

The Palmdale Aerospace Academy

2025-26 Adopted Budget with 2024-25 Estimated Actuals



June 10, 2025

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California Budget Process

1. **Governor's January Budget Proposal** - mid. January
2. **Governor's May Budget Revision** - mid. May
 - a. Los Angeles County Office of Education (LACOE) projection – Common Message
 - b. School Services of California (SSC) Dartboard & Workshop
 - c. Fiscal Crisis and Management Assistance Team (FCMAT) LCFF Calculator
3. **Legislature debates and adopts a budget** – after the Governor's May Revision and before June 15th (or they won't get paid)
4. **Governor signs budget** - possible line-item vetoes and trailer bills before June 30th can change things
5. **Prepare 45-day Budget Revisions** - if needed, based on state-approved budget and taken to the Board of Directors in August

Charter Budget Process

1. **June/July** - Adoption of the State budget may determine changes in charter school revenues
2. **August/September** - Closing of the books from the prior year. Determining carry-over in the current year
3. **October** – State census day. Based on the student population, the first Wednesday of October
4. **December** - First Interim reporting, which reflects projected revenues, expenses, and year-end fund balances based on data through October 31
5. **January** - Certification of P1 (period 1) attendance reports (average daily attendance – ADA). Proposed State budget for the succeeding fiscal year
6. **March** - Second Interim reporting, which reflects projected revenues, expenses, and year-end fund balances based on data through January 31
7. **April/May** - Certification of P2 (period 2) attendance reports (average daily attendance – ADA). P2 determines the District's revenue
8. **January/May** - District budget development for the subsequent fiscal year

ESTIMATED ACTUALS

2024-25 Estimated Actuals - Revenue

Fund 62 - Enterprise Fund	2024-2025 Estimated Actuals Budget	2024-2025 Second Interim Budget	2024-2025 Budget Variance	2024-2025 Percentage Variance
A. Revenue				
LCFF Sources	\$ 30,258,886	\$ 30,248,515	\$ 10,371	0.03%
Federal Revenue	\$ 4,057,868	\$ 5,074,446	\$ (1,016,578)	(20.03%)
Other State Revenues	\$ 9,381,908	\$ 7,488,238	\$ 1,893,670	25.29%
Other Local Revenues	\$ 3,249,235	\$ 1,679,131	\$ 1,570,104	93.51%
Total Revenue	\$ 46,947,897	\$ 44,490,330	\$ 2,457,567	

Accounting error with ESSER III revenue
Title I expenses to supplemental funds

SB740 Lease Facilities Grant - \$1.1 million
Arts and Music Grant (Prop 28) - \$490k
Learning Recovery Block Grant - \$113k

Interest \$1.463 million
Medi-Cal \$45k
Rentals, etc. \$65k

2024-25 Estimated Actuals - Expense

Fund 62 - Enterprise Fund	2024-2025 Estimated Actuals Budget	2024-2025 Second Interim Budget	2024-2025 Budget Variance	2024-2025 Percentage Variance
B. Expenses				
Certificated Salaries	\$ 13,419,395	\$ 14,278,649	\$ (859,254)	(6.02%)
Classified Salaries	\$ 6,730,072	\$ 6,272,007	\$ 458,065	7.30%
Employee Benefits	\$ 7,634,963	\$ 7,295,431	\$ 339,532	4.65%
Books and Supplies	\$ 3,476,804	\$ 2,301,787	\$ 1,175,017	51.05%
Services and Other Operating Expenses	\$ 12,531,861	\$ 10,691,456	\$ 1,840,405	17.21%
Capital Outlay/Depreciation	\$ 456,358	\$ 456,358	\$ -	0.00%
Other Outgo	\$ 85,000	\$ -	\$ 85,000	
Total Expenses	\$ 44,334,453	\$ 41,295,688	\$ 3,038,765	7.36%

Substitutes \$560k

Off-Schedule \$3,000 payment to classified staff

School sites and departments encouraged to spend this years funds on the years students

Child Nutrition - \$360K

ESSER III - \$317k

Professional Development - \$105k

Legal - \$418k

Oversight Fees - \$187k

Prior Year(s) Balance Sheet Adjustments - \$965k

2024-25 Estimated Actuals – Net Position

Fund 62 - Enterprise Fund	2024-2025	2024-2025	2024-2025
	Estimated Actuals Budget	Second Interim Budget	Budget Variance
C. Excess (Deficiency) of Revenues over Expenses	\$ 2,613,444	\$ 3,194,642	\$ (581,198)
D. Other Financing Sources			
Transfers In	\$ 3,060,286	\$ 4,264,155	\$ (1,203,869)
Transfers Out	\$ 3,060,286	\$ 4,264,155	\$ (1,203,869)
Total Expenses	\$ -	\$ -	\$ -
E. Net Increase (Decrease) in Net Position	\$ 2,613,444	\$ 3,194,642	\$ (581,198)
F. Net Position			
Beginning Net Position as of July 1, 2024	\$ 34,080,380	\$ 34,080,380	\$ -
Audit Adjustments	\$ (9,946,221)	\$ (9,946,221)	\$ -
Adjusted Beginning Net Position	\$ 24,134,159	\$ 24,134,159	\$ (581,198)
Ending Net Position, January 31st	\$ 26,747,603	\$ 27,328,801	\$ (581,198)

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the page, framing a central white area. The shapes include triangles and polygons, some with thin white outlines, creating a modern, layered effect.

MAY REVISION

Themes for the 2025-26 May Revision



Governor Gavin Newsom released his 2025-26 May Revision amid significant financial and economic uncertainty



His May Revision projects both lower revenues and increased costs of health care in the current year and near term



Significant emphasis on federal policy and its impacts on California foreign trade, tourism, and immigration



To address the budget deficit, he uses a combination of reductions, borrowing, funding shifts, deferrals, and expenditures that would only be activated if sufficient revenues materialize



First seen in his January 2025 Budget proposal, the plan to under-appropriate the 2024-25 minimum guarantee remains in his May Revision to the tune of \$1.3 billion



Proposition 98 is largely insulated from these problems, with minimal disruptions to the proposals from the Governor's Budget in early January 2025, despite all that has come to pass since then

Risks to the Economy and the State Budget

Stock market volatility in response to federal policy changes can impact projected state revenue

California's unemployment rate is projected to increase in the budget year

California's Gross Domestic Product (GDP) is projected to decrease in a similar pattern to U.S. GDP in the budget year



Anticipated cuts to key federal programs will increase pressure to backfill losses in federal funding with state dollars

California has several lawsuits pending against the federal government, the outcome of which could affect the California economy

The "Big Three" revenues are projected to be lower by \$4.8 billion over the three-year budget window when compared to January.¹⁰

BUDGET ASSUMPTIONS

Assumptions

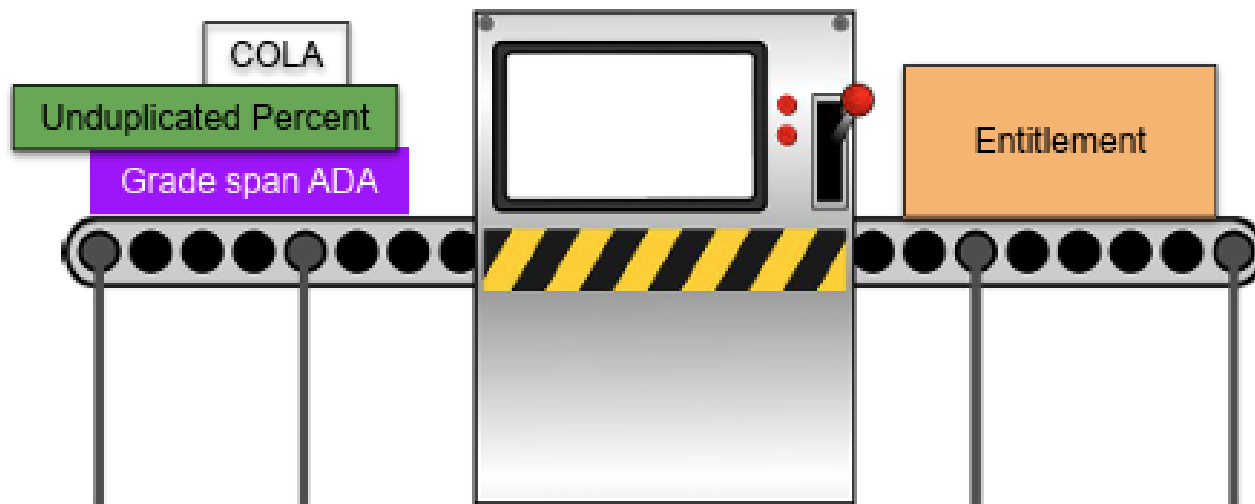
Multi-Year Projection Assumptions	2025-2026	2026-2027	2027-2028
COLA	2.30%	3.02%	3.42%
Enrollment (CALPADS)	2,280	\$ 2,300	\$ 2,300
Year to Date Change In Enrollment	0.93%	0.88%	0.00%
Projected P2 ADA	2,143.20	\$ 2,162.00	\$ 2,162.00
Attendance Factor	94.00%	94.00%	94.00%
Unduplicated Count % (3-year average)	75.62%	75.04%	75.00%
LCFF Supplemental	\$ 3,774,971	\$ 3,896,206	\$ 4,027,278
LCFF Concentration	\$ 3,345,408	\$ 3,381,662	\$ 3,490,308
Lottery - Unrestricted; per ADA	\$ 191	\$ 191	\$ 191
Lottery - Restricted; per ADA	\$ 82	\$ 82	\$ 82
Certificated Step and Column	2.00%	2.00%	2.00%
Classified Step	2.00%	2.00%	2.00%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.81%	26.900%	27.800%
Special Education Contributions	\$ 1,526,490	\$ 1,511,001	\$ 1,490,954

Assumptions

Grade Level	2024-25 Base Grant/ ADA	2025-26 COLA 2.30%	2025-26 Base Grant/ ADA	2026-27 COLA 3.02%	2026-27 Base Grant/ ADA	2027-28 COLA 3.42%	2027-28 Base Grant/ ADA
TK-3	\$10,025	\$231	\$10,256	\$310	\$10,566	\$361	\$10,927
4-6	\$10,177	\$234	\$10,411	\$314	\$10,725	\$367	\$11,092
7-8	\$10,478	\$241	\$10,719	\$324	\$11,043	\$378	\$11,420
9-12	\$12,144	\$279	\$12,423	\$375	\$12,798	\$438	\$13,236

Revenue – Local Control Funding Formula

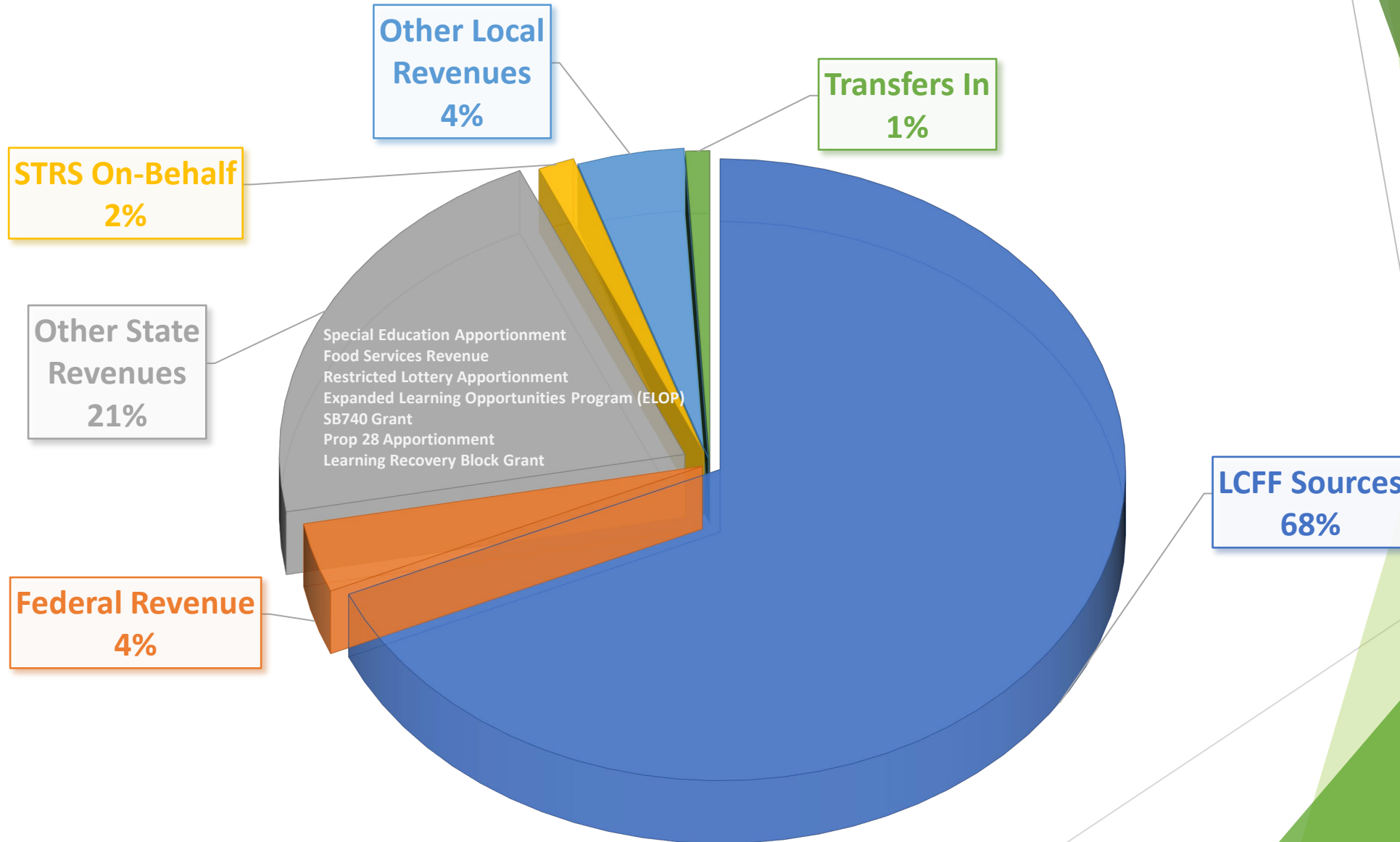
Using the California statutory cost of living allowance (COLA), our ADA by grade span (TK-3 and 4-6), and unduplicated percent, we calculate our entitlement.



Revenue – Local Control Funding Formula

Palmdale Aerospace Academy (125377) - Budget FY 2025-26 v.26.1c					7/1/2025	CY
LOCAL CONTROL FUNDING FORMULA						2025-26
LCFF ENTITLEMENT CALCULATION						
Calculation Factors	COLA & Augmentation			Unduplicated Pupil Percentage		
	Current Year					
	2.30%			75.62%	75.62%	
	ADA	Base	Grade Span	Supplemental	Concentration	Total
Grades TK-3	382.58	\$ 10,256	\$ 1,067	\$ 1,712	\$ 1,518	\$ 5,567,730
Grades 4-6	360.96	10,411		1,575	1,395	4,829,987
Grades 7-8	478.46	10,719		1,621	1,437	6,591,652
Grades 9-12	921.20	12,423	323	1,928	1,708	15,091,146
Subtract Necessary Small School ADA and Funding	-	-	-			-
Total Base, Supplemental, and Concentration Grant		\$ 24,254,376	\$ 705,760	\$ 3,774,971	\$ 3,345,408	\$32,080,515
NSS Allowance		-				-
TOTAL BASE	2,143.20	\$ 24,254,376	\$ 705,760	\$ 3,774,971	\$ 3,345,408	\$32,080,515
ADD ONS:						
Transitional Kindergarten (Commencing 2022-23)	TK ADA	21.17	TK Add-on rate	\$ 3,148.00		66,643
ECONOMIC RECOVERY TARGET PAYMENT						-
LCFF Entitlement Before Adjustments						\$32,147,158
Miscellaneous Adjustments						-
ADJUSTED LCFF ENTITLEMENT						\$32,147,158

Revenue – Local Control Funding Formula



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ADOPTED BUDGET
&
MULTI-YEAR PROJECTIONS

Adopted Budget & MYP Revenue

Fund 62 - Multi-Year Projection	2025-2026	2026-2027	2027-2028
A. Revenue			
LCFF Sources	\$ 32,147,158	\$ 33,307,388	\$ 34,437,113
Federal Revenue	\$ 1,693,805	\$ 1,693,805	\$ 1,693,805
Other State Revenues	\$ 10,004,101	\$ 10,101,571	\$ 10,184,803
STRS On-Behalf	\$ 682,435	\$ 682,435	\$ 682,435
Other Local Revenues	\$ 2,002,500	\$ 2,009,079	\$ 1,982,764
Transfers In	\$ 450,000	\$ 450,000	\$ 450,000
Total Revenue	\$ 46,979,999	\$ 48,244,278	\$ 49,430,920

Adopted Budget & MYP Expense

Fund 62 - Multi-Year Projection	2025-2026	2026-2027	2027-2028
B. Expenses			
Certificated Salaries	\$ 13,674,400	\$ 14,036,579	\$ 14,385,348
Classified Salaries	\$ 6,628,928	\$ 6,761,507	\$ 6,896,737
Employee Benefits	\$ 8,667,058	\$ 8,777,605	\$ 8,939,946
STRS On-Behalf	\$ 682,435	\$ 682,435	\$ 682,435
Books and Supplies	\$ 3,289,234	\$ 5,206,131	\$ 3,266,749
Services and Other Operating Expenses	\$ 11,224,230	\$ 11,208,591	\$ 11,227,293
Capital Outlay/Depreciation	\$ 470,000	\$ 470,000	\$ 470,000
Other Outgo (excluding Indirect Costs)	\$ 85,000	\$ 85,000	\$ 85,000
Transfers Out	\$ 450,000	\$ 450,000	\$ 450,000
Total Expenses	\$ 45,171,285	\$ 47,677,848	\$ 46,403,508

Adopted Budget & MYP Net Position

Fund 62 - Multi-Year Projection	2025-2026	2026-2027	2027-2028
C. Excess (Deficiency) of Revenues over Expenses	\$ 1,808,714	\$ 566,430	\$ 3,027,412
D. Net Position			
Projected Beginning Net Position as of July 1, 2025	\$ 26,747,604	\$ 28,556,318	\$ 29,122,748
Audit Adjustments	\$ -	\$ -	\$ -
Adjusted Beginning Net Position	\$ 26,747,604	\$ 28,556,318	\$ 29,122,748
Projected Ending Net Position June 30, 2026	\$ 28,556,318	\$ 29,122,748	\$ 32,150,160

BOND CONVENANTS

Covenants - Estimated Actuals

	2024-25 Estimated Actuals
Coverage Ratio Covenant	
Unrestricted Revenue	32,826,623
Restricted Revenue	17,181,561
Total Revenue	50,008,183
Unrestricted Expenses	31,462,771
Restricted Expenses	15,931,968
Total Expenses	47,394,739
Unrestricted Net Income	1,363,852
Add: Depreciation	456,358
Add: Rent Under the Lease	5,445,775
Net Income Available for Debt Service	7,265,985
Coverage Ratio Covenant	1.33
Coverage Ratio Covenant Requirement	1.20x
Meet Coverage Ratio Covenant Requirement	Yes

	2024-25 Estimated Actuals
Days Cash on Hand	
Cash and Cash Equivalents	32,141,724
Accounts Receivable	(623,885)
Unrestricted Cash	31,517,839
Total Expenses	47,394,739
Less: Depreciation	(456,358)
Operating Expenses	46,938,381
Days Cash on Hand	245
Days Cash on Hand Requirement	45
Meet Days Cash on Hand Requirement	Yes

	2024-25 Estimated Actuals
Fund Balance/Net Asset Covenant	
Total Net Asset Balance	27,328,802
Less: Restricted Net Asset Balance	(1,249,593)
Unrestricted Net Asset Balance	26,079,209
Unrestricted Operating Expenses	31,462,771
Fund Balance/ Net Asset	87%
Fund Balance/Net Asset Requirement	5.0%
Meet Fund Balance/Net Asset Requirement	Yes

Covenants - Adopted Budget

	2025-26 Adoption Budget
Coverage Ratio Covenant	
Unrestricted Revenue	31,049,052
Restricted Revenue	15,930,947
Total Revenue	46,979,999
Unrestricted Expenses	29,914,794
Restricted Expenses	15,256,491
Total Expenses	45,171,285
Unrestricted Net Income	1,134,258
Add: Depreciation	470,000
Add: Rent Under the Lease	5,449,700
Net Income Available for Debt Service	7,053,958
Coverage Ratio Covenant	1.29
Coverage Ratio Covenant Requirement	1.20x
Meet Coverage Ratio Covenant Requirement	Yes

	2025-26 Adoption Budget
Days Cash on Hand	
Cash and Cash Equivalents	32,141,724
Accounts Receivable	(623,885)
Unrestricted Cash	31,517,839
Total Expenses	45,171,285
Less: Depreciation	(470,000)
Operating Expenses	44,701,285
Days Cash on Hand	257
Days Cash on Hand Requirement	45
Meet Days Cash on Hand Requirement	Yes



	2025-26 Adoption Budget
Fund Balance/Net Asset Covenant	
Total Net Asset Balance	28,556,319
Less: Restricted Net Asset Balance	(2,062,725)
Unrestricted Net Asset Balance	26,493,594
Unrestricted Operating Expenses	29,914,794
Fund Balance/ Net Asset	95%
Fund Balance/Net Asset Requirement	5.0%
Meet Fund Balance/Net Asset Requirement	Yes

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the frame, leaving a large white central area. The shapes are composed of triangles and quadrilaterals, some of which are semi-transparent, creating a layered effect.

QUESTIONS?