



Magnolia Public Schools

Finance Committee Meeting

Date and Time

Friday May 31, 2019 at 5:30 PM PDT

Location

Teleconference Dial:1.844.572.5683,,1948435

Access to the Board Meeting:

Any interested parties or community members may attend the meeting remotely, or from where committee members are joining from:

- MSA Santa Ana: 2840 W. 1st St., Santa Ana CA 92703 (Mr. Shohrat Geldiyev)
- 11935 Dorothy St. Apt. 206 Los Angeles, CA 90049 (Dr. Saken Sherkhanov)
- 1363 Ridgecrest Rd Pinole, CA 94564 (Mr. Serdar Orazov)
- 7401 Madora Ave. Winnetka, CA 91306 (Ms. Sandra Covarrubias)

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Finance Committee Members:

Mr. Serdar Orazov, Chair
Dr. Saken Sherkhanov
Ms. Sandra Covarrubias
Mr. Shohrat Geldiyev

CEO and Superintendent:

Mr. Alfredo Rubalcava

Agenda

	Purpose	Presenter	Time
I. Opening Items			05:30 PM
A.	Call the Meeting to Order		
B.	Record Attendance and Guests		

- C. Public Comment 1 m
- D. Approval of Agenda Vote
- E. Approval of Minutes from Special Finance Committee Meeting- March 19, 2019 Approve Minutes
- Approve minutes for Regular Finance Committee Meeting on March 19, 2019

II. Recommendation of Action Items 05:31 PM

- A. Recommended Approval of Revised Home Office Staff Salary Bands Vote Suat Acar 15 m
- B. Recommendation of Approval for 2019-20 MPS Proposed Budget Vote Nanie Montijo 75 m

III. Closing Items 07:01 PM

- A. Adjourn Meeting Vote

Cover Sheet

Approval of Minutes from Special Finance Committee Meeting- March 19, 2019

Section: I. Opening Items
Item: E. Approval of Minutes from Special Finance Committee Meeting- March 19, 2019
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Regular Finance Committee Meeting on March 19, 2019



Magnolia Public Schools

Minutes

Regular Finance Committee Meeting

Date and Time

Tuesday March 19, 2019 at 7:00 PM

Location

MPS Home Office: 250 E. 1st St. Ste. 1500 Los Angeles, CA 90012

Committee Members who joined remotely participated for the following locations:

- MSA Santa Ana: 2840 W. 1st St., Santa Ana CA 92703 (Mr. Shohrat Geldiyev)
- 1363 Ridgecrest Rd Pinole, CA 94564 (Mr. Serdar Orazov)

Finance Committee Members:

Mr. Serdar Orazov, Chair
Dr. Saken Sherkhanov
Ms. Sandra Covarrubias
Mr. Shohrat Geldiyev

CEO and Superintendent:

Mr. Alfredo Rubalcava

Committee Members Present

S. Covarrubias, S. Geldiyev (remote), S. Orazov (remote), S. Sherkhanov

Committee Members Absent

None

I. Opening Items

A. Call the Meeting to Order

S. Sherkhanov called a meeting of the Finance committee of Magnolia Public Schools to order on Tuesday Mar 19, 2019 @ 7:19 PM at MPS Home Office: 250 E. 1st St. Ste. 1500 Los Angeles, CA 90012.

B. Record Attendance and Guests

C. Public Comment

Two letters from MSA 1 teachers and classified staff members were received and read out to the committee. The letters presented the concern of having Magnolia Public Schools increase the salary base to be competitive to that of the Los Angeles Unified School District. The letters offered examples of staff turn over at Magnolia Science Academy-1. No other public comments were made.

D. Approval of Agenda

S. Orazov made a motion to approve the agenda as presented.
S. Sherkhanov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

E. Approval of Minutes from Special Finance Committee Meeting- January 17, 2019

S. Orazov made a motion to approve minutes from the Special Finance Committee Meeting on 01-17-19.
S. Covarrubias seconded the motion.
The committee **VOTED** unanimously to approve the motion.

II. Recommendation of Action Items

A. Employee Pay Raise Scale for Full-Time Teaching Positions & Non-Classroom-Based Academic Positions

A. Rubalcava, MPS CEO & Superintendent, presented the proposed salary increase for teachers. He explained that this was already presented to teachers, feedback from principals was obtained and the finance department worked on each school's budget. S. Orazov, MPS Finance Committee Chair, explained his concern regarding schools being able to afford the increase in future years and not just in 2019-20. He directed staff to do additional finance reporting and plans to addresses decrease in revenues. This item was tabled for further discussion, it will be discussed by the full board.

B. MPS Employee Pay Raise Scale for School Leader Positions

This item was discussed long with item II B. In addition to the details mentioned above, this information was also discussed.

S. Sherkhanov, MPS Finance Committee Member, emphasized the importance of increasing the schools enrollment and requested to see preliminary budgets for each school before approving the salary increase, he wants to ensure all decisions are fiscally responsible decisions. S. Orazov, MPS Finance Committee Chair, added his concern about the schools being able to afford this increase for years to come and not only for the upcoming fiscal year. He also stated that he understands the need for the increase in order to retain qualified teachers. The committee requested staff to create a plan for each school to implement if there are any unexpected expenses and low enrollments. S. Covarrubias, MPS Finance Committee Member, stated that she wanted to make teacher retention a priority to reduce staff turnover and the importance of offering competitive salaries. She also mentioned that the board needs to focus allocating funds to teacher salaries and reducing expenses in other places. D. Hajmeirza, MPS Human Resources Director, went over the salary comparison amongst other local schools and health benefit details. The committee decided to table this item for further discussion with the full board once additional reports have been submitted.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:26 PM.

Respectfully Submitted,
S. Sherkhanov

Cover Sheet

Recommended Approval of Revised Home Office Staff Salary Bands

Section: II. Recommendation of Action Items
Item: A. Recommended Approval of Revised Home Office Staff Salary Bands
Purpose: Vote
Submitted by:
Related Material: II A Home Office Salary Bands 2019-20.pdf



MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	II A- Recommended Action Item
Date:	05.31.2019
To:	Board of Directors, Finance Committee
From:	Alfredo Rubalcava, CEO
Staff Lead:	Suat Acar, COO
RE:	Home Office Compensation, Salary Bands & Job Titles Revision

Proposed Board Motion

I move that the board approve the revised salary band for Home Office Positions.

Background

Salary range (or salary bands) is the range of pay that has been established to pay the employees performing a particular job or function. Salary range generally has a minimum pay rate, a maximum pay rate, and a series of mid-range opportunities for pay increases. Pay rates and salary ranges are also set up by employers and recognize the level of education, knowledge, skill, and experience needed to perform each job. The salary range demonstrates the interrelationships of the jobs utilized by an employer. The salary range arranges pay increases without promotion at each level.

The salary bands approved by the MPS Board 09.10.2015 was determined by market pay rates, established through market pay studies, for people doing similar work in similar industries in Los Angeles, CA (Please see appendix 5 for 2015 MPS Board approved Band). During the past 4 years this band has been used as basis for defining the ranges we could offer to specific positions, however this band is now mostly outdated. Here are the outdated portions of the current band:

- 1- The current 2019 home office org chart does not have certain C- Level positions and departments (such as development department) which were planned as part of growth plans back then.
- 2- Also home office departments now need now positions based on the emerging needs of school sites and the CMO (such as Math Coach and Assistant Director of Student Services positions which were approved within the past 2-3 years).
- 3- Also we now have an Accountability department which was built based on needs and was not existing in the previous band.
- 4- Some positions are now too close to their max levels. Therefore, the band will not be covering possible increases to the salaries of these employees.

Analysis (If applicable)

- 1- This proposed salary band does not intend to change the method used in the previous band (See appendix 5). Therefore, we used the same broadband method (please see appendix 1 for advantages and disadvantages of “broadbanding”) methodology, which defines a wide range with a minimum,

maximum and an average.

- 2- The minimum (MIN in the chart 2) salaries are defined with respect to the federal minimum wage descriptions (\$7.25 effective as of July 24, 2009, Appendix 3) as well as the market rates (which were also used to define the existing salaries of current employees with the previous board approved salary band) & current 2018-19 salaries of the home office employees along with school leader salaries. (Please refer to the Appendix 2 for the board report prepared by the home office for 06.28.2016 board meeting to go over Charter Schools Benchmark Metrics)
- 3- This proposed salary band focuses on 6 main position types as in chart 1. This is the major change we propose to make in the salary bands: The proposed band will not limit the bands to the job titles but to the position types. The Home Office will be more flexible to adapt new job titles depending on emerging needs and be able to make an offer without conflicting with the salary band. Please see sample job titles in chart 1.
- 4- There are 6 position types (band groups) proposed in this salary band (chart 1), 5 range limits and 4 salary bands for each position type (chart 2 and chart 3).

CHART 1		
Position types (Band Groups) (2019+)	Band group	Job title samples (Home Office can change/add titles as needed)
CEO	A	CEO, Superintendent
C-Level, Executive Positions	B	COO, CFO, CAO (All Chief titles & Legal Counsel)
Director/Controller Level Positions, Senior Level Positions	C	Director, Controller, Data Manager (Assessment, Academics etc.), Senior Assistant Directors, Senior Financial Analyst
Administrators, Analysts, managers, coordinators, Assistant Directors	D	HR Administrator, HR Specialist, HR Manager, Finance Managers, Coordinator (HR, EL, Math etc.), Assistant Director (Student services, HR etc.), Coaches (Math, Science etc.), Financial Analyst
Clerks/ Assistants	E	Accounting Clerks, Accountant, Account Payable/Receivable, Compliance/payroll Manager, Administrative Assistant (HR-Academic-Accountability-Executive), Communications Outreach Clerks (Parental Engagement Staff, Event Coordinator, Renewal Manager)
Hourly/Office (Appendix 4)	F	Office Assistants, Assistants to departments

Each band group has 5 range limits (chart 2) and 4 bands (chart 3). The minimum limit for the range band number 1 (chart 1) is the minimum salary for that position group. The minimum limit for the next band is 13% more than minimum limit and each of the following band group minimum limits are calculated by the additional 13% increase rate on top of the previous band number. In summary the MAX limit is 52% more than the MIN limit. This helps home office to use this band for a longer time period. Please see this below analysis prepared to show what the salaries would look like in the next 9 years, starting with MIN salaries, with an estimated 5% increase every fiscal year. As seen the MAX limit is reached in 9 years for all bands.

	1	2	3	4	5	6	7	8	9
	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
135,000	141,750	148,838	156,279	164,093	172,298	180,913	189,959	199,456	209,429
90,000	94,500	99,225	104,186	109,396	114,865	120,609	126,639	132,971	139,620
65,000	68,250	71,663	75,246	79,008	82,958	87,106	91,462	96,035	100,836
50,000	52,500	55,125	57,881	60,775	63,814	67,005	70,355	73,873	77,566

CHART 2	25 Employees	Salary Band Range Limits				
		MIN LIMIT		AVERAGE		MAX LIMIT
% Change/band: 13%	Band group & # of Employees	1	2	3	4	5
Positions Type (2019-20)						
CEO	A (1)	MPS BOARD OF DIRECTORS' DISCRETION				
C-Level, Executive Positions	B (5)	\$135,000.00	\$152,550.00	\$170,100.00	\$187,650.00	\$205,200.00
Director/Controller Level Positions, Senior Level Positions	C (7)	\$90,000.00	\$101,700.00	\$113,400.00	\$125,100.00	\$136,800.00
Administrators, Analysts, managers, coordinators, Assistant Directors	D (6)	\$65,000.00	\$73,450.00	\$81,900.00	\$90,350.00	\$98,800.00
Clerks/ Assistants	E (6)	\$50,000.00	\$56,500	\$63,000.00	\$69,500.00	\$76,000.00
Hourly/Office	F (0)	\$18.00	\$20.34	\$22.68	\$25.02	\$27.36

The bands in chart 3 below are structured with respect to the 5 limit dollar amounts explained in chart 2. The home office has 24 employees plus the CEO. The Chart 3 below provides the distribution of salaries (except the CEO) across the bands (numbers in parenthesis). As seen below 13 of the 24 home office employees currently are in the Band 1 groups, 5 are in Band 2 groups, 6 are in Band 3 groups and there is no Band 4 employee with respect to the 2018-19 employment agreements' annual gross dollar amounts.

CHART 3	24 Employees	BAND GROUPS & CURRENT DISTRIBUTION OF SALARIES			
Positions Type (2019- 20)	Band group & # of Employees	1 (13)	2 (5)	3 (6)	4 (0)
C-Level, Executive Positions	B (5)	\$135,000- \$152,550 (3)	\$152,550- \$170,100 (1)	\$170,100- \$187,650 (1)	\$187,650- \$205,200 (0)
Director/Controller Level Positions, Senior Level Positions	C (7)	\$90,000- \$101,700 (5)	\$101,700- \$113,400 (1)	\$113,400- \$125,100 (1)	\$125,100- \$136,800 (0)
Administrators, Analysts, managers, coordinators, Assistant Directors	D (6)	\$65,000- \$73,450 (2)	\$73,450- \$81,900 (2)	\$81,900- \$90,350 (2)	\$90,350- \$98,800 (0)
Clerks/ Assistants	E (6)	\$50,000- \$56,500 (3)	\$56,500- \$63,000 (1)	\$63,000- \$69,500 (2)	\$69,500- \$76,000 (0)
Hourly/Office	F (0)	\$18.00- \$20.34	\$20.34- \$22.68	\$22.68- \$25.02	\$25.02- \$27.36

This proposed salary band does not propose any rubric to calculate the salary increases, or a way for promotions. The salary calculations, salary increases and promotions will be processed by a team consisting related supervisor(s), HR and the CEO.

Budget Implications

The proposed band does not propose a certain way to increase individual salaries of home office employees or decide at which band/range to start a newly hired employee. Therefore, there is no budget impact caused by this band.

Reviewed and approved by Chief Financial Officer.

Exhibits (attachments):

Appendix 1: Advantages of Broadbanding:

<https://www.payscale.com/compensation-today/2011/04/advantages-of-broadbanding>

Appendix 2: Board report for Charter School Benchmark Metrics dated June 28, 2016

Appendix 3: Federal Minimum Wage from U.S. Department of Labor website

<https://www.dol.gov/whd/flsa/>

Appendix 4: Link from CA Department of Industrial Relations. California set the minimum to increase gradually to \$15/hour by 2023 for companies of MPS's size. Currently this proposed band's minimum hourly rate is \$18/hour.

https://www.dir.ca.gov/dlse/faq_minimumwage.htm

Appendix 5: First MPS Home Office Salary Band approved in 2015

Revision History:

Revision	Date	Description of changes	Requested By
0	09/10/15	Initial Release	Terri Boatman, HR Director
1	05/31/19	Revised the 2015 band by introducing bands with no job title limitations. Revised min and max salary bands.	Suat Acar, COO



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THE ADVANTAGES OF BROADBANDING

Topics: [Comp Strategy](#), [Modernizing Comp](#), [Pay Equity](#)

The Advantages and Disadvantages of Broadbanding Broadbanding is the term applied to having extremely wide salary bands, much more encompassing than with traditional salary structures. Whereas a typical salary band has a 40 percent difference in pay between its minimum and maximum, broadbanding would typically have a 100 percent difference. Most of the time, creating enormously large bands is done as a measure to support a restructuring. It combines and consolidates the number of levels or job grades. This article will discuss the advantages of broadbanding in an overall compensation strategy, as well as the disadvantages.

APRIL 28, 2011

The Advantages and Disadvantages of Broadbanding

Broadbanding is the term applied to having extremely wide salary bands, much more encompassing than with traditional salary structures. Whereas a typical salary band has a 40 percent difference in pay between its minimum and maximum, broadbanding would typically have a 100 percent difference. Most of the time, creating enormously large bands is done as a measure to support a restructuring. It combines and consolidates the number of levels or job grades. This article will discuss the advantages of broadbanding in an overall compensation strategy, as well as the disadvantages.

THE ADVANTAGES OF BROADBANDING

STREAMLINES HIERARCHY

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Compensation Plan to Your Employees.”

Sometimes an organization has become too hierarchical for the strategic direction of the company; finding it has become too slow to react, taking too much time to get information from the top down and even less effective at getting messages from the lower rungs up to the ears of senior management. Broadbanding reduces the number of levels or layers within a company. This is the best face-saving way for an organization to collapse salary ranges and supporting de-layering. This flattens an organizational structure and reduces the hierarchy.

FACILITATES INTERNAL MOVEMENT

Whether we like it or not, some great person-to-job matches just do not happen because of the way a job has been classified or positioned with an assigned salary band. If that new position is not a lateral or at a higher rung, most rational people will not seriously consider a transfer that results in a demotion. That is just not a positive step for their career development. With broadbanding, more internal movement is facilitated, because the probability increases that one's current job and alternate position are within the same enormous range of pay. This makes pay take a back seat and puts forward other attributes of a position, encouraging internal mobility and potentially more developmental assignments.

PUTS ADDED TRUST IN MANAGMENT

With broadbanding, managers have great latitude to pay what they want to an employee. This absolutely can reduce the push-pull between the hiring manager and the human resources organization. Now the issue of pay shifts to the control of the hiring manager and the challenge of “Does one have enough money in the current budget?” or not. The perception of HR as a regulating gate keeper to preserve the salary structure diminishes. Managers are entrusted with greater autonomy.

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THE DISADVANTAGES OF BROADBANDING

NO AWARENESS OF EXTERNAL MARKET RATES

Traditional salary structures, when done right, give current information to your management team about what market rates are. With broadbanding, if a manager wants to pay at the market midpoint, they are left

baffled and guessing. There is no midpoint in a broad band. That also means the compa-ratio tool can not be used.

MAY LEAD TO INEQUITIES

Broadbanding's flexibility and trust in management may or may not be warranted. In a broadbanding system, it is relatively easy to have two people with the same responsibilities have earnings that are thousands and thousands of dollars apart. Broadbanding weakens the linkage between salary growth and skill development for the next higher-level, since it is so far off as to not be a motivator. Do you want supervisors and their direct reports in the same pay band? That can easily happen with broadbanding.

It only takes a few reckless managers rewarding a few individuals inappropriately to have an entire pay system called into question. Whether your pay system is fair or not fair is not quite as important as if it is perceived as fair. If your pay system is perceived as not fair, you could see an increase in EEOC complaints. Did you know the Department of Labor added 700 additional auditors after the passage of the Lilly Ledbetter Equal Pay Act in 2009? People don't call and ask for an audit when they believe their conditions are fair.

LACK OF COST CONTROLS

It certainly may call into question why have salary bands at all if they are so wide. You need to evaluate if your other cost control training and measures are strong enough to hand over this much authority and autonomy to your managers. Moving to broadbanding may require thinking through other incentives that had previously been tied to salary grades, such as bonuses or stock.

PROMOTIONS

In my opinion the absolute worst thing about broadbanding is the severe reduction in opportunities for promotions. Fewer salary bands lead to fewer opportunities to climb to the next band; meaning fewer promotions to celebrate with family and friends. Think seriously before you minimize this great motivational tool. If you are committed to moving to broadbanding, yet this is of concern to you, keep an eye on your turnover rates and conduct exit interviews to monitor the pulse of why your talent is moving to your competitors.

CONCLUSION

It is your call whether broadbanding is a tool for use in your organization or not. Broadbanding is a very effective tool to reduce salary grades or job classifications, but it definitely has its drawbacks.

Regards,

Beverly Dance, MBA, SPHR-CA, CCP, CEBS

dance@mba.berkeley.edu

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Jackie X



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Brunner the bounty hunter



Thank you for this article. It was a huge help in understanding broadbanding and helping with my assignment.

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MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	
Date:	June 28, 2016
To:	MPS Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Oswaldo Diaz
RE:	Charter School Benchmark Metrics

CHARTER SCHOOL BENCHMARK METRICS

During the June 6, 2016 Board meeting, the Board requested an operating metrics surveying competing charter school management organizations to compare Magnolia Public Schools to. As such, Oswaldo Diaz and Steven Kao analyzed the latest available Tax Form 990 filings and audited financial statements for numerous charter school management organizations operating in the State of California and created a spreadsheet displaying the findings. It should be noted that the latest available tax filings and financial statements ranged between 2012 and 2015. This memo will focus on the Tax 990 Forms since they provide more detailed expense breakouts. A table of metrics derived from the latest available audited financial statements will be included in the Appendix for support and backup. Below is a summary of the dataset's Tax Form 990 filings adjusted to exclude charitable donations, which skewed the data (explained in following sections):

	Magnolia Tax Year 2014	High Tech High Tax Year 2013	ICEF Tax Year 2013	King Chavez Tax Year 2013	Aspire Tax Year 2014	Green Dot Tax Year 2014	KIPP LA Tax Year 2013	Rocketship Tax Year 2013	Dataset Average
Districts	1	2	4	4	3	3	1	3	5
Schools	1	2	4	4	3	3	1	3	5
Enrollment	790	1,000	2,200	2,000	4,600	2,025	2,873	1,500	903
Revenue	4,357,458	1,671,872	9,500,276	10,032,005	17,632,038	26,810,769	9,304,617	1,673,472	7,497,813
Revenue Per Student	5,529	1,665	4,273	5,016	3,833	13,263	3,651	1,116	8,341
Revenue Per School	5,529	835,936	2,375,069	2,504,000	3,833,668	13,263,673	4,822,388	574,824	1,523,398
Charitable Grants			110,297		2,708,825	259,188	7,963,638	581,197	202,893
Revenue (Excluding Charity)	4,357,458	1,671,872	9,389,979	10,032,005	14,923,213	26,551,581	1,340,979	1,092,275	7,294,920
Revenue Per Student	5,529	1,665	4,221	5,016	3,243	12,753	3,090	1,045	8,091
Revenue Per School	5,529	835,936	2,315,984	2,504,000	3,243,668	12,753,673	3,090,979	1,045,713	1,523,398
Program Expenses	4,546,342	1,217,926	10,471,152	13,903,936	25,187,472	34,851,715	13,324,928	13,982,630	15,310,763
Per Student	5,755	1,218	4,733	6,952	5,454	7,571	4,885	9,288	16,091
% of Revenue (excl. Charity)	71%	75%	84%	69%	81%	87%	74%	111%	82%
% of Expenses (excl. Charity)	78%	76%	83%	71%	81%	83%	72%	93%	80%
Per District	136,586	608,963	4,152	3,903,936	6,298,06	4,950,572	3,324,928	1,163,772	7,773,714
Management Expenses	748,723	975,710	6,085,377	6,680,515	9,764,204	1,268,501	1,197,680	852,369	1,571,635
Per Student	948	976	2,749	3,326,440	2,119,360	507,074	463,201	568,56	1,929
% of Revenue (excl. Charity)	20%	24%	17%	28%	19%	18%	29%	9%	20%
% of Expenses (excl. Charity)	22%	24%	17%	29%	19%	17%	28%	7%	20%
Per District	687,181	987,855	6,085,377	6,680,515	7,289,554	1,089,500	1,197,680	852,369	7,707,465
Total Expenses	1,295,065	1,193,636	16,556,529	19,584,451	34,951,676	36,120,216	14,522,608	14,834,999	16,882,398
Per Student	1,641	1,194	7,525	9,792	7,613	14,296	5,320	9,917	18,120
Per District	823,766	2,056,818	16,556,529	19,584,451	1,919,360	2,040,072	14,522,608	8,805,833	22,481,180
Operating Income	1,062,393	478,236	1,666,550	1,447,554	1,028,463	1,568,635	1,181,629	574,724	587,477
% Margin	9%	1%	0%	2%	-1%	-5%	-4%	-20%	-2%
EBITDAR	6,387,604	9,361,879	3,898,870	2,642,543	17,207,707	9,593,747	1,858,710	515,591	6,433,331
% Margin	19%	22%	11%	13%	11%	8%	6%	1%	11%
Per Student	8,065	9,362	1,773	1,321	3,743	3,935	747	341	7,090
EBITDA	3,357,219	2,409,063	25,892	1,555,375	3,099,960	-2,016,768	-953,464	-8,476,196	-124,865
% Margin	10%	6%	0%	8%	2%	-2%	-3%	-19%	0%
Per Student	4,247	2,409	11	1,947	3,937	-2,619	-1,194	-11,111	-156

Revenue

Revenue per student ranged between \$8,334 and \$17,161 based on the Tax 990 Forms and between \$8,841 and \$13,342 based on audited financial statements. Size of the organization plays a factor as smaller organizations earn less per student compared to larger organizations. Smaller organizations such as Magnolia (\$9,065/student), High Tech High (\$8,334/student), ICEF (\$9,405/student) and King Chavez (\$10,016/student) obtain significantly less than larger organizations such as Aspire (\$12,098/student), Green Dot (\$12,363/student), KIPP LA (\$17,161/student) and Rocketship (\$11,538/student).

Larger organizations that garner higher revenue per student rates do so through grants and charitable contributions. For example, KIPP LA raised \$18MM in contributions translating to \$6,252 per student in Tax Year 2013. To accomplish this they spent \$743k in expenses to support their fundraising platform. Three companies did not show explicit fundraising expenses but still raised substantial funds: ICEF raised \$3.1MM (\$741 per student) in 2013; Aspire raised \$22MM (\$1,555 per student) in 2014 and Green Dot raised \$6.3MM (\$610 per student) in 2014. Other than charitable grants, revenue per student is affected by the free and reduced level of the students served and the locality that the school resides in.

In conclusion, Magnolia Public School’s revenues are in line with other charter school management organizations of similar size. An opportunity exists to obtain charitable grants if human resources are allocated to the fundraising function.

Revenues Excluding Charitable Donations

Larger organizations that have the resources to put into the fundraising function have an unfair advantage over smaller organizations that do not have such a platform. The average revenue per student contribution obtained by fundraising is \$2,170 per student, which is 24% of the per student revenue of Magnolia in 2014. As such, fundraising revenue and expense were excluded in the chart on the first page to provide an accurate comparison of costs and operations.

Without the benefit of charitable contributions, revenue per student rates fall in a tighter range, which is between \$8,334 and \$11,753. Magnolia falls in the middle of the range at \$9,065 per student.

Program Expenses

Program expenses per student ranged from \$6,244 to \$10,937 as per the latest Tax 990 Forms. The average was \$8,091 per student. As expected, the larger organizations with greater revenues and resources tend to have the higher end of the range, whereas smaller organizations have the lower end of the range. Magnolia's program expenses are \$6,477/student, 71% of revenue and 78% of expenses. This is in range of competing organizations of all sizes. Adjusted for charity revenues, the set had a percent of revenue range between 69% to 111% and a percent of total expense range between 71% and 93%.

Management Expenses

Management expenses per student ranged from \$856 and \$3,201, with an average of \$2,029. Magnolia's management fees were below average at \$1,781 per student, 20% of revenue and 22% of expenses. Magnolia was able to accomplish this level of management fees with 4 districts, whereas each additional district adds a layer of complexity in the form of reporting and compliance work. In comparison, High Tech High had management fees per student of \$1,995 with 2 districts and King Chavez had management fees of \$2,840 per student with 1 district. The dataset had a percent of revenue range between 17% and 29% and a percent of expense range between 7% and 29%.

Districts/Authorizers

As previously stated, the more districts or authorizers an organization serves, the greater the amount of compliance, reporting and administrative work. Amongst 8 organizations in the data set, the average number of districts served was 4, with the outlier being 13 for Aspire on the high side. KIPP LA, King Chavez and ICEF all served only 1 district on the lower end. Total expenses/Districts had a range of \$7.8MM to \$42MM. Magnolia came in at \$7.8MM, which was the lowest rate in the dataset.

Earnings before interest, taxes, depreciation, amortization and restructuring or rent costs (EBITDAR)

EBITDAR margin is a measure of the managerial prowess of an organization in a certain marketplace, before factoring in expenses related to real estate, which have a wide variance based on situation and timing of the real estate cycle. The dataset's EBITDAR margin ranged from 1% to 22%. Magnolia had an EBITDAR margin of 19%, which was the second highest in the dataset.

EBITDA

Magnolia produced EBITDA of \$3.36MM (10% margin or \$886 per student) in Tax Year 2014. On a charity-adjusted basis, Magnolia’s EBITDA margin was greater than all other organizations in the data set, with an EBITDA margin of 10%.

Factoring in charity revenues, Magnolia’s EBITDA margin was equal to the average of the dataset, which was also of 10%. This was achieved despite Magnolia’s challenges of lower revenue per student rate driven by a lack of charitable contribution revenues and a lower student per school levels that deprives Magnolia of economies of scale.

CMO Fees

Obtaining CMO fee data was challenging, as only some organizations provided such information on their audited financial statements or Tax 990 Forms. Data was available only for Magnolia, King Chavez, Green Dot and Rocketship. Magnolia’s CMO fees were \$4.8MM in the FYE 6/30/2015 period, representing: \$1,270/student, \$437,482/school, 14% of revenue and 15% of expenses.

	Magnolia FYE 6/30/2015	King Chavez 6/30/12	Green Dot 6/30/15	Rocketship FYE 6/30/2015	Dataset Average
Districts	4	1	3	6	6
Schools	11	6	19	13	6
Enrollment	3,790	2,000	2,257	4,831	6,210
Students Per School	345	333	340	372	371
Management Fees	\$812,297	\$2,050,067	\$5,573,817	\$736,987	\$543,292
% of Revenue	14%	12%	11%	11%	12%
% of Expense	15%	12%	12%	11%	13%
per Enrollment	\$1,270	\$1,025	\$1,518	\$1,602	\$1,354
per School	\$437,482	\$41,678	\$19,675	\$95,153	\$48,497

Magnolia’s CMO fees appear to be in line. In more detail, Magnolia’s CMO fees are low on a per student and per school basis, but on the higher side when viewed as a percentage of revenue or expense. Two possible explanations for this are:

- 1) Magnolia’s revenue per student figure is low compared to the set due to a lack of charitable contribution revenue -- Rocketship obtains \$1,087/student and Green Dot obtains \$1,159/student in charitable contributions.
- 2) Magnolia’s enrollment per school is low at 345 students per school on average – Rocketship has 439 students per school on average and Green Dot has 540 students per school on average.

Management Salary

Per the latest tax 990 forms, below is a summary chart of management compensation:

	Schools	Districts	Students	Employees	CEO	CFO/CBO	COO	CAO	Facilities	HR Director
High Tech High	2	2	2,000	644	\$100,735	\$202,752	\$94,944	\$73,641	\$47,462	\$28,310
ICEF	4	1	2,200	17	\$15,088	\$62,745		\$36,159	\$19,065	\$7,031
King Chavez	5	1	2,000	298	\$34,045	\$22,729		\$67,114	\$32,593	\$20,952
Aspire	8	3	4,600	2,407	\$21,092	\$35,316	\$73,191	\$45,686	\$88,902	\$59,470
Green Dot	6	3	2,257	235	\$46,922	\$208,394	\$68,490	\$93,599	\$78,079	\$57,865
KIPP LA	1	1	2,873	203	\$25,908	\$57,670	\$45,855	\$55,558	\$51,861	\$31,139
Rocketship	3	5	2,500	333	\$83,929	\$83,379	\$12,181	\$23,616	\$3,155	\$62,355
Dataset Avg.	6	2	2,204	205	\$61,103	\$96,141	\$78,932	\$85,053	\$60,160	\$52,446

Conclusion

This memo should be used as a supplemental benchmark guideline for CMOs operating in California. It should be taken into account that this study was based on the latest publicly available data, which is not the most up to date. Based on the findings included in the document, MPS CMO fees are in line with the fees charged by other comparable CMO organizations. Per the study conducted by VLS the range of CMO fees are between 10 to 20 percent of total expenditures. It is worth noting that the larger CMO's had a lower fee to income ratio due to the fundraising amounts collected. The larger CMO organizations have a strongly developed fundraising platform that supports the annual campaign.

Lead Staff

Oswaldo Diaz

Appendix 1: Audited Financial Statement Data

	Magnolia FYE 6/30/2015	ICEF FYE 6/30/2013	King Chavez 6/30/12	Aspire 6/30/15	GreenDot 6/30/15	KIPP LA 6/30/15	Rocketship FYE 6/30/2015	Dataset Average
Operations:								
Districts	4	1	1	13	3	1	6	
Schools	11	14	6	35	19	13	13	
Enrollment	3,790	4,200	2,000	4,600	10,257	7,790	4,831	6,210
Grades	K-12	K-12	K-12	K-12	K-12	K-8	K-6	
Students per School	345	300	333	177	340	292	372	371
Income Statement								
Revenue	34,357,458	43,204,074	17,682,876	169,749,011	136,850,868	57,512,449	67,909,435	75,323,739
Program Expenses	24,626,342	33,018,947	13,030,789	126,842,622	122,280,345	39,769,976	46,219,562	57,969,798
Management Expenses	6,668,723	1,769,948	4,601,614	27,561,037	9,021,411	5,840,037	21,889,307	11,050,297
Total Expenses	31,295,065	34,788,895	17,632,403	154,403,659	131,301,756	45,610,013	68,108,869	69,020,094
Income	3,062,393	8,415,179	50,473	19,975,077	5,549,112	11,902,436	-199,434	6,965,034
Fund Raising:								
Contributions & Grants				2,440	1,245,167	2,874,583	251,662	663,693
Donated Services & Property				2,478	645,144			19,604
Other								
Total Contributed Revenue				346,918	1,890,311	2,874,583	251,662	766,211
% of Revenue	0%	0%	0%	2%	9%	22%	8%	6%
per Enrollment	\$0	\$0	\$0	\$229	\$1,159	\$3,397	\$1,087	\$839
Fundraising Expenses						84,324		84,324
Revenue excl. Fundraising Cont.	4,357,458	3,204,074	7,682,876	66,402,093	24,960,557	4,637,866	2,657,773	7,557,538
Profitability								
Income	3,062,393	8,415,179	50,473	19,975,077	5,549,112	11,902,436	-199,434	6,965,034
% margin	8.9%	19.5%	0.3%	11.8%	4.1%	20.7%	-0.3%	9.3%
Rent	669,178	223,473	108,382	480,818	129,508	373,382	542,603	786,335
Interest	86,485	38,328	3,110	797,938	140,315	49,294	105,988	940,058
Depreciation & Amort.	286,341	24,578	3,110	583,539	107,279	103,981	108,534	946,480
EBITDAR	26,397	2,901,558	178,965	5,837,372	2,891,214	8,160,093	5,296,691	5,217,899
% margin	18%	30%	7%	21%	17%	32%	14%	20%
EBITDA	357,219	9,678,085	3,583	2,356,554	3,761,706	3,786,711	881,100	1,702,137
% margin	10%	22%	1%	19%	10%	24%	3%	13%
Operational Metrics								
Revenue per Enrollment	\$9,065	\$10,287	\$8,841	\$11,627	\$13,342	\$15,173	\$14,057	\$11,770
Expenses/Enrollment	\$8,257	\$8,283	\$8,816	\$10,576	\$12,801	\$12,033	\$14,098	\$10,695
Return Spread	\$808	\$2,004	\$25	\$1,051	\$541	\$3,140	-\$41	\$1,075
EBITDA/Enrollment	\$886	\$2,304	\$47	\$2,216	\$1,342	\$3,637	\$389	\$1,546
Program Expenses/Enrollment	\$6,498	\$7,862	\$6,515	\$8,688	\$11,922	\$10,492	\$9,567	\$8,792
% Program Expenses/Revenue	72%	76%	74%	75%	89%	69%	68%	75%
% Program Expenses/Expenses	79%	95%	74%	82%	93%	87%	68%	83%
Management Expenses/Enrollment	\$1,760	\$421	\$2,301	\$1,888	\$880	\$1,541	\$4,531	\$1,903
% Management Expenses/Revenue	19%	4%	26%	16%	7%	10%	32%	16%
% Management Expenses/Expenses	21%	5%	26%	18%	7%	13%	32%	17%
Management Fees	812,297		2,050,067		5,573,817		736,987	543,292
% of Revenue	14%	0%	12%	0%	11%	0%	11%	12%
% of Expense	15%	0%	12%	0%	12%	0%	11%	13%
per Enrollment	270		25		518		602	354
per School	37,482		41,678		19,675		59,153	48,497
Return								
Return on Assets	12%	32%	1%	8%	3%	15%	0%	10%
Return on Capital	14%	36%	1%	9%	4%	17%	0%	12%
Return on Equity	24%	116%	3%	22%	16%	32%	-2%	30%
Working Capital Efficiency								
Adjusted Working Capital	184,087	7,651,040	3,632,195	7,881,510	5,666,718	900,653	7,319,197	6,462,200
AWC/Revenue	0.06	0.18	0.21	0.11	0.04	0.02	0.11	0.10
AWC/Days	23	55	55	38	55	55	59	57
ARI/Days	4	56	55	2	52	50	51	59
API/Days	40	50	55	1	54	56	57	56
Cash Conversion Cycle	4	55	59	1	58	16	55	52
Capital Structure								
Debt/EBITDA	2.53	0.66	9.09	2.09	2.03	2.47	2.35	3.89
Debt/Equity	0.65	0.21	0.23	0.43	0.86	0.91	0.19	0.50
EBITDA/Interest	95.67	3.11		7.6	3.32	6.23	0.37	1.92
S&P Key Metrics								
Days Cash on Hand	120	92	26	105	76	224	89	105
Lease-Adjusted MADS Coverage	2.06x	0.94x	0.25x	2.71x	0.67x	3.05x	0.66x	1.48x
Debt/Total Capital	40%	69%	69%	59%	74%	48%	88%	64%
Debt/Student	2,245	3,834	829	9,064	4,430	3,993	5,712	7,301
Credit Rating	BB/Stable	BB/Stable	BB+/Stable	N/A	N/A	BB+/Stable	N/A	

The chart on the previous page summarizes figures of our dataset (excluding High Tech High which did not have financial statements available) derived from the latest available audited financial statements. This chart is added as an appendix to supplement the body of this memo.

United States Department of Labor

Wage and Hour Division

Wage and Hour Division (WHD)

Compliance Assistance - Wages and the Fair Labor Standards Act (FLSA)

Overview

The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments. Covered nonexempt workers are entitled to a minimum wage of not less than \$7.25 per hour effective July 24, 2009. Overtime pay at a rate not less than one and one-half times the regular rate of pay is required after 40 hours of work in a workweek.

- [FLSA Minimum Wage](#): The federal minimum wage is \$7.25 per hour effective July 24, 2009. Many states also have minimum wage laws. In cases where an employee is subject to both state and federal minimum wage laws, the employee is entitled to the higher minimum wage.
- [FLSA Overtime](#): Covered nonexempt employees must receive overtime pay for hours worked over 40 per workweek (any fixed and regularly recurring period of 168 hours — seven consecutive 24-hour periods) at a rate not less than one and one-half times the regular rate of pay. There is no limit on the number of hours employees 16 years or older may work in any workweek. The FLSA does not require overtime pay for work on weekends, holidays, or regular days of rest, unless overtime is worked on such days.
- [Hours Worked \(PDF\)](#) : Hours worked ordinarily include all the time during which an employee is required to be on the employer's premises, on duty, or at a prescribed workplace.
- [Recordkeeping \(PDF\)](#) : Employers must display an official poster outlining the requirements of the FLSA. Employers must also keep employee time and pay records.
- [Child Labor](#): These provisions are designed to protect the educational opportunities of minors and prohibit their employment in jobs and under conditions detrimental to their health or well-being.

On April 1, 2019, the U.S. Department of Labor announced a proposed rule to revise and clarify the responsibilities of employers and joint employers to employees in joint employer arrangements. For more information, please visit: www.dol.gov/whd/flsa/jointemployement2019.

General Guidance

- [Handy Reference Guide to the FLSA](#)
 - [Guía Práctica Referente a la Ley de Normas Justas de Trabajo](#)
- [Fact Sheets](#)
- [Employment Law Guide: Minimum Wage and Overtime Pay](#)
- [Questions and Answers about the FLSA](#)
- [Information on Furloughs and Other Reductions in Pay](#)
- [Break Time for Nursing Mothers](#)
- ['How to File a Complaint' Card \(PDF\)](#)
 - [Spanish Version \(PDF\)](#)
 - [Chinese Version \(PDF\)](#)
 - [Korean Version \(PDF\)](#)
 - [Polish Version \(PDF\)](#)
 - [Tagalog Version \(PDF\)](#)
 - [Thai Version \(PDF\)](#)
 - [Russian Version \(PDF\)](#)
 - [Vietnamese Version \(PDF\)](#)
 - [Haitian Creole Version \(PDF\)](#)
- [FLSA Resources For Puerto Rico](#)
- [Misclassification of Employees as Independent Contractors](#)

Posters

- [FLSA Minimum Wage Poster](#)
 - [Spanish Version](#)
 - [Chinese Version \(PDF\)](#)
 - [Russian Version \(PDF\)](#)
 - [Thai Version \(PDF\)](#)
 - [Hmong Version \(PDF\)](#)

- [Vietnamese Version \(PDF\)](#)
- [Korean Version \(PDF\)](#)
- [Polish Version \(PDF\)](#)
- [Haitian Creole Version \(PDF\)](#)
- [Additional FLSA Posters](#)

Interpretive Guidance

- [Administrator Interpretations](#)
- [Opinion Letters](#)
- [Field Handbook](#)
- [Field Bulletins](#)

E-tools

- The [Coverage and Employment Status Advisor](#) helps identify which workers are employees covered by the FLSA.
- The [Hours Worked Advisor](#) provides information to help determine which hours spent in work-related activities are considered FLSA "hours worked" and therefore must be paid.
- The [Overtime Security Advisor](#) helps determine which employees are exempt from the FLSA minimum wage and overtime pay requirements under the Part 541 overtime regulations.
- The [Overtime Calculator Advisor](#) computes the amount of overtime pay due in a sample pay period based on information from the user.
- The [Child Labor Rules Advisor](#) answers questions about the FLSA's youth employment provisions, including at what age young people can work and the jobs they can perform.
- The [Section 14\(c\) Advisor](#) helps users understand the special minimum wage requirements for workers with disabilities.

Presentations

- [Comprehensive FLSA Presentation \(Microsoft® PowerPoint®\)](#)
- [Executive, Administrative, and Professional Exemption Presentation \(Microsoft® PowerPoint®\)](#)

Applicable Laws and Regulations

- **Law**
 - [The FLSA \(PDF\)](#)

- **Regulations**
 - [29 CFR Chapter V](#)

Civil Money Penalty Inflation Adjustments

Starting in 2016, agencies across the federal government must adjust their penalties for inflation each year. Below is a table that reflects the adjustments that have occurred for penalties under this statute. For more information on the penalty adjustments, go [here](#).

Civil Money Penalty Inflation Adjustments

Type of Violation	Statutory Citation	CFR Citation	Maximum Civil Monetary Penalty on or before 1/23/2019	Maximum Civil Monetary Penalty on or after 1/24/2019
Homeworker: Violation of recordkeeping, monetary, certificate or other statutes, regulations or employer assurances.	29 USC 211(d)	29 CFR 530.302	\$1,026	\$1,052
Child labor: (1) Violation of child labor standards (sec 212 or 213(c));	29 USC 216(e)(1)(A)(i)	29 CFR 570.140(b)(1) and 29 CFR 579.1(a)(1)(i)(A)	\$12,529	\$12,845
(2) Violation of child labor standards (sec 212 or 213(c)) that causes the serious injury or death of a minor;	29 USC 216(e)(1)(A)(ii)	29 CFR 570.140(b)(2) and 29 CFR 579.1(a)(1)(i)(B)	\$56,947	\$58,383
(3) Willful or repeated violation of child labor standards (sec 212 or 213(c)) that causes the serious injury or death of a minor	29 USC 216(e)(1)(A)(ii)	29 CFR 570.140(b)(2) and 29 CFR 579.1(a)(1)(i)(B)	\$113,894	\$116,766
(4) Repeated or willful violation of section 206 or 207.	29 USC 216(e)	29 CFR 579.1(a)(2)	\$1,964	\$2,014
Minimum Wage and Overtime: Repeated or willful violation of section 206 or 207.	29 USC 216(e)(2)	29 CFR 578.3(a)	\$1,964	\$2,014



Department of Industrial Relations

Labor Commissioner's Office :: Minimum Wage

Minimum Wage

Although there are some exceptions, almost all employees in California must be paid the minimum wage as required by state law. Effective January 1, 2017, the minimum wage for all industries will be increased yearly. From January 1, 2017, to January 1, 2022, the minimum wage will increase for employers employing 26 or more employees. This increase will be delayed one year for employers employing 25 or fewer employees, from January 1, 2018, to January 1, 2023. The scheduled increases may be temporarily suspended by the Governor, based on certain determinations. (Please see the chart below for the complete schedule of rate increases).

For more information and guidance on how to count employees for the purpose of determining whether an employer qualifies as an employer with 25 employees or less please see [New Minimum Wage Phase- in Requirements 2017-2023, SB 3 Frequently Asked Questions page](#).

There are some employees who are exempt from the minimum wage law, such as outside salespersons, individuals who are the parent, spouse, or child of the employer, and apprentices regularly indentured under the State Division of Apprenticeship Standards.

[Minimum Wage Order \(MW-2019\)](#)

There is an exception for [learners](#), regardless of age, who may be paid not less than 85 percent of the minimum wage rounded to the nearest nickel during their first 160 hours of employment in occupations in which they have no previous similar or related experience.

There are also exceptions for employees who are mentally or physically disabled, or both, and for nonprofit organizations such as sheltered workshops or rehabilitation facilities that employ disabled workers. Such individuals and organizations may be issued a special license by the Division of Labor Standards Enforcement authorizing employment at a wage less than the legal minimum wage. Labor Code Sections [1191](#) and [1191.5](#)

Schedule for California Minimum Wage rate 2017-2023.

Date	Minimum Wage for Employers with 25 Employees or Less	Minimum Wage for Employers with 26 Employees or More
January 1, 2017	\$10.00/hour	\$10.50/hour
January 1, 2018	\$10.50/hour	\$11.00/hour
January 1, 2019	\$11.00/hour	\$12.00/hour

January 1, 2020	\$12.00/hour	\$13.00/hour
January 1, 2021	\$13.00/hour	\$14.00/hour
January 1, 2022	\$14.00/hour	\$15.00/hour
January 1, 2023	\$15.00/hour	

Frequently Asked Questions

1. What is the minimum wage?

Effective January 1, 2018, the minimum wage for all industries was \$11 per hour for employers with 26 or more employees and \$10.50 per hour for employers with 25 or fewer employees. On January 1, 2019, the minimum wage increased to \$12 per hour for employers with 26 or more employees and \$11 per hour for employees with 25 or fewer employees. The minimum wage shall be adjusted on a yearly basis through 2023 according to the pre-set schedule shown above.

Effective January 1, 2018, the minimum monthly salary for [shepherders](#) was \$1,955.74 per month for employers with 26 or more employees and \$1,866.88 per month for employers with 25 or fewer employees. On January 1, 2019, the minimum monthly rate increased to \$2,133.52 per month for employers with 26 or more employees and \$1,955.74 per month for employers with 25 or fewer employees. The minimum monthly salary for shepherders is specially set under IWC Wage Order 14-2001. Wages paid to shepherders may not be offset by meals or lodging provided by the employer. Instead, there are provisions in [IWC Order 14-2007, Sections 10\(F\), \(G\) and \(H\)](#) that apply to shepherders with respect to monthly meal and lodging benefits required to be provided by the employer.

2. What is the difference between the local, state and federal minimum wage?

Most employers in California are subject to both the federal and state minimum wage laws. Also, local entities (cities and counties) are allowed to enact minimum wage rates and [several cities](#) * have recently adopted ordinances which establish a higher minimum wage rate for employees working within their local jurisdiction. The effect of this multiple coverage by different government sources is that when there are conflicting requirements in the laws, **the employer must follow the stricter standard; that is, the one that is the most beneficial to the employee.** Thus, since California's current law requires a higher minimum wage rate than does the federal law, all employers in California who are subject to both laws must pay the state minimum wage rate unless their employees are exempt under California law. Similarly, if a local entity (city or county) has adopted a higher minimum wage, employees must be paid the local wage where it is higher than the state or federal minimum wage rates.

3. May an employee agree to work for less than the minimum wage?

No. The minimum wage is an obligation of the employer and cannot be waived by any agreement, including collective bargaining agreements. Any remedial legislation written for the protection of

employees may not be violated by agreement between the employer and employee. [Civil Code Sections 1668 and 3513](#)

4. Is the minimum wage the same for both adult and minor employees?

Yes. There is no distinction made between adults and minors when it comes to payment of the minimum wage.

5. I work in a restaurant as a waitperson. Can my employer use my tips as a credit toward its obligation to pay me the minimum wage?

No. An employer may not use an employee's tips as a credit toward its obligation to pay the minimum wage.

6. What can I do if my employer doesn't pay me at least the minimum wage?

You can either [file a wage claim](#) with the Division of Labor Standards Enforcement (the Labor Commissioner's Office), or file a lawsuit in court against your employer to recover the lost wages. Additionally, if you no longer work for this employer, you can make a claim for the waiting time penalty pursuant to [Labor Code Section 203](#).

7. What is the procedure that is followed after I file a wage claim?

After your claim is completed and filed with a local office of the Division of Labor Standards Enforcement (DLSE), it will be assigned to a Deputy Labor Commissioner who will determine, based upon the circumstances of the claim and information presented, how best to proceed. Initial action taken regarding the claim can be referral to a conference or hearing, or dismissal of the claim.

If the decision is to hold a conference, the parties will be notified by mail of the date, time and place of the conference. The purpose of the conference is to determine the validity of the claim, and to see if the claim can be resolved without a hearing. If the claim is not resolved at the conference, the next step usually is to refer the matter to a hearing or dismiss it for lack of evidence.

At the hearing the parties and witnesses testify under oath, and the proceeding is recorded. After the hearing, an Order, Decision, or Award (ODA) of the Labor Commissioner will be served on the parties.

Either party may appeal the ODA to a civil court of competent jurisdiction. The court will set the matter for trial, with each party having the opportunity to present evidence and witnesses. The evidence and testimony presented at the Labor Commissioner's hearing will not be the basis for the court's decision. In the case of an appeal by the employer, DLSE may represent an employee who is financially unable to afford counsel in the court proceeding.

See the [Policies and Procedures of Wage Claim Processing](#) pamphlet for more detail on the wage claim procedure.

8. What can I do if I prevail at the hearing and the employer doesn't pay or appeal the Order, Decision, or Award?

When the Order, Decision, or Award (ODA) is in the employee's favor and there is no appeal, and the employer does not pay the ODA, the Division of Labor Standards Enforcement (DLSE) will have the court enter the ODA as a judgment against the employer. This judgment has the same force and effect as any other money judgment entered by the court. Consequently, you may either try to collect the judgment yourself or you can assign it to DLSE.

9. What can I do if my employer retaliates against me because I questioned him about not being paid the minimum wage?

If your employer discriminates or retaliates against you in any manner whatsoever, for example, he discharges you because you asked him why you weren't being paid the minimum wage, or because you file a claim or threaten to file a claim with the Labor Commissioner, you can [file a discrimination/retaliation complaint](#) with the Labor Commissioner's Office. Alternatively, you can file a lawsuit in court against your employer.

* The UC Berkeley Labor Center keeps a detailed national list of local minimum wage ordinances. The Department of Industrial Relations does not monitor or verify this list but includes it here as a reference for the public: [UC Berkeley Labor Center Inventory of US City and County Minimum Wage Ordinances](#)

December 2016

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MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	III D
Date:	09.10.2015
To:	Board of Directors
From:	Terri Boatman. Director of Human Resource
Staff Lead:	Terri Boatman. Director of Human Resource
RE:	Home Office Compensation

Proposed Board Recommendation

I move that the board approve the new compensation model for Home Office Positions.

Background

One of the most basic functions of management is to establish a compensation scheme that is competitive and equitable and that promotes employee engagement and high performance. A well-designed compensation philosophy supports the organization's strategic plan and initiatives, business goals, competitive outlook, operating objectives, and compensation and total reward strategies.

For recruiting and retention purposes, we recommend establishing salary ranges and pay bands to CMO positions versus applying compensation per the pay sheets.

Salary range is the range of pay that has been established to be paid to employees performing a particular job or function. Salary range generally has a minimum pay rate, a maximum pay rate, and a series of mid-range opportunities for pay increases. The salary range was determined by market pay rates, established through market pay studies, for people doing similar work in similar industries in the same region of the country.

Pay rates and salary ranges are also set up by individual employers and recognize the level of education, knowledge, skill, and experience needed to perform each job. The salary range demonstrates the interrelationships of the jobs utilized by an employer. The salary range reflects our needs such as the overlap in salary ranges that will allow career development and pay increases without promotion at each level and the percentage of increase the organization will offer an employee for a promotion.

Currently our home office salaries are based on the components of the pay sheet. The pay sheet identifies compensation components based on a variety of variables including degree, credential, years of experience, time with Magnolia and extra duty. In theory, a member of the finance team will not have a credential, and the degree should be a consideration in the offer process, but not necessarily be a variable in compensation decisions, as years of experience may off set formal learning.



MAGNOLIA PUBLIC SCHOOLS

13950 Milton Ave. 200B Westminster, CA 92683

P: (714) 892-5066 F: (714) 362-9588

In addition, we face recruiting competition from other non-profits, CMO's and for profit businesses. An analysis of financial and technical roles shows that Magnolia's current compensation scale lags in comparison to other industries and non profits in Southern CA. The new salaries of the home office employees will be implemented retroactively starting July 1, 2015.

Budget Implications

Several of the employees in accounting and technology positions have current salaries that fall below the minimum levels of the proposed ranges. After adoption of the new scale, those employees will be moved to the minimum end of the range. This is an increase of \$58,000 to the salaries of those eleven positions; however that amount has been more than offset by the \$176,000 saved by not filling other home office positions.

Name of Staff Originator:

Terri Boatman, Director of Human Resource

Attachments

Compensation Overview
New Salary Scale for Home Office Positions

**Magnolia Home Office Salary Bands
2015-2016**

Department	Current Job Title	New Job Title	FLSA Status	Band	Min	Mean	Max
C-Level Positions	All C-level positions		Exempt	15	\$ 100,000.00	\$ 150,000.00	\$ 190,000.00
Administration							
	Administrative Assistant	Administrative Assistant	Non-Exempt	9	\$ 20.00	\$ 25.00	\$ 31.00
	HR Admin	Human Resources Assistant	Non-Exempt	9	\$ 20.00	\$ 25.00	\$ 31.00
	Education Admin Assistant		Non-Exempt	9	\$ 20.00	\$ 25.00	\$ 31.00
	Intern		Non-Exempt	8	\$ 10.00	\$ 12.00	\$ 14.00
Information Technology							
	Infrastructure Telecom Manager	IT Director	Exempt	13	\$ 92,400.00	\$ 103,500.00	\$ 114,600.00
	IT Coordinator	Computer Systems Administrator	Exempt	12	\$ 74,900.00	\$ 85,398.00	\$ 105,294.00
	Ops System and Knowledge Manager		Exempt	12	\$ 74,900.00	\$ 85,398.00	\$ 105,294.00
	Document Control Admin		Exempt	11	\$ 67,405.00	\$ 88,246.00	\$ 113,755.00
	Coolsis Manager	Computer Systems Manager	Exempt	13	\$ 92,400.00	\$ 103,500.00	\$ 114,600.00
	Director of Instructional Technology		Exempt	13	\$ 92,400.00	\$ 103,500.00	\$ 114,600.00
	Director of Operations, Project Manager		exempt	13	\$ 92,400.00	\$ 103,500.00	\$ 114,600.00
	Program Analyst		exempt	10	\$ 43,387.00	\$ 52,778.00	\$ 63,941.00
Academic							
	Deputy CAO		Exempt	13	\$ 90,000.00	\$ 101,000.00	\$ 112,000.00
	Instructional Data Support		Exempt	13	\$ 90,000.00	\$ 101,000.00	\$ 112,000.00
	Blended Learning and Science Advisor		Exempt	13	\$ 90,000.00	\$ 101,000.00	\$ 112,000.00
	Parent University		Exempt	12	\$ 74,900.00	\$ 85,398.00	\$ 105,294.00
	Director of Student Affairs		Exempt	13	\$ 90,000.00	\$ 101,000.00	\$ 112,000.00
	Director of Instructional and Curricular Models		Exempt	13	\$ 90,000.00	\$ 101,000.00	\$ 112,000.00
	Manager of Assessments and Academic Information		Exempt	13	\$ 90,000.00	\$ 101,000.00	\$ 112,000.00
	EL Coordinator		Exempt	12	\$ 74,900.00	\$ 85,398.00	\$ 105,294.00
	Compliance Administrative Manager		Exempt	11	\$ 67,405.00	\$ 88,246.00	\$ 113,755.00
Development							
	New School Development Fellow		Exempt	13	\$ 90,000.00	\$ 101,000.00	\$ 112,000.00
	Director of New School Development	Program Manager (New School Development)	Exempt	12	\$ 74,900.00	\$ 85,398.00	\$ 105,294.00
	Director of Parent and Community	Program Manager (Parent and Community)	Exempt	12	\$ 74,900.00	\$ 85,398.00	\$ 105,294.00
	Director of Partnership Development		Exempt	13	\$ 90,000.00	\$ 101,000.00	\$ 112,000.00
Finance							
	Controller		Exempt	13	\$ 103,407.00	\$ 114,507.00	\$ 125,607.00
	Document Compliance Manager		Exempt	12	\$ 73,433.00	\$ 88,542.00	\$ 105,144.00
	Accounting Analyst	Senior Financial Analyst	Exempt	12	\$ 73,433.00	\$ 88,542.00	\$ 105,144.00
	Accountant	Financial Analyst	Exempt	10	\$ 43,387.00	\$ 52,778.00	\$ 63,941.00
	Purchasing and Payroll Manager		Exempt	11	\$ 67,405.00	\$ 88,246.00	\$ 113,755.00
	Revenue and Compliance Manager		Exempt	11	\$ 67,405.00	\$ 88,246.00	\$ 113,755.00
Human Resources							
	HR Director		Exempt	13	\$ 103,407.00	\$ 114,507.00	\$ 125,607.00
	Director of Talent		Exempt	12	\$ 73,433.00	\$ 88,542.00	\$ 105,144.00
	Recruitment and Career Advancement		Exempt	11	\$ 43,387.00	\$ 52,778.00	\$ 63,941.00
	Office Manager		exempt	10	\$ 43,387.00	\$ 52,778.00	\$ 63,941.00

Cover Sheet

Recommendation of Approval for 2019-20 MPS Proposed Budget

Section: II. Recommendation of Action Items
Item: B. Recommendation of Approval for 2019-20 MPS Proposed Budget
Purpose: Vote
Submitted by:
Related Material: II B 2019-20 MPS Budget & Master Contracts.pdf



Board AgendaItem	Agenda# II B- Action Item
Date:	May 31, 2019
To:	Finance Committee of Magnolia Board of Directors
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	MPS Finance Committee/Nanie Montijo, Chief Financial Officer
RE:	Adoption of 2019-20 Budget and Approval of Ongoing Contracts over \$25,000

Proposed Board Recommendation

I move that the Board adopt the 2019-20 Budget as reviewed and recommended for approval by the MPS Finance Committee and approve all ongoing contracts over \$25,000 for fiscal year 2019-20 as listed in the attached document.

Background

- The Adopted Budget is part of an ongoing series of state-required reports for the 2019-20 fiscal year. The state requires that all local educational agencies adopt a budget by July 1 of each year. County superintendents are required to examine the adopted budget for each school district in the county and the State Superintendent of Public Instruction (SSPI) is required to examine the adopted budget for each county office of education. Budgets are examined for compliance with state-adopted criteria and standards, to identify technical corrections needed, and to determine whether the budget will allow the LEA to meet budget year and multiyear financial commitments.
- The board approves all ongoing contract annually. MPS Financial Policy PUR107 requires all contract over \$25,000 to go thru RFP process and approved by the Board.

Budget Implications N/A

Attachments

2019-20 Proposed Budget

2019-20 Master Contract List over \$25,000

Name of Staff Originator:

Nanie Montijo, Chief Financial Officer and Karl Yoder, DMS



2019-20 Budget



2019-20 Budget: Executive Summary

Highlights

- This 2019-20 July 1 Budget projects a surplus of \$773,095 overall, an improvement of \$3.3 million from 2018-19
- Each MSA campus has a projected budget surplus of at least 1.0%, with the exception of MSA-1 (which still has a budget surplus of \$25k)
- Projected ending balance at fiscal year-end in June 2020 is now \$25.2 million, or 44.7% of expenses (recommended minimum reserve level = 5.0% of expenses)

2019-20 Budget: Revenues

LCFF Entitlement

- Most funding is through the Local Control Funding Formula, which pays approximately \$10k per ADA (average daily attendance) depending on grade level and socioeconomic factors
- ADA is increasing 145 from 2018-19, which results in \$3 million more in LCFF revenue

Federal Revenues

- Reduction of \$1.2 million in CSFIG and other federal revenue

Other State Revenues

- Reduction of \$1.4 million due to one-time Mandate Reimb. & Low-Per. Grant
- Improvement in SB740 Facility Grant revenue

Other Local Revenues

- Removing private grants and donations until awarded/received

2019-20 Budget: Expenditures

Salaries & Benefits

- Staffing costs increased to reflect COLA and ADA increases
- Increase in STRS and PERS, but mitigated by Governor's Budget

Books & Supplies

- Reduced \$644k, primarily from removal of one-time grant revenues

Services & Operations

- Reduced \$2.3 million, primarily from completing one-time Prop 39 projects

Depreciation, Capital Outlay, and Other Outflows

- Reduction of \$735k in new fixed asset acquisitions

2019-20 Budget: State Economic Outlook

- New 2019-20 "Governor's Budget" was released in January, and revised in May (i.e. the "May Revise")
- Budget is now in negotiation at the Assembly and Senate
- Changes from the Governor's May Revise are anticipated, but net result to MPS is not yet known
- Special Education Concentration Grant may not end up being approved, but might be replaced with other ongoing or one-time revenue
- Rainy day support at the state level continues to improve, mitigating the impact of a future economic downturn, and means we can rely more on revenue projections in Years 2-5
- Magnolia should be cautious, as always, but can reasonably rely on State revenue projections for the next few years given the "rainy day fund" at the State level

2019-20 Budget: Executive Summary

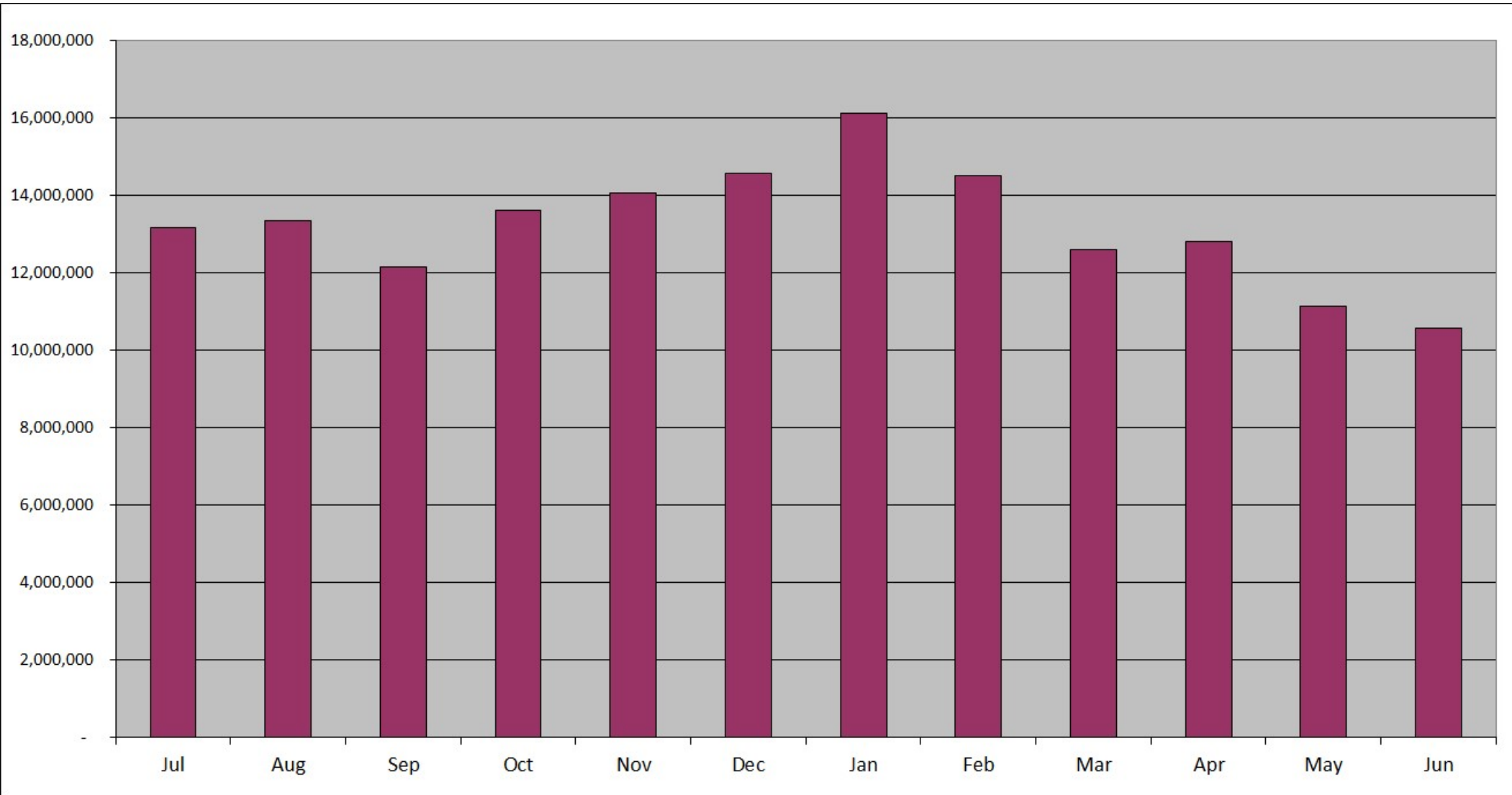
MSA - Consolidated	2018-19 Est. Actuals	Proposed 2019- 20 Budget	Change from 2018-19	Primary Reasons For Variance (see budget detail for all changes)
Average Daily Attendance	3,802	3,947	145	Growth across multiple campuses
SUMMARY				
Revenues				
LCFF Entitlement	39,822,616	42,792,722	2,970,106	Increases in ADA and per-ADA LCFF funding
Federal Revenues	3,540,557	2,377,423	(1,163,134)	Removal of one-time funding
Other State Revenues	6,418,492	5,000,977	(1,417,516)	Removal of one-time funding
Other Local Revenues	6,498,077	7,099,177	601,100	
Total Revenues	56,279,742	57,270,298	990,557	
Expenditures				
Salaries & Benefits	32,863,312	34,288,226	1,424,914	Reflects COLA & ADA increases
Books and Supplies	2,486,246	1,842,101	(644,145)	No one-time grants
Services and Operating Exp.	20,937,545	18,590,454	(2,347,091)	No one-time Prop 39 projects
Depreciation & Cap Outlay	1,929,045	1,194,779	(734,266)	Increased equipment & improvements
Other Outflows	595,203	581,644	(13,559)	
Total Expenditures	58,811,350	56,497,204	(2,314,147)	
Net Revenues	(2,531,609)	773,095	3,304,703	
Beginning Balance (July 1, 2018)	26,993,791	24,462,182		
Net Revenues in 2018-19	(2,531,609)	773,095		
Ending Balance (June 30, 2019)	24,462,182	25,235,277		
Ending Bal. as % of Exp.:	41.6%	44.7%		

2019-20 Budget: Summary By Site

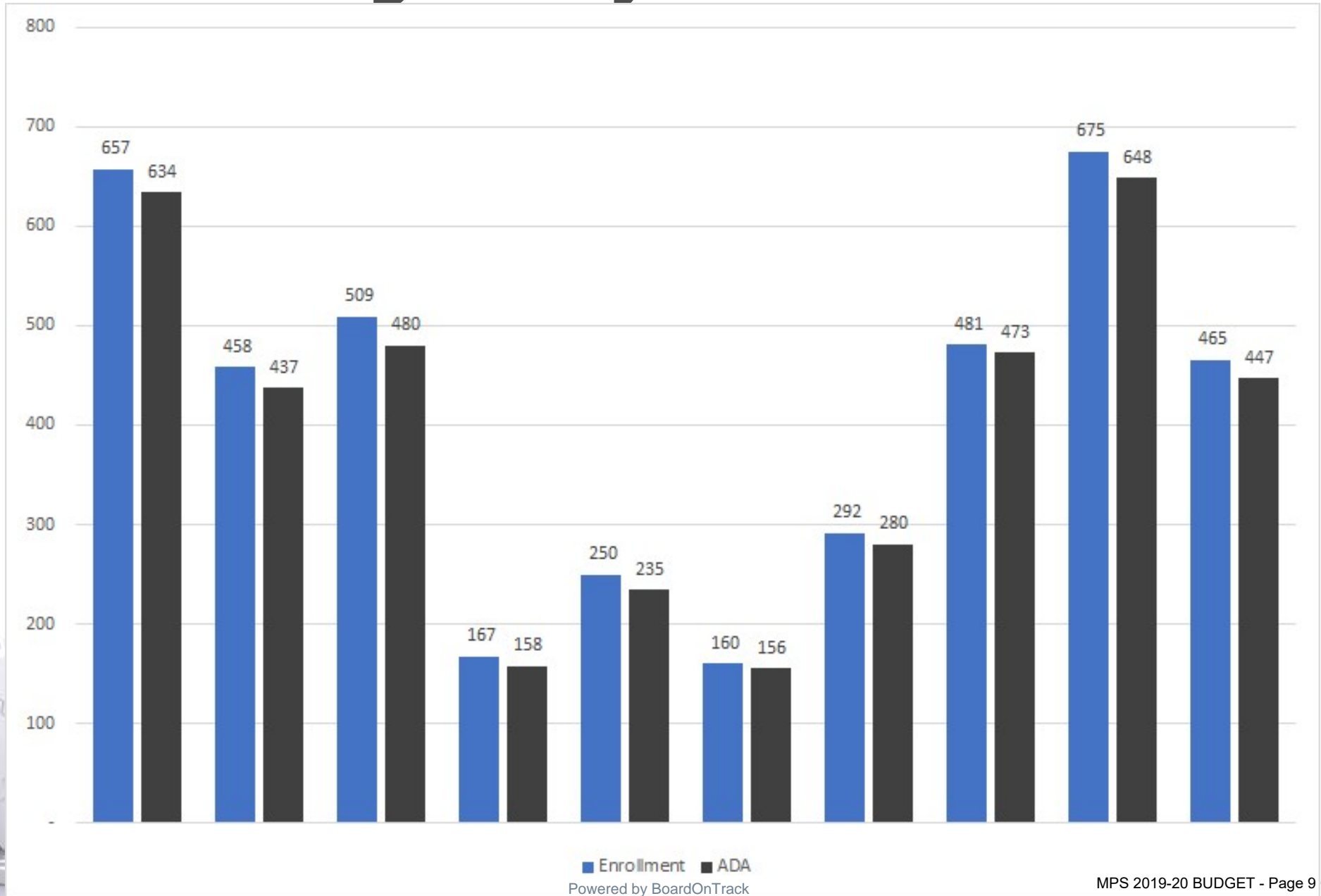
2019-20 Budget - BY SITE

	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD	MERF	TOTAL
Enrollment	657	458	509	167	250	160	292	481	675	465		4,114
Attendance (ADA)	634	437	480	158	235	156	280	473	648	447		3,947
Revenue												
LCFF Entitlement	7,307,540	4,981,790	5,299,249	1,836,399	2,698,012	1,602,764	2,950,896	5,012,273	7,343,836	3,759,963	-	42,792,722
Federal Revenue	433,659	296,037	251,373	108,918	152,432	104,655	163,297	333,831	423,524	109,696	-	2,377,423
Other State Revenues	1,345,875	385,771	479,371	147,538	213,252	204,032	585,683	499,379	727,946	412,129	-	5,000,977
Other Local Revenues	246,161	206,648	36,129	113,837	71,867	86,677	40,768	5,000	186,644	97,381	6,008,065	7,099,177
Total Revenue	9,333,235	5,870,246	6,066,121	2,206,692	3,135,562	1,998,128	3,740,644	5,850,484	8,681,950	4,379,170	6,008,065	57,270,298
Expenses												
Certificated Salaries	3,044,709	2,208,157	2,131,288	897,582	1,231,072	759,006	1,155,464	2,029,445	2,679,902	1,514,978	751,794	18,403,398
Classified Salaries	615,744	551,004	616,864	129,093	294,956	155,622	463,111	545,984	865,101	361,638	2,123,332	6,722,449
Benefits	1,297,240	1,029,296	1,039,594	403,907	606,632	372,372	556,312	888,921	1,286,438	696,191	985,475	9,162,379
Books and Supplies	311,378	189,782	155,103	70,662	165,607	87,500	98,900	283,659	300,504	81,577	97,430	1,842,101
Services and Operations	3,904,635	1,682,949	1,989,131	662,148	713,143	557,458	1,370,530	1,958,769	2,148,048	1,613,880	1,989,763	18,590,454
Depreciation / Cap Outlay	134,000	140,000	67,677	19,312	17,579	18,224	15,987	85,000	630,000	67,000	-	1,194,779
Other Outflows	-	-	-	-	-	-	-	-	581,644	-	-	581,644
Total Expenses	9,307,706	5,801,188	5,999,656	2,182,703	3,028,990	1,950,181	3,660,305	5,791,779	8,491,638	4,335,264	5,947,794	56,497,204
Net Revenue	25,529	69,059	66,465	23,989	106,573	47,947	80,339	58,704	190,312	43,906	60,271	773,095
Fund Balance												
Beginning Balance	4,921,433	793,675	743,965	882,995	1,823,299	1,620,159	1,220,433	4,254,119	7,523,508	309,020	369,577	24,462,182
Net Revenue	25,529	69,059	66,465	23,989	106,573	47,947	80,339	58,704	190,312	43,906	60,271	773,095
Projected Ending Balance	4,946,962	862,734	810,430	906,984	1,929,871	1,668,106	1,300,772	4,312,823	7,713,821	352,926	429,848	25,235,277
Ending Bal. as % of Exp.:	53.1%	14.9%	13.5%	41.6%	63.7%	85.5%	35.5%	74.5%	90.8%	8.1%	7.2%	44.7%

2019-20 Budget : Cash Balances (Overall)



2019-20 Budget: Average Daily Attendance



2019-20 Budget			
MSA Consolidated	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	3,802	3,947	145
SUMMARY			
Revenue			
LCFF Entitlement	39,822,616	42,792,722	2,970,106
Federal Revenue	3,540,557	2,377,423	(1,163,134)
Other State Revenues	6,418,492	5,000,977	(1,417,516)
Other Local Revenues	6,498,077	7,099,177	601,100
Total Revenue	56,279,742	57,270,298	990,557
Expenditures			
Certificated Salaries	17,515,957	18,403,398	887,441
Classified Salaries	6,635,954	6,722,449	86,495
Benefits	8,711,400	9,162,379	450,978
Books and Supplies	2,486,246	1,842,101	(644,145)
Services and Operating Exp.	20,937,545	18,590,454	(2,347,091)
Depreciation & Cap Outlay	1,929,045	1,194,779	(734,266)
Other Outflows	595,203	581,644	(13,559)
Total Expenditures	58,811,350	56,497,204	(2,314,147)
Net Revenues	(2,531,609)	773,095	3,304,703
Fund Balance			
Beginning Balance	26,993,791	24,462,182	
Net Revenues	(2,531,609)	773,095	
Ending Fund Balance	24,462,182	25,235,277	



MSA-1 Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$25,529.

This will allow MSA-1 to end this fiscal year with a balance of \$4,946,962, which is 53.1% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$2,150,122, which represents 84 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$880,386 higher than in the prior year, due to average daily attendance (ADA) increasing by 61.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$781,434) lower than in the prior year, due to removal of one-time grants and updates to ESSA funding amounts.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$26,479) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: This category is primarily fundraising revenue, but includes any non-LCFF local revenue sources.

Other Local Revenues are projected at (\$78,231) lower than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are \$290,876 higher than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$257,602) lower than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be \$305,412 higher than in the prior year, due to various line-item adjustments (see budget detail).

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at (\$260,383) lower than in the prior year, reflecting stable depreciation and capital outlay projections.



2019-20 Budget			
MSA 1	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	573	634	61
SUMMARY			
Revenue			
LCFF Entitlement	6,427,154	7,307,540	880,386
Federal Revenue	1,215,093	433,659	(781,434)
Other State Revenues	1,372,354	1,345,875	(26,479)
Other Local Revenues	324,392	246,161	(78,231)
Total Revenue	9,338,993	9,333,235	(5,758)
Expenditures			
Certificated Salaries	2,716,938	3,044,709	327,771
Classified Salaries	721,660	615,744	(105,915)
Benefits	1,228,220	1,297,240	69,020
Books and Supplies	568,980	311,378	(257,602)
Services and Operating Exp.	3,599,223	3,904,635	305,412
Depreciation & Cap Outlay	394,383	134,000	(260,383)
Other Outflows	-	-	-
Total Expenditures	9,229,404	9,307,706	78,302
Net Revenues	109,589	25,529	(84,060)
Fund Balance			
Beginning Balance	4,811,844	4,921,433	
Net Revenues	109,589	25,529	
Ending Fund Balance	4,921,433	4,946,962	



MSA-2 Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$69,059.

This will allow MSA-2 to end this fiscal year with a balance of \$862,734, which is 14.9% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$1,201,502, which represents 76 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$302,500 higher than in the prior year, due to average daily attendance (ADA) increasing by 15.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$20,200) lower than in the prior year, due to removal of NSLP revenues and updates to ESSA funding.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$111,746) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: This category is primarily fundraising revenue, but includes any non-LCFF local revenue sources.

Other Local Revenues are projected at \$112,463 higher than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are \$100,661 higher than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$66,962) lower than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be (\$209,632) lower than in the prior year, due primarily to ending the one-time Prop 39 Energy Projects.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at \$70,516 higher than in the prior year, reflecting updated depreciation and capital outlay projections.



2019-20 Budget			
MSA 2	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	422	437	15
SUMMARY			
Revenue			
LCFF Entitlement	4,679,290	4,981,790	302,500
Federal Revenue	312,059	296,037	(16,021)
Other State Revenues	497,517	385,771	(111,746)
Other Local Revenues	94,185	206,648	112,463
Total Revenue	5,583,050	5,870,246	287,196
Expenditures			
Certificated Salaries	2,064,742	2,208,157	143,415
Classified Salaries	614,405	551,004	(63,400)
Benefits	1,008,649	1,029,296	20,647
Books and Supplies	256,744	189,782	(66,962)
Services and Operating Exp.	1,892,581	1,682,949	(209,632)
Depreciation & Cap Outlay	69,484	140,000	70,516
Other Outflows	-	-	-
Total Expenditures	5,906,605	5,801,188	(105,418)
Net Revenues	(323,555)	69,059	392,614
Fund Balance			
Beginning Balance	1,117,230	793,675	
Net Revenues	(323,555)	69,059	
Ending Fund Balance	793,675	862,734	



MSA-3 Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$66,465.

This will allow MSA-3 to end this fiscal year with a balance of \$810,430, which is 13.5% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$897,899, which represents 55 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$61,960 higher than in the prior year, due to average daily attendance (ADA) decreasing by 9.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$20,200) lower than in the prior year, due to updates to ESSA funding amounts.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$226,259) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other Local Revenues are projected at (\$70,790) lower than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are \$119,971 higher than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$73,156) lower than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be (\$672,195) lower than in the prior year, due primarily to ending the one-time Prop 39 Energy Projects.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at (\$16,128) lower than in the prior year, reflecting stable depreciation and capital outlay projections.



2019-20 Budget			
MSA 3	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	489	480	(9)
SUMMARY			
Revenue			
LCFF Entitlement	5,237,289	5,299,249	61,960
Federal Revenue	271,573	251,373	(20,200)
Other State Revenues	705,630	479,371	(226,259)
Other Local Revenues	106,919	36,129	(70,790)
Total Revenue	6,321,411	6,066,121	(255,290)
Expenditures			
Certificated Salaries	2,076,799	2,131,288	54,489
Classified Salaries	626,277	616,864	(9,414)
Benefits	964,699	1,039,594	74,895
Books and Supplies	228,258	155,103	(73,156)
Services and Operating Exp.	2,661,326	1,989,131	(672,195)
Depreciation & Cap Outlay	83,804	67,677	(16,128)
Other Outflows	-	-	-
Total Expenditures	6,641,163	5,999,656	(641,507)
Net Revenues	(319,752)	66,465	386,218
Fund Balance			
Beginning Balance	1,063,717	743,965	
Net Revenues	(319,752)	66,465	
Ending Fund Balance	743,965	810,430	



MSA-4 Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$23,989.

This will allow MSA-4 to end this fiscal year with a balance of \$906,984, which is 41.6% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$1,360,108, which represents 227 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$7,961 higher than in the prior year, due to average daily attendance (ADA) decreasing by 7.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$22,446) lower than in the prior year, due to updates to ESSA funding amounts.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$45,825) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other Local Revenues are projected at \$43,078 higher than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are (\$170,798) lower than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$48,685) lower than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be (\$409,258) lower than in the prior year, due primarily to ending the one-time Prop 39 Energy Projects.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at \$0 lower than in the prior year, reflecting stable depreciation and capital outlay projections.



2019-20 Budget			
MSA 4	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	165	158	(7)
SUMMARY			
Revenue			
LCFF Entitlement	1,828,438	1,836,399	7,961
Federal Revenue	131,364	108,918	(22,446)
Other State Revenues	193,363	147,538	(45,825)
Other Local Revenues	70,759	113,837	43,078
Total Revenue	2,223,924	2,206,692	(17,232)
Expenditures			
Certificated Salaries	1,001,697	897,582	(104,115)
Classified Salaries	170,738	129,093	(41,645)
Benefits	428,944	403,907	(25,037)
Books and Supplies	119,347	70,662	(48,685)
Services and Operating Exp.	1,071,406	662,148	(409,258)
Depreciation & Cap Outlay	19,312	19,312	-
Other Outflows	-	-	-
Total Expenditures	2,811,443	2,182,703	(628,740)
Net Revenues	(587,519)	23,989	611,509
Fund Balance			
Beginning Balance	1,470,514	882,995	
Net Revenues	(587,519)	23,989	
Ending Fund Balance	882,995	906,984	



MSA-5 Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$106,573.

This will allow MSA-5 to end this fiscal year with a balance of \$1,929,871, which is 63.7% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$1,733,401, which represents 209 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$150,286 higher than in the prior year, due to average daily attendance (ADA) decreasing by 0.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$13,305) lower than in the prior year, due to updates to ESSA funding amounts.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$79,918) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other Local Revenues are projected at \$67,667 higher than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are \$220,889 higher than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$23,814) lower than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be (\$230,951) lower than in the prior year, due primarily to ending the one-time Prop 39 Energy Projects.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at (\$20,000) lower than in the prior year, reflecting stable depreciation and capital outlay projections.



2019-20 Budget			
MSA 5	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	235	235	-
SUMMARY			
Revenue			
LCFF Entitlement	2,547,726	2,698,012	150,286
Federal Revenue	165,737	152,432	(13,305)
Other State Revenues	293,170	213,252	(79,918)
Other Local Revenues	4,200	71,867	67,667
Total Revenue	3,010,833	3,135,562	124,729
Expenditures			
Certificated Salaries	1,139,695	1,231,072	91,377
Classified Salaries	269,141	294,956	25,815
Benefits	502,935	606,632	103,697
Books and Supplies	189,421	165,607	(23,814)
Services and Operating Exp.	944,094	713,143	(230,951)
Depreciation & Cap Outlay	37,579	17,579	(20,000)
Other Outflows	-	-	-
Total Expenditures	3,082,866	3,028,990	(53,877)
Net Revenues	(72,033)	106,573	178,606
Fund Balance			
Beginning Balance	1,895,332	1,823,299	
Net Revenues	(72,033)	106,573	
Ending Fund Balance	1,823,299	1,929,871	



MSA-6 Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$47,947.

This will allow MSA-6 to end this fiscal year with a balance of \$1,668,106, which is 85.5% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$1,459,726, which represents 273 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$120,026 higher than in the prior year, due to average daily attendance (ADA) increasing by 8.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$21,351) lower than in the prior year, due to updates to ESSA funding amounts.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$107,307) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other Local Revenues are projected at \$70,477 higher than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are \$108,335 higher than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$5,930) lower than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be (\$67,248) lower than in the prior year, due primarily to ending the one-time Prop 39 Energy Projects.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at (\$4,998) lower than in the prior year, reflecting updated depreciation and capital outlay projections.



2019-20 Budget			
MSA 6	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	148	156	8
SUMMARY			
Revenue			
LCFF Entitlement	1,482,738	1,602,764	120,026
Federal Revenue	126,006	104,655	(21,351)
Other State Revenues	311,339	204,032	(107,307)
Other Local Revenues	16,200	86,677	70,477
Total Revenue	1,936,283	1,998,128	61,844
Expenditures			
Certificated Salaries	713,967	759,006	45,040
Classified Salaries	124,194	155,622	31,427
Benefits	340,503	372,372	31,868
Books and Supplies	93,430	87,500	(5,930)
Services and Operating Exp.	624,706	557,458	(67,248)
Depreciation & Cap Outlay	23,222	18,224	(4,998)
Other Outflows	-	-	-
Total Expenditures	1,920,023	1,950,181	30,158
Net Revenues	16,261	47,947	31,686
Fund Balance			
Beginning Balance	1,603,898	1,620,159	
Net Revenues	16,261	47,947	
Ending Fund Balance	1,620,159	1,668,106	



MSA-7 Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$80,339.

This will allow MSA-7 to end this fiscal year with a balance of \$1,300,772, which is 35.5% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$1,108,559, which represents 111 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$156,591 higher than in the prior year, due to average daily attendance (ADA) increasing by 2.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$281,507) lower than in the prior year, due to updates to ESSA funding amounts.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$134,480) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other Local Revenues are projected at (\$8,005) lower than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are \$107,902 higher than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$67,262) lower than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be (\$303,141) lower than in the prior year, due primarily to ending the one-time Prop 39 Energy Projects.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at (\$363,002) lower than in the prior year, reflecting \$350k in capital improvements.



2019-20 Budget			
MSA 7	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	278	280	2
SUMMARY			
Revenue			
LCFF Entitlement	2,794,305	2,950,896	156,591
Federal Revenue	444,804	163,297	(281,507)
Other State Revenues	720,162	585,683	(134,480)
Other Local Revenues	48,773	40,768	(8,005)
Total Revenue	4,008,045	3,740,644	(267,401)
Expenditures			
Certificated Salaries	1,185,835	1,155,464	(30,371)
Classified Salaries	381,786	463,111	81,324
Benefits	499,364	556,312	56,949
Books and Supplies	166,162	98,900	(67,262)
Services and Operating Exp.	1,673,671	1,370,530	(303,141)
Depreciation & Cap Outlay	378,990	15,987	(363,002)
Other Outflows	-	-	-
Total Expenditures	4,285,808	3,660,305	(625,503)
Net Revenues	(277,763)	80,339	358,102
Fund Balance			
Beginning Balance	1,498,196	1,220,433	
Net Revenues	(277,763)	80,339	
Ending Fund Balance	1,220,433	1,300,772	



MSA-8 Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$58,704.

This will allow MSA-8 to end this fiscal year with a balance of \$4,312,823, which is 74.5% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$1,552,936, which represents 98 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$309,639 higher than in the prior year, due to average daily attendance (ADA) increasing by 16.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$1,402) lower than in the prior year, due to updates to ESSA funding amounts.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$138,862) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other Local Revenues are projected at (\$37,527) lower than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are \$621,224 higher than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$58,927) lower than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be (\$273,934) lower than in the prior year, due primarily to ending the one-time Prop 39 Energy Projects.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at (\$44,817) lower than in the prior year, reflecting updated depreciation and capital outlay projections.



2019-20 Budget			
MSA 8	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	457	473	16
SUMMARY			
Revenue			
LCFF Entitlement	4,702,634	5,012,273	309,639
Federal Revenue	335,233	333,831	(1,402)
Other State Revenues	638,242	499,379	(138,862)
Other Local Revenues	42,527	5,000	(37,527)
Total Revenue	5,718,636	5,850,484	131,848
Expenditures			
Certificated Salaries	1,573,185	2,029,445	456,260
Classified Salaries	452,015	545,984	93,969
Benefits	817,928	888,921	70,994
Books and Supplies	342,586	283,659	(58,927)
Services and Operating Exp.	2,232,703	1,958,769	(273,934)
Depreciation & Cap Outlay	129,817	85,000	(44,817)
Other Outflows	-	-	-
Total Expenditures	5,548,234	5,791,779	243,546
Net Revenues	170,402	58,704	(111,698)
Fund Balance			
Beginning Balance	4,083,717	4,254,119	
Net Revenues	170,402	58,704	
Ending Fund Balance	4,254,119	4,312,823	



MSA-SA Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$190,312.

This will allow MSA-SA to end this fiscal year with a balance of \$7,713,821, which is 90.8% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is (\$57,156), which represents -2 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$392,354 higher than in the prior year, due to average daily attendance (ADA) increasing by 5.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$4,177) lower than in the prior year, due to updates to ESSA funding amounts.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$332,306) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other Local Revenues are projected at \$32,366 higher than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are (\$454,849) lower than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at \$7,340 higher than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be \$427,273 higher than in the prior year, due primarily to ending the one-time Prop 39 Energy Projects.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at (\$60,627) lower than in the prior year, reflecting updated depreciation and capital outlay projections.



2019-20 Budget			
MSA SA	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	643	648	5
SUMMARY			
Revenue			
LCFF Entitlement	6,951,482	7,343,836	392,354
Federal Revenue	427,701	423,524	(4,177)
Other State Revenues	1,060,252	727,946	(332,306)
Other Local Revenues	154,278	186,644	32,366
Total Revenue	8,593,713	8,681,950	88,237
Expenditures			
Certificated Salaries	3,099,081	2,679,902	(419,179)
Classified Salaries	773,092	865,101	92,009
Benefits	1,414,118	1,286,438	(127,680)
Books and Supplies	293,164	300,504	7,340
Services and Operating Exp.	1,720,776	2,148,048	427,273
Depreciation & Cap Outlay	677,067	630,000	(47,067)
Other Outflows	595,203	581,644	(13,559)
Total Expenditures	8,572,501	8,491,638	(80,863)
Net Revenues	21,212	190,312	169,100
Fund Balance			
Beginning Balance	7,502,296	7,523,508	
Net Revenues	21,212	190,312	
Ending Fund Balance	7,523,508	7,713,821	



MSA-SD Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$43,906.

This will allow MSA-SD to end this fiscal year with a balance of \$352,926, which is 8.1% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$364,804, which represents 31 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

LCFF Entitlement: These "Local Control Funding Formula" revenues are the primary funding source for the school.

LCFF Entitlement projected revenues are \$588,403 higher than in the prior year, due to average daily attendance (ADA) increasing by 57.

Federal Revenues: This consists of Title I-IV "Every Student Succeeds Act" (ESSA) funding, federal special education, and federal food programs.

Federal Revenues are projected at (\$1,291) lower than in the prior year, due to updates to ESSA funding amounts.

Other State Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other State Revenues are projected at (\$214,334) lower than in the prior year, primarily due to a changes in one-time funding levels.

Other Local Revenues: These are the non-LCFF state revenues such as Lottery, Facility Grant, and one-time block grants.

Other Local Revenues are projected at (\$47,281) lower than in the prior year, reflecting updated projections of fundraising and other local revenue.

EXPENDITURE CHANGES FROM PRIOR YEAR

Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are (\$108,391) lower than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$37,811) lower than in the prior year.

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be (\$379,401) lower than in the prior year, due primarily to ending the one-time Prop 39 Energy Projects.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.

These costs are projected at (\$36,871) lower than in the prior year, reflecting stable depreciation and capital outlay projections.



2019-20 Budget			
MSA SD	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:	390	447	57
SUMMARY			
Revenue			
LCFF Entitlement	3,171,560	3,759,963	588,403
Federal Revenue	110,987	109,696	(1,291)
Other State Revenues	626,463	412,129	(214,334)
Other Local Revenues	144,662	97,381	(47,281)
Total Revenue	4,053,672	4,379,170	325,498
Expenditures			
Certificated Salaries	1,559,448	1,514,978	(44,470)
Classified Salaries	398,672	361,638	(37,033)
Benefits	723,079	696,191	(26,888)
Books and Supplies	119,388	81,577	(37,811)
Services and Operating Exp.	1,993,280	1,613,880	(379,401)
Depreciation & Cap Outlay	103,871	67,000	(36,871)
Other Outflows	-	-	-
Total Expenditures	4,897,738	4,335,264	(562,474)
Net Revenues	(844,066)	43,906	887,972
Fund Balance			
Beginning Balance	1,153,086	309,020	
Net Revenues	(844,066)	43,906	
Ending Fund Balance	309,020	352,926	



MERF Executive Summary

SUMMARY OF RESULTS

This latest 2019-20 July Budget update projects a budget surplus of \$60,271.

This will allow MERF to end this fiscal year with a balance of \$429,848, which is 7.2% of annual expenditures.

CASH FLOW

Operating cash flow is projected to remain positive throughout this fiscal year, as shown in the attached monthly cash flow schedule.

The lowest projected ending cash balance this fiscal year is \$462,812, which represents 28 days of operating costs on average.

This cash flow takes into account all intercompany loans made to date, but does not assume additional loans until approved by the Board.

REVENUE CHANGES FROM PRIOR YEAR

Other Local Revenues: This category includes all MERF revenues from the sites, as well as other schoolwide revenue sources.

LCFF Entitlement projected revenues are \$0 lower than in the prior year, due to average daily attendance (ADA) decreasing by 0.

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Salaries and Benefits: This includes all employee pay, plus benefits such as retirement, healthcare, Medicare, Social Security, etc.

Salaries and Benefits costs are \$589,095 higher than in the prior year, reflecting budget adjustments to address changes in enrollment and other factors.

Books & Supplies: This category includes textbooks, computers, supplies, and other instructional and non-instructional materials and equipment.

Books & Supplies costs are projected at (\$11,335) lower than in the prior year, due to targeted budget adjustments (see detail).

Services & Operating Expenses: These include all contracted services as well as travel, insurance, rent, legal costs, and other service-related expenses.

Services & Operating costs are projected to be (\$534,016) lower than in the prior year, due to targeted budget adjustments (see detail).

EXPENDITURE CHANGES FROM PRIOR YEAR

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets, interest, and SELPA encroachment.

These costs are projected at (\$11,515) lower than in the prior year, reflecting updated depreciation and encroachment projections.

Depreciation, Capital Outlay, and Other Outgo: This category includes depreciation on fixed assets and interest on long-term debt.



2019-20 Budget			
MSA MERF	2018-19 Estimated Actuals	July 1 Budget (Current Forecast)	Change From Prior Year
Projected Average Daily Attendance:			-
SUMMARY			
Revenue			
LCFF Entitlement	-	-	-
Federal Revenue	-	-	-
Other State Revenues	-	-	-
Other Local Revenues	5,491,181	6,008,065	516,884
Total Revenue	5,491,181	6,008,065	516,884
Expenditures			
Certificated Salaries	384,571	751,794	367,223
Classified Salaries	2,103,974	2,123,332	19,358
Benefits	782,961	985,475	202,514
Books and Supplies	108,765	97,430	(11,335)
Services and Operating Exp.	2,523,779	1,989,763	(534,016)
Depreciation & Cap Outlay	11,515	-	(11,515)
Other Outflows	-	-	-
Total Expenditures	5,915,565	5,947,794	32,229
Net Revenues	(424,384)	60,271	484,655
Fund Balance			
Beginning Balance	793,961	369,577	
Net Revenues	(424,384)	60,271	
Ending Fund Balance	369,577	429,848	



Magnolia Public Schools
Master List of Contracts

WORKING TAB FOR FY 19-20

Vendor Name	Location	Service Description	Contract Start Date	Contract End Date	Term	Renewal/cancellation	Contract Amount	FY18-19 Budgeted	FY19-20 Budgeted	Notes	File	C-Team
21st Century Staffing LLC	Multiple	Substitute Services	ongoing	n/a	n/a	Board Approved Vendor	n/a	300,000	300,000	Budgeted at Estimated amounts for FY 18-19	No	Suat
AbsenceSoft	MERF	HR Software for	1/7/2017	6/30/2018	1 Year	Auto Renewal	4,800	4,800		HR Software for attendance tracking	Yes	Suat
AssetWorks	MERF	Inventory Management	1/7/2017	06-30-2017	1 Year	Renewal	18,000	7,125			Yes	Nanie
Bob Burke & Company	MERF	Independent Contractor	1/7/2017	06/30/2017	1 Year	Renewal		60,000	60,000	\$5,000 Per Month	No	Ismael
BrainPop	Multiple	Software License	1/7/2017	6/30/2018	1 Year	Renewal	20,358	20,358	25,000	Animated Educational Site for Kids	Yes	David
California Charter School	Multiple	Membership	1/7/2017	6/30/2018	1 Year	Renewal	31,320	35,000			Yes	Alfredo
CharterSafe	Multiple	Insurance Services	1/7/2018	06/30/2019	1 Year	Renewal	36,788	450,553	450,553	WC, E&O, General Liability, Property	No	Nanie
ChildCare Careers LLC	Multiple	Substitute Services	ongoing	n/a	n/a	Board Approved Vendor		300,000	300,000	Budgeted at Estimated amounts for FY 18-19	NA	Suat
CoolSIS Technologies Inc.	Multiple	Data software	1/10/2014	06-30-2018	1 Year	Consideration for Read-	32,256	32,256	32,256	Quote received for read-only access for 2018-	No	David
CSUN Mitchell Family	MSA2,5,6,7,8	Counseling Services	07/01/2018	06/30/2019	1 Year	Renewal		25,000	25,000		Yes	Suat
Delta Management	MERF	Back Office Provider	1/7/2018	6/30/2019	1 Year	Renewal	440,000	440,000	500,000	Bookkeeping Services	Yes	Nanie
DirectEd Educational	Multiple	Substitute Services	ongoing	n/a	n/a	Board Approved Vendor	n/a	450,000	450,000	All Sites	Yes	Suat
EdLogical Group Corp.	Multiple	Special Ed Services	1/7/2017	6/30/2023	5 Years	Auto Renewal	n/a	691,017	750,000	Estimated amounts based on G/L from 7/17 to	Yes	Erdinc
First Lutheran Church of	MSA-7	Rent	1/7/2017	06/30/2022	5 Years	ongoing		274,284	274,284	Rental Facility for MSA-7	No	Patrick
First Lutheran Church of	MSA-6	Rent				ongoing		119,000	119,000	Rental Facility for MSA-7	Yes	Patrick
Good Sports Plus LTD	Multiple	After School Programs	1/7/2016	6/30/2020	4 Years	MSA 1,MSA 8 will not	627,000	252,224	200,000	Contract agrees with ASES grant amount per	Yes	Suat
Illuminate Education: ISI	Multiple	Software Services	1/7/2017	06/30/2021	4 Years	N/A	40,100	40,100	40,100	\$7 per student. Contract based on 3,800	Yes	David
Kaiser	Multiple	Health and Welfare	ongoing	n/a	n/a	Auto Renewal	2,775,110	2,775,110	2,775,110		Yes	Nanie
Kajima Development	MERF	Rent	1/5/2017	1/5/2024	7 years	N/A		156,000	156,000	\$13k/mo	Yes	Patrick
LA Café	Multiple	LAUSD Food services	ongoing	n/a	n/a			166,733	166,733	Valid contract for MSA-8 and MSA-5 FY18-19 is	Yes	Suat
Larson Communications	MERF	Communications consulting	1/7/2017	06/30/2018	1 year	Renewal		150,000	150,000		Yes	Ismael
Los Angeles Unified School District	MSA4	Facility MOU's	1/7/2017	06/30/2022	5 Years			103,831	103,831	Need updated LAUSD FUA and rental agreement	No	Suat
Metlife	Multiple	Health and Welfare Benefits	1/7/2017	6/30/2018	1 Year	Auto Renewal	177,227	177,227	177,227	Dental Insurance Benefits for FTE	Yes	Suat
Mind Research Institute	Multiple	Software Services for ST Math Gen5	1/7/2017	6/30/2018	1 Year	Renewal	15,000	15,000		MSA-8 Uses Mind Rearch Resource is Title1	Yes	Erdinc
Mission View Public Schools = Learn 4 Life	Multiple	Summer Program	1/7/2017	07/28/2017	1 Month	This is a revenue not an expense. They contract with us for space, curriculum, and staffing.	277,279	249,273		MSA4,5 and MSA6 will not have Summer Site services	Yes	Erdinc
MyOn is now Renaissance Learning	Multiple	Educational services	4/27/2017	8/31/2020	3 Years	Auto Renewal	240,501	79,164	79,164	Literacy Software	Yes	Erdinc
NWEA	Multiple	MAP Testing License	1/7/2017	6/30/2018	1 Year	Renewal	43,750	43,750	43,750	MAP Testing	Yes	David
ParentSquare	Multiple	Parent Communication	Various	Various	n/a	n/a	n/a	5,000	25,000	Integrative Communication	Yes	Ismael
Paycom	Multiple	Payroll Services	1/12/2015	1/12/2018	3 Years	Auto Renewal		20,000	64,100		Yes	Nanie
Riders Express T&C	Multiple	Bus transportation	1/7/2017	06/30/18	1 Year	Renewal	66,455	63,860	171,000	Need contract updated for FY 18-19	No	Suat
School Reach	Multiple	Parent Communication	n/a	various	1 year		n/a	3,000	n/a		n/a	Ismael
SchoolMint	Multiple	Enrollment Partner	1/5/2018	1/5/2022	5 Years	Auto Renewal		32,500	31,000	Enrollment and Lottery Services	Yes	Ismael
SDUSD Lease	MSASD	Monthly land lease	1/7/2017	charter term	charter term		240,000	240,000	240,000		Yes	Patrick
Sub Ready	Multiple	Substitute	ongoing	n/a	n/a	Board Approved Vendor	n/a	300,000	300,000	Used by all Sites	NA	Suat
Teach America	MSA-8	Special Ed Services	1/7/2016	6/30/2018	2 years	Considerations	7,000	3,500			Yes	Erdinc
Teachers on Reserve	Multiple	Substitute	ongoing	n/a	n/a	Board Approved Vendor	n/a	300,000	300,000	Used by all Sites	NA	Suat
Ubistor	Multiple	MPS Backup Solutions - IT	1/7/2017	6/30/2018	1 Year	Auto Renewal	28,740	28,740	28,740	MPS IT Solutions for Backups MSA1-3, SA and MERF	Yes	Suat
Vavrinek, Trine, Day & Co., LLP	Multiple	Audit services	1/7/2017	06/30/2018	2 years	Renewal	80,000	91,925	91,925	Estimated Total Fee for MERF \$26,500.00	Yes	Nanie
YMCA	MSASD	ASES	1/7/2016	6/30/2017	1 Year	Renewal	76,950	88,452	88,452	ASES After School Programs	Yes	Alfredo
Atkinson, Andelson, Loya, Ruud & Romo	MERF	Legal Services	ongoing					25,000			Yes	Patrick
Gordon Rees	MERF	Legal Services-- CharterSafe	ongoing	n/a	n/a	n/a	25,000	75,000			Yes	Alfredo
Jackson & Lewis PC	MSA-3	Legal Services	ongoing	n/a	n/a	n/a	25,000	75,000			Yes	Patrick
Law Offices of William M. Nassar & Assoc.	MERF	Legal Services	ongoing	n/a		n/a	n/a	20,000			Yes	Alfredo
Law Offices of Young, Minney & Corr. LLP	Multiple	Legal Services (Increase of \$10 per hour effective June 1,2017)	ongoing	n/a		n/a	n/a	200,000			Yes	Alfredo
Musick, Peeler & Garrett LLP	Multiple	Legal Services	ongoing	n/a		n/a	n/a	100,000			Yes	Alfredo



QUESTIONS & COMMENTS

