

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF
WOODLEY LEADERSHIP ACADEMY**

DEFICIT ELIMINATION PLAN RESOLUTION

A regular meeting of the Board of Directors of the Woodley Leadership Academy (the "Academy") was held on the 3rd day of February, 2021, at 6:30 p.m.

The Meeting was called to order by: Board President, Carlos McMath

Present: Carlos McMath, Christopher Parker, Shelly Raube, Reginald Williams

Absent: None

The following preamble and resolution were offered by Member Christopher Parker and supported by Member Shelly Raube:

WHEREAS, Woodley Leadership Academy ended the June 30, 2020 fiscal year with a material deficit balance in its general fund totaling \$211,126 per the annual audit report for Woodley Leadership Academy ("2019-2020 Deficit"); and

WHEREAS, a draft deficit elimination plan has been developed and formulated that consists of a detailed financial plan for the Woodley Leadership Academy for fiscal years 2020-21, 2021-22, 2022-23, and 2023-24 which is reasonably calculated to (i) enable the Woodley Leadership Academy to properly operate during fiscal years 2020-21, 2021-22, 2022-23, and 2023-24 and meet its financial anticipated expenses and obligations for those fiscal years and (ii) eliminate the incurred 2019-2020 Deficit by the end of fiscal year 2023-24 ("Deficit Elimination Plan"); and

WHEREAS, a copy of the draft Deficit Elimination Plan, which is annexed to this resolution, has been presented to the Board of Directors of the Woodley Leadership Academy for review and approval; and

WHEREAS, the Board of Directors of the Woodley Leadership Academy has determined that it is in the best interests of the Woodley Leadership Academy to adopt the Deficit Elimination Plan for submission to the Michigan Treasury.

NOW, THEREFORE, IT IS RESOLVED that the Deficit Elimination Plan is hereby adopted and approved by Woodley Leadership Academy for submission to the Michigan Treasury.

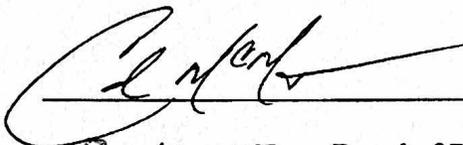
IT IS FURTHER RESOLVED, that the President of the Board of Directors or the Secretary of the Board of Directors of the Woodley Leadership Academy (each an "Authorized Officer") is hereby authorized to execute, deliver and submit the Deficit Elimination Plan, in substantially the form hereby approved, but with such necessary and appropriate non-material variations, omissions and insertions as may be deemed required by the Authorized Officer; and

IT IS FURTHER RESOLVED that the Woodley Leadership Academy, acting through an Authorized Officer, is authorized to take any and all actions that may at any time be necessary, appropriate or desirable to enable the Woodley Leadership Academy to submit to and obtain approval of the Deficit Elimination Plan from the Michigan Treasury.

Ayes: Members Carlos McCall, Reginald Williams, Michelle Rendon, Charlotte Parker

Nays: Members N/A

Motion declared Passed.



PRESIDENT, Board of Directors

The undersigned duly qualified and acting President of the Board of Directors of Woodley Leadership Academy, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a special meeting held on February 3, 2021, the original of which is a part of the Board of Director's minutes and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act 1976 PA 267, as amended.



Woodley Leadership Academy Deficit Elimination Plan		2019-20 Budget/Actual	2020-21 Budget/DEP	Prior Year Difference	2021-22 Estimated	Prior Year Difference	2022-23 Estimated	Prior Year Difference	2023-24 Estimated	Prior Year Difference	2024-25 Estimated	Prior Year Difference
Beginning Fund Balance		\$0.00	-\$211,126.60		-\$211,126.30		-\$200,265.47		-\$184,312.68		\$98,602.87	
Revenue	Code											
Local Revenue	1xx	\$2,529.30	\$23,697.30	836.91%	\$23,697.30	0.00%	\$23,697.30	0.00%	\$23,697.30	0.00%	\$23,697.30	0.00%
Local Received Through Another Public School	51x	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
Other Political Subdivision	2xx	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
State Revenue	3xx	\$1,362,414.03	\$1,750,917.84	28.52%	\$2,008,311.27	14.70%	\$2,340,318.07	16.53%	\$2,539,742.75	8.52%	\$2,749,781.94	8.27%
Federal Revenue	4xx	\$124,411.21	\$312,970.00	151.56%	\$125,202.00	-60.00%	\$125,540.86	0.27%	\$125,886.50	0.28%	\$126,239.05	0.28%
Other Financing Sources	52x-6xx	\$1,015.69	\$1,015.69	0.00%	\$1,066.47	5.00%	\$1,119.80	5.00%	\$1,175.79	5.00%	\$1,234.58	5.00%
Total Revenue	xxx	\$1,490,370.23	\$2,088,600.83	40.14%	\$2,158,277.04	3.34%	\$2,490,676.03	15.40%	\$2,690,502.34	8.02%	\$2,900,952.87	7.82%
Expenditure												
Instruction (1xx)												
Basic Programs	11x	\$421,424.78	\$449,071.57	6.56%	\$501,882.73	11.76%	\$557,472.71	11.08%	\$614,227.18	10.18%	\$671,171.68	9.27%
Added Needs	12x	\$163,584.81	\$309,486.84	89.19%	\$271,880.75	-12.15%	\$273,300.03	0.52%	\$274,751.59	0.53%	\$276,236.20	0.54%
Adult and Continued Education	13x	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
Total Instruction	1xx	\$585,009.59	\$758,558.41	29.67%	\$773,763.48	2.00%	\$830,772.74	7.37%	\$888,978.77	7.01%	\$947,407.88	6.57%
Support Services (2xx)												
Pupil	21x	\$105,286.83	\$106,488.27	1.14%	\$99,958.27	-6.13%	\$102,845.77	2.89%	\$105,877.64	2.95%	\$109,061.11	3.01%
Instructional Staff	22x	\$62,952.95	\$111,539.87	77.18%	\$85,033.91	-23.76%	\$86,383.91	1.59%	\$87,801.41	1.64%	\$89,289.79	1.70%
General Administration	23x	\$267,499.33	\$363,477.62	35.88%	\$478,028.66	31.52%	\$633,796.02	32.59%	\$475,966.63	-24.90%	\$513,662.12	7.92%
School Administration	24x	\$191,847.55	\$188,828.29	-1.57%	\$192,100.51	1.73%	\$198,230.86	3.19%	\$204,593.70	3.21%	\$211,199.03	3.23%
Business	25x	\$6,429.05	\$6,311.80	-1.82%	\$6,627.39	5.00%	\$6,958.76	5.00%	\$7,306.70	5.00%	\$7,672.03	5.00%
Operations and Maintenance	26x	\$343,696.46	\$348,342.47	1.35%	\$355,619.59	2.09%	\$451,736.57	27.03%	\$464,963.40	2.93%	\$473,091.57	1.75%
Transportation	27x	\$99,128.64	\$98,752.50	-0.38%	\$126,032.63	27.62%	\$132,334.26	5.00%	\$138,950.97	5.00%	\$173,688.72	25.00%
Central	28x	\$26,853.67	\$104,301.30	288.41%	\$28,251.77	-72.91%	\$29,664.35	5.00%	\$31,147.57	5.00%	\$32,704.95	5.00%
Other Support Services	29x	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
Total Support Services	2xx	\$1,103,694.48	\$1,328,042.12	20.33%	\$1,371,652.73	3.28%	\$1,641,950.50	19.71%	\$1,516,608.02	-7.63%	\$1,610,369.32	6.18%
Community Services	3xx	\$0.00	\$2,000.00	100.00%	\$2,000.00	0.00%	\$2,000.00	0.00%	\$2,000.00	0.00%	\$2,000.00	0.00%
Outgoing Transfers & Other Uses	41x-43x	\$12,792.76	\$0.00	-100.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
Building Improvement Services	45x	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
Debt Service	51x	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
Fund Modifications	6xx	\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
Total Expenditure		\$1,701,496.83	\$2,088,600.53	22.75%	\$2,147,416.21	2.82%	\$2,474,723.24	15.24%	\$2,407,586.79	-2.71%	\$2,559,777.20	6.32%
Revenue less Expenditure		-\$211,126.60	\$0.30	-100.00%	\$10,860.83	#####	\$15,952.79	46.88%	\$282,915.55	1673.45%	\$341,175.67	20.59%
Ending Fund Balance		-\$211,126.60	-\$211,126.30	0.00%	-\$200,265.47	-5.14%	-\$184,312.68	-7.97%	\$98,602.87	-153.50%	\$439,778.54	346.01%
Student FTE		158.09	184.30	16.58%	213.75	15.98%	249.60	16.77%	266.00	6.57%	285.00	7.14%
Foundation Allowance		8,111.00	8,111.00	0.00%	8,273.00	2.00%	8,439.00	2.01%	8,607.00	1.99%	8,780.00	2.01%
Total Staff FTE		17.00	18.00	5.88%	20.00	11.11%	21.00	5.00%	22.00	4.76%	23.00	4.55%

Purpose	Please enter a narrative for each fiscal year the district begins in deficit. This will give context to the projected revenues/expenditures in the DEP and provide an explanation of how the deficit will be eliminated. Please provide as much detail as possible on the strategies the district will implement to eliminate the deficit, including information on contract negotiations, staff reductions, wage concessions, programming cuts, classroom sizes, etc.
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2020-21	Woodley LA adopted a 1st Amended Budget for FY21 on December 8, 2020. The amendment accounted for a blended FTE of 184.30 with state revenue sources of approximately \$9500/FTE(given foundation amount of \$8111/FTE and At Risk carryover funding). Federal revenues were inclusive of the current year Title allowances, carryover Title funds from FY20, and Federal funding for COVID-19 Emergency costs (CARES, ESSER, GEER, CRF - \$179K). Budgeted increase in revenues YOY is approximately \$600K. In terms of expense, the amendment reflects a 2.35 reduction in Instructional staffing FTEs and an increase of .5 FTEs for Special Education staffing. Offsetting expenses were planned for COVID-19 funding allowances in the areas of technology, ppe, online learning application and virtual instruction, building cleaning costs, and professional development. The management agreement with Accel Schools LLC is to be amended to allow for a current year reduction in fees of approximately \$96K, which under the current agreement is the amount agreed to by WLA to pay for start up costs of the academy in addition to the base management fee rate. The amendment to the management agreement will include the increase for startup fees in FY23. The transportation contract will be renegotiated to account for reduced service needs in FY21 due to implementing a condensed face-to-face instruction schedule during the pandemic. The budget savings is expected to be at least \$27K. Overall, the amended budget revenues are estimated to equal expenditures for FY21. One other note: Marketing efforts will begin in early spring 2021 to re-enroll and enroll students for the FY22 Fall term.
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2021-22	The forecast for FY22 was prepared with a target enrollment of 225 students that would equate to an estimated 213.75 paid FTEs, or an increase of approximately 30 FTEs from FY21. The school's marketing plan will include various means of reaching out to the community, such as advertising on social media, radio, and television, door-to-door campaigns, open houses and other promotional events. The state aid foundation allowance was budgeted with a 2% increase from \$8111/pupil in FY21 to \$8273/pupil in FY22, or \$162/pupil. Given that, State revenues are projected increase by 14.7% YOY. Federal revenues decrease significantly in FY22 due to the non-recurring nature of the COVID-19 emergency funding and a return to standard allowances for carryover of Title funds from the previous year. Overall, revenues are expected to increase by approximately 3.3%. The approach to expenditures included an increase of 1 FTE for instructional staff to support the needs of the additional 30 targeted enrollments. As is true for revenues, many reductions in expenses relate to COVID funding and Title carryovers not recurring in FY22. We see this in areas such as Added Needs, Support Services for Instructional Staff, Support Services Central (technology related), and supply costs. Two areas of significant increase in costs are General Administration and Operations & Maintenance. In General Administration, this is due to increased Sponsor fees and management fees which adjust with enrollment and increased revenues. In Operations & Maintenance the increase relates to the lease agreement and incremental cost of reaching 225 students. Otherwise, most expenses were adjusted appropriately for the change in enrollment and inflation. Note that <u>transportation costs return to full service in FY22 for the hopeful return to full-time, face-to-face instruction. The academy is projected to end the fiscal year with a surplus of \$10,861.</u>
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2022-23	The forecast for FY23 reflects a continuation of the revenues assumptions of FY22. Targeted enrollment is set for 260 students, with a blended FTE of approximately 249.60 for state aid. The foundation allowance was conservatively increased by 2% to \$8439, or \$166 per pupil. The combined increase due to enrollments and funding allowance leads state revenues to a 16.5% increase YOY, or \$332K. Federal Revenues and Expenditures were held flat YOY. Overall revenues are expected to increase by 15.4%. Again marketing efforts in the early spring of 2022 for Fall enrollments of FY23 will be aggressively pursued to meet or exceed the target. With the targeted increase in enrollment of 30 students, the Instructional staff was increased by 1 FTE to maintain an average class-size of 25 students. The proposed FY21 amended management agreement would include additional service fees in FY23 along with the increase in fees based on the base fee % defined in the agreement times eligible revenues. Sponsor fees are also predicted to increase with revenue projections. The facility lease at an enrollment of 260 students calls for an increment in rent costs as well. Other expenditures were adjusted based on historical trends, enrollment needs, and inflation. The Academy is expected to achieve a surplus of \$15K in FY23 which continues the deficit reduction trend YOY.
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2023-24	FY24 is the fiscal period in which the academy expects to fully eliminate the deficit fund balance reported in FY20. This will be achieved by targeting enrollment of 280 students, with an estimated blended FTE of 266 (an increase of 16.4 from FY23). Continued growth in programming and quality of learning services will be emphasized to aid in the marketing of new students as well as retaining existing students. State revenues were increased in the forecast by assuming a 2% increase in foundation allowance, taking per pupil funding from \$8439 to \$8607 (an increase of \$173/pupil). Overall revenues increased by 8% from the prior fiscal year forecast. On the expenditure side, once again, an additional FTE was added to accommodate for the up-tick in enrollments of 20 students. Given the repayment of start-up management fees in FY23, general administration expense is expected to decline by 24.9% in FY24 under the base rate applicable for fees in the agreement. All other expenses increased moderately for historical trends, enrollment needs, and inflation. The Academy is expected to achieve a surplus of \$282K in FY24 which would eliminate the estimated negative Fund Balance carried in from FY23 of \$184K and result in a positive ending Fund Balance of \$98K.
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2024-25	FY25 forecast provided for reference of continuation of services. The same basic assumptions apply as noted in previous years with a 2% increase in state aid foundation allowance, 1 FTE of staffing added to meet the needs of the additional 20 students targeted to reach 300, other expenses adjusted per contracts, historical trends, enrollment changes, and inflation.
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2025-26	
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2026-27	
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2027-28	
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Contact Information

District Information	
District Name	Woodley Leadership Academy
District Code	73901
Address	1300 Malzahn St, Saginaw, MI 48602
Superintendent Information	
Name	Pamela Farris
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