. Furthermore, that WLA is poised to hit the 900 ADM target for the 2025-2026 school year
2. Bruce then shared that WLA and MSA combined would be a stronger organization as a merged entity due to:
 - a. Economies of scale
 - b. Quality secondary school programming
 - c. Possible transportation savings
 - d. Potential matriculation of students throughout PK-12
 - e. As a combined school we would be able to leverage additional debt if needed
3. Bruce summarized his thoughts on the potential merger as being a "win" for all parties, in broad strokes that WLA could provide access for their students to enter a high quality secondary setting, and that MSA would have access to quality facilities and have the added stability of an elementary school component which helps with ongoing enrollment
4. Bruce discussed MSA's current finances and their financial track record, which similar to WLA, is strong. (It helps that BerganKDV contracts out to do the finances for both organizations, and thus are apprised of the financial status and journeys of both organizations.)
5. Action steps moving forward are that the administration teams at both schools will look closely at efficiencies, and report back to the Finance Committee with any redundancies and/or cost savings they identify.

Financial Model from BKDV:

See Addendum

WLA Curriculum Overview

What is Core Knowledge:

The Core knowledge approach is based on building student knowledge. It provides an outline of specific skills and domains that are presented to students in a sequential and cumulative way. This approach promotes equity through the broad base of knowledge students acquire. The educational philosophy behind the approach is that knowledge builds knowledge.

What makes this approach special is its attention to skill and knowledge integration. Cross curricular ties provide students with intentional knowledge and skill building opportunities. For example, while students are learning to read in first grade they are also learning domain specific vocabulary about mesopotamia, our early presidents, geology, or living things. This intentional integration of content specific knowledge into fundamental skill instruction, provides a rich learning experience for students.

Equally special, is the coherence the Core knowledge sequence offers. It allows our students to revisit topics and gain a deep understanding of domain topics. Below is an example of the coherent organization of Core Knowledge.

Kindergarten	First Grade	Second Grade	Third grade	Fourth Grade	Fifth Grade	Sixth Grade
The 5 Senses	Body Systems	Digestive & Excretory Systems	Muscular, Skeletal & Nervous System; Vision & Hearing	Circulatory & Respiratory Systems	Endocrine & Reproductive Systems	Lymphatic & Immune Systems

WLA District Scope and Sequence

2022-2023

WLA's District Scope and Sequence meets the MN Academic Standards, as well as standards outlined by the Core Knowledge Foundation, as the district moves towards becoming a Core Knowledge School of Distinction.

Subjects	K	1	2	3	4	5	6	7	8
Math	Ready Classroom Mathematics by Curriculum Associates								
Science	CKSci by Core Knowledge Foundation						CKSci, iScience by McGraw Hill	CKSci, iScience by McGraw Hill	
History & Geography	CKHG by Core Knowledge Foundation			CKHG, Northern Lights by Minnesota Historical Society			CKHG, A History of the United States by McGraw Hill	CKHG, A History of the World & World Geography by McGraw Hill	
Reading & Comprehension	CKLA by Amplify			CKLA by Core Knowledge Foundation			CK Sequence Novels by Core Knowledge Foundation		
Grammar	CKLA by Amplify			CKLA by Core Knowledge Foundation			Collections by Houghton Mifflin Harcourt		
Writing	CKLA by Amplify			CKLA by Core Knowledge Foundation			WriteSource by Houghton Mifflin Harcourt		
Specialists	Music, Art, P.E, Leadership			Music, P.E, Leadership					
Electives	N/A			Robotics, team sports, art, sports analytics, choir, history of rock and roll, study skills					

WLA Leadership Programming

Goal: Woodbury Leadership Academy's Leadership Programming instills confidence and helps children solve problems creatively, work in a team and work collaboratively with others.

- Leadership Specialist Frequency: 1-2 days a week
- Leadership Curriculums:
 - Grades K-5: Fly Five
 - Grades 6-8: Character Strong
- Core Virtues: Monthly Theme
 - Responsibility
 - Respect
 - Humanity
 - Gratitude
 - Perseverance
- Service Learning Projects
 - Each month, a grade level leads the school and community in a service-learning project that is aligned to the monthly Core Virtue.
 - Examples: Gratitude: Caring comforts, Humanity: Donations for the food shelf and humane society, Gratitude: letters to veterans

Typical MSA Middle School Course Progression

Content	Grade 6	Grade 7	Grade 8
English	English 6 Reading 6 (semester)	English 7	English 8
Math	Middle School Math 1 or 2 (CPM)	Middle School Math 2 or Integrated Math 1 (CPM)	Integrated Math 1 or 2 (CPM)
Science	Earth Science (NGSS Standards)	Life Science (NGSS Standards)	Physical Science (NGSS Standards)
Social Studies	Minnesota Studies (Northern Lights)	United States History (new curriculum selection in progress)	Global Studies (new curriculum selection in progress)
Physical Education/Health	Physical Education 6	Physical Education 7 Health 7	Physical Education 8
Spanish	Spanish 1A	Spanish 1B	Spanish 2
Electives			

Elective options:

Band
 Choir
 Orchestra
 Astronomy
 Speech
 Theater
 Study Skills/Leadership
 Art
 Computer Art
 STEM

All grades Character Strong during Advisory

Math and Science Academy

High School Graduation Requirements

Students complete the Minnesota academic standards by taking a core course of study that equips them with the knowledge and skills they need for success in post-secondary education, highly skilled work, and civic life. In order to graduate, MSA students must complete the required MSA subject specific courses as well as a minimum of 21.5 total credits to meet Minnesota state requirements.

Subject	MN State Graduation Requirements	MSA Graduation Requirements
English	4 credits	4 credits which must include: <input type="checkbox"/> Literature and Composition <input type="checkbox"/> World Literature
		Choose 2 from the following: <input type="checkbox"/> American Literature <input type="checkbox"/> AP Literature and Composition <input type="checkbox"/> Research Writing (1 semester)/Composition (1 semester)
Math	3 credits of mathematics, including algebra, geometry, statistics and probability sufficient to satisfy the standards.	3 credits which must include: <input type="checkbox"/> Progression through Calculus
Science	3 credits of Science, including a biology credit.	3 credits which must include: <input type="checkbox"/> Biology or AP Biology <input type="checkbox"/> Chemistry or AP Chemistry <input type="checkbox"/> Physics or AP Physics
Social Studies	3 ½ credits of social studies, including U.S. History, geography, government and citizenship, world history and economics.	4 credits which must include: <input type="checkbox"/> Ancient World History and Geography <input type="checkbox"/> Modern World History and Human Geography <input type="checkbox"/> American History <input type="checkbox"/> Political Science (semester)/ Introduction to Economics (semester)
Fine/Visual Arts	1 credit	<input type="checkbox"/> 1 credit
Foreign Language	Not required ❖ Many colleges/universities look for at least two years of a foreign language.	Progression through Spanish Flowchart based on placement level and grade of enrollment to MSA.
Health/P.E.	Not required	1 credit <input type="checkbox"/> 1 semester each of Health and P.E.
Electives		<i>Please see the definition of elective credits located under Courses By Department in Course Guide.</i>

WLA/MSA Potential Merger Facility Options

As WLA and MSA explore a possible merger, this is what facility usage may look like. Below you will find some of the possible options for facility use going forward. You will also find how each school is currently utilizing its space for comparison purposes.

Current Facilities

WLA		MSA	
Current Grades	K-8	Current Grades	6-12
Max Capacity	1200	Max Capacity	600
# of Classrooms	50	# of Classrooms	30
Specialist Space	2 Music Rooms 2 Leadership Rooms 1 Gym 1 Art Room 1 Library	Specialist Space	2 Music Rooms 2 Art Rooms 1 Gym
Green Space	Soccer Field 2 playground sets 4 playground areas	Green Space	2 playground areas
Cafeteria Space	3 cafeterias	Cafeteria Space	2 Cafeterias
Parking	150-250 spaces	Parking	

Option #1 (WLA = Grades 6-12, MSA = Grades K-5)

WLA (Building)		MSA (Building)	
Grades	6-12	Grades	K-5
Improvements needed	<ul style="list-style-type: none"> Some classrooms would need minimal renovation to accommodate high school student science classes??? Playgrounds would need to be 	Improvements needed	<ul style="list-style-type: none"> Building would need a full remodel Green space would need to be added Would we need to add or reduce

	removed and relocated to alternate site <ul style="list-style-type: none"> Classroom materials would need to be moved 		parking spaces??? <ul style="list-style-type: none"> Playground areas would need to be added Classroom materials would need to be moved
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Option #2 (WLA = K-8, MSA = 9-12)

WLA (Building)		MSA (Building)	
Grades	K-8	Grades	9-12
Improvements needed	<ul style="list-style-type: none"> Some classrooms would need to be renovated for additional middle school classrooms 	Improvements needed	<ul style="list-style-type: none"> Building would need a full remodel Additional parking is needed

Option #3 (WLA = 6-12 , MSA = New Site K-5)

WLA (Building)		New Site or Campus	
Grades	6-12	Grades	K-5
Improvements needed	<ul style="list-style-type: none"> Some classrooms would need renovations to accommodate high school student science classes Playgrounds would need to be removed and relocated to alternate site Classroom materials would need to be moved 	Improvements needed	<ul style="list-style-type: none"> New facility to be found and appropriate renovations made.

If a new site is chosen, then a new action plan would be needed.

Option #4 (WLA = K-8, MSA = New Site 9-12)

WLA (Building)	New Site or Campus
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Grades	K-8	Grades	9-12
Improvements needed	<ul style="list-style-type: none">Some classrooms would need to be renovated for additional middle school classrooms	Improvements needed	<ul style="list-style-type: none">New facilities to be found and appropriate renovations made.

If a new site is chosen, then a new action plan would be needed.

Option #5 (Larger Campus on Current WLA Site)

Additional buildings are built on WLA's current campus creating a large WLA/MSA K-12 campus..
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Option #6 (Expanding WLA campus)

Purchase and renovate properties near WLA's current facility

If a merger was made between WLA and MSA, there are several “add ons” that would be available to each of these options.

Possible add ons

Field House	Green Space
Performing Arts Center	Additional buildings for additional classrooms
Robotics Wing	Additional Parking

Transportation Guide for MSA/WLA Merger

2023-24 (No Changes to current practices)

- WLA will continue to provide their own transportation from Monarch
- MSA will continue to use South Washington ISD 833 busing
- All Woodbury Academy students attending school at WLA will ride the contracted bus services from Monarch. Monarch will pick them up and drop them off at their designated location and at the WLA campus.
- Budget
 - Expenditures
 - No cost for students riding a South Washington ISD 833, bus to 8430 Woodbury crossing, Woodbury, MN 55125
 - Monarch contracted costs are \$300/day/bus.
 - Total cost is around \$574,200 based on 11 buses.
 - Revenues
 - Schools that provide their own transportation receive \$320/year/student in General Transportation Aid.
 - Total revenue is \$224,000 based on 700 students at the WLA site.
 - Total cost: \$574,200 less \$224,000 equals \$350,200

2024-25 (There are many scenarios for busing options which will be determined by the facility configuration chosen. Once the facility configuration is determined, Board of Directors will decide the best scenario for all involved.)

One Sample Possibility: This option is based on state statute and agreed to by South Washington ISD 833.

- All Woodbury Academy students living in the South Washington ISD 833 will ride ISD 833 buses.
 - K-12th grade students who will be located at 8430 Woodbury Crossing, Woodbury, MN 55125 will be dropped off at the current MSA site. These students will also receive the same transportation home.
 - K-12th grade students who will be located at 8089 Globe Drive, Woodbury, MN 55125 will be dropped off at a designated site near the 833/622 border (must be a school). These students will also receive the same transportation home from the designated site.
 - These students will take a shuttle service provided by Monarch from the designated location to the current WLA site.
 - Costs
 - Shuttle bus service from Monarch (approximately \$25,000 per bus per year, and \$150,000 based on 6 shuttle buses)
 - There will also be a cost for Monarch to transport students who reside in ISD 622 to the 8089 Globe Drive site.

Identifying Which Independent School District Identity to Maintain, and Choosing an Authorizer

It is the position of the administration that a successful merger does not result in a surviving and dissolved school. The plan is to fully merge both schools and make a stronger joint entity. However, the MN Department of Education requires that we operate under one school number.

Reasons to use the ISD #4043 MSA as the combined school number:

- Math and Science Academy has a longer history (25 years) which makes bonding and other endeavors easier.
- MSA has an accredited high school program (this will not transfer). This accreditation is mandatory if any graduates want to participate in any extra-curricular activities in college.
- MSA has consistently been recognized as a top performing school which nets us long waiting lists. Our recognition would be lost if we give up our school number.
- MSA enjoys legacy charter funding that is not available to newer schools.

Reasons to use the ISD #4228 WLA as the combined school number:

- Woodbury Leadership Academy has been approved for a PK-12 grade setting.
- Woodbury Leadership Academy has been approved for multiple school sites.
- Woodbury Leadership Academy is currently in a 5-year contract with our original authorizer, the Volunteers of America. (VOA)

In regard to determining an authorizer, it will be important to meet with both authorizers to inform them of a potential merger.

- **The authorizer of the surviving school number is the authorizer of the merged district.**

POTENTIAL BOARD CONFIGURATION

These are the members who are not up for election. This could be the configuration during the transition. This board will determine the final board configuration and election cycle.

Name	Role	Term Ending Date
Dan Ellingson - Chair	MSA Parent Member	2025
Shelbi Pool - Chair	WLA Community Member	2024
David Johnston - Secretary	MSA Teacher Member	2024
Wendell Sletten - Treasurer	MSA Teacher Member	2025
Jolene Skordahl - Treasurer	WLA Teacher Member	2025
Hetal Patel	MSA Parent Member	2024
Jeff Eng	MSA Community Member	2024
Julie Ohs	WLA Teacher	2024
Ryan Sheak	WLA Parent Member	2025
Richard Washington	WLA Parent Member	2024

TIMELINE IN EVENT OF MERGER

TIMELINE FOR DECISION

- Merger committees begin meeting in February to create questions for MSA, and to answer questions from MSA.
- Work continues with various professionals who can speak to their fields of expertise.
- Informational surveys will be presented to all WLA stakeholders as we continue to explore a merger together.
- Considering input from all stakeholders, administration develops a plan of merger to present at the April board meeting which includes input from all stakeholders. The merger plan development will be considered by board members at the April board meeting.

IF IT IS DECIDED TO MERGE WLA AND MSA

- Officially merge with paperwork to the state, on July 1, 2023
- Both schools remain in current facilities for the 2023-2024
- WLA current 8th grade students have option to attend MSA for 9th grade
- WLA middle school teachers adopt MSA schedule and curriculum but teach at WLA
- Combine middle school students in 2024-2025 school year
- Form a Facilities/Construction Task Force for the fall of 2023
- Begin to migrate both schools to a common student information system
- MSA guidance counselors will work with the WLA counselor to get courses selected for secondary students
- Principals at both schools will work on the middle school class schedule
- All WLA and MSA contracts will be honored for the 2023-2024 school year. By the start of the 2024-2025 school year, the pay scales and benefit plans will be unified.
- Employee handbooks will be combined and unified for the beginning of the 2024-2025 school year
- Branding (school colors, mascots, uniforms and so forth) will remain as they are except for the WLA middle school students who would adopt the MSA middle school expectations
- WLA and MSA administration will work together to determine professional development priorities for the 2023-2024 school year
 - PLCs
 - Year 1 - curriculum aligned to the standards
 - Year 2- Learning targets and formative/summative assessments
 - Year 3 - Data Teams
 - MSA has been implementing PLCs and Student Success Teams
 - MSA Plans to send 6-10 more teachers to training this summer, WLA middle school teachers will need to be trained
 - WLA teachers will continue training with Core Knowledge and the Responsive Classroom
 - Both WLA and MSA will train in culturally responsive classrooms, and grading equity, special education services, and English Language Learners training

KEY CONSIDERATIONS

Key questions before moving further ahead:

1. Is there a strategic fit and rationale?
 - a. Is a merger in the best interest of both organizations?
 - b. How will a merger affect the acceleration of each organization's strategic plan?
2. Are there transportation issues?
 - a. What are the parameters for busing?
 - b. What will the cost/cost savings look like?
 - c. If students need to be shuttled between two sites, how would that look, and what would that cost be?
3. How will the transfer of bonds be managed?
 - a. Will consent to merge be required from either/both school's majority bondholder?
 - b. If so, does the math work out?
 - c. If not, will the majority bondholder consent without refinancing?

Next Steps:

1. Develop a communication plan that is consistent between schools.
2. Address bonding questions.
3. Address transportation questions.
4. Determine who can best address each area (expertise, interest, and availability)
5. Develop a backwards timeline.

MDE MERGER PROCESS

MN Statutes 2021, Chapter 317A specify the requirements that charter schools must adhere to in a merger situation as follows:

1. Plan of Merger – charter schools must develop a Plan of Merger which includes the following, and needs to receive approval by vote from both charter school boards:
 - a. Names of the corporations proposing to merger
 - b. Name of the surviving corporation (“the merged school must continue under the identity of one of the merging schools”)
 - c. Terms and conditions of the proposed merger
 - d. Manner and basis for converting memberships of the constituent corporations into memberships of the surviving corporation
 - e. A statement of amendments to the articles of the surviving corporation proposed as part of the merger
2. Articles of a Merger are then filed with the secretary of state and include:
 - a. The Plan of Merger
 - b. Statement that the plan was approved by each board under Chapter 317A
 - c. A statement regarding notice to the attorney general required by section 317A.811
 - d. Per MN Statutes 2021, section 124E.06, subdivision 7(a), the effective date of a merger must be July 1
3. Following the signing and filing of the merger Articles, the surviving charter school will work with its authorizer on executing a new charter contract and submitting necessary documentation to MDE – this must be done by July 1, 2023
4. Finally, MDE will review all required information submitted by the authorizer.

Addendum A

	(815,880)	305,867	422,970	616,348	497,876	502,420	502,461
Math and Science Academy and Woodbury Leadership Academy Long-Range Budget Projection Model February 15, 2023							
	Budget Projections						
	Expansion	Full Capacity					
	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>	<u>2028-2029</u>	<u>2029-2030</u>
Enrollment Projections							
Number of Students Grade K	100	115	115	115	115	115	115
Number of Students Grade 1	110	115	115	115	115	115	115
Number of Students Grade 2	110	115	115	115	115	115	115
Number of Students Grade 3	100	115	115	115	115	115	115
Number of Students Grade 4	90	120	120	120	120	120	120
Number of Students Grade 5	90	120	120	120	120	120	120
Number of Students Grade 6	170	200	200	200	200	200	200
Number of Students Grade 7	152	200	200	200	200	200	200
Number of Students Grade 8	137	200	200	200	200	200	200
Number of Students Grade 9	169	200	200	200	200	200	200
Number of Students Grade 10	120	169	200	200	200	200	200
Number of Students Grade 11	88	120	169	200	200	200	200
Less Adjustment for Grade 11 PSEO	(18)	(24)	(34)	(40)	(40)	(40)	(40)
Adjusted ADM for Grade 11	70	96	135	160	160	160	160
Number of Students Grade 12	69	88	120	169	169	169	169
Less Adjustment for Grade 12 PSEO	(38)	(48)	(66)	(93)	(93)	(93)	(93)
Adjusted ADM for Grade 12	31	40	54	76	76	76	76
Total Enrollment/Headcount	1,505	1,877	1,989	2,069	2,069	2,069	2,069
Total ADM	1,449	1,805	1,889	1,936	1,936	1,936	1,936
Enrollment totals by state pupil unit weighting category							
Total Number of Students Grade 4-6	350	440	440	440	440	440	440
Total Number of Students Grade 7-12	679	905	989	1,036	1,036	1,036	1,036
Total ADM	1,449	1,805	1,889	1,936	1,936	1,936	1,936
Total Number of Current Year Pupil Units (WADM)	1585.34	1985.52	2087.04	2143.26	2143.26	2143.26	2143.26

(815,880)

305,867

422,970

616,348

497,876

502,420

502,461

Math and Science Academy and Woodbury Leadership Academy
Long-Range Budget Projection Model
February 15, 2023

Budget Projections

Expansion

Full Capacity

2023-20242024-20252025-20262026-20272027-20282028-20292029-2030

State Revenue Assumptions and Calculations

General Education Revenue

State Averages Per Pupil Unit

7,000.26

7,140.27

7,283.07

7,428.73

7,577.31

7,728.85

7,883.43

Inflation Rate Assumption-Basic only

2.0%2.0%2.0%2.0%2.0%2.0%2.0%Basic *Excluding* Transportation

\$6,673.63

\$6,807.10

\$6,943.24

\$7,082.11

\$7,223.75

\$7,368.23

\$7,515.59

Gifted and Talented

13.00

13.00

13.00

13.00

13.00

13.00

13.00

Sparsity

31.80

31.80

31.80

31.80

31.80

31.80

31.80

Operating Capital

226.66

226.66

226.66

226.66

226.66

226.66

226.66

Equity

114.49

114.49

114.49

114.49

114.49

114.49

114.49

Referendum

86.80

86.80

86.80

86.80

86.80

86.80

86.80

Transition Allowance

0.67

0.67

0.67

0.67

0.67

0.67

0.67

Transportation

0.00

0.00

0.00

0.00

0.00

0.00

0.00

Total Per Pupil Unit State Revenue**\$7,147.05****\$7,280.52****\$7,416.66****\$7,555.53****\$7,697.17****\$7,841.65****\$7,989.01****Total General Education State Revenue****11,330,503****14,455,622****15,478,874****16,193,462****16,497,038****16,806,686****17,122,526**

8%

8%

8%

8%

8%

8%

8%

Compensatory Revenue

actualestimateestimateestimateestimateestimateestimate

A: Number of Students prior yr. (current year for 1st year)

1274

1505

1877

1989

2069

2069

2069

B: Number of Free Lunch Students prior yr. (or current year for 1st yr.)

106

125

156

165

172

172

172

C: Number of Reduced Lunch Students prior yr. (current yr. for 1st yr.)

24

28

35

37

39

39

39

D: Adjusted Counts = 100% Free, 50% Reduced - (A)

118.00

139.40

173.85

184.22

191.63

191.63

191.63

E: Concentration Portion

0.09

0.09

0.09

0.09

0.09

0.09

0.09

F: Concentration Factor (lesser of 1 or Conc. Portion/ .8)

0.12

0.12

0.12

0.12

0.12

0.12

0.12

G: PU = .6 * D * F

8.20

9.68

12.08

12.80

13.31

13.31

13.31

H: Initial Revenue

50,504

61,017

77,824

84,331

89,701

91,718

93,776

Miscellaneous Adjustment (Rounding)

0

0

0

0

0

0

0

I: Short Year Factor

1

1

1

1

1

1

1

Calculated Compensatory State Revenue ((A) x (B))**50,504****61,017****77,824****84,331****89,701****91,718****93,776**

(815,880) 305,867 422,970 616,348 497,876 502,420 502,461

**Math and Science Academy and Woodbury Leadership Academy
Long-Range Budget Projection Model
February 15, 2023**

	Budget Projections						
	Expansion	Full Capacity					
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Building Lease Aid: Lesser of line a or b below:							
ADM Including PSEO	1,505	1,877	1,989	2,069	2,069	2,069	2,069
WADM Including PSEO	1,052	1,372	1,507	1,603	1,603	1,603	1,603
Lease Expense	<u>2,004,189</u>	<u>2,496,547</u>	<u>2,984,128</u>	<u>3,109,928</u>	<u>3,236,066</u>	<u>3,232,784</u>	<u>3,234,034</u>
a) Lease Aid Rev at \$1,314 per pupil unit	1,382,328	1,803,334	1,979,935	2,106,079	2,106,079	2,106,079	2,106,079
b) Lease Aid Rev at 90% of Lease Expense	1,803,770	2,246,892	2,685,715	2,798,935	2,912,459	2,909,505	2,910,630
Lesser of \$1,314/p.u. or 90% of lease payment	1,382,328	1,803,334	1,979,935	2,106,079	2,106,079	2,106,079	2,106,079
Total Prorated Building Lease Aid Revenue	<u>1,382,328</u>	<u>1,803,334</u>	<u>1,979,935</u>	<u>2,106,079</u>	<u>2,106,079</u>	<u>2,106,079</u>	<u>2,106,079</u>
Lease Aid Revenue per pupil unit (after proration)	<u>1314</u>	<u>1314</u>	<u>1314</u>	<u>1314</u>	<u>1314</u>	<u>1314</u>	<u>1314</u>
Building Lease Aid Analytics:							
Lease Aid Rev that would need to be generated to cover expense at 90%. Max per Statute is \$1,314	<u>1715</u>	<u>1637</u>	<u>1782</u>	<u>1746</u>	<u>1817</u>	<u>1815</u>	<u>1816</u>
How many more WADM would we need to maximize lease aid?	321	338	537	527	614	611	612
Long-Term Facilities Maintenance Revenue							
Revenue per Adjusted Pupil Unit	<u>132</u>	<u>132</u>	<u>132</u>	<u>132</u>	<u>132</u>	<u>132</u>	<u>132</u>
Total Long-Term Facilities Maintenance Revenue	<u>209,265</u>	<u>262,089</u>	<u>275,489</u>	<u>282,910</u>	<u>282,910</u>	<u>282,910</u>	<u>282,910</u>
	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%
Special Education Revenue	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
State Special Education Aid and Tuition Billing	<u>1,555,576</u>	<u>1,661,259</u>	<u>1,712,643</u>	<u>1,757,134</u>	<u>1,792,302</u>	<u>1,828,273</u>	<u>1,864,831</u>
	2%	2%	2%	2%	2%	2%	2%
EL Revenue	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Prior Year EL Eligible ADM	1	35	35	35	35	35	35
Current Year EL Eligible ADM	35	35	35	35	35	35	35
ADM Served	1449	1805	1889	1936	1936	1936	1936
Adjusted EL ADM	35	35	35	35	35	35	35
EL Marginal Cost Pupils	35	35	35	35	35	35	35
EL Revenue	<u>24,640</u>	<u>24,640</u>	<u>24,640</u>	<u>24,640</u>	<u>24,500</u>	<u>24,500</u>	<u>24,500</u>
EL Concentration Revenue	<u>1,837</u>	<u>1,476</u>	<u>1,410</u>	<u>1,376</u>	<u>1,376</u>	<u>1,376</u>	<u>1,376</u>
Total EL Aid	<u>26,477</u>	<u>26,116</u>	<u>26,050</u>	<u>26,016</u>	<u>25,876</u>	<u>25,876</u>	<u>25,876</u>

(815,880) 305,867 422,970 616,348 497,876 502,420 502,461

**Math and Science Academy and Woodbury Leadership Academy
Long-Range Budget Projection Model
February 15, 2023**

	Budget Projections						
	Expansion			Full Capacity			
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Revenue Summary and Projections							
State Aids							
General Education Revenue	11,330,503	14,455,622	15,478,874	16,193,462	16,497,038	16,806,686	17,122,526
Pension Adjustment Revenue	41,026	47,635	58,825	62,717	64,955	66,254	67,579
EL Revenue	26,477	26,116	26,050	26,016	25,876	25,876	25,876
EL Cross-Subsidy Revenue FY22-FY25	499	499	0	0	0	0	0
Compensatory Revenue	50,504	61,017	77,824	84,331	89,701	91,718	93,776
Subtotal	11,449,010	14,590,889	15,641,573	16,366,526	16,677,570	16,990,534	17,309,757
Building Lease Aid	1,382,328	1,803,334	1,979,935	2,106,079	2,106,079	2,106,079	2,106,079
Long-Term Facilities Maintenance Revenue	209,265	262,089	275,489	282,910	282,910	282,910	282,910
Prior Year Over/Under accruals/Rounding Adjustment	0	0	0	0	0	0	0
Special Education Aid	1,555,576	1,661,259	1,712,643	1,757,134	1,792,302	1,828,273	1,864,831
ADSSIS Aid		24,640	26,470	27,181	27,837	28,382	28,928
Endowment Aid	54,180	67,456	70,618	72,370	74,673	74,673	74,673
Literacy Aid	0	51,336	52,400	53,400	54,500	55,600	56,700
Government Wide Pension Audit Entry	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total State Aids	14,665,360	18,476,003	19,774,129	20,680,601	21,030,870	21,381,452	21,738,879
Federal Revenue							
Federal Special Ed	120,498	153,000	163,400	170,800	174,200	177,700	181,300
Title I Funds	30,929	39,300	42,000	43,900	44,800	45,700	46,600
Title II Funds	14,825	18,800	20,100	21,000	21,400	21,800	22,200
CARES and ESSER Funding	0	0	0	0	0	0	0
Total Federal Revenue	166,252	211,100	225,500	235,700	240,400	245,200	250,100

(815,880) 305,867 422,970 616,348 497,876 502,420 502,461

**Math and Science Academy and Woodbury Leadership Academy
Long-Range Budget Projection Model
February 15, 2023**

	Budget Projections						
	Expansion	Full Capacity					
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Other Revenue							
Fees from Patrons: Milk, Graduation Gear, AP Exam (005-050)	60,100	81,600	91,000	97,200	99,100	101,100	103,100
Fees From Patrons: Study Hall (920-050)	8,300	11,300	12,600	13,500	13,800	14,100	14,400
Fees from Students/ Field Trip (105-050)	72,200	91,700	97,900	102,300	104,300	106,400	108,500
Third Party Billing	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Interest Revenue	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Annual Fund (255)/Dragon Dinner	75,000	75,000	75,000	75,000	75,000	75,000	75,000
200 Give to the Max, other donations	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Donations and Miscellaneous Grants, Tech FR	0	0	0	0	0	0	0
Miscellaneous Income/Sale of Equipment	0	0	0	0	0	0	0
Year Book Revenues	4,000	5,100	5,400	5,600	5,700	5,800	5,900
Student Activity Revenue/ExtraCurricular	125,000	169,700	189,300	202,200	206,200	210,300	214,500
Total Other Revenue	413,500	503,300	540,100	564,700	573,000	581,600	590,300
Total Revenue	15,245,112	19,190,403	20,539,729	21,481,001	21,844,270	22,208,252	22,579,279

(815,880) 305,867 422,970 616,348 497,876 502,420 502,461

**Math and Science Academy and Woodbury Leadership Academy
Long-Range Budget Projection Model
February 15, 2023**

	Budget Projections						
	Expansion	Full Capacity					
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Expenditure Calculations							
<u>New Staff Calc - Staff increases based on enrollment increases</u>							
Actual/projected enrollment change from prior year	905	355	85	47	0	0	0
Added new teacher FTE's - calculated at 22:1 ratio (rounded)	41.0	16.0	4.0	2.0	0.0	0.0	0.0
<u>Other Teachers/Non-teachers Added</u>							
Additional staff budget added	627,915	340,000	100,000	0	0	0	0
Total new teachers added/subtracted							
Projected new teacher (1FTE) Salary cost	60,000	60,000	61,200	62,424	63,672	64,946	66,245
Added salary cost - teachers (added FTE's times cost)	2,460,000	960,000	244,800	124,848	0	0	0
Added cost - others per above	627,915	340,000	100,000	0	0	0	0
<u>Inflation Assumptions</u>							
Salaries	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other costs	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<u>Budget Calculations</u>	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
100 Salaries	6,048,900	7,469,900	7,964,100	8,248,200	8,413,200	8,581,500	8,753,100
200 Benefits	1,935,648	2,390,368	2,548,512	2,639,424	2,692,224	2,746,080	2,800,992
100 Extracurricular Stipends	80,300	81,900	83,500	85,200	86,900	88,600	90,400
305 Contracted Services	594,800	755,400	806,600	843,100	860,000	877,200	894,700
315 Repairs and Maintenance for Computers	83,900	106,500	113,700	118,900	121,300	123,700	126,200
320 Communications Services	45,400	57,700	61,600	64,400	65,700	67,000	68,300
329 Postage	6,500	8,300	8,900	9,300	9,500	9,700	9,900
330 Utilities	546,200	557,100	568,200	579,600	591,200	603,000	615,100
340 Insurance	83,125	84,800	86,500	88,200	90,000	91,800	93,600
350 Repairs and Maintenance	273,315	347,100	370,600	387,400	395,100	403,000	411,100
360 Transportation	200,000	254,000	271,200	283,500	289,200	295,000	300,900
360 Field Trip Transportation	22,640	28,800	30,800	32,200	32,800	33,500	34,200

(815,880)

305,867

422,970

616,348

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Math and Science Academy and Woodbury Leadership Academy
Long-Range Budget Projection Model
February 15, 2023

	Budget Projections						
	Expansion			Full Capacity			
	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>	<u>2028-2029</u>	<u>2029-2030</u>
366/368 Travel and conferences	141,600	179,800	192,000	200,700	204,700	208,800	213,000
366/368 Admin Professional Development	15,800	16,100	16,400	16,700	17,000	17,300	17,600
369 Field Trip Admissions	56,800	72,100	77,000	80,500	82,100	83,700	85,400
Lease Payments per Amended Lease (Nov 2020)	547,766	547,766	547,766	547,766	547,766	547,766	547,766
8490 Woodbury Crossing (Bldg C)	70,600	0	0	0	0	0	0
8490 Woodbury Crossing Real Estate Taxes (Bldg C)	23,800	24,300	24,800	0	0	0	0
8500 Woodbury Crossing (Bldg D)	108,298	0	0	0	0	0	0
Renovation Bonds	0	609,881	1,069,763	1,219,763	1,345,700	1,342,418	1,343,668
New site Bonds	1,253,725	1,314,600	1,341,800	1,342,400	1,342,600	1,342,600	1,342,600
570 Total Lease Expense	2,004,189	2,496,547	2,984,128	3,109,928	3,236,066	3,232,784	3,234,034
335 Other Rentals and Operating Leases	3,400	4,300	4,600	4,800	4,900	5,000	5,100
380 Computer and Tech Related Hardware Rental	6,800	8,600	9,200	9,600	9,800	10,000	10,200
389 Staff Tuition Reimbursement	2,700	3,400	3,600	3,800	3,900	4,000	4,100
401/455/465 General Supplies	165,650	210,500	224,800	235,000	239,700	244,500	249,400
401 Maintenance Supplies	115,500	163,900	175,000	182,900	186,600	190,300	194,100
405 Non-Instructional Computer Software & Licensing	81,500	103,500	110,500	115,500	117,800	120,200	122,600
406 Instructional Software Licensing	119,300	151,500	161,800	169,100	172,500	176,000	179,500
430/456/466 Instructional Supplies	95,000	120,900	129,100	134,900	137,600	140,400	143,200
460 Textbooks and Workbooks	148,300	164,000	175,100	183,000	186,700	190,400	194,200
461 Standardized Tests	45,400	57,700	61,600	64,400	65,700	67,000	68,300
490 Food	10,500	13,300	14,200	14,800	15,100	15,400	15,700
505/506 Capitalized Technology Software	21,200	26,900	28,700	30,000	30,600	31,200	31,800
530 Furniture and Other Equipment	323,910	122,300	13,800	14,400	14,700	15,000	15,300
555/556 Technology Hardware (Capitalized)	551,644	346,044	234,094	244,700	249,600	254,600	259,700
560 Capital Leases	67,900	86,200	92,000	96,200	98,100	100,100	102,100
820 Dues and memberships	84,800	107,700	115,000	120,200	122,600	125,100	127,600

(815,880) 305,867 422,970 616,348 497,876 502,420 502,461

**Math and Science Academy and Woodbury Leadership Academy
Long-Range Budget Projection Model
February 15, 2023**

	Budget Projections						
	Expansion	Full Capacity					
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
898 Scholarships	1,400	1,800	1,900	2,000	2,000	2,000	2,000
Annual Fund (25S)/Capital Campaign	37,500	37,500	37,500	37,500	37,500	37,500	37,500
State Special Ed Expenditures / ESY	1,663,718	1,776,748	1,831,704	1,879,288	1,916,900	1,955,372	1,994,472
Salaries	1,018,528	1,038,900	1,059,700	1,080,900	1,102,500	1,124,600	1,147,100
Benefits	325,929	332,448	339,104	345,888	352,800	359,872	367,072
Contracted Services	306,261	388,900	415,300	434,100	442,800	451,700	460,700
Supplies	13,000	16,500	17,600	18,400	18,800	19,200	19,600
ADSS	44,800	48,128	49,420	50,612	51,604	52,596	53,720
Salaries	29,800	30,400	31,000	31,600	32,200	32,800	33,500
Benefits	8,700	9,728	9,920	10,112	10,304	10,496	10,720
Supplies	6,300	8,000	8,500	8,900	9,100	9,300	9,500
Third Party Billing	2,700	3,400	3,600	3,800	3,900	4,000	4,100
Federal Special Ed Expenditures	120,498	153,000	163,400	170,800	174,200	177,700	181,300
Title I Funds	30,929	39,300	42,000	43,900	44,800	45,700	46,600
Title II Funds	14,825	18,800	20,100	21,000	21,400	21,800	22,200
CARES and ESSER Funding	0	0	0	0	0	0	0
Budget Contingency (Director)	2,000	4,000	6,000	8,000	10,000	12,000	14,000
Student Activity Expenses	125,000	169,700	189,300	202,200	206,200	210,300	214,500
Give to the Max donations offset with expenditures	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Pension Expense (Offset by Revenues)	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Expenditures	16,060,992	18,884,535	20,116,759	20,864,653	21,346,394	21,705,832	22,076,818
Formula Check	16,060,991	18,884,535	20,116,758	20,864,652	21,346,394	21,705,832	22,076,818

(815,880) 305,867 422,970 616,348 497,876 502,420 502,461

**Math and Science Academy and Woodbury Leadership Academy
Long-Range Budget Projection Model
February 15, 2023**

	Budget Projections						
	Expansion	Full Capacity					
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Annual Surplus	(815,880)	305,867	422,970	616,348	497,876	502,420	502,461
Beginning fund Balance	<u>2,318,779</u>	<u>3,771,889</u>	<u>4,077,757</u>	<u>4,500,727</u>	<u>5,117,075</u>	<u>5,614,951</u>	<u>6,117,371</u>
Fund balance from merger	2,268,990						
Ending Fund Balance	<u>3,771,889</u>	<u>4,077,757</u>	<u>4,500,727</u>	<u>5,117,075</u>	<u>5,614,951</u>	<u>6,117,371</u>	<u>6,619,832</u>
Per Audit							
Fund Balance Percentage of Annual Expenditures	<u>23.5%</u>	<u>21.6%</u>	<u>22.4%</u>	<u>24.5%</u>	<u>26.3%</u>	<u>28.2%</u>	<u>30.0%</u>
Days Cash on Hand (30 required)	63	55	58	65	56	61	67
Debt Service Coverage (1.00 required)	1.11	1.38	1.28	1.34	1.29	1.29	1.29