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Lincoln Academy predicts gap between state funding and educational costs

By HILLARY GAVAN Senior staff writer
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The Lincoln Academy is shown on Feb. 25. The Lincoln Academy will receive less tax dollars for its students than traditional public schools, with financial gaps to be filled in by the Hendricks Family Foundation in the first five years of the school.

Hillary Gavan/Beloit Daily News

BELOIT — The Lincoln Academy charter school will receive less government funding for its students than traditional public schools.

The resulting financial gap will be filled by the Hendricks Family Foundation in the first five years, along with other private funding commitments, donations and potential grants.

“Because of school finance policies, charter schools throughout the country must always do more with less and must raise private resources such as grants, private donations and sponsorships in order to fund school operations. The same will be true for The Lincoln Academy,” said Kids First Beloit Board of Directors Secretary Lisa Furseth.

Financial documents related to the Phase II application to the University of Wisconsin Office of Educational Opportunity (OEO) project a potential funding gap of \$10,254,868 beyond anticipated state and federal revenues over the first five years of school operation.

The \$10,254,868 is based on the charter school per pupil rate of \$8,911 for the 2019-2020 year, the time period when the academy projected its budget and compiled the phase II application documents. The figure does not account for annual revenue increases that may occur.

The new school, which is under construction at 608 Henry Ave., began enrolling students Feb. 1 and is scheduled to open this fall. There is space for 400 students in the first year, and at full capacity it will take up to 700 students. Tuition is free for families because the academy is a taxpayer-supported school authorized through the University of Wisconsin System.

Hendricks Commercial Properties donated the 4.2-acre site on the Eclipse Center campus to Kids First Beloit, the not-for-profit organization incubated by Beloit 200 to launch the school. Funds for construction of the three-story, 112,000-square-foot school on the site are being donated.

The Lincoln Academy does not have authority to levy local property taxes, but will receive state and federal aid. In the 2020-2021 academic year, independent charter schools received \$9,165 in per-pupil payments, according to the Wisconsin Department of Public Instruction website at <https://dpi.wi.gov>.

Furseth acknowledged there is a gap between how much the school will receive in taxpayer aid and what it will cost to educate students.

“The first year operating budget is still being developed and has not yet been presented to the board. The Lincoln Academy is in the process of enrolling students, hiring staff, establishing benefit plans and finalizing building designs, all of which have an impact on the operating budget. We anticipate a gap of approximately \$2,000 per student. With 400 students projected in the first year, there will be a approximate \$800,000 gap for year one,” Furseth said.

According to a letter of commitment dated Feb. 14, 2020 signed by President and Chairman of Hendricks Family Foundation Diane Hendricks, the foundation committed to fund planning expenses, to provide resources necessary to fund facility construction or renovation expenses, and to budget operating expenses in excess of those supported by state, federal and local contributions through the first five years of operation. Hendricks also committed to work with the Kids First governing board to establish a long-term sustainability plan for The Lincoln Academy.

Despite the promised support of the Hendricks Family Foundation the school will need run a lean shop, Furseth said.

“Salary ranges will be based on comparable scales in the area,” she said.

“It will be important to have high quality educators working with scholars,” Furseth said.

While the Lincoln Academy can’t participate in the Wisconsin Retirement System for its staff, it has a plan that includes a match and a bonus structure based on criteria such as academic and achievement goals.

The Lincoln Academy organizers are working to build out a list of donation opportunities that will be publicized on the school’s website.

Opportunities will focus on enrichment programs for students and may include things like sponsoring an athletic team or school club, providing equipment for exploration spaces, and supporting families in the purchase of uniforms, shoes or other items. Local businesses may donate through participation in career and exploration programming. Anyone interested in learning more can contact Kristi Cole, CEO of The Lincoln Academy at Kristi.Cole@tlabeloit.com.

The Beloit School District current enrollment average is 6,738 students for 2020-2021. The figure represents a three-year rolling average. Maximum state aid per student is \$10,031 in 2020-2021, meaning the district received roughly a total of \$67,588,878 from the state. In addition, the total property tax levy for 2020-2021 is \$17,522,775. Out of that levy, \$4,257,062 went to general operations, and the remainder went to referendum and non-referendum debt, according to information provided by Beloit School District Executive Director of Business, Human Resources and Operations JoAnn Armstrong.

The total amount of money from both state aid and property taxes, divided by the three-year rolling average of 6,738 students, suggests per-student funding of approximately \$12,632 for the district in 2020-2021, including non-classroom expenses such as debt service.

Hillary Gavan