

Funding Determination Request for the  
OFY-Victor Valley #13

<b>California Department of Education Determination</b>		<b>Nonclassroom-Based Funding</b>			
<small>REVISED SUBMISSION DECEMBER 17, 2013</small>		<b>Fiscal Year 2013-14</b>			
<small>CDE Funding Determination Information: www.cde.ca.gov/sp/cs/as/nclrbifunddet.asp</small>					
<b>New Charter School: Due on or before December 1, 2013</b> <small>(Requesting funding determination applicable for the FYs 2013-14 and 2014-15)</small>		Check One ( )			
<small>Note: The second FY funding determination is subject to additional review. New charters are required to file two reports: 1) FY 2013-14 unaudited actual report, and 2) a Funding Determination Form using FY 2014-15 budget data. Both reports are due to the CDE on or before September 30, 2014. Source: 5 CCR Section 11963.6 (a)</small>					
<b>Continuing Charter School: Due on or before February 1, 2014</b> <small>(Requesting funding determination for up to a maximum of 5 years beginning with the FY 2014-15)</small>		(X)			
<b>For New or Continuing charter schools, complete sections I through IV. For Virtual or On-Line charter schools, complete sections I through V.</b>					
<b>Section I. Charter Information</b> <small>(Complete information fields a through v)</small>					
a. Charter School Name	Options for Youth Victor Valley Charter School		b. Charter #	0013	
c. Charter Authorizer	Victor Valley Union High School District		d. CDS Code	36-67934-3630670	
e. Street Address	320 N. Halstead Street, Suite 280				
f. City	Pasadena	g. State	CA	h. Zip Code	91107
i. Contact Name	Joan Hall	j. Title	Vice President		
k. Phone Number	626-685-9300	l. Fax No.	626-685-9316		
m. E-mail	joanhall@ofy.org				
n. Requested Funding % (select one)	100%				
o. No. of years requested (2, 3, 4, or 5)	4 <small>Note- new charters are limited to two years.</small>				
p. Current Funding Determination expires	6/30/2017		q. Requested Fiscal Years	FY 2014/2015 to FY 2017/2018	
r. Date Charter Granted	6/11/1993		s. Date Charter or Charter Renewal Expires	6/30/2016	
t. Grade Levels Served	7-12		u. P2 ADA	4200.50	
			v. Est ADA		
<b>Section II. Certification</b> <small>(Sign and date)</small>					
I certify that:					
<ol style="list-style-type: none"> <li>1) The information provided is true and correct to the best of my ability and knowledge.</li> <li>2) This charter school's nonclassroom-based instruction is conducted for and substantially dedicated to the instructional benefit of the school's students.</li> <li>3) This charter school's governing board has adopted and implemented conflict of interest policies.</li> <li>4) All of the charter school's transactions, contracts, and agreements are in the best interest of the school and reflect a reasonable market rate for all goods, services, and considerations rendered for or supplied to the school.</li> </ol>					
_____ Signature of Charter School's Director, Principal, or Governing Board Chairperson					
Vice President Title of Authorized Individual			_____ Date		
			17-Dec-13		

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California Department of Education Determination		Nonclassroom-Based Funding Fiscal Year 2013-14	
REVISED SUBMISSION DECEMBER 17, 2013			
<b>Section III. Financial Information</b> (For guidance on function / object definitions, use the California School Accounting Manual)			
<b>A. Resources Available for Expenditure</b> (Complete lines A.1.a. to d. and line 2)			
1. Revenues and Other Financing Sources			
5 CCR 11963.3 (c) (1)	a. Federal Revenues	\$	-
	(i) Amount of Public Charter Schools Grant Program start up, implementation and dissemination grant included in line 1a.	\$	-
5 CCR 11963.3 (c) (1)	b. State Revenues	\$	24,209,996
5 CCR 11963.3 (c) (1)	c. Local Revenues	\$	1,384,617
	(i) Amount in Lieu of Property Taxes in line 1c.	\$	1,384,617
5 CCR 11963.3 (c) (2)	d. Other Financing Sources	\$	12,819
	<b>e. Subtotal</b>	\$	<b>25,607,432</b>
	2. Ending Balance from Prior Fiscal Year	\$	10,816,854
	3. Total Resources (Line A.1.e plus line A.2)	\$	<b>36,424,286</b>
<b>B. Expenditures and Other Uses</b> (Complete lines B.1. to B.4.)			
1. Instruction and Related Services			
5 CCR 11963.3 (c) (1)	a. Salaries and Benefits	\$	11,242,723
	(i) Certificated	\$	1,072,913
	(ii) Classified	\$	2,448,382
	b. Books, Supplies and Equipment	\$	209,700
	c. Services and Other Operating Costs	\$	3,968,490
	(i) Contracts for Instructional Services	\$	1,847,511
	(ii) Contracts for Instructional Support	\$	20,789,719
	(iii) All other Instruction Related Operating Costs	\$	-
5 CCR 11963.3 (c) (2)	d. Subtotal Instruction and Related Services *	\$	20,789,719
2. Operations and Facilities			
	a. Salaries and Benefits	\$	7
	(i) Certificated	\$	-
	(ii) Classified	\$	-
	b. Books, Supplies and Equipment	\$	1,702,768
	c. Services and Other Operating Costs	\$	21,860
	d. Facility Acquisition & Construction	\$	1,724,635
	<b>e. Subtotal Operations and Facilities *</b>	\$	<b>1,724,635</b>
	f. Allowable Facility Costs	\$	51,967
	(i) Enter actual square feet occupied by charter	\$	-
	(ii) Total Classroom-Based ADA (if applicable) reported at P-2 apportionment	\$	403,248.00
	(iii) Total Student Hours attended by nonclassroom-based pupils at the school site	\$	464,571
5 CCR 11963.3 (c) (2)	(iv) Allowable Facilities Costs Lesser of Line B2e or [(B2f)+(B2g) / 868] * \$1,000	\$	-
3. Administration and All Other Activities			
	a. Salaries and Benefits	\$	238,684
	(i) Certificated	\$	(37,987)
	(ii) Classified	\$	1,072
	b. Books, Supplies and Equipment	\$	110,733
	c. Services and Other Operating Costs	\$	216,459
	(i) Contracts for Other Administrative Services	\$	6,368,243
	(ii) Supervisorial Oversight Fee	\$	-
	(iii) All Other Administration & Other Activities, Services & Operating Costs	\$	6,897,204
	<b>d. Subtotal Administration and All Other Activities *</b>	\$	<b>6,897,204</b>

<b>California Department of Education Determination</b>	<b>Nonclassroom-Based Funding</b> Fiscal Year 2013-14
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**Section III. Financial Information (continued)**

**B. Expenditures and Other Uses (continued)**

4. Other Outgo and Other Uses		
a. Debt Service		\$ -
b. Transfer to District or County		\$ -
c. All Other Outgo		\$ (459,178)
d. Subtotal Other Outgo and Other Financing Uses *		\$ (459,178)
5. Total Expenditures (Sum of lines B1 to B4)		\$ 28,952,380

**C. Revenues Over Expenditures (Deficit)** (Line A.1.e minus B.5) \$ (3,344,948)

**D. Fund Balance**

a. Beginning Fund Balance (Line A.2)		\$ 10,816,854
b. Ending Fund Balance* (Line C plus Line D.a.)		\$ 7,471,906

(Complete lines E.a. to E.d.)

**E. Reserves**

If amounts or percentages in lines E.a. or E.b. are \$50,000 or more OR 5% or more, explain in Section IV.7. below why reserve levels were maintained at such levels, pursuant to Title 5, Section 11963.3(a)(5)(F).

	%	
a. Designated for Economic Uncertainties	5%	\$ 1,447,619
b. Facilities Acquisition or Capital Projects	19%	\$ 5,470,028
c. Reserves required by Charter Authorizer		\$ -
d. Other Reserves (identify in Section IV.5 below)		\$ 554,259
e. Unobligated Fund Balance		\$ -
d. Total (Sum of lines E.a to E.e.)		\$ 7,471,906

**Note- Line E.d. must agree with Line D.b.**

**Section IV. Supplemental Information** (Complete lines 1 to 7)

1. Enter the charter school's pupil-teacher ratio as calculated pursuant to Education Code Section 51745.6 and CCR, Title 5, Section 11704.

21 : 1	a. Enter the Pupil to FTE Teacher Ratio of the charter school
24 : 1	b. Enter the Pupil to FTE Teacher Ratio of the largest unified school district in the county(ies) served by the charter.

San Bernardino City Unified, San Bernardino County \*

Enter the name of the largest unified school district in the county(ies) served by the charter school

2. For the FY 2012-13 or 2013-14, did any entity receive \$50,000 or more OR 10% or more of the charter school's total expenditures. Generally, these expenditures are reported in Section III, Lines B.1.c, B.2.c, and B.3.c. Yes

If Yes, list the name of each entity separately and the amount received. Are each of the contract payments made by the charter school based on specific services rendered, clearly stating the fee per service rendered and invoiced accordingly? Are any of the contract payments based upon an amount per unit of average daily attendance or some other percentage of the charter school's revenues, enrollment, etc.? If yes, please identify.

Entity	Amount	Purpose/Explanation	Payment Basis	
			Fee for Service rendered - invoiced	% per ADA or other %
a California Office System, Inc	\$ 132,055	Office Supplies	No	No
b Education Dynamics Inc.	\$ 833,006	Student Reporting. Hardware/Software Services	Yes	No
c Education Management Systems III	\$ 363,511	Purchasing	Yes	No
d Euclid Plaza, LLC	\$ 96,703	Rent	No	No
e Harry Sauberman	\$ 50,030	Rent	No	No
f Harry Sauberman	\$ 76,602	Rent	No	No
g Office & Ergonomic Solutions	\$ 67,668	Office Furniture	No	No
h Pathways In Education	\$ 223,888	Student Field Trip Services	Yes	No
i Pathways Management Group	\$ 1,231,164	Accounting, HR, Legal and Facilities Services	Yes	No
j Pathways Management Group	\$ 2,499,636	Instructional/Education Services	Yes	No
k Rocky Mountain Pathways, Inc	\$ 386,891	Student Field Trip Services	Yes	No
l Sierra Foothill Associate	\$ 73,267	Rent	No	No
m Southern California Edison	\$ 75,806	Utilities	No	No
n TelePacific Communications	\$ 123,466	Telephone Services	Yes	No
o Verizon California	\$ 63,214	Wireless Phone Services	Yes	No
p Victor Valley Union High School District	\$ 248,453	District Oversight Fees	Yes	No
q Woodruff Properties, LLC	\$ 108,681	Rent	No	No

<b>California Department of Education Determination</b>	<b>Nonclassroom-Based Funding</b>
REVISED SUBMISSION DECEMBER 17, 2013	Fiscal Year 2013-14

**Section IV Supplemental Information (continued)**

3. Composition of the charter school's **CURRENT** governing board

Board Member Name	ID (ie., Parent, Teacher, etc)	How was board member selected?	Is member affiliated with any entity listed in Section IV. 2. (Yes/No)?	Member's Board Term (From/To)
a Dr. Al Andrews	Retired Superintendent Victor Valley Union High School District	Each of the Options For Youth Charter Schools is formed as a California non-profit benefit corporation. The sole member of this charter is Options For Youth California, Inc., also a California non-profit benefit corporation. One of the responsibilities of the Options for Youth, California, Inc., is to identify and appoint qualified individuals to serve on the Board of Directors of Options For Youth - Victor Valley, Inc.	No	7/1/2012 - 6/30/2013
b John Calhoun	Financial Consultant	Each of the Options For Youth Charter Schools is formed as a California non-profit benefit corporation. The sole member of this charter is Options For Youth California, Inc., also a California non-profit benefit corporation. One of the responsibilities of the Options for Youth, California, Inc., is to identify and appoint qualified individuals to serve on the Board of Directors of Options For Youth - Victor Valley, Inc.	No	7/1/2012 - 6/30/2013
c Aarion Brown	Pharmacist	Each of the Options For Youth Charter Schools is formed as a California non-profit benefit corporation. The sole member of this charter is Options For Youth California, Inc., also a California non-profit benefit corporation. One of the responsibilities of the Options for Youth, California, Inc., is to identify and appoint qualified individuals to serve on the Board of Directors of Options For Youth - Victor Valley, Inc.	No	7/1/2012 - 6/30/2013
h				

a. Has the governing board adopted and implemented conflict of interest policies and procedures? Yes

b. For any governing board member identified as affiliated with an entity as reported in Section IV.2, explain the nature of the affiliation.  
N/A

4. Describe the entities or accounts involved for transfers and other outgo reported in Line B.4.b. or c.  
\$459,178 is comprised of fixed asset adjustments. For details see audited financial statements and on page 15 Schedule of Activities 740 conversion.

5. Identify reserves listed as "Other Reserves" and reported on Line E.d.

Amount of Reserve	Purpose of Reserve
\$ 554,259	Reserve for Employee Accrued Personal Time Off liability

6. Indicate the number of full-time equivalent employees who possess a valid teaching certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold issued by the Commission on Teacher Credentialing and who work in the charter school in a position required to provide direct instruction or direct instructional support to students.

FY 2012-13	191.18
FY 2013-14	192.00

7. If reserve amounts designated for economic uncertainties or capital projects are over the greater of \$50,000 or 5% (Lines E.a. or E.b.), explain the purpose and the need to maintained reserves at reported levels, pursuant to 5 CCR 11963.4(b).

Under GAAP and CSAM, Options for Youth - Victor Valley is required to record deferred state payments as revenue and meet all statutory spending requirements in the current year, even if the actual cash has not been received. This revenue, once received, is then normally spent in the next year to meet the statutory spending requirements and other liabilities of the school. The charter believes doing so is necessary to maintain solvency in light of the economic uncertainty of the state deferrals and the difficulty of obtaining outside financing. While the state has begun to address the deferrals and the general school funding picture has improved, the fiscal situation for charter schools remains one where cash payments are postponed and unstable, thereby necessitating the reserve.

In addition to the economic uncertainty facing the charter, the charter is considering the purchase, acquisition and capital improvements of facilities over the next 2-3 years to improve learning center facilities for students, including the construction of biology and chemistry laboratory spaces, and to reduce rental liabilities. The Charter has dedicated a reserve for that purpose. The purchase of learning center facilities and construction of additional laboratory space and other capital improvements will provide even more opportunities to recover students who are dropping out of school, or who are at risk of dropping out.

Finally, revenues have not increased in line with inflation and increases in fixed cost expenses, requiring a higher amount of reserves kept on hand to cover the liabilities of the charter. Because of these economic uncertainties and desired increases in facilities, as well as the inability of charter schools to obtain favorable financing on the open market, the charter has determined that maintaining a higher than five percent or fifty-thousand dollar reserve is a prudent measure to ensure the charter would be able to continue to operate, to pay all liabilities, including Paid-time-off, fixed costs, capital improvements, and other payroll expenses, in the event of continued or extended deferrals, or in the event of a high-cost emergency.

<b>California Department of Education</b>	<b>Nonclassroom-Based Funding</b>
<b>Determination</b>	<b>Fiscal Year 2013-14</b>
<b>REVISED SUBMISSION DECEMBER 17, 2013</b>	
<b>Section V. Nonclassroom-Based Virtual or On-Line Charters ONLY</b>	If at least 80 percent of teaching and student interaction for this charter occurs via the internet, complete lines 1 through 3.
1. Is this charter school a Nonclassroom-Based Virtual or On-Line charter school as defined in 5 CCR Section 11963.5?	
<input type="text" value="Yes or No"/>	
2. Did charter maintain an 8 or above API in either its statewide or similar schools ranking and had no less than a 6 in the other of these two rankings?	
<input type="text" value="Yes or No"/>	
3. Can charter school demonstrate compliance with the 8 criteria specified in 5 CCR Section 11963.5 (b)?	
<input type="text" value="Yes or No"/>	

**California Department of Education  
Nonclassroom-Based Funding Determination  
FY 2013-14 Summary and Recommendation**

**A. Charter Information**

Charter School:	<b>Options for Youth Victor Valley Charter School</b>	Charter #:	<b>0013</b>
Charter Authorizer:	<b>Victor Valley Union High School District</b>	P2 ADA:	<b>4200.50</b>
Charter Number	<b>0013</b>	Est. ADA:	<b>0.00</b>
Requested Fiscal Years:	<b>FY 2014/2015 to FY 2017/2018</b>		
Date Charter Granted:	<b>6/11/1993</b>	Date Charter Expires:	<b>6/30/2016</b>

**B. Calculated Funding Determination Percentage**

<b>43.93%</b>	<b>1. Certificated Employee Salaries &amp; Benefits / Total Public Revenues %</b> Source: 5 CCR 11963.3 (c) (1)  Formula: Line B.1.a.(i) divided by Lines A.1.a. - A.1.a.(i) + A.1.b. + A.1.c.(i)
<b>81.19%</b>	<b>2. Instruction &amp; Related Services / Total Revenues %</b> Source: 5 CCR 11963.3 (c) (2)  Formula: Line B.1.d. + 2.f.(iv) divided by line A.1.e.

**C. Funding Determination Criteria**

**Charter Requested Funding Determination %**

**100%**

<b>100%</b>	Certificated staff compensation equals or exceeds 40 percent of total public revenues AND the percentage calculated for Total Expenditures on Instruction and Related Services equals or exceeds 80 percent of total revenues AND the charter's pupil-teacher does not exceed 25:1 or the equivalent pupil-teacher ratio of the largest unified school district in the county or counties in which the charter school operates
<b>85%</b>	Certificated staff compensation equals or exceeds 40% of total public revenues AND the percentage calculated for Total Expenditures on Instruction and Related Services equals or exceeds 70% but is less than 80% of total revenues.
<b>70%</b>	Certificated staff compensation equals or exceeds 35% but is less than 40% of total public revenues AND the percentage calculated for Total Expenditures on Instruction and Related Services equals or exceeds 60% of total revenues.
<b>Zero</b>	Certificated staff compensation is less than 35% of total public revenues OR the percentage calculated for Total Expenditures on Instruction and Related Services is less than 60% of total revenues. Nonclassroom-based instructional ADA will not be funded.

**D. Recommendation and Comments (For CDE Use Only)**

Did Section B comply with charter's requested percentage? (Yes/No)

Number of Years

Fiscal Year Period

CDE Recommended %

Basis for Recommendation

**Other Comments**

*\*The information listed in this section is the Ed Data® reported information for the entirety of San Bernardino City Unified School District for 2011/2012, and does not represent the most current year. The 2012/2013 information was not available at the time of funding submission. Additionally, please note that no verifiable data is available to consider San Bernardino City's Pupil to FTE Teacher Ratio for the same age group served by Options For Youth – Victor Valley.\**