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February 8, 2021

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RE: CTA COMMENTS REGARDING Item #2: Consideration of a Retroactive Request for Determination of Funding as Required for Nonclassroom-Based Charter Schools Pursuant to California Education Code sections 47612.5 and 47634.2, and Associated California Code of Regulations, Title 5.

Dear ACCS Commissioners:

The California Teachers Association would like to express our continued concerns with the funding determinations of Nonclassroom-based charters (NCBs).

As highlighted by In The Public Interest's recent report on NCBs in CA entitled "Costly Failure", there are many systemic issues with NCBs that must be addressed. The report can be found at www.costlyfailure.org.

As on past funding determination items, we question whether the ACCS is being provided evidence that justifies a need for the 100% funding determination. This potential misuse of funding will continue to harm our State's education system.

Furthermore, we believe that the State is asking the commissioners of the Advisory Commission on Charter Schools (ACCS) and the members of the State Board of Education (SBE) to provide public oversight on these funding determinations in a manner in which is impossible given the amount of information, or lack thereof, in the item. Per 5 CCR 11963.3, there is a list of items that are included in the Determination of Funding Request, all of which should be shared with the item. While we appreciate the inclusion of the Determination of Funding Request form with the item, we still believe that the audited actual expenditures that are used to develop and evaluate the funding forms should also be a part of the agenda item.

Given the egregious past practices of some NCBs, CTA believes that there must be heightened oversight and transparency regarding these charters.

Currently, there is a two-year moratorium on NCB's and CTA believes that during this time the CDE and SBE should be investigating whether NCBs are using funds appropriately and effectively for the children of California.

In terms of the specific NCB within this item, there are some questions that CTA believes that the ACCS should be asking prior to moving this recommendation forward to the SBE.

New Day Academy (charter #1920)

It is unclear why the ACCS is even hearing this Consideration of a Retroactive Request for Determination of Funding at this time, since the SBE has not heard the district's waiver to even submit a retroactive funding determination request.

Additionally, the item outlines that the waiver was pulled from the January SBE agenda due to additional clarifying information being needed from the district.

Within the Determination of Funding Request form for New Day Academy, there are several key items that should be looked at more closely by the ACCS.

- On page four, the NCB has an ending fund balance of \$1,794,553. This is a reserve of 37.8% based on their FY 2018-19 revenues.
- On page seven, there is a significant drop in ADA from 2018-19 to 2019-20 of 17.8%.
- On page nine, the FDF is digitally signed by the NCB's director-Laura Blachman on January 19th, 2021. This is almost a full year after the deadline for Funding Determination requests (February 3rd, 2020).

Based on the procedural issues outlined above, CTA questions whether the CDE has provided the required information for the ACCS to act on this funding determination. Additionally, CTA believes that the CDE must also share any supporting documentation and the Audited Actual Expenditures that are used to make funding determinations to help ensure that another A3 scandal does not occur.

Sincerely,



E. Toby Boyd, President
California Teachers Association

db:ETB

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