

**California Department of Education**  
**Fiscal Year 2015- 16**  
**Nonclassroom-Based Funding Determination - Mitigating Circumstances Summary Sheet**

**A. Charter School Information** (complete lines 1 to 4)

1. Charter School:	<b>Mosaica Online Academy of Los Angeles</b>	2. Charter No.:	<b>1677</b>
3. Funding % Requested with mitigating circumstances	<b>100%</b>	4. CDS Code:	<b>19-75309-0130955</b>

**B. Nonclassroom-Based Funding Determination Criteria**

Funding Determination Criteria	Certificated Staff to Total Public Revenues Ratio	Instruction and Instruction-Related Services to Total Revenues Ratio	Pupil toTeacher Ratio
100% Funding [5 CCR, Sec. 11963.4 (a)(3)]	= or > 40%	= or > 80%	< 25 : 1
85% Funding [5 CCR, Sec. 11963.4 (a)(2)]	= or > 40%	= or > 70%	Not Applicable
70% Funding [5 CCR, Sec. 11963.4 (a)(1)]	= or > 35%	= or > 60%	Not Applicable

**C. Enter the reported Charter School's Ratios and PTR from the Form FDF**

	Certificated Staff Costs to Total Public Revenues Ratio	Instruction and Instruction-Related Services Costs to Total Revenues Ratio	Pupil toTeacher Ratio (PTR)
Enter the charter school's calculated ratios from the FDF in Section VI. Line 1. and VI. Line 2 ----->.	29.05%	66.96%	<b>25</b> : 1

If the reported ratios / PTR do not meet the funding determination criteria for the funding level requested, review the regulations in Section D and complete Sections E and F. Sign and attach any documentation that provides further support or clarification.

**D. Regulations**

*California Code of Regulations*, Title 5 (5 CCR), Sec. 11963.4(e): A reasonable basis for the ACCS to make a recommendation other than one that results from the criteria specified in subdivision (a) may include, but not be limited to, the following: the information provided by the charter school (FDF) pursuant to paragraphs (2) through (8), inclusive, of subdivision (b) of section 11963.3, documented data regarding individual circumstances of the charter school (e.g., one-time or unique or exceptional expenses for facilities, acquisition of a school bus, acquisition and installation of computer hardware not related to the instructional program, special education charges levied on the charter school by a local educational agency, restricted state, federal, or private grants of funds awarded to the charter school that cannot be expended for teacher salaries, or contracted instructional services other than those for special education), the size of the charter school, and how many years the charter school has been in operation.

**E. Mitigating Circumstances (complete this section and attach any supporting documentation)**

1. Explain why the charter school did not meet the criteria for the funding determination requested. Include specific measures or actions taken by the charter school to comply.

The 2014-2015 school year was the charter school's first year of operation. As with the funding for any first year school, there were many unknowns regarding ADA and the related funding. The charter school decided to be conservative with expenditures and had a delay in some hiring related to teacher salaries and benefits. The delay in hiring caused a unique situation in which not all budgeted instructional costs were incurred in the fiscal year. This conservative approach attributed to the failure to meet the 40% of revenue to instructional certificated salaries as well as the 80% of revenue to instruction for the funding determination expectations. This is easily correctable, as this school is now in its second year of operation. As you will see, the fund balance reserve from last year were more than enough to have covered the needed expenditures for the previous year. (Funds needed to be spent to meet the criteria were \$46,000 while the 2014-15 ending fund balance was \$63,045.) The charter has made a concerted effort to increase spending on instruction, including certificated salaries and benefits to meet the amount necessary to reach the 40% instructional salaries requirement – which would also meet the 80% general instruction requirement. Given that the school has a big enough reserve because of this lack of spending, they can easily make this happen and could have easily accounted for this upon the close of the fiscal year.

2. List and explain the mitigating circumstance(s) to be considered by the CDE and Advisory Commission on Charter Schools (ACCS).

The two primary mitigating circumstances are the schools infancy and the risk that come with it, as well as the change in the schools charter management company. The conservative spending in the first year affected the ratios, particularly around instruction, however being fully staffed for the entire year in future fiscal years will also help significantly. The ADA/enrollment and related funding came in higher than expected which created a difficulty in budgeting to meet the funding determination expenditure criteria. In addition to circumstances around first year start up, the school's management company, Mosaica Education, was going through a corporate receivership (bankruptcy) which likely caused the lack of review to ensure the school was meeting the required spending allocations. The school is now actively being managed by Foundation Learning who has begun to review the historical and current activity. A budget revision process will be completed within the next 2-4 weeks to ensure expenditures projected meet the calculated funding requirements.

3. Provide any other pertinent information that may assist the CDE and ACCS in conducting a detailed review or develop a reasonable basis for a recommendation.

The school and management company are committed to ensuring compliance with the funding requirements for Mosaica Online Academy of Los Angeles. The challenges of a first year charter as well as the significant challenge of the initial management company had a huge impact on our school. The current team is actively working on ensuring success both in the classroom for students as well as fiscal and regulatory success. We look forward to the opportunity to continue to serve students through our online programs.

**F. Certification**

I hereby certify to the best of my knowledge and belief, that the information is true and correct.

\_\_\_\_\_  
Signature of Charter School's Director, Principal, or Governing Board Chairperson

**Justin Schmitt**

\_\_\_\_\_  
Print Name of Charter School's Director, Principal, or Governing Board Chairperson

Head of School

\_\_\_\_\_  
Title of Authorized Individual

29-Jan-16

\_\_\_\_\_  
Date