



# Making Waves Academy

## Finance Advisory Meeting

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### Date and Time

Wednesday May 31, 2023 at 11:00 AM PDT

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You are invited to a Zoom webinar.

Topic: Finance Advisory Committee Meeting Please click the link below to join the webinar:

<https://mwacademy.zoom.us/j/82344244988?pwd=NXJQc0lvNDhZVjIEaGVaOEZBaDg1QT09>

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If you have questions about the board agenda and materials or you are in need of disability-related accommodations, please contact:

*Si tiene preguntas sobre la agenda y materiales de la junta o necesita adaptaciones relacionadas con la discapacidad, comuníquese con:*

**Molly Moloney at [mmoloney@mwacademy.org](mailto:mmoloney@mwacademy.org) or 510-779-1366.**

### Public Comment

- The public may address the MWA Board regarding any item within the subject-matter jurisdiction of the MWA governing board.
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- Under Public Comment, members of the public may
  - Comment on items on the agenda
  - Comment on items not on the agenda
  - **Presentations are limited to two minutes each**, or a total of 6 minutes for all speakers, or the two-minute limit may be shortened.
- In accordance to the Brown Act, the MWA Board may listen to comments, but can neither discuss nor take action on the topics presented. Members of the board are very limited in their response to statements or questions by persons commenting on items not on the agenda.
- **Speakers may submit a request to speak before 9:00 AM on the day of the committee meeting or use the raise hand function during the public comment sections of the meeting.**
  - **If you would like to send your request to speak prior to the meeting, please email your request to [mmoloney@mwacademy.org](mailto:mmoloney@mwacademy.org) in English or Spanish.**
  - *During the meeting, we will call your name and you should use the "raise hand" feature to identify yourself.*
- Under SB1036 the minutes from this meeting will omit student and parent names and other directory information, except as required by judicial order or federal law. If a parent/ legal guardian wishes a name be included, one must inform the board prior to their public comment.

### **Comentarios públicos**

- *El público puede dirigirse a la Junta Directiva de la MWA con respecto a cualquier asunto dentro de la jurisdicción del tema materia por la Junta Directiva de la MWA.*
- *Bajo comentario público, los miembros del público pueden:*
  - *Hacer comentarios sobre los puntos del orden del día*
  - *Hacer comentarios sobre puntos no incluidos en el orden del día*
  - **Las presentaciones están limitadas a dos minutos cada una**, o un total de diez minutos para todos los oradores, o se puede acortar el límite de dos minutos.
- *De acuerdo con la Ley Brown, la Junta Directiva de la MWA puede escuchar los comentarios, pero no discutirán ni tomarán medidas sobre los temas presentados. La respuesta de los miembros de la Junta Directiva a las declaraciones o preguntas de las personas que comentan temas que no figuran en el orden del día es muy limitada.*
- **Mientras las reuniones se llevan a cabo virtualmente, los miembros del público que desean hablar durante la junta pueden presentar una solicitud para hablar antes de las 9:00 a.m. del día de la reunión de la junta o usar la función de levantar la mano durante las secciones de comentarios públicos de la reunión.**
  - **Si desea enviar su solicitud de uso de la palabra antes de la reunión, envíe su solicitud por correo electrónico a [mmoloney@mwacademy.org](mailto:mmoloney@mwacademy.org) en inglés o español.**
- *En virtud de la SB1036, las actas de esta reunión omitirán los nombres de los estudiantes y padres y otra información del directorio, excepto cuando lo requiera la orden judicial o por la ley federal. Si un padre/tutor legal desea que se incluya un nombre, se debe informar a la junta antes de su comentario público.*

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Molly Moloney at mmoloney@mwacademy.org or 510-779-1366.

**Please note that all agenda times are estimates.**

**Tenga en cuenta que todos los horarios de la agenda son estimaciones.**

## Agenda

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>11:00 AM</b>
Opening Items			
<b>A.</b> Call the Meeting to Order		Alicia Klein	
<b>B.</b> Record Attendance and Guests		Alicia Klein	
<b>II. MWA Finance Advisory Committee Meeting</b>			<b>11:00 AM</b>
<b>A.</b> The Governor's May Revise Budget	Discuss	Wallace Wei	10 m
<b>B.</b> FY'24 Original Budget – 2nd Draft	Discuss	Wallace Wei, Alton Nelson, Hung Mai	30 m
Discuss the second draft of the FY'24 budget			
<b>C.</b> Banking Update	Discuss	Wallace Wei	10 m
<b>D.</b> MWA CFO Transition Update	Discuss	Alton B. Nelson Jr. and Wallace Wei	10 m
<b>III. Closing Items</b>			<b>12:00 PM</b>
<b>A.</b> Public Comment	FYI	Alicia Klein	6 m
The public may address the committee regarding any item within the subject-matter jurisdiction of the MWA governing board.			
Under Public Comment, members of the public may			
<ul style="list-style-type: none"> <li>• Comment on items on the agenda</li> <li>• Comment on items not on the agenda</li> </ul>			

	Purpose	Presenter	Time
	<b>• Presentations are limited to one minute each</b> , or a total of six minutes for all speakers.		
	In accordance to the Brown Act, the MWA Board may listen to comments, but can neither discuss nor take action on the topics presented. Members of the board are very limited in their response to statements or questions by persons commenting on items not on the agenda.		
<b>B.</b>	Adjourn Meeting	Vote	Alicia Klein

# Coversheet

## The Governor's May Revise Budget

**Section:** II. MWA Finance Advisory Committee Meeting  
**Item:** A. The Governor's May Revise Budget  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** Executive Summary - Governor's May Revise Budget\_FINAL.pdf



## **Executive Summary on the Governor's May Revision Budget Proposal**

**May 23, 2023**

Governor Newsom's May Revision budget proposal for the upcoming fiscal year would fund increased cost-of-living adjustments despite declining state revenues, but would also impose unexpected, deep cuts to two current-year funding programs. The following outlines our preliminary take on the May Revision based on partial information available so far.

### **Declining Tax Revenues and Delayed Taxes Fog State Budget Picture:**

Though the May Revision assumes that California and the nation do not experience an economic recession, state tax revenues are declining. The estimated shortfall in the state's budget has increased from January's **\$9.3 billion** gap to an estimated shortfall of **\$31.5 billion**. The May Revision also outlines several other risks, including:

- In response to storms and floods earlier this year, state officials extended April's income tax filing and payment deadline to October 2023, meaning the state will need to wait several more months to have the necessary information to make sound estimates of its already declining and volatile revenues.
- Instability in the banking sector, increasing interest rates, and a potential federal debt crisis create further uncertainty regarding larger economic conditions and estimated state tax revenues.

This unprecedented set of circumstances makes this year's May Revision the least clear in years and could make it difficult for the Governor and Legislature to enact a fully baked budget by the June 15 constitutional deadline.

Key features of the May Revision for charter schools include the following:

### **Full Funding for Increased Local Control Funding Formula (LCFF) Cost-of-living adjustment (COLA):**

The May Revision calls for fully funding an increased **8.22 percent** COLA for LCFF and other state categorical funding programs. The COLA factor increased slightly from the

**8.13 percent** estimate in January when the final two-quarters of data used to compute the COLA came in higher than anticipated. While this slight increase is welcome, it comes at the cost of deep cuts to current-year programs (see next item below), relies heavily on one-time state funding, and could be vulnerable to larger economic trends.

### **Big Retroactive Cuts to 2022-23 “One-Time” Grants**

Governor Newsom proposes deep, retroactive cuts to two one-time funding programs for the current (2022-23) fiscal year, which came as a big surprise for K-12 school communities.

First, the Governor proposes cutting the Arts, Music, Instructional Materials Discretionary Block Grant by \$1.8 billion. He had proposed cutting \$1.2 billion in his January budget proposal and now proposes an additional \$607 million cut. The net result would be to cut this \$666 per-ADA one-time grant in half per our preliminary estimates. The total funding for MWA would drop from approximately **\$650K** to **\$320K**. We conservatively budgeted **\$150K** for this grant in the FY24 Original Budget.

Newsom also proposes another retroactive, \$2.5 billion cut to current-year (2022-23) funding for the Learning Recovery Emergency Block Grant. This large, one-time grant was supposed to provide \$2,936 per unit (with units computed by multiplying prior-year average daily attendance by the school’s LCFF unduplicated pupil percentage). If implemented, we preliminarily estimate that per-unit funding would drop to \$1,625, and total funding for MWA would drop from approximately **\$1.9M** to **\$1.3M**. We conservatively budgeted **\$635K** for the Learning Recovery Emergency Block Grant in the FY24 original budget.

Since CDE has already apportioned these funds, we assume it would need to implement some sort of “claw-back” or dock funds that would otherwise be due to a school.

### **The Preliminary Takeaway:**

While a fully funded COLA is welcome in theory, paying for it with retroactive cuts is unsound. Using these one-time funds to pay for ongoing LCFF funding is also unsound, particularly given the state’s ongoing structural budget deficit. The Legislature has signaled that it has far different priorities and the adopted budget may differ significantly from the May Revision proposals.

### **Next Steps:**

- Budget subcommittees meet to finalize recommendations (likely this week)
- Each house (Senate, Assembly) adopts “their” version

- Joint Budget Conference Committee irons-out differences between Senate/Assembly versions
- Legislative leaders negotiate with Governor toward “consensus” versions of Budget Act and “trailer bill” legislation to implement the budget
- Senate/Assembly adopt budget, “trailer bills”
- Governor signs budget, trailer bills, may use line-item veto



# Coversheet

## FY'24 Original Budget – 2nd Draft

**Section:** II. MWA Finance Advisory Committee Meeting  
**Item:** B. FY'24 Original Budget – 2nd Draft  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** Executive Summary - 2023-24 Original Budget- 2nd Draft\_FINAL.pdf



## Executive Summary for FY 2023-24 Original Budget (2<sup>nd</sup> Draft) Report

May 31<sup>st</sup>, 2023

### Revenues Summary (Compared with the FY'23 2<sup>nd</sup> Interim Budget):

- Government revenues **increased** by **\$424,608** or **2%**.
- Estimated JRSF contribution **increased** by **\$2,876,038** or **33%**.
- Non-JRSF contributions **decreased** by **\$200,000** or **15%**.
- Central Office – revenue from shared services **increased** by **\$142,757** or **11%**. The Central Office revenue increase is offset by the corresponding increase in MWA shared service expenses.

### Expenses Summary (Compared with the FY'23 2<sup>nd</sup> Interim Budget):

- The total expenses **increased** by **\$3,243,402** or **10%**.
  - MWA – “School” expenses **increased** by **\$3,353,805** or **12%**.
  - Central Office expenses **decreased** by **\$110,403** or **3%**.

### Key Overview for the FY'24 Original Budget (2<sup>nd</sup> Draft)

The following items highlight the **key changes** from the **FY'22 2<sup>nd</sup> Interim Budget** to the **FY'23 Original Budget (2<sup>nd</sup> Draft)**:

#### 1. Government Revenues

The net increase comprised of the following assumptions:

- a. State revenues per pupil increased by 8.13% per the governor’s January budget proposal
- b. Decreased enrollment by 14 students from 1130 to 1116
- c. Eliminated COVID funding including ESSER II and Hold-Harmless Funding
- d. Added three new grants (Arts, Music, and Instructional Materials Discretionary Block Grant, Learning Recovery Emergency Block Grant, and Prop 28 Art and Music Funding)

#### 2. Personnel Expenses

- a. Assumed an average of 5% salary COLA increase for faculty and staff
- b. Budgeted full salaries for vacant positions in FY'24 budget vs. prorated salaries in FY'23 2<sup>nd</sup> interim budget
- c. A net increase of one new position

#### 3. Supplies

- a. Added IT Core Cisco Switch Network equipment
- b. Added staff laptop replacements
- c. Added BEI camera maintenance contract

#### 4. Contract Services

- a. Eliminated Fruge Psychological Services contract
- b. Added Telehealth for psychological services
- c. Added Cisco network equipment support service
- d. Added 4 Non-public School Placement (NPS) for Special Education
- e. Added Special Education psychological services

## Summary of Changes Between the 2<sup>nd</sup> Draft and the 1<sup>st</sup> Draft of the FY'24 Original Budget (Presented to the FAC on April 26<sup>th</sup>, 2023)

Compared with the 1<sup>st</sup> Draft of the FY'24 Original Budget

- Overall expenses have **decreased** by **\$221,671**
- The government revenues **remain unchanged**
- Non-JRSF contributions have **decreased** by **\$200,000**, while JRSF contributions have **decreased** by **\$21,671**.
  - Government revenues **remain unchanged**.
  - Expenses **decreased** by **\$221,671** or **1%**.
  - JRSF contributions **decreased** by **\$21,671** or **0.2%**.
  - Non-JRSF contributions **decreased** by **\$200,000** or **15%**.

**GOVERNMENT REVENUES: 2<sup>nd</sup> Draft vs. 1<sup>st</sup> Draft of the FY'24 Original Budget – NO CHANGES**

**EXPENDITURES (MWA/MWAS): 2<sup>nd</sup> Draft vs. 1<sup>st</sup> Draft of the FY'24 Original Budget – TOTAL CHANGES – DECREASED BY \$221,671 (1%)**

**I. Salaries and Benefits – **Decreased** by **\$412,517 (2%)****

- Eliminated Assistant Principal
- Eliminated Director of DEI
- Eliminated Outreach & Marketing Coordinator
- Eliminated Director of Talent
- Eliminated Teacher Resident
- Added two Special Education Teachers

**II. Supplies – **Increased** by **\$118,802 (8%)****

- Added intervention curriculum
- Added Middle School science curriculum
- Added IT supplies

**III. Contract Services - **Increased** by **\$72,044 (0.7%)****

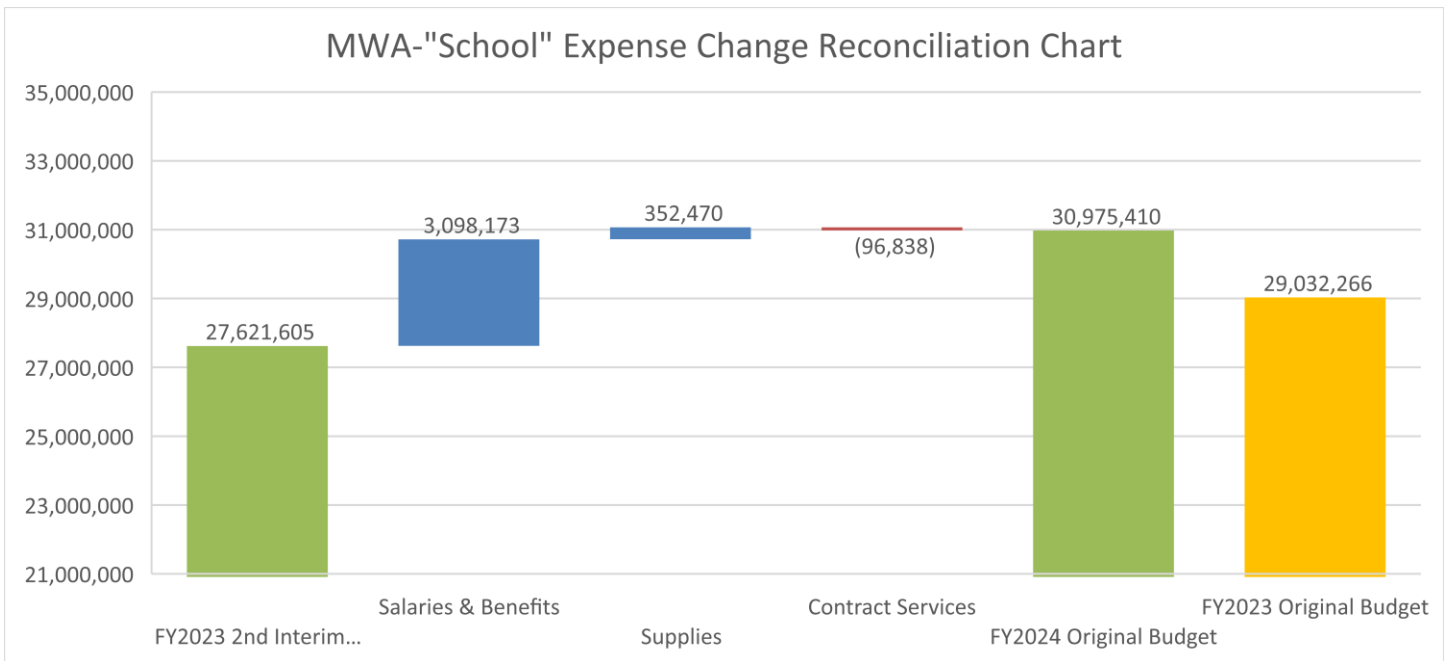
- Added Sex Education classes for MS
- Added Cisco network support service
- Added SPED psychological services
- Moved some repairs & maintenance expenses to MWEF
- Reduced telehealth psychological services
- Reduced teacher resident tuition

## Appendix A – Summary Financials

### FY'24 Original Budget Summary Financials for MWA – "School"

**MWA – "School" – Compare FY'23 2<sup>nd</sup> Interim Budget to FY'24 Original Budget (2<sup>nd</sup> Draft)**

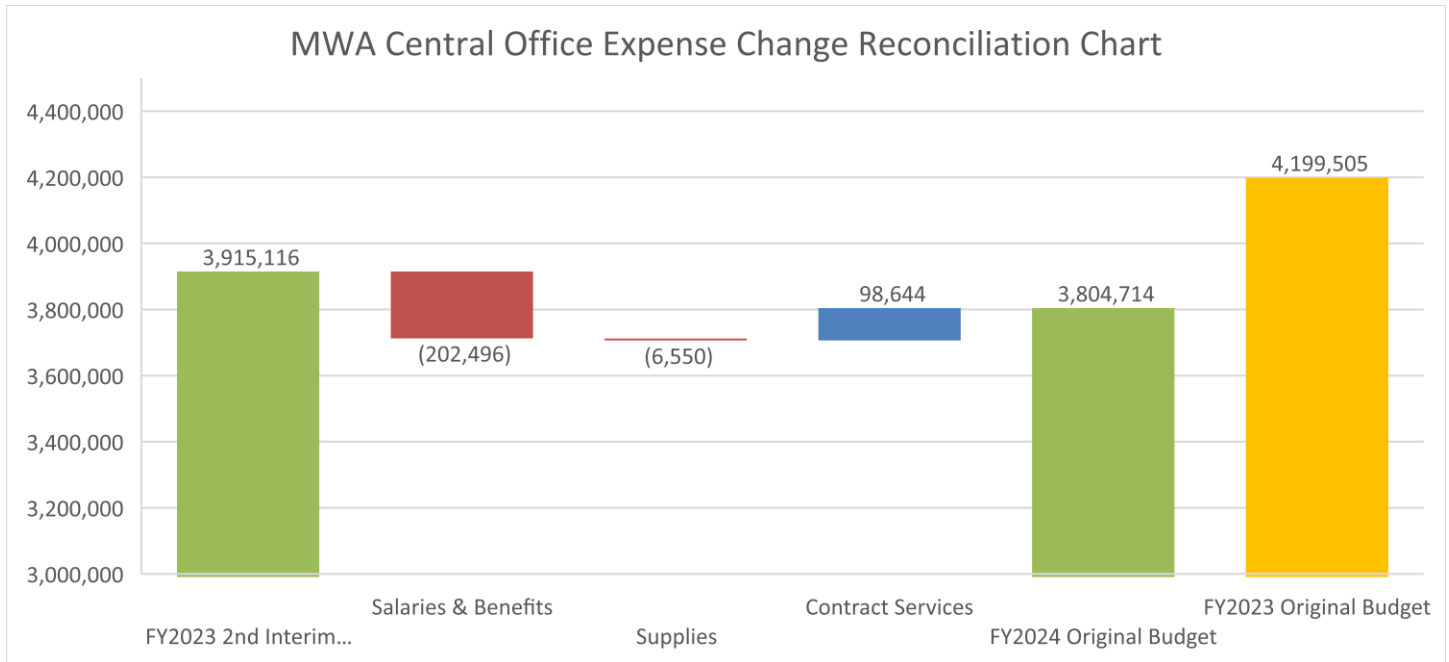
Location	2022-23 2 <sup>nd</sup> Interim Budget	2023-24 Original Budget (2 <sup>nd</sup> Draft)	\$ Variance	% Variance
<b>Revenues</b>				
<b>Government</b>	\$20,297,372	\$20,721,980	\$424,608	2%
<b>Donations</b>	\$1,315,000	\$1,115,000	-\$200,000	-15%
<b>JRSF</b>	\$6,059,233	\$9,188,430	\$3,129,197	52%
<b>Total Revenues</b>	<b>\$27,671,605</b>	<b>\$31,025,410</b>	<b>\$3,353,805</b>	<b>12%</b>
<b>Expenses</b>				
<b>Salaries/Benefits</b>	\$17,070,461	\$20,168,634	\$3,098,173	18%
<b>Supplies</b>	\$1,275,931	\$1,628,401	\$352,470	28%
<b>Contracted Services</b>	\$9,275,213	\$9,178,375	-\$96,838	-1%
<b>Total Expenses</b>	<b>\$27,621,605</b>	<b>\$30,975,410</b>	<b>\$3,353,805</b>	<b>12%</b>
<b>Revenues – Government per ADA</b>	<b>\$19,524</b>	<b>\$20,197</b>	<b>\$673</b>	<b>3%</b>
<b>Expenses – Cost per Student (Exclude CO Fees)</b>	<b>\$23,285</b>	<b>\$26,454</b>	<b>\$3,169</b>	<b>14%</b>



### FY'24 Original Budget Summary Financials for MWA - "Central Office"

MWA Central Office – Compare FY'23 2<sup>nd</sup> Interim Budget to FY'24 Original Budget (2<sup>nd</sup> Draft)

Location	2022-23 2 <sup>nd</sup> Interim Budget	2023-24 Original Budget (2 <sup>nd</sup> Draft)	\$ Variance	% Variance
<b>Revenues</b>				
JRSF	\$2,605,473	\$2,352,314	-\$253,159	-10%
Central Office (Shared Services Allocation)	\$1,309,643	\$1,452,400	\$142,757	11%
<b>Total Revenues</b>	<b>\$3,915,116</b>	<b>\$3,804,714</b>	<b>-\$110,402</b>	<b>-3%</b>
<b>Expenses</b>				
Salaries/Benefits	\$2,980,812	\$2,778,316	-\$202,496	-7%
Supplies	\$66,250	\$59,700	-\$6,550	-10%
Contracted Services	\$868,054	\$966,698	\$98,644	11%
<b>Total Expenses</b>	<b>\$3,915,116</b>	<b>\$3,804,714</b>	<b>-\$110,402</b>	<b>-3%</b>



## Appendix B

### Detailed Summary of Changes (FY'23 2<sup>nd</sup> Interim Budget to the FY'24 Original Budget (2<sup>nd</sup> Draft))

**MWA – “SCHOOL” EXPENDITURES: TOTAL CHANGES – Increased BY \$3,353,805 (12%)**

**Salaries and Benefits – Increased by **\$3,098,173 (18%)****

- Assumed an average of 5% salary COLA increase for faculty and staff
- Budgeted full salaries for vacant positions in FY'24 budget vs. prorated salaries in FY'23 2nd interim budget
- Net increase of one new position
  - I. Added New positions (10)
    1. Principal (School-wide)
    2. SST/504 Coordinator (School-wide)
    3. Student Activities Coordinator (MS)
    4. Visual Arts Teacher (US)
    5. History Teacher (US)
    6. SPED Instructional Aide (School-wide)
    7. Parent Organizer (School-wide)
    8. Talent Recruiter (Central Office)
    9. SPED Resource Teacher (School-wide)
    10. SPED Resource Teacher (School-wide)
  - II. Eliminated positions (9)
    1. Onsite Substitute Teacher (School-wide)
    2. Onsite Substitute Teacher (School-wide)
    3. Social Worker (School-wide)
    4. Director of Early College (US)
    5. HR Generalist (Central Office)
    6. Associate Director of Talent (Central Office)
    7. Associate Director of Talent (Central Office)
    8. Outreach & Marketing Coordinator (Central Office)
    9. Director of Talent (Central Office)

**Supplies – Increased by **\$352,470 (28%)****

- Added staff laptops and docking station replacement
- Added Core Cisco Switch Network equipment
- Added drapes repairs in the common area
- Added intervention and science curriculum

**Contracted Services – Decreased by **\$96,838 (1%)****

- Eliminated Fruge Psychological Services contract
- Moved some repairs & maintenance expenses to MWEF
- Increased professional development
- Added 4 Non-public School Placement (NPS) for Special Education
- Added Telehealth for psychological services
- Added share adjustment for Directorship to Alder
- Added Sex Education classes for MS
- Added Cisco Network
- Added SPED psychological services

**CENTRAL OFFICE EXPENDITURES: TOTAL CHANGES – Decreased BY \$110,402 (3%)**

**I. Salaries and Benefits – Decreased by **\$202,496 (7%)****

1. Assumed an average of 5% salary COLA increase for faculty and staff
2. Budgeted full salaries for vacant positions in FY'24 budget vs. prorated salaries in FY'23 2nd interim budget
3. Eliminated Outreach & Marketing Coordinator
4. Eliminated Director of Talent

**II. Supplies – Decreased by **\$6,500 (10%)****

1. Reduced IT supplies

**III. Contracted Services – Increased by **\$98,644 (11%)****

1. Removed one-time severance
2. Added contract services for the talent team in lieu of the Director of Talent position

**Making Waves Academy  
Budget FY2024**

**MWA - "School"  
Original Budget**

	A	B	C	H	K	L	M	
2	Acct #	Account/Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)	Notes	
3		<b>Income</b>						
4	8011	State Aid - General Apportionment	7,212,388	8,143,609	931,220	13%	LCFF Funding increased by 8.13% and enrollment decreased by 14 students from 1130 to 1116	
5	8012	Education Protection Account Entitlement	2,999,852	3,202,605	202,753	7%		
6	8096	In Lieu of Property Taxes	3,218,602	3,177,785	(40,816)	-1%		
7	8181	Special Education - Federal	140,500	128,302	(12,198)	-9%		
8	8220	Child Nutrition Programs - Fed	299,487	299,487	-	0%		
9	8230	Homeless Children and Youth II	3,000	3,000	-	0%		
10	8262	Federal - ESSER Funding II	454,353	-	(454,353)	-100%		Used all Esser II funds
11	8263	Federal - ESSER Funding III	400,000	400,000	-	0%		
12	8290	Federal Title I - Basic Grant	373,608	408,891	35,283	9%		
13	8295	Federal Title II - Teacher and Principal Training	50,714	55,503	4,789	9%		
14	8296	Federal Title III - LEP	42,908	44,740	1,832	4%		
15	8297	Federal Title IV - Part A - Student Support	23,000	24,000	1,000	4%		
16	8311	State - Special Education	852,472	841,661	(10,811)	-1%		
17	8313	State - Special Education - Level 2 Mental Health	53,300	53,300	-	0%		
18	8314	State - Special Education - Level 3 Mental Health	43,008	43,008	-	0%		
19	8319	State - Prior Year - Hold Harmless Revenue	1,244,097	-	(1,244,097)	-100%	No more hold-harmless for 2023-24	
20	8520	Child Nutrition Programs - State	180,961	180,961	-	0%		
21	8525	Expanded Learning Opportunity Grant	207,393	207,393	-	0%		
22	8526	Expanded Learning Opportunities Program (ELOP)	332,310	332,310	-	0%		
23	8527	Educator Effectiveness	80,527	80,527	-	0%		
24	8528	A-G Grant	96,154	96,154	-	0%		
26	8530	Teacher Residency Expansion Grant	125,000	150,000	25,000	20%		
27	8531	Arts, Music, and Instructional Materials Discretionary Block Grant	-	150,000	150,000	100%	New grant for 2023-24	
28	8532	Learning Recovery Emergency Block Grant	-	635,721	635,721	100%	New grant for 2023-24	
29	8545	School Facilities Lease Rmbmnt SB740	1,280,787	1,264,919	(15,868)	-1%		
30	8550	Mandate Block Grand Funding CA	28,751	36,264	7,513	26%		
31	8560	State Lottery	246,385	243,261	(3,125)	-1%		
34	8594	Prop 28 Arts and Music	-	201,178	201,178	100%	New grant for 2023-24	
35	8621	Measure G Parcel Tax	307,815	317,400	9,585	3%		
38	8980	Contribution - Unrestricted	1,200,000	1,100,000	(100,000)	-8%	Contribution reduction projected by MWF	
39	8981	John Regina Scully (JRS)	6,059,234	9,188,430	3,129,197	52%		
40	8986	School Supplies	6,000	6,000	-	0%		
41	8988	In-Kind Donations	9,000	9,000	-	0%		
42	8990	Contribution - Restricted	100,000	-	(100,000)	-100%	Contribution reduction projected by MWF	
44		<b>Total Income</b>	<b>27,671,605</b>	<b>31,025,410</b>	<b>3,353,805</b>	<b>12%</b>		
45								



**Making Waves Academy  
Budget FY2024**

**MWA - "School"  
Original Budget**

	A	B	C	H	K	L	M
2	Acct #	Account/Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)	Notes
50		<b>Expenses</b>					
51	1100	Teacher Salaries	4,738,652	5,896,221	1,157,569	24%	Variance is from: <ul style="list-style-type: none"> <li>• Added 6 teachers that was taught by onsite substitutes for specific subjects</li> <li>• New positions in FY24:                      -US History teacher                      -US Visual Arts teacher                      -2 SPED Resource Teachers</li> <li>• Faculty salary study increase</li> <li>• COLA increase</li> </ul>
52	1103	Substitute Teacher Salaries	785,071	499,516	(285,555)	-36%	Savings from removing 8 onsite substitutes: <ul style="list-style-type: none"> <li>• 6 were filling in as teachers for specific subjects</li> <li>• 2 regular onsite substitutes</li> </ul>
53	1200	Certificated Pupil Support	656,869	763,780	106,911	16%	Variance is from: <ul style="list-style-type: none"> <li>• Vacant positions budgeted full salaries in FY24 vs. prorated in FY23 2nd interim:                      -College &amp; Career Counseling Coordinator                      -School Nurse</li> <li>• Removed Associate Director of Early College</li> <li>• Removed MS Social Worker</li> <li>• New position in FY24:                      -MS Student Activities Coordinator</li> <li>• COLA Increase</li> </ul>
54	1300	Certificated Supervisor & Administrator Salaries	1,153,266	1,460,143	306,877	27%	Variance is from: <ul style="list-style-type: none"> <li>• Vacant positions budgeted full salaries in FY24 vs. prorated in FY23 2nd interim:                      -Dean of Students                      -Director of College &amp; Career Counseling                      -Director of Student Support Systems</li> <li>• New positions in FY24:                      -Assistant Principal                      -Principal</li> <li>• COLA Increase</li> </ul>
55	1409	Certificated Special Temporary COLA Bonus	1,704,313	1,992,000	287,687	17%	Vacant positions budgeted full STCOLA in FY24 vs. prorated in FY23 2nd interim and new positions in FY24
56	1900	Certificated Other Salaries	447,090	548,601	101,511	23%	Variance is from: <ul style="list-style-type: none"> <li>• New position in FY24:                      -SST/504 Coordinator</li> <li>• COLA Increase</li> </ul>
57	2100	Classified Instructional Aide Salaries	864,342	1,019,458	155,116	18%	Variance is from: <ul style="list-style-type: none"> <li>• New positions in FY24:                      -SPED Instructional Aide</li> <li>• COLA Increase</li> </ul>
58	2200	Classified Support Staff Salaries	857,848	967,767	109,919	13%	Variance is from: <ul style="list-style-type: none"> <li>• Vacant positions budgeted full salaries in FY24 vs. prorated in FY23 2nd interim:                      -4 Campus Supervisors                      -Lead Campus Supervisor</li> <li>• COLA Increase</li> </ul>

**Making Waves Academy  
Budget FY2024**

**MWA - "School"  
Original Budget**

	A	B	C	H	K	L	M
2	Acct #	Account/Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)	Notes
59	2300	Classified Supervisor & Administrator Salaries	559,688	679,436	119,748	21%	Variance is from: • No salary reimbursement from Alder for our Director of Teacher Residency • COLA Increase
60	2400	Classified Clerical and Office Salaries	783,904	951,360	167,456	21%	Variance is from: • Vacant positions budgeted full salaries in FY24 vs. prorated in FY23 2nd interim: -Attendance Officer -Desktop Support/AV Technician • New position in FY24: -Parent Organizer • COLA Increase
61	2900	Classified Other Salaries	269,214	284,972	15,758	6%	
62		<b>Total Salaries</b>	<b>12,820,255</b>	<b>15,063,254</b>	<b>2,242,999</b>	<b>17%</b>	
63	3101	Certificated STRS	1,565,204	1,845,506	280,302	18%	Variance is from: • Vacant positions budgeted full salaries in FY24 eligible for CalSTRS vs. prorated in FY23 2nd interim • New positions in FY24 • COLA increase
64	3301	Certificated Social Security/Medicare	435,838	498,962	63,124	14%	Variance is from: • Vacant positions budgeted full salaries in FY24 vs. prorated in FY23 2nd interim • New positions in FY24 • COLA increase
65	3401	Certificated Health & Welfare Benefits	1,844,387	2,309,245	464,858	25%	Variance is from: • Vacant positions budgeted at full cost estimated health insurance vs. prorated in FY23 2nd interim • Projected health insurance rate increase for CY2024
66	3501	Certificated Unemployment Insurance	69,683	75,316	5,633	8%	
67	3601	Certificated Workers Comp Insurance	167,963	195,822	27,859	17%	Variance is from: • Vacant positions budgeted full salaries in FY24 vs. prorated in FY23 2nd interim • New positions in FY24 • COLA increase
68	3701	Certificated Retirement Match	105,041	118,437	13,397	13%	
69	3999	Accrued Paid Time Off	62,091	62,091	-	0%	
70		<b>Total Benefits</b>	<b>4,250,206</b>	<b>5,105,380</b>	<b>855,174</b>	<b>20%</b>	
71		<b>Total Salaries &amp; Benefits</b>	<b>17,070,461</b>	<b>20,168,634</b>	<b>3,098,173</b>	<b>18%</b>	
72							
73	4100	Approved Textbooks and Core Curricula Materials	158,000	233,000	75,000	47%	Added intervention and science curriculum
74	4200	Books and Other Reference Materials	11,000	16,450	5,450	50%	
75	4315	Custodial Supplies	50,000	50,000	-	0%	
76	4325	Instructional Materials & Supplies	333,659	331,801	(1,858)	-1%	
77	4330	Office Supplies	3,800	3,800	-	0%	
78	4390	Other Food	-	-	-		

**Making Waves Academy  
Budget FY2024**

**MWA - "School"  
Original Budget**

	A	B	C	H	K	L	M
2	Acct #	Account/Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)	Notes
79	4410	Furniture, Equipment & Supplies (non-capitalized)	72,000	115,000	43,000	60%	Variance is from: <ul style="list-style-type: none"> <li>• \$42K - Drapes repairs at commons area</li> <li>• \$22K - Repair or replace upholstered furniture</li> <li>• \$12K - Vape detectors</li> <li>• \$10K - File Cabinets</li> <li>• -\$5K - Clocks &amp; Fire Extinguishers (One time expense in FY23)</li> <li>• -\$38K - BEI Cameras (One time expense in FY23)</li> </ul>
80	4420	Computers and IT Supplies (non-capitalized)	211,022	450,400	239,378	113%	Variance is from: <ul style="list-style-type: none"> <li>• \$209.6K - Staff laptops and docking station replacement</li> <li>• \$75K - Core Cisco Switch (Network Equipment)</li> <li>• -\$20.3K - Security Cameras for security infrastructure remediation project (One time expense in FY23)</li> <li>• -\$25K - Security integration consulting services (One time expense in FY23)</li> </ul>
81	4710	Student Food Services	415,000	415,000	-	0%	
82	4910	Emergency Supplies	14,450	5,950	(8,500)	-59%	
83	4990	Contingency	7,000	7,000	-	0%	
84		<b>Total Supplies</b>	<b>1,275,931</b>	<b>1,628,401</b>	<b>352,470</b>	<b>28%</b>	
85	5210	Conference Fees	88,723	137,723	49,000	55%	Increase in staff professional development
86	5215	Travel - Mileage, Parking, Tolls	11,625	10,725	(900)	-8%	
87	5220	Travel - Airfare & Lodging	43,425	41,525	(1,900)	-4%	
88	5225	Travel - Meals & Entertainment	26,800	26,900	100	0%	
89	5305	Professional Dues & Memberships	25,100	29,700	4,600	18%	
90	5421	General Liability Insurance	476,925	476,925	-	0%	
91	5510	Utilities - Gas and Electric	495,500	495,500	-	0%	
92	5515	Janitorial & Gardening Services	602,862	602,862	-	0%	
93	5525	Utilities - Waste	60,000	60,000	-	0%	
94	5530	Utilities - Water	96,000	96,000	-	0%	
95	5605	Equipment Leases and Rentals	148,800	120,000	(28,800)	-19%	New copier lease at lower rate
96	5610	Occupancy Rent	1,840,838	1,840,838	-	0%	
97	5612	Additional Facilities Use Fees	21,500	21,500	-	0%	
98	5615	Repairs and Maintenance - Building	281,000	100,000	(181,000)	-64%	Building maintenance shifted to MWF
99	5617	Repairs and Maintenance - Non-computer Equipment	5,000	5,300	300	6%	
100	5618	Repairs & Maintenance - Auto	18,500	18,000	(500)	-3%	
104	5806	County Oversight Fees	107,000	145,240	38,240	36%	Adjusted to match government revenue increase
105	5810	Contracted Services	657,717	717,617	59,900	9%	Variance is from: <ul style="list-style-type: none"> <li>• \$25K Sex Education classes</li> <li>• \$20K Overage share fee for Directorship to Alder</li> <li>• \$14.9K - Other contract services</li> </ul>
106	5810.001	Food Service Administration	1,000	1,000	-	0%	
108	5810.003	Student Transportation	252,500	262,500	10,000	4%	
109	5810.004	Intervention & Consultation	82,500	82,500	-	0%	

**Making Waves Academy  
Budget FY2024**

**MWA - "School"  
Original Budget**

	A	B	C	H	K	L	M
2	Acct #	Account/Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)	Notes
110	5810.005	Psychological Services	653,065	186,000	(467,065)	-72%	Variance is from: • \$86K - Psychological services for SPED • <b>-\$653K</b> - Fruge contract - not renewing in FY24 • \$100k - Telehealth services
111	5810.006	Substitute Teachers	115,000	125,000	10,000	9%	
112	5810.007	Interscholastic - Coaches	-	-	-		
113	5810.008	Information Technology	842,350	908,530	66,180	8%	Support for Cisco network equipment
115	5811	Student Exam Fees	17,000	17,000	-	0%	
117	5820	Recruiting - Students	-	-	-		
118	5821	Printing and Reproduction	32,000	31,000	(1,000)	-3%	
119	5840	Entrance, Admission, & Ticket Fees (not staff conference)	49,200	57,200	8,000	16%	
120	5850	Staff Recruitment	2,000	2,000	-	0%	
121	5851	Continuing Education Support	112,750	102,500	(10,250)	-9%	
123	5897	Special Ed Contract Services	569,290	761,290	192,000	34%	4 NPS student placement at \$4K per month per student
124	5898	Use Tax	1,000	1,000	-	0%	
125	5905	Company Cell Phones	35,200	35,200	-	0%	
126	5910	Internet and Wifi	138,600	150,600	12,000	9%	
127	5915	Postage and Delivery	22,000	23,500	1,500	7%	
128	5920	Landlines and Office Based Phones	7,800	7,800	-	0%	
130	6900	Depreciation and Amortization	25,000	25,000	-	0%	
131	INCO.EXP	5895 Central Office (Shared Services Allocation)	1,309,643	1,452,400	142,757	11%	Adjusted to match government revenue increase
132		<b>Total Contract Services</b>	<b>9,275,213</b>	<b>9,178,375</b>	<b>(96,838)</b>	<b>-1%</b>	
133							
134		Total Salaries & Benefits	17,070,461	20,168,634	3,098,173	18%	
135		Total Supplies	1,275,931	1,628,401	352,470	28%	
136		Total Contract Services	9,275,213	9,178,375	(96,838)	-1%	
137		<b>Total Expenses</b>	<b>27,621,605</b>	<b>30,975,410</b>	<b>3,353,805</b>	<b>12%</b>	
155							
156		<b>Net Income</b>	<b>50,000</b>	<b>50,000</b>			

**Making Waves Academy  
Budget FY2024**

**MWA Central Office  
Original Budget**

	A	B	C	H	K	L	M
2	Account #	Account Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)	Notes
3		<b>Income</b>					
39	8981	John Regina Scully (JRS)	2,605,473	2,352,314	(253,159)	-10%	
43	INCO.INC	Central Office (Revenue from Shared Services Allocation)	1,309,643	1,452,400	142,757	11%	
44		<b>Total Income</b>	<b>3,915,116</b>	<b>3,804,714</b>	<b>(110,402)</b>	<b>-3%</b>	
45							
49							
50		<b>Expenses</b>					
51	1100	Teacher Salaries	-	-	-		
52	1103	Substitute Teacher Salaries	-	-	-		
53	1200	Certificated Pupil Support	-	-	-		
54	1300	Certificated Supervisor & Administrator Salaries	-	-	-		
55	1409	Certificated Special Temporary COLA Bonus	193,000	168,000	(25,000)	-13%	Vacant positions budgeted full STCOLA in FY24 vs. prorated in FY23 2nd interim
56	1900	Certificated Other Salaries	-	-	-		
57	2100	Classified Instructional Aide Salaries	-	-	-		
58	2200	Classified Support Staff Salaries	-	-	-		
59	2300	Classified Supervisor & Administrator Salaries	1,967,939	1,815,063	(152,876)	-8%	Variance from: • New position in FY24: -Talent Recruiter • Removed HR Generalist • Removed 2 Associate Director of Talent Acquisition • COLA increase
60	2400	Classified Clerical and Office Salaries	168,138	161,000	(7,138)	-4%	
61	2900	Classified Other Salaries	-	-	-		
62		<b>Total Salaries</b>	<b>2,329,076</b>	<b>2,144,063</b>	<b>(185,013)</b>	<b>-8%</b>	
63	3101	Certificated STRS	68,508	68,172	(336)	0%	
64	3301	Certificated Social Security/Medicare	149,657	131,562	(18,095)	-12%	
65	3401	Certificated Health & Welfare Benefits	269,607	281,237	11,631	4%	Variance from: • Vacant positions budgeted at full cost estimated health insurance vs. prorated in FY23 2nd interim • Projected health insurance rate increase for FY2024
66	3501	Certificated Unemployment Insurance	12,668	10,720	(1,948)	-15%	
67	3601	Certificated Workers Comp Insurance	30,278	27,873	(2,405)	-8%	
68	3701	Certificated Retirement Match	71,096	64,766	(6,330)	-9%	
69	3999	Accrued Paid Time Off	49,923	49,923	-	0%	
70		<b>Total Benefits</b>	<b>651,736</b>	<b>634,253</b>	<b>(17,483)</b>	<b>-3%</b>	
71		<b>Total Salaries &amp; Benefits</b>	<b>2,980,812</b>	<b>2,778,316</b>	<b>(202,496)</b>	<b>-7%</b>	
72							

**Making Waves Academy  
Budget FY2024**

**MWA Central Office  
Original Budget**

	A	B	C	H	K	L	M
2	Account #	Account Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)	Notes
73	4100	Approved Textbooks and Core Curricula Materials	-	-	-		
74	4200	Books and Other Reference Materials	1,400	1,600	200	14%	
75	4315	Custodial Supplies	-	-	-		
76	4325	Instructional Materials & Supplies	-	-	-		
77	4330	Office Supplies	12,900	15,900	3,000	23%	
78	4390	Other Food	1,500	1,000	(500)	-33%	
79	4410	Furniture, Equipment & Supplies (non-capitalized)	1,000	1,000	-	0%	
80	4420	Computers and IT Supplies (non-capitalized)	19,450	10,200	(9,250)	-48%	
81	4710	Student Food Services	-	-	-		
82	4910	Emergency Supplies	-	-	-		
83	4990	Contingency	30,000	30,000	-	0%	
84		<b>Total Supplies</b>	<b>66,250</b>	<b>59,700</b>	<b>(6,550)</b>	-10%	
85	5210	Conference Fees	26,000	27,500	1,500	6%	
86	5215	Travel - Mileage, Parking, Tolls	3,100	4,450	1,350	44%	
87	5220	Travel - Airfare & Lodging	7,000	9,500	2,500	36%	
88	5225	Travel - Meals & Entertainment	3,200	5,200	2,000	63%	
89	5305	Professional Dues & Memberships	31,250	30,500	(750)	-2%	
90	5421	General Liability Insurance	-	-	-		
91	5510	Utilities - Gas and Electric	-	-	-		
92	5515	Janitorial, Gardening Services & Supplies	-	-	-		
93	5525	Utilities - Waste	-	-	-		
94	5530	Utilities - Water	-	-	-		
95	5605	Equipment Leases and Rentals	6,200	5,000	(1,200)	-19%	
96	5610	Occupancy Rent	-	-	-		
97	5612	Additional Facilities Use Fees	-	-	-		
98	5615	Repairs and Maintenance - Building	-	-	-		
99	5617	Repairs and Maintenance - Non-computer Equipment	-	-	-		
100	5618	Repairs & Maintenance - Auto	-	-	-		
101	5803	Accounting Fees	30,000	30,000	-	0%	
102	5804	Legal Fees	85,000	85,000	-	0%	
103	5805	External Management and Administrative Fees	-	-	-		
104	5806	County Oversight Fees	-	-	-		
105	5810	Contracted Services	311,950	425,494	113,544	36%	Variance is from: • \$138.5K - Contracted services Talent team • -\$25K - Removed one-time severance
106	5810.001	Food Service Administration	-	-	-		
107	5810.002	Student Information & Assessment	66,800	66,800	-	0%	
108	5810.003	Student Transportation	-	-	-		

**Making Waves Academy  
Budget FY2024**

**MWA Central Office  
Original Budget**

	A	B	C	H	K	L	M
2	Account #	Account Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)	Notes
109	5810.004	Intervention & Consultation	1,000	1,000	-	0%	
110	5810.005	Psychological Services	1,000	1,000	-	0%	
111	5810.006	Substitute Teachers	-	-	-		
112	5810.007	Interscholastic - Coaches	-	-	-		
113	5810.008	Information Technology	100,004	100,004	-	0%	
114	5810.009	Outsourced Teaching	-	-	-		
115	5811	College Application Fees	-	-	-		
116	5812	College Entrance Exams	-	-	-		
117	5820	Recruiting - Students	10,000	10,000	-	0%	
118	5821	Printing and Reproduction	2,500	2,500	-	0%	
119	5840	Study Trip - Entrance, Admission, & Ticket Fees (not staff conference)	-	-	-		
120	5850	Staff Recruitment	92,250	72,000	(20,250)	-22%	Removed PDP Training & renewal fee
121	5851	Continuing Education Support	15,000	10,000	(5,000)	-33%	
122	5853	Payroll Processing Fees	63,000	68,000	5,000	8%	
123	5897	Special Ed Encroachment WCCUSD	-	-	-		
124	5898	Use Tax	-	-	-		
125	5905	Company Cell Phones	7,500	7,500	-	0%	
126	5910	Internet and Wifi	-	-	-		
127	5915	Postage and Delivery	4,800	4,750	(50)	-1%	
128	5920	Landlines and Office Based Phones	-	-	-		
129	5992	Bank fees	500	500	-	0%	
130	6900	Depreciation and Amortization	-	-	-		
131	INCO.EXP	5895 Central Office (Shared Services Allocation)	-	-	-		
132		<b>Total Contract Services</b>	<b>868,054</b>	<b>966,698</b>	<b>98,644</b>	11%	
133							
134		Total Salaries & Benefits	2,980,812	2,778,316	(202,496)	-7%	
135		Total Supplies	66,250	59,700	(6,550)	-10%	
136		Total Contract Services	868,054	966,698	98,644	11%	
137		<b>Total Expenses</b>	<b>3,915,116</b>	<b>3,804,714</b>	<b>(110,402)</b>	-3%	
138							
139		<b>Net Income</b>	<b>0</b>	<b>0</b>			

**Making Waves Academy  
Budget FY2024**

**MWA-"School" and MWA Central Office  
Original Budget**

	A	B	C	H	K	L
1		<b>Summary</b>				
2	<b>Account #</b>	<b>Account Title</b>	<b>FY2023 2nd Interim Budget (A)</b>	<b>FY2024 Original Budget (C)</b>	<b>Variance FY24 Original vs. FY23 2nd Interim (C-A)</b>	<b>% Variance (C) vs. (A)</b>
3		<b>Income</b>				
4	8011	State Aid - General Apportionment	7,212,388	8,143,609	931,220	13%
5	8012	Education Protection Account Entitlement	2,999,852	3,202,605	202,753	7%
6	8096	In Lieu of Property Taxes	3,218,602	3,177,785	(40,816)	-1%
7	8181	Special Education - Federal	140,500	128,302	(12,198)	-9%
8	8220	Child Nutrition Programs - Fed	299,487	299,487	-	0%
9	8230	Homeless Children and Youth II	3,000	3,000	-	0%
10	8262	Federal - ESSER Funding II	454,353	-	(454,353)	-100%
11	8263	Federal - ESSER Funding III	400,000	400,000	-	0%
12	8290	Federal Title I - Basic Grant	373,608	408,891	35,283	9%
13	8295	Federal Title II - Teacher and Principal Training	50,714	55,503	4,789	9%
14	8296	Federal Title III - LEP	42,908	44,740	1,832	4%
15	8297	Federal Title IV - Part A - Student Support	23,000	24,000	1,000	4%
16	8311	State - Special Education	852,472	841,661	(10,811)	-1%
17	8313	State - Special Education - Level 2 Mental Health	53,300	53,300	-	0%
18	8314	State - Special Education - Level 3 Mental Health	43,008	43,008	-	0%
19	8319	State - Prior Year - Hold Harmless Revenue	1,244,097	-	(1,244,097)	-100%
20	8520	Child Nutrition Programs - State	180,961	180,961	-	0%
21	8525	Expanded Learning Opportunity Grant	207,393	207,393	-	0%
22	8526	Expanded Learning Opportunities Program (ELOP)	332,310	332,310	-	0%
23	8527	Educator Effectiveness	80,527	80,527	-	0%
24	8528	A-G Grant	96,154	96,154	-	0%
26	8530	Teacher Residency Expansion Grant	125,000	150,000	25,000	20%
27	8531	Arts, Music, and Instructional Materials Discretionary Block Grant	-	150,000	150,000	
28	8532	Learning Recovery Emergency Block Grant	-	635,721	635,721	
29	8545	School Facilities Lease Rmbmnt SB740	1,280,787	1,264,919	(15,868)	-1%
30	8550	Mandate Block Grand Funding CA	28,751	36,264	7,513	26%
31	8560	State Lottery	246,385	243,261	(3,125)	-1%
34	8594	Prop 28 Arts and Music	-	201,178	201,178	
35	8621	Measure G Parcel Tax	307,815	317,400	9,585	3%
38	8980	Contribution - Unrestricted	1,200,000	1,100,000	(100,000)	-8%
39	8981	John Regina Scully (JRS)	8,664,707	11,540,744	2,876,038	33%



**Making Waves Academy  
Budget FY2024**

**MWA-"School" and MWA Central Office  
Original Budget**

	A	B	C	H	K	L
2	Account #	Account Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)
40	8986	School Supplies	6,000	6,000	-	0%
41	8988	In-Kind Donations	9,000	9,000	-	0%
42	8990	Contribution - Restricted	100,000	-	(100,000)	-100%
43	INCO.INC	Central Office (Revenue from Shared Services Allocation)	1,309,643	1,452,400	142,757	11%
44		<b>Total Income</b>	<b>31,586,721</b>	<b>34,830,124</b>	<b>3,243,403</b>	10%
45						
50		<b>Expenses</b>				
51	1100	Teacher Salaries	4,738,652	5,896,221	1,157,569	24%
52	1103	Substitute Teacher Salaries	785,071	499,516	(285,555)	-36%
53	1200	Certificated Pupil Support	656,869	763,780	106,911	16%
54	1300	Certificated Supervisor & Administrator Salaries	1,153,266	1,460,143	306,877	27%
55	1409	Certificated Special Temporary COLA Bonus	1,897,313	2,160,000	262,687	14%
56	1900	Certificated Other Salaries	447,090	548,601	101,511	23%
57	2100	Classified Instructional Aide Salaries	864,342	1,019,458	155,116	18%
58	2200	Classified Support Staff Salaries	857,848	967,767	109,919	13%
59	2300	Classified Supervisor & Administrator Salaries	2,527,627	2,494,499	(33,128)	-1%
60	2400	Classified Clerical and Office Salaries	952,041	1,112,360	160,319	17%
61	2900	Classified Other Salaries	269,214	284,972	15,758	6%
62		<b>Total Salaries</b>	<b>15,149,332</b>	<b>17,207,317</b>	<b>2,057,985</b>	14%
63	3101	Certificated STRS	1,633,712	1,913,678	279,966	17%
64	3301	Certificated Social Security/Medicare	585,494	630,524	45,029	8%
65	3401	Certificated Health & Welfare Benefits	2,113,993	2,590,483	476,489	23%
66	3501	Certificated Unemployment Insurance	82,351	86,037	3,686	4%
67	3601	Certificated Workers Comp Insurance	198,241	223,695	25,454	13%
68	3701	Certificated Retirement Match	176,136	183,203	7,066	4%
69	3999	Accrued Paid Time Off	112,014	112,014	-	0%
70		<b>Total Benefits</b>	<b>4,901,942</b>	<b>5,739,633</b>	<b>837,691</b>	17%
71		<b>Total Salaries &amp; Benefits</b>	<b>20,051,274</b>	<b>22,946,950</b>	<b>2,895,676</b>	14%
72						
73	4100	Approved Textbooks and Core Curricula Materials	158,000	233,000	75,000	47%
74	4200	Books and Other Reference Materials	12,400	18,050	5,650	46%
75	4315	Custodial Supplies	50,000	50,000	-	0%
76	4325	Instructional Materials & Supplies	333,659	331,801	(1,858)	-1%
77	4330	Office Supplies	16,700	19,700	3,000	18%
78	4390	Other Food	1,500	1,000	(500)	-33%

**Making Waves Academy  
Budget FY2024**

**MWA-"School" and MWA Central Office  
Original Budget**

	A	B	C	H	K	L
2	Account #	Account Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)
79	4410	Furniture, Equipment & Supplies (non-capitalized)	73,000	116,000	43,000	59%
80	4420	Computers and IT Supplies (non-capitalized)	230,472	460,600	230,128	100%
81	4710	Student Food Services	415,000	415,000	-	0%
82	4910	Emergency Supplies	14,450	5,950	(8,500)	-59%
83	4990	Contingency	37,000	37,000	-	0%
84		<b>Total Supplies</b>	<b>1,342,181</b>	<b>1,688,101</b>	<b>345,920</b>	<b>26%</b>
85	5210	Conference Fees	114,723	165,223	50,500	44%
86	5215	Travel - Mileage, Parking, Tolls	14,725	15,175	450	3%
87	5220	Travel - Airfare & Lodging	50,425	51,025	600	1%
88	5225	Travel - Meals & Entertainment	30,000	32,100	2,100	7%
89	5305	Professional Dues & Memberships	56,350	60,200	3,850	7%
90	5421	General Liability Insurance	476,925	476,925	-	0%
91	5510	Utilities - Gas and Electric	495,500	495,500	-	0%
92	5515	Janitorial & Gardening Services	602,862	602,862	-	0%
93	5525	Utilities - Waste	60,000	60,000	-	0%
94	5530	Utilities - Water	96,000	96,000	-	0%
95	5605	Equipment Leases and Rentals	155,000	125,000	(30,000)	-19%
96	5610	Occupancy Rent	1,840,838	1,840,838	-	0%
97	5612	Additional Facilities Use Fees	21,500	21,500	-	0%
98	5615	Repairs and Maintenance - Building	281,000	100,000	(181,000)	-64%
99	5617	Repairs and Maintenance - Non-computer Equipment	5,000	5,300	300	6%
100	5618	Repairs & Maintenance - Auto	18,500	18,000	(500)	-3%
101	5803	Accounting Fees	30,000	30,000	-	0%
102	5804	Legal Fees	85,000	85,000	-	0%
104	5806	County Oversight Fees	107,000	145,240	38,240	36%
105	5810	Contracted Services	969,667	1,143,111	173,444	18%
106	5810.001	Food Service Administration	1,000	1,000	-	0%
107	5810.002	Student Information & Assessment	66,800	66,800	-	0%
108	5810.003	Student Transportation	252,500	262,500	10,000	4%
109	5810.004	Intervention & Consultation	83,500	83,500	-	0%
110	5810.005	Psychological Services	654,065	187,000	(467,065)	-71%
111	5810.006	Substitute Teachers	115,000	125,000	10,000	9%
112	5810.007	Interscholastics - Coaches	-	-	-	
113	5810.008	Information Technology	942,354	1,008,534	66,180	7%
115	5811	Student Exam Fees	17,000	17,000	-	0%
117	5820	Recruiting - Students	10,000	10,000	-	0%
118	5821	Printing and Reproduction	34,500	33,500	(1,000)	-3%

**Making Waves Academy  
Budget FY2024**

**MWA-"School" and MWA Central Office  
Original Budget**

	A	B	C	H	K	L
2	Account #	Account Title	FY2023 2nd Interim Budget (A)	FY2024 Original Budget (C)	Variance FY24 Original vs. FY23 2nd Interim (C-A)	% Variance (C) vs. (A)
119	5840	Entrance, Admission, & Ticket Fees (not staff conference)	49,200	57,200	8,000	16%
120	5850	Staff Recruitment	94,250	74,000	(20,250)	-21%
121	5851	Continuing Education Support	127,750	112,500	(15,250)	-12%
122	5853	Payroll Processing Fees	63,000	68,000	5,000	8%
123	5897	Special Ed Encroachment WCCUSD	569,290	761,290	192,000	34%
124	5898	Use Tax	1,000	1,000	-	0%
125	5905	Company Cell Phones	42,700	42,700	-	0%
126	5910	Internet and Wifi	138,600	150,600	12,000	9%
127	5915	Postage and Delivery	26,800	28,250	1,450	5%
128	5920	Landlines and Office Based Phones	7,800	7,800	-	0%
129	5992	Bank fees	500	500	-	0%
130	6900	Depreciation and Amortization	25,000	25,000	-	0%
131	INCO.EXP	5895 Central Office (Shared Services Allocation)	1,309,643	1,452,400	142,757	11%
132		<b>Total Contract Services</b>	<b>10,143,267</b>	<b>10,145,073</b>	<b>1,806</b>	<b>0%</b>
133						
134		Total Salaries & Benefits	20,051,274	22,946,950	2,895,676	14%
135		Total Supplies	1,342,181	1,688,101	345,920	26%
136		Total Contract Services	10,143,267	10,145,073	1,806	0%
137		<b>Total Expenses</b>	<b>31,536,722</b>	<b>34,780,124</b>	<b>3,243,402</b>	<b>10%</b>
138						
139		<b>Net Income</b>	<b>50,000</b>	<b>50,000</b>		

# Coversheet

## Banking Update

**Section:** II. MWA Finance Advisory Committee Meeting  
**Item:** C. Banking Update  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:**  
Memo - Update on Banking Arrangements and Cash Management Approaches.pdf



## MAKING WAVES ACADEMY MEMORANDUM

**TO:** FINANCE ADVISORY COMMITTEE

**FROM:** WALLACE WEI, MWA CFO

**SUBJECT:** BANKING UPDATE - RECENT DEVELOPMENTS, CASH MANAGEMENT APPROACHES, AND RECOMMENDATIONS

**DATE:** 5/25/2023

**CC:** ALTON B. NELSON, JR., MWA CEO

In this Memorandum, I would like to provide you with an update on our banking arrangements, recent developments, and recommendations for our cash management approaches. Please find below the comprehensive information for your reference:

**Main Operating Account with Bridge Bank:** Our primary operating account is held with Bridge Bank, a subsidiary of Western Alliance Bank. As of the end of April, the balance in this account stood at approximately \$9.5 million. It is important to note that the Bridge Bank operating account does not generate any interest income. However, it does provide us with an "earnings credit" that effectively offsets service fees. Last year, these fees amounted to approximately \$6,000.

**Insured Cash Sweep (ICS) Program:** In March, amidst the regional bank crisis, we made the decision to participate in Bridge Bank's "Insured Cash Sweep" (ICS) program. This program allows us to place our funds into accounts issued at other banks in a network of financial institutions that are insured by FDIC, in increments of less than the standard FDIC insurance maximum or \$250,000, to ensure that 100% of our accounts are FDIC insured. The funds deposited at other banks will be swept automatically to our main account to meet bill payment obligations when needed. The balance held within the ICS "account" generates an annualized yield of 2% as of April, offering us a competitive return on our funds.

**Transfer of Funds to Chase Bank:** In early May, when smaller banks were scrambling again as their share prices plunged, we initiated a transfer of \$3 million from our Bridge Bank operating account to Chase Bank out of an abundance of caution. Prior to this transfer, we already had a small fundraising account with Chase Bank, holding a minimal balance. This transfer was also made with the aim of diversifying our banking relationships and exploring alternative cash management approaches. Following the transfer, we have engaged in several meetings with Chase Bank to discuss various strategies and options for optimizing our cash management.

**Chase Bank's "EOD Investment Sweep":** During our discussions with Chase Bank, they presented us with their "EOD investment sweep" program. This program allows funds deposited in Chase's operating account to be invested in money market funds. The current yield on the "EOD investment sweep" is 4.95%. However, Chase Bank imposes a service fee of 25 basis points (bp), resulting in a net yield of 4.70%.

**Bridge Bank's Matching Offer:** Upon discussing our options with Bridge Bank, they have agreed to match Chase Bank's offer. Bridge Bank is willing to provide us with a net yield of 4.75% on our funds placed in its ICS "account, provided that



we keep our main banking relationship with them. This ensures competitive returns while maintaining our existing relationship. The rate will be updated regularly to reflect the prevailing money market rate minus 25 basis points, thus matching Chase Bank's offer.

Based on our analysis of the market conditions and considering the new information, I recommend the following approach:

**Main Operating Account:** I recommend maintaining our primary banking relationship with Bridge Bank and placing all funds (over \$6M as of this writing) in the ICS "account" except the minimum \$10,000 required to be deposited in the main operating account. This allows us to maximize the benefits of the ICS program to generate more interest income. As mentioned above, funds in the "ICS" account are highly liquid and will be swept automatically to the main operating account to meet bill payment obligations when needed.

**Investment of \$3 Million with Chase Bank:** I propose keeping the \$3 million transferred to Chase Bank in their "EOD investment sweep" program, which involves investing in JP Morgan Chase's money market funds. This decision serves two purposes. Firstly, it helps us diversify our banking relationship by potentially utilizing Chase Bank's products and services in the future that are unavailable at Bridge Bank. One example of such a product is laddered T-bills, which could become more attractive than money-market funds should the current rate environment change. Secondly, it is a precautionary measure taken due to the regional bank crisis, ensuring an additional layer of security for these funds.

By following this recommended approach, we can leverage the benefits of both banks. The majority of our funds will be in the ICS "account" at Bridge Bank, ensuring FDIC insurance, a competitive yield, and most importantly, the same level of liquidity as a checking account while maintaining our existing relationship with the bank. Simultaneously, the \$3 million held at Chase Bank will be invested in JP Morgan Chase's money market funds through their "EOD investment sweep" program, which offers a current net yield of 4.70% while also providing liquidity. This diversifies our banking relationship and provides an added layer of caution in light of the regional bank crisis.

Considering the projected interest income, assuming the current interest rate environment, we anticipate generating over \$400,000 in interest income next year. This projection is based on the current yield of the respective programs and our account balances.