



# Finance Committee Meeting

11/12/20

The Academy of Alameda  
Public Schools

# Agenda

1. Review Purpose/Expectations
2. Compensation/Budgeting Areas of Focus
3. Fiscal Updates
4. Review of Annual Meetings



# Reviewing the Role of the Finance Committee

- Annually review the purpose of the Finance Committee: [Board Committees](#)
  - Our Finance committee has provided strong support and guidance to staff on all matters financial and has been as much as a thought partner as it has been an oversight committee
    - Review Responsibilities outlined in BoardOnTrack. Should we create something similar?
      - [Board Finance Committee Responsibilities](#)
      - Finance Committee Meeting Checklist (See Next Slide)
- Expectations of Staff
  - Identify roles and expectations
- Expectations of Board Finance Committee members



# Finance Committee Checklist

Task	Annually	As Needed	Each Mtg.
Review Bank Accounts: Opening, Closure, Signatory			
Review & Recommend Loan Applications and Agreements, Consultant Agreements & Insurance Policies			
Hold School Management Team Accountable for Fiscal Operations			
Review Financial Statements and Cash Flow Forecast			
Review Student Enrollment and Average Daily Attendance (ADA)			
Understand School's Revenue Sources			
Understand Financial Reporting Requirements of Chartering District/State/Federal			
Review and Update Fiscal Policies & Procedures			
Review Salary Schedule for Highest Compensated Employees			
Review Health & Retirement Benefits Package			

# This Year's Work Around Compensation/Budgetary Processes

- Decision to not engage in a full compensation study this year
  - Priorities associated with the Pandemic and Reopening Schools work
  - Challenge of engaging staff fully and providing input
  - Significant budget challenges
- Areas identified to improve fiscal procedures that have provided challenges
  - Ranges: We are going to move back to a step and column schedule for some or most non-teacher positions beginning with instructional assistants and instructional coaches
    - Rationale: Current ranges are not tied to an evaluation process and IA's are earning different hourly pay not necessarily related to job qualifications
  - "Reigning" in stipends: Minimizing the number of stipends, and defining who can receive them.
    - Rationale: Growth in the number of stipends (fiscal impact), inequity of who receives them (classified salaried employees v. teachers), culture of expecting pay for any work outside of "normal" job duties



# This Year's Work Around Compensation/Budgetary Processes

- Areas identified to improve fiscal procedures that have provided challenges (cont.)
  - Hourly pay for additional work: Minimize use of hourly pay except in specific cases to be defined)
    - Rationale: In 2017/18 staff were compensated ..... Similar to stipends, it creates a culture where (some) people want to be paid for duties performed outside of their main role/s
- Three additional areas to work on this year
  - Establish general staffing FTE numbers for principals including special education staffing
    - Rationale: Budgetary guidance for principals tied to enrollment, allow flexibility for principals to meet student outcomes with staffing and programs
  - Consider raising salaries in column 1 of the teacher salary schedule:  
(Non-credentialed teacher with a BA) [Teacher Salary Schedule - 2020/21](#)
    - Rationale: Not competitive with teachers from private schools, teachers working on their credentials, etc.



# This Year's Work Around Compensation/Budgetary Processes

- Comparative Teacher Salary Study
  - Compare surrounding salary schedules (and benefits) with AoA's teacher salary schedule
- Other Areas Identified by Finance Committee



# Fiscal Updates

- 20-21 State Budget included a restoration “trigger” if approximately \$14B in federal aid was received by Oct 15. This did not happen and deferrals are likely to remain for 20-21
- Actual state revenues are tracking higher than anticipated, which could allow 21-22 funding to be a lot brighter IF the trend continues
- Update on deferrals:
  - The June deferral (to July) will most likely be a permanent deferral
  - Still an option that the state can change the size and timing of 20-21 deferrals, similar to what happened during the Great Recession
  - AoA is not eligible for the deferral exemption due to our current cash position.
- AB 1835 vetoed by the Governor which would have required LCFF Supplemental & Concentration Funds to be tracked.
  - Governor has indicated that he intends to introduce similar language in next year's budget to implement AB 1835 faster

# Fiscal Updates: Growth Funding Cap

- Big Question: Will there be pressure by larger school districts to extend the growth funding cap into next year?
- Context:
  - Statewide K-12 enrollment is currently in a long-term decline
  - Many large district are already reporting the enrollments are down
  - San Diego is down nearly 2,500 students (2.5%)
  - LAUSD is down nearly 11,000 students (1.8%)
  - Heaviest losses in Kindergarten
  - Unknown if this is a permanent or temporary loss due to COVID
- For AoA, this may mean that we will continue to be capped at our 19-20 ADA levels for the 21-22 school year.
  - This would be relatively cost-neutral for the Elem program due to fairly stable enrollment
  - This would be extremely advantageous at the Middle School as we have been experiencing enrollment decline from 19-20 levels



# Monitoring the 2020/21 Budget/Establishing the 2021/22 Budget

## Finance Committee Meeting Dates/ Main Topics addresses

<b>Month</b>	<b>Information</b>	<b>Decisions</b>
<b>January</b>	Gov's first draft of the budget	Review revenue assumptions based on target enrollment & the Gov's budget
<b>February</b>	Final 21-22 compensation plan	Establish compensation assumptions
<b>March</b>	21-22 staff positions & FTE	Review expenditure assumptions for 1000, 2000, 3000
<b>April</b>	1st Draft of the LCAP	Review expenditure assumptions aligned to LCAP and strategic plan alignment, along with restricted funding
<b>May</b>	Final enrollment counts	1st budget draft with updated enrollment actuals to date
<b>June</b>	Review LCAP & Budget	Final budget draft

