



| | |
|---------------------|---|
| Board Agenda Item # | IV.D – Action Item |
| Date: | December 15, 2019 |
| To: | Magnolia Public Schools Board of Directors |
| From: | Alfredo Rubalcava, CEO & Superintendent |
| Staff Lead: | Alfredo Rubalcava, CEO & Superintendent |
| RE: | Resolution of Material Revision to Merge MSA-4 into MSA-6 |

Proposed Board Motion

I move that the MPS board approve the resolution that authorizes the following: (1) Material revision for MSA-6’s Charter Petition and (2) Closure of MSA-4 effective June 30, 2020, and authorize the MPS CEO and Superintendent to take the necessary actions needed to complete the revision process.

Introduction

The Los Angeles Unified School District (LAUSD) allows charter operators to amend their charter petitions if the school wishes to make any substantial changes to their educational program, governance, organizational structure, amongst others changes. After a review of MPS’ current enrollment viability it became apparent that the MPS West Los Angeles site, MSA-4, was steadily declining in student enrollment. Many efforts have been made for that campus to increase enrollment but the results have been unsubstantial, causing budget constraints on the school and the organization. Therefore, MPS’ leadership team determined that the best solution would be to merge MSA-4 into MSA-6 and go through the Material Revision process with LAUSD.

Background

The Los Angeles Unified School District currently authorizes Magnolia Science Academy 4 and Magnolia Science Academy 6. The resolution being approved addresses the request for a material revision to Magnolia Science Academy 6’s charter petition to reflect a merger with Magnolia Science Academy 4, which will make MSA-6 a middle and high school. Over the years, MSA 4 has experienced a decline in enrollment, which has resulted in fewer classrooms for the 131 6-12th graders. Considering the proximity between MSA-4 and MSA-6 being 2.4 miles apart, MPS administrators project little to no travel burdens on the current families due to the merger.

Currently, MSA-6 has four more years in their current charter term before their next renewal during the 2023-24 school year. MSA-6 has consistently maintained a steady level of student enrollment. The school currently occupies a church facility in the Palms neighborhood and in an effort to be proactive has submitted an application for additional facilities under Proposition 39 to ensure it has space to accommodate the high school grades at a separate facility.

With the approval of this merger, MSA-6 would inherit grades 9-12 and MSA-4 would close effective June 30, 2020.

Analysis (If applicable)

- NA

Budget Implications

- The anticipated budget implications for MSA-6 are reflected in the attached budget. At this moment for MSA-4 we can only project based off of available information and assumptions but the final impact will not be known until the actual merger is complete. MSA-4's net assets and liabilities will be absorbed by MSA-6 if the merger goes through.

Exhibits (attachments):

- Approval of Material Revision to Merge MSA-4 into MSA-6
- MSA-6 Budget for 2020-21 through 2023-24

Resolution of the Board of Directors No. 20191215-01
of
Magnolia Educational & Research Foundation

Approval of Material Revision to Merge MSA-4 into MSA-6

WHEREAS the Board of Directors (the “Board”) of Magnolia Educational & Research Foundation, doing business as Magnolia Public Schools (“MPS”) currently operates four (4) charter schools authorized by the Los Angeles Unified School District (“LAUSD”), including Magnolia Science Academy-4 (“MSA-4”) (grades 6-12), and Magnolia Science Academy-6 (“MSA-6”) (grades 6-8); and

WHEREAS, MSA-4 and MSA-6 are geographically close to one another, operating approximately 2.4 miles apart; and

WHEREAS, many MSA-6 students seek to continue their education at MSA-4 for high school; and

WHEREAS the Board seeks to materially revise the MSA-6 charter to merge MSA-4 into MSA-6, thereby closing MSA-4 effective June 30, 2020, and increasing the grade span of MSA-6 from 6-8 to 6-12 and its enrollment capacity to 400, effective July 1, 2020; and

WHEREAS the Board finds that it is in the best interests of the students of MSA-4 and MSA-6, to operate one school, serving grades 6-12; and

WHEREAS the rationale for this request includes the following:

1. MSA-4 has experienced declining enrollment, resulting in its budget being unsustainable for the 2020-21 school year and beyond;
2. Due to its declining enrollment, MSA-4 has received fewer classrooms and ancillary space from LAUSD at its current location at the Daniel Webster Middle School under Proposition 39 making it impossible to continue to run a successful program at that location (to wit, 5 classrooms, one resource center, and one admin building serving grades 6-12 and a total of 131 students);
3. The Board seeks to continue offering a grades 6-12 span school for students on the Westside of Los Angeles;
4. MSA-6 has been a high-performing school since its first year of operation in 2009, and the Board’s priority is to maintain the quality and fiscal health of all of its schools;
5. The MSA-6 facility is presently located at a church facility in the Palms neighborhood but has submitted an application to LAUSD to secure additional facilities under Proposition 39 and expects to receive sufficient space to accommodate the students from the merged schools;
6. The reconstituted MSA-6 school will have sufficient enrollment and resources to allow it to secure a private facility in the next few years; and

WHEREAS MPS is fully prepared and able to accommodate a high quality 6-12 charter school at MSA-6. The four-year budget forecast, which includes the remaining years of the charter term (Attachment A of the material revision) clearly demonstrates MPS’s ability to operate a 6-12 educational program while maintaining a balanced budget.

NOW THEREFORE, BE IT RESOLVED that MPS staff is hereby authorized and directed to prepare a material revision of the MSA-6 charter for submission to LAUSD; and

BE IT RESOLVED FURTHER that MPS authorizes and directs its Superintendent and Chief

Executive Officer, Alfredo Rubalcava, to sign the request for a material revision, execute the amendment document, and otherwise act on behalf of MPS with respect to the material revision application process; and

BE IT RESOLVED FURTHER, that MPS authorizes and directs Chief Executive Officer Rubalcava and other MPS staff, as needed, to work with LAUSD on the details of the material revision submission, and authorizes and directs Chief Executive Officer Rubalcava and other MPS staff, as needed, to amend the material revision application based on the best interests of MPS; and

BE IT RESOLVED FURTHER, that the nature and scope of the major changes associated with the material revision of the MSA-6 charter are and such changes are authorized to be included in the material revision:

- Amending the enrollment capacity to 400
- Revising relevant educational program elements to reflect a 6-12 academic program
- Revising the budget forecast to reflect the 6-12 program
- Including current District Required Language
- Updating the charter for any new laws enacted since the MSA-6 charter was last approved, pursuant to Education Code Section 47607(a)(2); and

BE IT RESOLVED FURTHER, that all actions by Chief Executive Officer Rubalcava and other MPS staff taken on behalf of MPS to do all that is necessary to effect and complete the actions authorized in this resolution are hereby ratified and approved.

* * *

IN WITNESS WHEREOF, the Board of Directors has adopted the above resolution by the following vote at a regular Board meeting this 15th day of December 2019.

| Board Member | Vote |
|------------------------|-------------|
| Mr. Haim Beliak | |
| Dr. Umit Yapanel | |
| Mr. Serdar Orazov | |
| Dr. Salih Dikbas | |
| Ms. Sandra Covarrubias | |
| Ms. Diane Gonzalez | |
| Mr. Shohrat Geldiyev | |

AYES:

NOS:

ABSTENTIONS:

ABSENT:

By: _____
Haim Beliak, Chair

| MULTI-YEAR PROJECTION | | | | | |
|------------------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| MSA 6 | Current 2019-20 | YEAR 1 2020-21 | YEAR 2 2021-22 | YEAR 3 2022-23 | YEAR 4 2023-24 |

| REVENUE SUMMARY | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| LCFF Entitlement | 1,372,676 | 3,196,511 | 3,486,595 | 4,179,090 | 4,708,426 |
| Federal Revenue | 96,395 | 154,740 | 161,949 | 190,991 | 190,991 |
| Other State Revenues | 195,031 | 307,486 | 307,959 | 347,251 | 348,163 |
| Other Local Revenues | 13,296 | 17,500 | 17,500 | 17,500 | 17,500 |
| Total Revenue | 1,677,398 | 3,676,236 | 3,974,003 | 4,734,832 | 5,265,080 |
| EXPENDITURE SUMMARY | | | | | |
| Certificated Salaries | 708,695 | 1,241,988 | 1,340,374 | 1,630,695 | 1,868,890 |
| Classified Salaries | 149,933 | 253,320 | 273,387 | 332,602 | 381,185 |
| Benefits | 322,381 | 586,000 | 636,104 | 776,640 | 892,848 |
| Books and Supplies | 129,561 | 220,745 | 238,231 | 289,832 | 332,167 |
| Services and Operating Exp. | 535,982 | 1,146,360 | 1,224,891 | 1,472,739 | 1,668,119 |
| Depreciation & Cap Outlay | 18,224 | 37,536 | 37,536 | 37,536 | 37,536 |
| Other Outflows | - | - | - | - | - |
| Total Expenditures | 1,864,776 | 3,485,948 | 3,750,524 | 4,540,044 | 5,180,745 |
| Net Revenues | (187,378) | 190,288 | 223,479 | 194,788 | 84,336 |
| Fund Balance | | | | | |
| Beginning Balance | 1,814,290 | 1,626,912 | 1,817,200 | 2,040,680 | 2,235,468 |
| Net Revenues | (187,378) | 190,288 | 223,479 | 194,788 | 84,336 |
| Ending Fund Balance | 1,626,912 | 1,817,200 | 2,040,680 | 2,235,468 | 2,319,804 |
| Ending Fund Balance as % of Exp | 87.24% | 52.13% | 54.41% | 49.24% | 44.78% |

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|----------------|----------------|----------------|----------------|----------------|
| Enrollment | | | | | |
| 6 | 34 | 51 | 30 | 60 | 80 |
| 7 | 55 | 63 | 60 | 60 | 60 |
| 8 | 47 | 61 | 60 | 60 | 60 |
| 9 | - | 51 | 60 | 60 | 80 |
| 10 | - | 30 | 30 | 60 | 60 |
| 11 | - | 21 | 30 | 30 | 30 |
| 12 | - | 13 | 35 | 30 | 30 |
| Total Enrollment (before changes) | 136 | 290 | 305 | 360 | 400 |
| Average Daily Attendance | | | | | |
| K-3 | - | - | - | - | - |
| 4-6 | 32.00 | 48.96 | 28.80 | 57.60 | 76.80 |
| 7-8 | 99.00 | 120.90 | 117.00 | 117.00 | 117.00 |
| 9-12 | - | 109.14 | 147.10 | 170.82 | 189.80 |
| Total ADA (before changes) | 131.00 | 279.00 | 292.90 | 345.42 | 383.60 |
| CBEDS Enrollment | 136 | 290 | 305 | 360 | 400 |
| CBEDS Unduplicated Count | 120 | 223 | 235 | 277 | 308 |
| LCFF Unduplicated Percentage (1-Year): | 88.24% | 76.90% | 77.05% | 76.94% | 77.00% |
| LCFF Unduplicated Percentage (3-Year): | 83.70% | 81.18% | 79.07% | 76.96% | 77.00% |

MULTI-YEAR PROJECTION

| MSA 6 | | Current 2019-20 | YEAR 1 2020-21 | YEAR 2 2021-22 | YEAR 3 2022-23 | YEAR 4 2023-24 |
|---------------------------------------|---------------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| REVENUE DETAIL | | | | | | |
| LCFF Entitlement | | | | | | |
| 8011 | State Aid | 828,072 | 2,036,650 | 2,268,949 | 2,743,084 | 3,113,695 |
| 8012 | EPA Entitlement | 211,353 | 450,125 | 472,551 | 557,293 | 618,892 |
| 8096 | InLieuPropTaxes | 333,251 | 709,736 | 745,095 | 878,713 | 975,839 |
| SUBTOTAL - LCFF Entitlement | | 1,372,676 | 3,196,511 | 3,486,595 | 4,179,090 | 4,708,426 |
| Federal Revenue | | | | | | |
| 8181 | SpEd - Revenue | 32,777 | 55,496 | 58,261 | 68,709 | 68,709 |
| 8290 | All Other Federal Revenue | 63,618 | 99,243 | 103,688 | 122,282 | 122,282 |
| SUBTOTAL - Federal Revenue | | 96,395 | 154,740 | 161,949 | 190,991 | 190,991 |
| Other State Revenue | | | | | | |
| 8311 | SpEd Revenue | 83,631 | 159,474 | 154,271 | 181,936 | 181,936 |
| 8550 | MandCstReimburs | 2,613 | 2,275 | 4,846 | 5,088 | 6,000 |
| 8560 | StateLotteryRev | 23,288 | 60,237 | 63,342 | 74,727 | 74,727 |
| 8590 | AllOthStateRev | 85,500 | 85,500 | 85,500 | 85,500 | 85,500 |
| SUBTOTAL - Other State Revenue | | 195,031 | 307,486 | 307,959 | 347,251 | 348,163 |
| Local Revenue | | | | | | |
| 8699 | Other Revenue | 13,296 | 17,500 | 17,500 | 17,500 | 17,500 |
| SUBTOTAL - Local Revenue | | 13,296 | 17,500 | 17,500 | 17,500 | 17,500 |
| TOTAL REVENUE | | 1,677,398 | 3,676,236 | 3,974,003 | 4,734,832 | 5,265,080 |

MULTI-YEAR PROJECTION

| MSA 6 | | Current 2019-20 | YEAR 1 2020-21 | YEAR 2 2021-22 | YEAR 3 2022-23 | YEAR 4 2023-24 |
|---|---------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| EXPENDITURES DETAIL | | | | | | |
| Certificated Salaries | | | | | | |
| 1100 | TeacherSalaries | 516,447 | 934,910 | 1,008,971 | 1,227,511 | 1,406,812 |
| 1300 | Cert Adminis | 192,248 | 307,078 | 331,403 | 403,184 | 462,077 |
| SUBTOTAL - Certificated Salaries | | 708,695 | 1,241,988 | 1,340,374 | 1,630,695 | 1,868,890 |
| Classified Salaries | | | | | | |
| 2100 | Instructional Aides | 35,948 | 65,075 | 70,230 | 85,441 | 97,922 |
| 2200 | Classified Support | 29,000 | 52,498 | 56,657 | 68,928 | 78,997 |
| 2400 | Clerical & Tech | 84,985 | 135,747 | 146,500 | 178,232 | 204,266 |
| SUBTOTAL - Classified Salaries | | 149,933 | 253,320 | 273,387 | 332,602 | 381,185 |
| Employee Benefits | | | | | | |
| 3101 | STRS | 129,790 | 244,749 | 264,137 | 321,349 | 368,288 |
| 3202 | PERS | 32,214 | 61,953 | 70,544 | 88,581 | 104,285 |
| 3301 | OASDI/Med | 22,910 | 39,898 | 43,059 | 52,385 | 60,037 |
| 3401 | HlthWelfare | 125,000 | 217,689 | 234,933 | 285,819 | 327,568 |
| 3501 | UnemployIns | 457 | 796 | 859 | 1,045 | 1,198 |
| 3601 | WorkersCmp | 8,412 | 14,650 | 15,810 | 19,234 | 22,044 |
| 3901 | OthBenes | 3,598 | 6,266 | 6,762 | 8,227 | 9,429 |
| SUBTOTAL - Employee Benefits | | 322,381 | 586,000 | 636,104 | 776,640 | 892,848 |
| Books & Supplies | | | | | | |
| 4100 | Text&CoreCurric | 35,290 | 60,127 | 64,890 | 78,945 | 90,476 |
| 4200 | BooksOthRefMats | 1,200 | 2,045 | 2,207 | 2,684 | 3,077 |
| 4310 | Ins Mats & Sups | 39,843 | 67,885 | 73,262 | 89,131 | 102,150 |
| 4320 | Office Supplies | 12,000 | 20,445 | 22,065 | 26,844 | 30,765 |
| 4335 | PE Supplies | 2,000 | 3,408 | 3,678 | 4,474 | 5,128 |
| 4340 | Educat Software | 15,429 | 26,288 | 28,370 | 34,515 | 39,557 |
| 4345 | NonInstStdntSup | 1,099 | 1,872 | 2,020 | 2,458 | 2,817 |
| 4346 | TeacherSupplies | 5,000 | 8,519 | 9,194 | 11,185 | 12,819 |
| 4351 | Yearbook | 100 | 170 | 184 | 224 | 256 |
| 4390 | Uniforms | 1,850 | 3,152 | 3,402 | 4,138 | 4,743 |
| 4410 | ClssrmFrnEqp<5k | 2,000 | 3,408 | 3,678 | 4,474 | 5,128 |
| 4430 | OffceFurnEqp<5k | 3,000 | 5,111 | 5,516 | 6,711 | 7,691 |
| 4440 | Computers <\$5k | 7,600 | 12,949 | 13,975 | 17,001 | 19,485 |
| 4720 | Food:Other Food | 3,150 | 5,367 | 5,792 | 7,047 | 8,076 |
| SUBTOTAL - Books and Supplies | | 129,561 | 220,745 | 238,231 | 289,832 | 332,167 |

MULTI-YEAR PROJECTION

| MSA 6 | | Current 2019-20 | YEAR 1 2020-21 | YEAR 2 2021-22 | YEAR 3 2022-23 | YEAR 4 2023-24 |
|--|-------------------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Services & Other Operating Expenses | | | | | | |
| 5101 | CMO Fees | 37,648 | 430,263 | 451,699 | 532,703 | 591,584 |
| 5210 | MilesParkTolls | 2,209 | 3,293 | 3,554 | 4,324 | 4,955 |
| 5215 | TravConferences | 1,000 | 1,491 | 1,609 | 1,957 | 2,243 |
| 5220 | TraLodging | 2,500 | 3,727 | 4,022 | 4,893 | 5,608 |
| 5300 | DuesMemberships | 2,500 | 3,727 | 4,022 | 4,893 | 5,608 |
| 5450 | Other Insurance | 8,000 | 11,927 | 12,871 | 15,659 | 17,946 |
| 5500 | OpsHousekeeping | 3,485 | 5,195 | 5,607 | 6,822 | 7,818 |
| 5510 | Gas & Electric | 8,500 | 12,672 | 13,676 | 16,638 | 19,068 |
| 5610 | Rent & Leases | 114,000 | 169,953 | 183,416 | 223,143 | 255,737 |
| 5620 | EquipmentLeases | 5,000 | 7,454 | 8,045 | 9,787 | 11,217 |
| 5800 | ProfessServices | 72,139 | 92,182 | 99,484 | 121,032 | 138,711 |
| 5810 | Legal | 20,000 | 17,500 | 18,886 | 22,977 | 26,333 |
| 5819 | SchlProgs-Other | 1,000 | 1,278 | 1,379 | 1,678 | 1,923 |
| 5850 | Oversight Fees | 16,039 | 31,965 | 34,866 | 41,791 | 47,084 |
| 5857 | Payroll Fees | 13,082 | 16,717 | 18,041 | 21,948 | 25,154 |
| 5860 | Service Fees | 530 | 1,157 | 1,249 | 1,519 | 1,741 |
| 5863 | Prof Developmnt | 1,000 | 2,183 | 2,356 | 2,866 | 3,285 |
| 5864 | Prof Dev-Other | 10,907 | 13,938 | 15,042 | 18,300 | 20,973 |
| 5869 | SpEd Ctrct Inst | 47,242 | 60,368 | 65,150 | 79,261 | 90,839 |
| 5872 | SPED Fees (incl Encroachment) | 23,607 | 30,166 | 32,556 | 39,608 | 45,393 |
| 5884 | Substitutes | 43,000 | 54,947 | 59,300 | 72,144 | 82,682 |
| 5890 | OthSvcsNon-Inst | 2,223 | 2,841 | 3,066 | 3,730 | 4,275 |
| 5900 | Communications | 4,000 | 5,111 | 5,516 | 6,711 | 7,691 |
| 5920 | TelecomInternet | 25,000 | 31,946 | 34,477 | 41,944 | 48,071 |
| 5930 | PostageDelivery | 5,000 | 6,389 | 6,895 | 8,389 | 9,614 |
| 5940 | Technology | 19,300 | 24,663 | 26,617 | 32,382 | 37,112 |
| SUBTOTAL - Services & Operations | | 535,982 | 1,146,360 | 1,224,891 | 1,472,739 | 1,668,119 |
| Capital Outlay & Depreciation | | | | | | |
| 6900 | Depreciation | 18,224 | 37,536 | 37,536 | 37,536 | 37,536 |
| SUBTOTAL - Cap Outlay & Dep. | | 18,224 | 37,536 | 37,536 | 37,536 | 37,536 |
| Other Outflows | | | | | | |
| 7310 | Indirect Costs | - | - | - | - | - |
| 7438 | InterestExpense | - | - | - | - | - |
| SUBTOTAL - Other Outflows | | - | - | - | - | - |
| TOTAL EXPENDITURES | | 1,864,776 | 3,485,948 | 3,750,524 | 4,540,044 | 5,180,745 |

| Monthly Balance Forward - 8 Unaudited Financial Projections FUNDING CALCULATIONS | | | | Monthly Balance Forward - 8 Unaudited Financial Projections FUNDING CALCULATIONS | | | | Monthly Balance Forward - 8 Unaudited Financial Projections FUNDING CALCULATIONS | | | | Monthly Balance Forward - 8 Unaudited Financial Projections FUNDING CALCULATIONS | | | | Monthly Balance Forward - 8 Unaudited Financial Projections FUNDING CALCULATIONS | | | | | | | | | | | | | | | |
|--|------------------------|----------------|------------------------|--|--|------------------------|---------------|--|-------|--|------------------------|--|------------------------|-------|--|--|---------------|------------------------|-------|--|------------------------|---------------|------------------------|---------------------|--|------------------------|---------------|------------------------|-------|-------|--|
| CURRENT YEAR (2016) | | Remaining COLA | | 2.50% | | 2.50% | | CURRENT YEAR (2016) | | Remaining COLA | | 2.50% | | 2.50% | | CURRENT YEAR (2016) | | Remaining COLA | | 2.50% | | 2.50% | | CURRENT YEAR (2016) | | Remaining COLA | | 2.50% | | 2.50% | |
| LOPP FUNDING | BIWA | ADA | Subtotal | TOTAL | LOPP FUNDING | BIWA | ADA | Subtotal | TOTAL | LOPP FUNDING | BIWA | ADA | Subtotal | TOTAL | LOPP FUNDING | BIWA | ADA | Subtotal | TOTAL | LOPP FUNDING | BIWA | ADA | Subtotal | TOTAL | LOPP FUNDING | BIWA | ADA | Subtotal | TOTAL | | |
| LCFF State Aid | \$ 9,121.00 | 111.00 | \$ 9,232.00 | | LCFF State Aid | \$ 9,121.00 | 111.00 | \$ 9,232.00 | | LCFF State Aid | \$ 9,121.00 | 111.00 | \$ 9,232.00 | | LCFF State Aid | \$ 9,121.00 | 111.00 | \$ 9,232.00 | | LCFF State Aid | \$ 9,121.00 | 111.00 | \$ 9,232.00 | | LCFF State Aid | \$ 9,121.00 | 111.00 | \$ 9,232.00 | | | |
| LCFF Education Programs Account | 1,613.00 | 151.00 | 1,764.00 | | LCFF Education Programs Account | 1,613.00 | 151.00 | 1,764.00 | | LCFF Education Programs Account | 1,613.00 | 151.00 | 1,764.00 | | LCFF Education Programs Account | 1,613.00 | 151.00 | 1,764.00 | | LCFF Education Programs Account | 1,613.00 | 151.00 | 1,764.00 | | LCFF Education Programs Account | 1,613.00 | 151.00 | 1,764.00 | | | |
| LCFF In-School Property Taxes | 2,642.00 | 101.00 | 2,743.00 | | LCFF In-School Property Taxes | 2,642.00 | 101.00 | 2,743.00 | | LCFF In-School Property Taxes | 2,642.00 | 101.00 | 2,743.00 | | LCFF In-School Property Taxes | 2,642.00 | 101.00 | 2,743.00 | | LCFF In-School Property Taxes | 2,642.00 | 101.00 | 2,743.00 | | LCFF In-School Property Taxes | 2,642.00 | 101.00 | 2,743.00 | | | |
| Total LOPP Funding: | \$ 13,376.00 | 363.00 | \$ 13,739.00 | | Total LOPP Funding: | \$ 13,376.00 | 363.00 | \$ 13,739.00 | | Total LOPP Funding: | \$ 13,376.00 | 363.00 | \$ 13,739.00 | | Total LOPP Funding: | \$ 13,376.00 | 363.00 | \$ 13,739.00 | | Total LOPP Funding: | \$ 13,376.00 | 363.00 | \$ 13,739.00 | | Total LOPP Funding: | \$ 13,376.00 | 363.00 | \$ 13,739.00 | | | |
| REVENUE REVENUES | | | | | REVENUE REVENUES | | | | | REVENUE REVENUES | | | | | REVENUE REVENUES | | | | | REVENUE REVENUES | | | | | REVENUE REVENUES | | | | | | |
| Prop 20 Lottery | \$ 18,589.00 | | \$ 18,589.00 | | Prop 20 Lottery | \$ 18,589.00 | | \$ 18,589.00 | | Prop 20 Lottery | \$ 18,589.00 | | \$ 18,589.00 | | Prop 20 Lottery | \$ 18,589.00 | | \$ 18,589.00 | | Prop 20 Lottery | \$ 18,589.00 | | \$ 18,589.00 | | Prop 20 Lottery | \$ 18,589.00 | | \$ 18,589.00 | | | |
| Additional Other State Revenues | \$ 4,400.00 | | \$ 4,400.00 | | Additional Other State Revenues | \$ 4,400.00 | | \$ 4,400.00 | | Additional Other State Revenues | \$ 4,400.00 | | \$ 4,400.00 | | Additional Other State Revenues | \$ 4,400.00 | | \$ 4,400.00 | | Additional Other State Revenues | \$ 4,400.00 | | \$ 4,400.00 | | Additional Other State Revenues | \$ 4,400.00 | | \$ 4,400.00 | | | |
| Local Governmental Services of 75% or 8750/NDM | \$ 82,000.00 | | \$ 82,000.00 | | Local Governmental Services of 75% or 8750/NDM | \$ 82,000.00 | | \$ 82,000.00 | | Local Governmental Services of 75% or 8750/NDM | \$ 82,000.00 | | \$ 82,000.00 | | Local Governmental Services of 75% or 8750/NDM | \$ 82,000.00 | | \$ 82,000.00 | | Local Governmental Services of 75% or 8750/NDM | \$ 82,000.00 | | \$ 82,000.00 | | Local Governmental Services of 75% or 8750/NDM | \$ 82,000.00 | | \$ 82,000.00 | | | |
| State Shared Revenues (1985/07) | \$ 154,271.00 | | \$ 154,271.00 | | State Shared Revenues (1985/07) | \$ 154,271.00 | | \$ 154,271.00 | | State Shared Revenues (1985/07) | \$ 154,271.00 | | \$ 154,271.00 | | State Shared Revenues (1985/07) | \$ 154,271.00 | | \$ 154,271.00 | | State Shared Revenues (1985/07) | \$ 154,271.00 | | \$ 154,271.00 | | State Shared Revenues (1985/07) | \$ 154,271.00 | | \$ 154,271.00 | | | |
| Total Additional Other State Revenues: | \$ 158,671.00 | | \$ 158,671.00 | | Total Additional Other State Revenues: | \$ 158,671.00 | | \$ 158,671.00 | | Total Additional Other State Revenues: | \$ 158,671.00 | | \$ 158,671.00 | | Total Additional Other State Revenues: | \$ 158,671.00 | | \$ 158,671.00 | | Total Additional Other State Revenues: | \$ 158,671.00 | | \$ 158,671.00 | | Total Additional Other State Revenues: | \$ 158,671.00 | | \$ 158,671.00 | | | |
| OTHER LOCAL REVENUES | | | | | OTHER LOCAL REVENUES | | | | | OTHER LOCAL REVENUES | | | | | OTHER LOCAL REVENUES | | | | | OTHER LOCAL REVENUES | | | | | OTHER LOCAL REVENUES | | | | | | |
| Other Local Governmental Services | \$ 17,000.00 | | \$ 17,000.00 | | Other Local Governmental Services | \$ 17,000.00 | | \$ 17,000.00 | | Other Local Governmental Services | \$ 17,000.00 | | \$ 17,000.00 | | Other Local Governmental Services | \$ 17,000.00 | | \$ 17,000.00 | | Other Local Governmental Services | \$ 17,000.00 | | \$ 17,000.00 | | Other Local Governmental Services | \$ 17,000.00 | | \$ 17,000.00 | | | |
| Total Additional Other Local Revenues: | \$ 17,000.00 | | \$ 17,000.00 | | Total Additional Other Local Revenues: | \$ 17,000.00 | | \$ 17,000.00 | | Total Additional Other Local Revenues: | \$ 17,000.00 | | \$ 17,000.00 | | Total Additional Other Local Revenues: | \$ 17,000.00 | | \$ 17,000.00 | | Total Additional Other Local Revenues: | \$ 17,000.00 | | \$ 17,000.00 | | Total Additional Other Local Revenues: | \$ 17,000.00 | | \$ 17,000.00 | | | |
| TOTAL REVENUES | \$ 1,677,387.00 | | \$ 1,677,387.00 | | TOTAL REVENUES | \$ 1,677,387.00 | | \$ 1,677,387.00 | | TOTAL REVENUES | \$ 1,677,387.00 | | \$ 1,677,387.00 | | TOTAL REVENUES | \$ 1,677,387.00 | | \$ 1,677,387.00 | | TOTAL REVENUES | \$ 1,677,387.00 | | \$ 1,677,387.00 | | TOTAL REVENUES | \$ 1,677,387.00 | | \$ 1,677,387.00 | | | |

Magnolia Science Academy - 6
Updated Financial Projection
FUNDING ASSUMPTIONS

ENROLLMENT/ADA ASSUMPTIONS:

1. By-grade enrollment projections are shown on the Enrollment Assumptions sheet.
2. ADA ratios are based on historical averages.
3. LCFF Unduplicated % estimated at 77.00% based on 2019/20 actual rate.

FEDERAL FUNDING ASSUMPTIONS:

1. ESSA Title I, II, and IV included. Rates based on pro-rated historical levels.
2. IDEA SPED assumed at LAUSD SELPA rates.

STATE FUNDING ASSUMPTIONS:

1. LCFF funding is calculated using FCMAT's LCFF Calculator and results entered into the Funding Calculations page, assuming Los Angeles Unified School District as the highest physical location district for both base year and unduplicated percentage calculations.
2. COLAs and gap rates taken from LCFF FCMAT Calculator 20.2c.
3. Mandate Block Grant funding is assumed based on prior year P-2 ADA.
4. AB602 SPED assumed at LAUSD SELPA rates.

LOCAL FUNDING ASSUMPTIONS:

1. Other Local Revenue of \$17,500 from local fundraising and other sources.

CASH FLOW ASSUMPTIONS:

1. No loans currently assumed.
2. No state deferrals currently assumed.

Magnolia Science Academy - 6
Updated Financial Projection
ENROLLMENT AND A.D.A. ASSUMPTIONS

| | (Current Year) | | YEAR 1 | | YEAR 2 | | YEAR 3 | | YEAR 4 | |
|---------------------------------------|----------------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
| | 2019-20 | | 2020-21 | | 2021-22 | | 2022-23 | | 2023-24 | |
| | ENROLL | ADA | ENROLL | ADA | ENROLL | ADA | ENROLL | ADA | ENROLL | ADA |
| Total TK-3 Enrollment | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - |
| Total 4-6 Enrollment | 34 | 32.00 | 51 | 48.96 | 30 | 28.80 | 60 | 57.60 | 80 | 76.80 |
| Total 7-8 Enrollment | 102 | 99.00 | 124 | 120.90 | 120 | 117.00 | 120 | 117.00 | 120 | 117.00 |
| Total 9-12 Enrollment | 0 | - | 115 | 109.14 | 155 | 147.10 | 180 | 170.82 | 200 | 189.80 |
| TTL Enrollment/ADA | 136 | 131.00 | 290 | 279.00 | 305 | 292.90 | 360 | 345.42 | 400 | 383.60 |
| <u>Non-Classroom-Based</u> | | | | | | | | | | |
| TTL TK Enrollment | - | - | - | - | - | - | - | - | - | - |
| TTL Kinder Enrollment | - | - | - | - | - | - | - | - | - | - |
| TTL Grade 1 Enrollment | - | - | - | - | - | - | - | - | - | - |
| TTL Grade 2 Enrollment | - | - | - | - | - | - | - | - | - | - |
| TTL Grade 3 Enrollment | - | - | - | - | - | - | - | - | - | - |
| TTL Grade 4 Enrollment | - | - | - | - | - | - | - | - | - | - |
| TTL Grade 5 Enrollment | - | - | - | - | - | - | - | - | - | - |
| TTL Grade 6 Enrollment | 34 | 32.00 | 51 | 48.96 | 30 | 28.80 | 60 | 57.60 | 80 | 76.80 |
| TTL Grade 7 Enrollment | 55 | 53.38 | 63 | 61.43 | 60 | 58.50 | 60 | 58.50 | 60 | 58.50 |
| TTL Grade 8 Enrollment | 47 | 45.62 | 61 | 59.48 | 60 | 58.50 | 60 | 58.50 | 60 | 58.50 |
| TTL Grade 9 Enrollment | - | - | 51 | 48.40 | 60 | 56.94 | 60 | 56.94 | 80 | 75.92 |
| TTL Grade 10 Enrollment | - | - | 30 | 28.47 | 30 | 28.47 | 60 | 56.94 | 60 | 56.94 |
| TTL Grade 11 Enrollment | - | - | 21 | 19.93 | 30 | 28.47 | 30 | 28.47 | 30 | 28.47 |
| TTL Grade 12 Enrollment | - | - | 13 | 12.34 | 35 | 33.22 | 30 | 28.47 | 30 | 28.47 |
| TOTAL: | 136 | 131.00 | 290 | 279.00 | 305 | 292.90 | 360 | 345.42 | 400 | 383.60 |
| <u>LCFF Unduplicated Calc:</u> | | | | | | | | | | |
| Enrollment* | 136 | | 290 | | 305 | | 360 | | 400 | |
| Unduplicated Count* | 120 | | 223 | | 235 | | 277 | | 308 | |
| Unduplicated Percentage: | 88.24% | | 76.90% | | 77.05% | | 76.94% | | 77.00% | |
| Blended 3-year UP: | 83.70% | | 81.18% | | 79.07% | | 76.96% | | 77.00% | |

Magnolia Science Academy - 6 Updated Financial Projection STAFFING ASSUMPTIONS

Staffing Levels - Rationale/Explanation

While we will make every effort to minimize staff turnover, all staff will be "at-will". If pre-enrollments do not indicate capacity enrollment, teaching staff will only be retained at levels sufficient to meet core subject needs, and additional teachers added only as enrollment grows. If enrollment drops thereafter, while every effort will be maintained to provide a stable learning environment, staff reductions will be enacted if needed to maintain fiscal solvency as a result of lower ADA-based revenues.

Staffing structure and staffing levels are consistent with historical actuals as well as the general framework outlined in the petition narrative. We do not anticipate substantive changes from the staffing plan outlined in the petition, although the final staffing and allocation is subject to change based on final demographics, SPED student count and other factors.

Annual Pay Increases - Rationale/Explanation

We assume two primary factors affecting annual compensation adjustments: (a) the statewide COLA increase, which we plan to use to adjust our salary scales; and (b) the step-and-column adjustments for each staff member. Generally we plan for normal step-and-column increases as well as overall COLA increases to the entire scale based on statewide COLAs and other factors. For this Financial Update, we are assuming an overall COLA increase matching the FCMAT statewide COLA projections, and an average 2.50% step/column annual increase (taking terms/replacements into account).

Benefits - Rationale/Explanation

We are assuming benefits at the following rates:

STRS = as per published CalSTRS rates
PERS = as per published CalPERS rates
OASDI = 6.20%
Medicare = 1.45%

For budget purposes we are assuming all certificated staff are CalSTRS participants.
For budget purposes we are assuming all classified staff are CalPERS participants (after 1,000 hours).
We are assuming benefits for all certificated staff as well as exempt full-time classified staff. Currently we are calculating healthcare costs as a flat percentage of payroll as an overall budget estimate. Actual healthcare costs will be determined by employee following a full analysis of potential insurance providers, and plans will be selected through competitive bidding - plans may be modified during the charter renewal term if necessary.