



Executive Summary for FY 2020-21 Original Budget Report

May 21, 2020

2020-21 Original Budget Report Overview

The **Original Budget Report** is required by the California Department of Education (CDE) each year. Making Waves Academy (MWA) must submit the Original Budget for review to its charter authorizer, the Contra Costa County Office of Education (CCCOE), by June 30th, 2020. CCCOE reviews and then submits the report to the California Department of Education (CDE).

Making Waves Academy revenues and expenditures are subject to change – based on occasional changes in state and federal revenues during the school year as well as unforeseen changes in expenditures at MWA. The CDE requires all public schools to revise their budgets two times during the school year. MWA is required to project revenue and expenditure changes through fiscal year-end on each of these reports. Process is as follows:

- The MWA Finance staff identifies any proposed mid-year changes in revenue from federal, state, or local sources.
- The MWA Finance staff meets with budget managers to discuss and agree upon any projected or actual changes in expenditures for the remainder of the school year.
- The Finance Advisory Committee reviews proposed revisions and makes a recommendation to the MWA Board.
- The MWA Board reviews, considers the recommendation from the Finance Advisory Committee, and approves the revised budgets.
- The MWA Finance staff submits the **1st Interim Budget** in December and the **2nd Interim Budget** in March.

Annual Budget Cycle

	Adopted Budget	1 st Interim Budget	2 nd Interim Budget	Unaudited Actuals
Period	July 1 – June 30	July 1 – October 31	July 1 – January 31	July 1 – June 30
Submission Date	June 30	December 15	March 15	September 15

Key Overview for the Original Budget

The following items highlight the key changes from 2019-20 2nd Interim, which is considered most updated projected actuals for 2019-20 as of now, to 2020-21 Original Budget:

1. **Government Revenues** – Before the health crisis, we estimated state revenues to increase by more than \$1.1 million due to the enrollment increase and the 2.29% COLA based on the Governor’s January budget proposal. Due to current economic uncertainties, we project state revenues per pupil to decrease 5% from the 2019-20 LCFF rate (see Executive Summary on Government Revenues Outlook for details), even though the total government revenues will still increase slightly because of the enrollment growth.
2. **Donations** - Donations projected to decrease by \$199,316 based on the actual donations received in 2019-20.
3. **Cost Cutting** – We eliminated the salary COLA increase for all staff, and reduced operational budgets across all departments despite the enrollment growth.



4. **Re-Organization** – We eliminated some existing positions, but added a few new positions to support the re-organization effort.
5. **Extra Teachers** – We added four extra teachers to mitigate the impact of teacher vacancies.
6. **Special Education** – We added one special education teacher, two special education aides and also increased contracted services for the Special Education program.

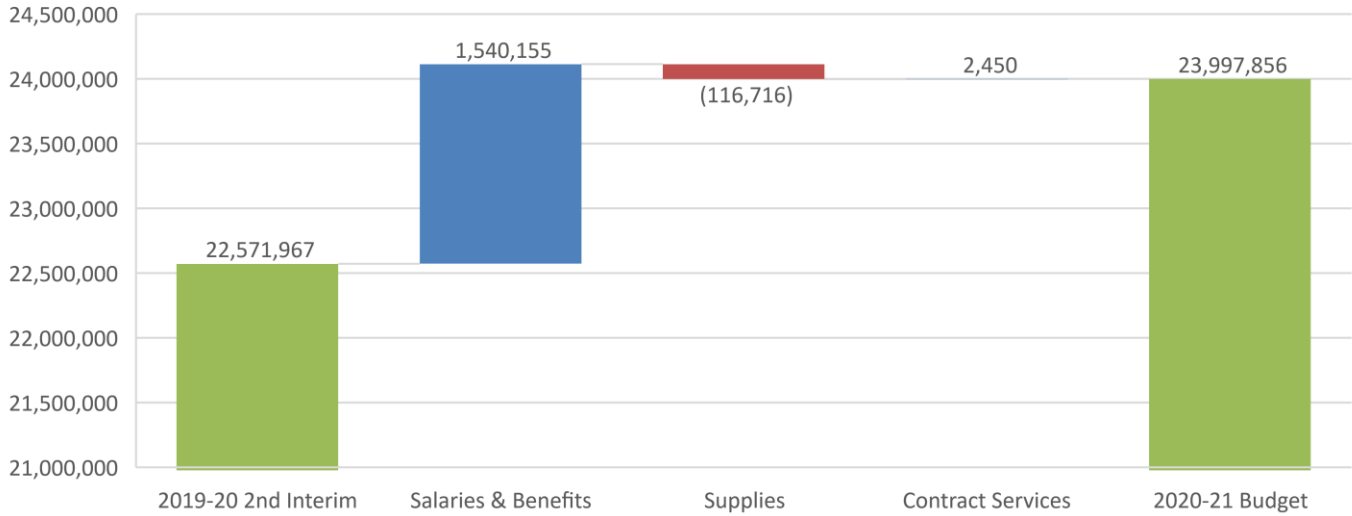
The projected 2020-21 **increases in expenditures (\$219,638, or 1%)** for MWA/MWAS, and **decreases in donations (\$199,316, or 13%)** are almost offset by **government revenues increases (\$381,315, or 3%)**, resulting in **minimal increases from SRE contributions (37,639, or 0.3%)**.

**2020-21 Original Budget Summary
Richmond**

Location	2nd Interim 2019-20 Budget	Original 2020-21 Budget	\$ Variance	% Variance
Revenues				
Government	\$13,871,273	\$14,252,588	\$381,315	3%
Donation	\$1,514,316	\$1,315,000	-\$199,316	-13%
SRE	\$7,236,378	\$8,480,268	\$1,243,890	17%
Total Revenues	\$22,621,967	\$24,047,856	\$1,425,889	6%
Expenses				
Salaries/Benefits	\$13,452,157	\$14,992,312	\$1,540,155	11%
Supplies	\$1,459,915	\$1,343,199	\$(116,716)	-8%
Contract Services	\$7,659,895	\$7662,345	\$2,450	0%
Total Expenses	\$22,571,967	\$23,997,856	\$1,425,889	6%
Revenues - Government per ADA	\$14,140	\$13,613	-\$527	-4%
Expenses – Cost per Student (Exclude CO Fees)	\$21,040	\$21,017	-\$24	0%

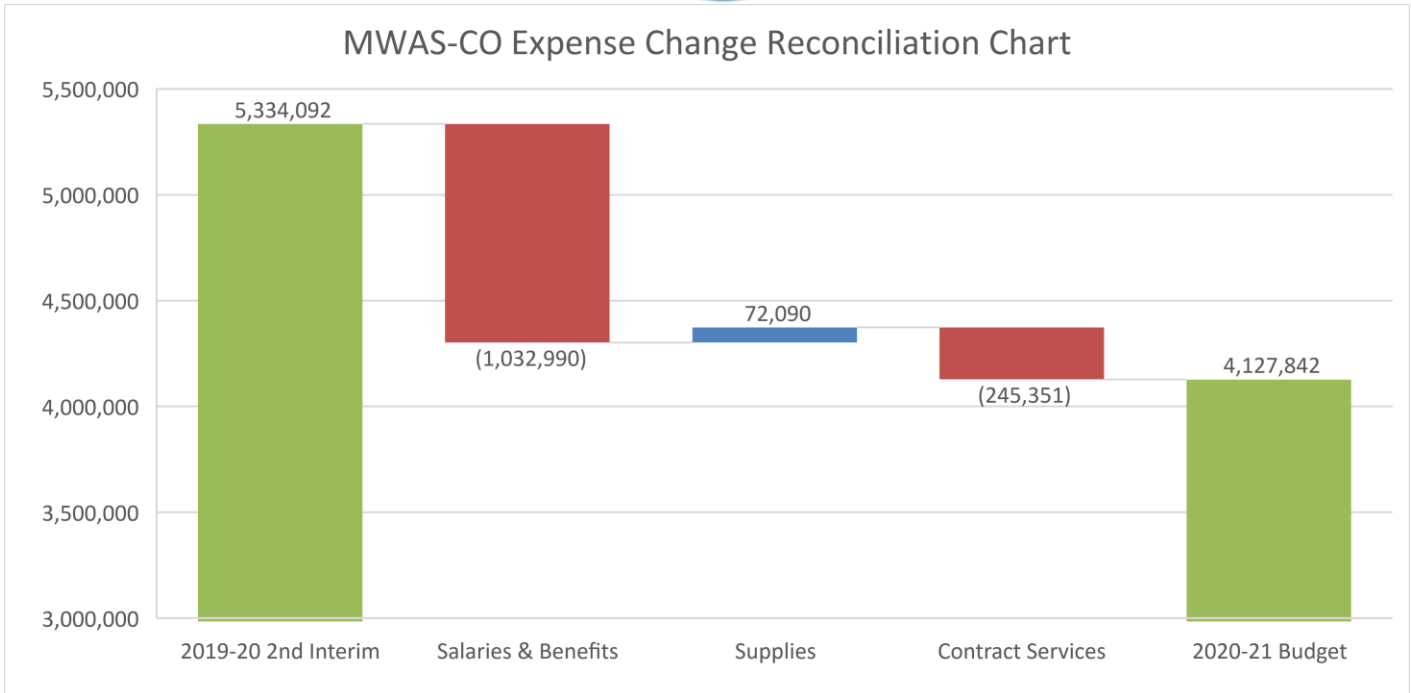


MWA Richmond Expense Change Reconciliation Chart



2020-21 Original Budget Summary Central Office

Location	2nd Interim Budget	Original 2020-21 Budget	\$ Variance	% Variance
Revenues				
SRE	\$4,265,378	\$3,059,127	-\$1,206,251	-28%
Central Office (Shared Services Allocation)	\$1,068,715	\$1,068,715	\$0	0%
Total Revenues	\$5,334,092	\$4,071,897	-\$1,262,196	-23%
Expenses				
Salaries/Benefits	\$3,990,550	\$2,957,561	-\$1,032,990	-26%
Supplies	\$97,025	\$169,115	\$72,090	74%
Contract Services	\$1,246,517	\$1,001,166	-\$245,351	-20%
Total Expenses	\$5,334,092	\$4,127,842	-\$1,206,251	-23%



2020-21 Original Budget Changes from 2019-20 Second Interim Budget Report:

RICHMOND EXPENDITURES: 2020-21 TOTAL CHANGES – INCREASED BY \$1,425,889 (6%)

I. Salaries and Benefits - Increased by \$1,540,115 (11%)

- Added back pro-rated salaries for eight vacant positions
- No COLA increase for all staff and eliminated Year-Bonus.
- Saved on eliminated positions
 1. Middle School Director
 2. Upper School Director
 3. Middle School Associate Director
 4. Part-Time Bus and Site monitors
 5. Applied Technology Coordinator
 6. Operations Coordinator
 7. Executive Assistant
 8. Associate Dean of Students
 9. Intervention Services Coordinator
- Added new positions
 1. Senior Director of Academic Instruction
 2. Director of Holistic Support
 3. Director of Academic Services
 4. Four extra teachers
 5. Facilities Manager
 6. Custodian
 7. Special Ed Teacher



- 8. Two Special Ed Aides
- 9. Assistant Sub-Coordinator

II. Supplies - Decreased by **-\$116,716 (-8%)**

- Decreased SPED Department textbook budget, already budgeted in the Day School
- Decreased Instructional Supplies and office supplies
- Decreased IT supplies
- Increased student food due to the enrollment increase

III. Contract Services - Increased by **\$2,450 (0%)**

- Decreased conference fees
- Decreased nurse contract services as we will hire a nurse
- Decreased substitute teachers due to hire four extra teachers
- Increased utility budget to reflect actual expenses incurred in 2019-20
- Increased cleaning service and supplies to disinfect school due to COVID-19
- Increased rent for rent reimbursement SB740
- Increased Special Education Contract

CENTRAL OFFICE EXPENDITURES: 2020-21 TOTAL CHANGES – DECREASED BY **\$1,206,251 (-23%)**

I. Salaries and Benefits - Decreased by **\$1,032,990 (-26%)**

- Saved on eliminated positions
 1. Operations Assistant
 2. Chief Operating Officer
 3. Managing Director of Human Resources
 4. Director of Human Resources
 5. Director of Compliance
 6. Senior Director of Curriculum and Instruction
 7. Senior Director of Elementary Learning
 8. Managing Director of Learning and Teacher
 9. Director of Diversity and Inclusion
 10. Talent Coordinator

II. Supplies – Increased by **\$72,090 (74%)**

- Increased budget to support staff laptops replacement
- Increased contingency

III. Contract Services - Decreased by **\$245,351 (-20%)**

- Decreased conference fees
- Decreased contract services
- Decreased staff recruitment



Summary

Overall, Making Waves Academy **increased** the 2020-21 budget by **\$219,638** or **1%** from the 2019-20 second interim budget.

- Saved on eliminated positions
- Added new positions to support the re-organization
- Added four additional teachers to mitigate the impact of teacher vacancies
- Increased Special Education support