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JAN 19 2010

CHARTER SCHOOLS
DIVISION

January 13, 2010

Members of the ACCS
Carol Barkley, Director
Charter Schools Division
California Department of Education
1430 N Street
Sacramento, CA 95814

REF: SB 740 Mitigating Circumstances, California Virtual Academy @ Kern. #0494

Dear Members of the ACCS,

Please accept this letter as our request for budgetary relief under the SB 740 guidelines for mitigating circumstances of the funding determination for the California Virtual Academy @ Kern.

As was discussed by the ACCS last summer, meeting the SB 740 expenditure targets is and has been be challenging over the past year due to the state budget crisis. From the recent budget release it appears those challenges will continue in the near future without relief. Additionally, federal stimulus funding was a one-time allocation and without the extra assistance this coming school year the school is left in a worse financial condition for the next school year. Many of the costs that do not count toward the current SB 740 targets are “fixed” in nature and in fact have increased this year (utilities, insurance, etc.). The school has relatively little control over them and they are very difficult to reduce or eliminate.

Due to the current and forecasted future budget crisis in California we respectfully request the granting of mitigating circumstances in the following areas:

- **“Student-to-teacher” ratio**—the school will be permitted to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. This will provide a modest amount of additional staffing flexibility. If required the school will request a 10% waiver increase in class size which is normally allowed for in the CDE waiver process.
- **Spending on instructional costs**—the school will direct at least 70 (seventy) percent of its expenditures to “instruction and related services” costs.
- **Spending on certificated staff compensation**—the school will direct at least 35 percent of its expenditures toward eligible certificated staffing costs.

- **One-time funding sources excluded**—when calculating the above spending targets thresholds, the school will exclude “one-time” funding sources (e.g., federal stimulus funding).
- **Coping with cash flow deferrals**—for funding determination purposes, the school will book the receipt of deferred state funding on an accrual basis.

We believe these are reasonable requests and the budget crisis provides a “reasonable basis” for the provision of “Funding Determination” mitigating circumstances during this difficult financial period in California.

The request of California Virtual Academy @ Kern includes the understanding that with meeting the above mitigated criteria for our expenditures in the 2009-10 through 2012-13 fiscal years will allow the school to continue with a 100% funding determination for the period of its current determination or until such time the ACCS determines the budget situation in the state no longer requires the continuance of these measures. This is consistent with the period of flexibility that has been provided to school districts through the 2012-13 fiscal years.

By submission and approval of this request the California Virtual Academy @ Kern provides the assurance that it will maintain the above stated expenditure and student ratio targets for the duration of its most current funding determination.

Respectfully,



Katrina Abston
Head of School



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JAN 13 2010
CHARTER SCHOOLS
DIVISION

January 13, 2010

Members of the ACCS
Carol Barkley, Director
Charter Schools Division
California Department of Education
1430 N Street
Sacramento, CA 95814

REF: SB 740 Mitigating Circumstances, California Virtual Academy @ Jamestown, #0495

Dear Members of the ACCS,

Please accept this letter as our request for budgetary relief under the SB 740 guidelines for mitigating circumstances of the funding determination for the California Virtual Academy @ Jamestown.

As was discussed by the ACCS last summer, meeting the SB 740 expenditure targets is and has been be challenging over the past year due to the state budget crisis. From the recent budget release it appears those challenges will continue in the near future without relief. Additionally, federal stimulus funding was a one-time allocation and without the extra assistance this coming school year the school is left in a worse financial condition for the next school year. Many of the costs that do not count toward the current SB 740 targets are “fixed” in nature and in fact have increased this year (utilities, insurance, etc.). The school has relatively little control over them and they are very difficult to reduce or eliminate.

Due to the current and forecasted future budget crisis in California we respectfully request the granting of mitigating circumstances in the following areas:

- **“Student-to-teacher” ratio**—the school will be permitted to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. This will provide a modest amount of additional staffing flexibility. If required the school will request a 10% waiver increase in class size which is normally allowed for in the CDE waiver process.
- **Spending on instructional costs**—the school will direct at least 70 (seventy) percent of its expenditures to “instruction and related services” costs.
- **Spending on certificated staff compensation**—the school will direct at least 35 percent of its expenditures toward eligible certificated staffing costs.

- **One-time funding sources excluded**—when calculating the above spending targets thresholds, the school will exclude “one-time” funding sources (e.g., federal stimulus funding).
- **Coping with cash flow deferrals**—for funding determination purposes, the school will book the receipt of deferred state funding on an accrual basis.

We believe these are reasonable requests and the budget crisis provides a “reasonable basis” for the provision of “Funding Determination” mitigating circumstances during this difficult financial period in California.

The request of California Virtual Academy @ Jamestown includes the understanding that with meeting the above mitigated criteria for our expenditures in the 2009-10 through 2012-13 fiscal years will allow the school to continue with a 100% funding determination for the period of its current determination or until such time the ACCS determines the budget situation in the state no longer requires the continuance of these measures. This is consistent with the period of flexibility that has been provided to school districts through the 2012-13 fiscal years.

By submission and approval of this request the California Virtual Academy @ Jamestown provides the assurance that it will maintain the above stated expenditure and student ratio targets for the duration of its most current funding determination.

Respectfully,



Katrina Abston
Head of School

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CHARTER SCHOOLS
DIVISION



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January 13, 2010

Members of the ACCS
Carol Barkley, Director
Charter Schools Division
California Department of Education
1430 N Street
Sacramento, CA 95814

REF: SB 740 Mitigating Circumstances, California Virtual Academy @ Sonoma, #0653

Dear Members of the ACCS,

Please accept this letter as our request for budgetary relief under the SB 740 guidelines for mitigating circumstances of the funding determination for the California Virtual Academy @ Sonoma.

As was discussed by the ACCS last summer, meeting the SB 740 expenditure targets is and has been be challenging over the past year due to the state budget crisis. From the recent budget release it appears those challenges will continue in the near future without relief. Additionally, federal stimulus funding was a one-time allocation and without the extra assistance this coming school year the school is left in a worse financial condition for the next school year. Many of the costs that do not count toward the current SB 740 targets are “fixed” in nature and in fact have increased this year (utilities, insurance, etc.). The school has relatively little control over them and they are very difficult to reduce or eliminate.

Due to the current and forecasted future budget crisis in California we respectfully request the granting of mitigating circumstances in the following areas:

- **“Student-to-teacher” ratio**—the school will be permitted to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. This will provide a modest amount of additional staffing flexibility. If required the school will request a 10% waiver increase in class size which is normally allowed for in the CDE waiver process.
- **Spending on instructional costs**—the school will direct at least 70 (seventy) percent of its expenditures to “instruction and related services” costs.
- **Spending on certificated staff compensation**—the school will direct at least 35 percent of its expenditures toward eligible certificated staffing costs.

- **One-time funding sources excluded**—when calculating the above spending targets thresholds, the school will exclude “one-time” funding sources (e.g., federal stimulus funding).
- **Coping with cash flow deferrals**—for funding determination purposes, the school will book the receipt of deferred state funding on an accrual basis.

We believe these are reasonable requests and the budget crisis provides a “reasonable basis” for the provision of “Funding Determination” mitigating circumstances during this difficult financial period in California.

The request of California Virtual Academy @ Sonoma includes the understanding that with meeting the above mitigated criteria for our expenditures in the 2009-10 through 2012-13 fiscal years will allow the school to continue with a 100% funding determination for the period of its current determination or until such time the ACCS determines the budget situation in the state no longer requires the continuance of these measures. This is consistent with the period of flexibility that has been provided to school districts through the 2012-13 fiscal years.

By submission and approval of this request the California Virtual Academy @ Sonoma provides the assurance that it will maintain the above stated expenditure and student ratio targets for the duration of its most current funding determination.

Respectfully,



Katrina Abston
Head of School



January 13, 2010

Members of the ACCS
Carol Barkley, Director
Charter Schools Division
California Department of Education
1430 N Street
Sacramento, CA 95814

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JAN 19 2010

CHARTER SCHOOLS
DIVISION

REF: SB 740 Mitigating Circumstances, California Virtual Academy @ Sutter, #0757

Dear Members of the ACCS,

Please accept this letter as our request for budgetary relief under the SB 740 guidelines for mitigating circumstances of the funding determination for the California Virtual Academy @ Sutter.

As was discussed by the ACCS last summer, meeting the SB 740 expenditure targets is and has been be challenging over the past year due to the state budget crisis. From the recent budget release it appears those challenges will continue in the near future without relief. Additionally, federal stimulus funding was a one-time allocation and without the extra assistance this coming school year the school is left in a worse financial condition for the next school year. Many of the costs that do not count toward the current SB 740 targets are “fixed” in nature and in fact have increased this year (utilities, insurance, etc.). The school has relatively little control over them and they are very difficult to reduce or eliminate.

Due to the current and forecasted future budget crisis in California we respectfully request the granting of mitigating circumstances in the following areas:

- **“Student-to-teacher” ratio**—the school will be permitted to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. This will provide a modest amount of additional staffing flexibility. If required the school will request a 10% waiver increase in class size which is normally allowed for in the CDE waiver process.
- **Spending on instructional costs**—the school will direct at least 70 (seventy) percent of its expenditures to “instruction and related services” costs.
- **Spending on certificated staff compensation**—the school will direct at least 35 percent of its expenditures toward eligible certificated staffing costs.

- **One-time funding sources excluded**—when calculating the above spending targets thresholds, the school will exclude “one-time” funding sources (e.g., federal stimulus funding).
- **Coping with cash flow deferrals**—for funding determination purposes, the school will book the receipt of deferred state funding on an accrual basis.

We believe these are reasonable requests and the budget crisis provides a “reasonable basis” for the provision of “Funding Determination” mitigating circumstances during this difficult financial period in California.

The request of California Virtual Academy @ Sutter includes the understanding that with meeting the above mitigated criteria for our expenditures in the 2009-10 through 2012-13 fiscal years will allow the school to continue with a 100% funding determination for the period of its current determination or until such time the ACCS determines the budget situation in the state no longer requires the continuance of these measures. This is consistent with the period of flexibility that has been provided to school districts through the 2012-13 fiscal years.

By submission and approval of this request the California Virtual Academy @ Sutter provides the assurance that it will maintain the above stated expenditure and student ratio targets for the duration of its most current funding determination.

Respectfully,



Katrina Abston
Head of School

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JAN 19 2010

**CHARTER SCHOOLS
DIVISION**

January 13, 2010

Members of the ACCS
Carol Barkley, Director
Charter Schools Division
California Department of Education
1430 N Street
Sacramento, CA 95814

REF: SB 740 Mitigating Circumstances, California Virtual Academy @ San Mateo, 0802

Dear Members of the ACCS,

Please accept this letter as our request for budgetary relief under the SB 740 guidelines for mitigating circumstances of the funding determination for the California Virtual Academy @ San Mateo.

As was discussed by the ACCS last summer, meeting the SB 740 expenditure targets is and has been be challenging over the past year due to the state budget crisis. From the recent budget release it appears those challenges will continue in the near future without relief. Additionally, federal stimulus funding was a one-time allocation and without the extra assistance this coming school year the school is left in a worse financial condition for the next school year. Many of the costs that do not count toward the current SB 740 targets are “fixed” in nature and in fact have increased this year (utilities, insurance, etc.). The school has relatively little control over them and they are very difficult to reduce or eliminate.

Due to the current and forecasted future budget crisis in California we respectfully request the granting of mitigating circumstances in the following areas:

- **“Student-to-teacher” ratio**—the school will be permitted to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. This will provide a modest amount of additional staffing flexibility. If required the school will request a 10% waiver increase in class size which is normally allowed for in the CDE waiver process.
- **Spending on instructional costs**—the school will direct at least 70 (seventy) percent of its expenditures to “instruction and related services” costs.
- **Spending on certificated staff compensation**—the school will direct at least 35 percent of its expenditures toward eligible certificated staffing costs.

- **One-time funding sources excluded**—when calculating the above spending targets thresholds, the school will exclude “one-time” funding sources (e.g., federal stimulus funding).
- **Coping with cash flow deferrals**—for funding determination purposes, the school will book the receipt of deferred state funding on an accrual basis.

We believe these are reasonable requests and the budget crisis provides a “reasonable basis” for the provision of “Funding Determination” mitigating circumstances during this difficult financial period in California.

The request of California Virtual Academy @ San Mateo includes the understanding that with meeting the above mitigated criteria for our expenditures in the 2009-10 through 2012-13 fiscal years will allow the school to continue with a 100% funding determination for the period of its current determination or until such time the ACCS determines the budget situation in the state no longer requires the continuance of these measures. This is consistent with the period of flexibility that has been provided to school districts through the 2012-13 fiscal years.

By submission and approval of this request the California Virtual Academy @ San Mateo provides the assurance that it will maintain the above stated expenditure and student ratio targets for the duration of its most current funding determination.

Respectfully,



Katrina Abston
Head of School



January 13, 2010

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11 10 2010
**CHARTER SCHOOLS
DIVISION**

Members of the ACCS
Carol Barkley, Director
Charter Schools Division
California Department of Education
1430 N Street
Sacramento, CA 95814

REF: SB 740 Mitigating Circumstances, California Virtual Academy @ Kings, #0840

Dear Members of the ACCS,

Please accept this letter as our request for budgetary relief under the SB 740 guidelines for mitigating circumstances of the funding determination for the California Virtual Academy @ Kings.

As was discussed by the ACCS last summer, meeting the SB 740 expenditure targets is and has been be challenging over the past year due to the state budget crisis. From the recent budget release it appears those challenges will continue in the near future without relief. Additionally, federal stimulus funding was a one-time allocation and without the extra assistance this coming school year the school is left in a worse financial condition for the next school year. Many of the costs that do not count toward the current SB 740 targets are “fixed” in nature and in fact have increased this year (utilities, insurance, etc.). The school has relatively little control over them and they are very difficult to reduce or eliminate.

Due to the current and forecasted future budget crisis in California we respectfully request the granting of mitigating circumstances in the following areas:

- **“Student-to-teacher” ratio**—the school will be permitted to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. This will provide a modest amount of additional staffing flexibility. If required the school will request a 10% waiver increase in class size which is normally allowed for in the CDE waiver process.
- **Spending on instructional costs**—the school will direct at least 70 (seventy) percent of its expenditures to “instruction and related services” costs.
- **Spending on certificated staff compensation**—the school will direct at least 35 percent of its expenditures toward eligible certificated staffing costs.

- **One-time funding sources excluded**—when calculating the above spending targets thresholds, the school will exclude “one-time” funding sources (e.g., federal stimulus funding).
- **Coping with cash flow deferrals**—for funding determination purposes, the school will book the receipt of deferred state funding on an accrual basis.

We believe these are reasonable requests and the budget crisis provides a “reasonable basis” for the provision of “Funding Determination” mitigating circumstances during this difficult financial period in California.

The request of California Virtual Academy @ Kings includes the understanding that with meeting the above mitigated criteria for our expenditures in the 2009-10 through 2012-13 fiscal years will allow the school to continue with a 100% funding determination for the period of its current determination or until such time the ACCS determines the budget situation in the state no longer requires the continuance of these measures. This is consistent with the period of flexibility that has been provided to school districts through the 2012-13 fiscal years.

By submission and approval of this request the California Virtual Academy @ Kings provides the assurance that it will maintain the above stated expenditure and student ratio targets for the duration of its most current funding determination.

Respectfully,



Katrina Abston
Head of School



DESERT SANDS
CHARTER HIGH SCHOOL

DATE: March 19, 2010

TO: California Department of Education (CDE)
Charter Schools Division, Carol Barkley, Director
Advisory Commission on Charter Schools (ACCS)
Beth Hunkapillar, Chair

RECEIVED
MAY 28 2010
CHARTER SCHOOLS
DIVISION

FROM: Desert Sands Charter High School
Charter #411

SUBJECT: Request for Budget Crisis Mitigating Circumstances Flexibility for Current SB740 Funding Determination Period

Desert Sands Charter High School is requesting that mitigating factors be considered for the remainder of its current SB740 funding determination period scheduled to end on June 30, 2013.

Due to the dramatic cuts to the annual budget and the apportionment deferrals in the current year and future years, our school is dealing with unprecedented financial hardship as a result of the budget crisis. Our fixed costs, as a percentage of our revenues, have increased making it impossible for our school to meet the current expenditure thresholds established under SB740 guidelines for nonclassroom based charter schools. For an example, based on last year's revenue and expenses, we spent 81.4% of our revenue on instruction and related costs. Based on the current revenue limits, we would have spent 91.2% on instruction and related costs, leaving 8.8% for overhead costs as opposed to 18.6% last year. Another factor that is impacting our school is the revenue deferrals. Our apportionments are being deferred for months and even into the next fiscal year. In order to maintain our cash flow, our school had to sell their apportionment receivables. Of course, this comes at an additional cost which further increases our fixed costs since the interest and fees cannot be claimed as part of our instruction and related services expenses.

Due to the financial impact created by the state budget crisis, we are requesting the following changes to our funding determination for the remainder of the current funding determination period.

"Student-to-teacher" ratio— We are requesting permission to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. We realize that we will need to request a waiver from the State Board to waive the current 25 to 1 "student to teacher" cap under the "independent study" law during the budget crisis. This increase in the ratio would provide us with the ability to increase our ADA and give us the flexibility to hire fewer teachers and thus reduce our costs. Based on current year information, allowing our charter school to increase the ratio to 27.5 ADA per FTE, would enable us to serve 174 additional students with our current level of staffing. This is vital to our school's financial survival, as well as providing us the opportunity to serve additional students without increasing our costs.

Lancaster Campus:

701 W. Avenue K, Suite 126
Lancaster, California 93534
(661) 942-3357 • Fax (661) 940-4427

Administrative Office:

42455 10th Street West, Suite 105
Lancaster, California 93534
(661) 272-1225 • Fax (661) 945-2430
Toll Free (877) 463-5985

Palmdale Campus:

3030 E. Palmdale Blvd., Suite G
Palmdale, California 93550
(661) 272-0044 • Fax (661) 272-0541



Spending on certificated staff compensation— We request a 5% reduction in the percentage of expenditures toward eligible certificated staffing costs. Current law requires

spending at least 40% of our revenues on certificated staffing. We are requesting this be reduced to 35%. This change would provide us with additional flexibility to cope with the budget crisis. Reducing our certificated staffing costs to 35% would allow our charter school to have \$591,154 or 5% of our total revenue available to better manage our financial situation.

Spending on instructional costs— We are requesting a 14% reduction in our spending for "instruction and related services" cost. This reduction would allow us to spend 66% of our revenues on "instruction and related services" costs rather than the current requirement to spend 80% to qualify for full funding. This reduction will provide additional funds to deal with our fixed costs and the 6% to 8% interest and fees associated with selling our apportionment receivables to maintain our cash flow and remain viable during this budget crisis. By allowing this reduction in instructional costs, our charter school would have \$1,655,231 or 14% of total revenue to be used to provide some of the fixed costs necessary for our survival.

Allowable facilities expenditures— Under current policy, nonclassroom based schools may count facilities expenditures based on a detailed formula that takes into account the amount of time students spend onsite, the square footage of facilities, and other factors. This formula is complex and labor intensive for us. We request permission to count 60% (sixty) of our facilities costs as "instruction and related services" costs. This amount would count toward the 66% spending Threshold referenced above. If this provision is implemented, we would be claiming approximately \$378,529 or 60% of our facility costs toward the instruction and related services costs calculation.

Reserves— Due to the economic uncertainty, we request permission to establish and maintain reserves at 10% (ten) of expenditures, whereas the current law stipulates a 5% (five) reserve threshold. This change would equate to \$1,249,712 or 10% of total expenditures for the current year which would enable us to establish more conservative reserves to deal with this multi-year budget crisis.

One-time funding sources excluded— We request to exclude "one-time" funding sources, when calculating the above spending targets and reserve thresholds (e.g., federal stimulus funding). This proposal corresponds with flexibility previously provided during years when "excess" state revenues permitted the creation of substantial new and "one-time" categorical funding sources. During such years charter schools were permitted to exclude their receipts from these one-time programs when calculating their funding determinations.

Sincerely,

Gloria Fortine
Vice President of Education

Lancaster Campus:

701 W. Avenue K, Suite 126
Lancaster, California 93534
(661) 942-3357 • Fax (661) 940-4427

Administrative Office:

42455 10th Street West, Suite 105
Lancaster, California 93534
(661) 272-1225 • Fax (661) 945-2430
Toll Free (877) 463-5985

Palmdale Campus:

3030 E. Palmdale Blvd., Suite G
Palmdale, California 93550
(661) 272-0044 • Fax (661) 272-0541



RECEIVED

MAR 25 2010

CHARTER SCHOOLS
DIVISION

DATE: March 19, 2010

TO: California Department of Education (CDE)
Charter Schools Division, Carol Barkley, Director
Advisory Commission on Charter Schools (ACCS)
Beth Hunkapillar, Chair

FROM: Vista Real Charter High School
Charter #735

SUBJECT: Request for Budget Crisis Mitigating Circumstances Flexibility for Current SB740 Funding Determination Period

Vista Real Charter High School is requesting mitigating factors be considered for the remainder of its current SB740 funding determination period scheduled to end on June 30, 2013.

Due to the dramatic cuts to the annual budget and the apportionment deferrals in the current year and future years, our school is dealing with unprecedented financial hardship as a result of the budget crisis. Our fixed costs, as a percentage of our revenues, have increased making it impossible for our school to meet the current expenditure thresholds established under SB740 guidelines for nonclassroom based charter schools. For an example, based on last year's revenue and expenses, we spent 80.64% of our revenue on instruction and related costs. Based on the current revenue limits, we would have spent 89.14% on instruction and related costs, leaving 10.86% for overhead costs as opposed to 19.36% last year. Another factor that is impacting our school is the revenue deferrals. Our apportionments are being deferred for months and even into the next fiscal year. In order to maintain our cash flow, our school had to sell their apportionment receivables. Of course, this comes at an additional cost which further increases our fixed costs since the interest and fees cannot be claimed as part of our instruction and related services expenses.

Due to the financial impact created by the state budget crisis, we are requesting the following changes to our funding determination for the remainder of the current funding determination period.

"Student-to-teacher" ratio— We are requesting permission to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. We realize that we will need to request a waiver from the State Board to waive the current 25 to 1 "student to teacher" cap under the "independent study" law during the budget crisis. This increase in the ratio would provide us with the ability to increase our ADA and give us the flexibility to hire fewer teachers and thus reduce our costs. Based on current year information, allowing our charter school to increase the ratio to 27.5 ADA per FTE, would enable us to serve 63 additional students with our current level of staffing. This is vital to our school's financial survival, as well as providing us the opportunity to serve additional students without increasing our costs.

Oxnard Campus:

401 S. A Street, Suite 3 • Oxnard, California 93030
Telephone: 805-486-5449 • Fax: 805-486-5455



Spending on certificated staff compensation— We request a 5% reduction in the percentage of expenditures toward eligible certificated staffing costs. Current law requires spending at least 40% of our revenues on certificated staffing. We are requesting this be reduced to 35%. This change would provide us with additional flexibility to cope with the budget crisis. Reducing our certificated staffing costs to 35% would allow our charter school to have \$210,704 or 5% of our total revenue available to better manage our financial situation.

Spending on instructional costs— We are requesting a 14% reduction in our spending for "~~instruction and related services~~" cost. ~~This reduction would allow us to spend 66% of our~~ revenues on "instruction and related services" costs rather than the current requirement to spend 80% to qualify for full funding. This reduction will provide additional funds to deal with our fixed costs and the 6 % to 8% interest and fees associated with selling our apportionment receivables to maintain our cash flow and remain viable during this budget crisis. By allowing this reduction in instructional costs, our charter school would have \$421,408 or 14% of total revenue to be used to provide some of the fixed costs necessary for our survival.

Allowable facilities expenditures— Under current policy, nonclassroom based schools may count facilities expenditures based on a detailed formula that takes into account the amount of time students spend onsite, the square footage of facilities, and other factors. This formula is complex and labor intensive for us. We request permission to count 60% (sixty) of our facilities costs as "instruction and related services" costs. This amount would count toward the 66% spending Threshold referenced above. If this provision is implemented, we would be claiming approximately \$128,453 or 60% of our facility costs toward the instruction and related services costs calculation.

Reserves— Due to the economic uncertainty, we request permission to establish and maintain reserves at 10% (ten) of expenditures, whereas the current law stipulates a 5% (five) reserve threshold. This change would equate to \$387,931 or 10% of total expenditures for the current year which would enable us to establish more conservative reserves to deal with this multi-year budget crisis.

One-time funding sources excluded— ~~We request to exclude~~ "one-time" funding sources, when calculating the above spending targets and reserve thresholds (e.g., federal stimulus funding). This proposal corresponds with flexibility previously provided during years when "excess" state revenues permitted the creation of substantial new and "one-time" categorical funding sources. During such years charter schools were permitted to exclude their receipts from these one-time programs when calculating their funding determinations.

Sincerely,

Dante R. Simi
C.E.O.

Oxnard Campus:

401 S. A Street, Suite 3 • Oxnard, California 93030
Telephone: 805-486-5449 • Fax: 805-486-5455



RECEIVED

DATE: March 19, 2010

MAR 25 2010

CHARTER SCHOOLS
DIVISION

TO: California Department of Education (CDE)
Charter Schools Division, Carol Barkley, Director
Advisory Commission on Charter Schools (ACCS)
Beth Hunkapillar, Chair

FROM: Crescent View West Charter School
Charter #746

SUBJECT: Request for Budget Crisis Mitigating Circumstances Flexibility for Current SB740 Funding Determination Period

Crescent View West Charter School is requesting that mitigating factors be considered for the remainder of its current SB740 funding determination period scheduled to end on June 30, 2013.

With the drastic cuts to the annual budget and the apportionment deferrals in the current year and future years, our school is facing extreme financial hardship as a result of the budget crisis. Our fixed costs, as a percentage of our revenues, have increased dramatically making it impossible for our school to meet the current expenditure thresholds established under SB740 guidelines for nonclassroom based charter schools. As an example, based on last year's revenue and expenses, we spent 82.09% of our revenue on instruction and related costs. Based on our current revenue, we would have spent 92.33% on instruction and related costs, leaving only 7.67% for overhead costs. Another factor that is impacting our school is the revenue deferrals. Our apportionments are being deferred for months and even into the next fiscal year. In order to maintain our cash flow, our school had to sell their apportionment receivables. Of course, this comes at an additional cost which further increases our fixed costs since the interest and fees cannot be claimed as part of our instruction and related services expenses.

Due to the financial impact created by the state budget crisis, we are requesting the following changes to our funding determination for the remainder of the current funding determination period.

"Student-to-teacher" ratio— We are requesting permission to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. We realize that we will need to request a waiver from the State Board to waive the current 25 to 1 "student to teacher" cap under the "independent study" law during the budget crisis. This increase in the ratio would provide us with the ability to increase our ADA and give us the flexibility to hire fewer teachers and thus reduce our costs. Based on current year information, allowing our charter school to increase the ratio to 27.5 ADA per FTE, would enable us to serve 35 additional students with our current level of staffing. This is vital to our school's financial survival, as well as providing us the opportunity to serve additional students without increasing our costs.



Spending on certificated staff compensation— We request a 5% reduction in the percentage of expenditures toward eligible certificated staffing costs. Current law requires spending at least 40% of our revenues on certificated staffing. We are requesting this be reduced to 35%. This change would provide us with additional flexibility to cope with the budget crisis. Reducing our certificated staffing costs to 35% would allow our charter school to have \$119,237 or 5% of our total revenue available to better manage our financial situation.

Spending on instructional costs— We are requesting a 14% reduction in our spending for "instruction and related services" cost. This reduction would allow us to spend 66% of our revenues on "instruction and related services" costs rather than the current requirement to spend 80% to qualify for full funding. This reduction will provide additional funds to deal with our fixed costs and the 6 % to 8% interest and fees associated with selling our apportionment receivables to maintain our cash flow and remain viable during this budget crisis. By allowing this reduction in instructional costs, our charter school would have \$333,864 or 14% of total revenue to be used to provide some of the fixed costs necessary for our survival.

Allowable facilities expenditures— Under current policy, nonclassroom based schools may count facilities expenditures based on a detailed formula that takes into account the amount of time students spend onsite, the square footage of facilities, and other factors. This formula is complex and labor intensive for us. We request permission to count 60% (sixty) of our facilities costs as "instruction and related services" costs. This amount would count toward the 66% spending Threshold referenced above. If this provision is implemented, we would be claiming approximately \$187,074 or 60% of our facility costs toward the instruction and related services costs calculation.

Reserves— Due to the economic uncertainty, we request permission to establish and maintain reserves at 10% (ten) of expenditures, whereas the current law stipulates a 5% (five) reserve threshold. This change would equate to \$258,998 or 10% of total expenditures for the current year which would enable us to establish more conservative reserves to deal with this multi-year budget crisis.

One-time funding sources excluded— We request to exclude "one-time" funding sources, when calculating the above spending targets and reserve thresholds (e.g., federal stimulus funding). This proposal corresponds with flexibility previously provided during years when "excess" state revenues permitted the creation of substantial new and "one-time" categorical funding sources. During such years charter schools were permitted to exclude their receipts from these one-time programs when calculating their funding determinations.

Sincerely,

Skip Hansen,
Senior Vice President



Antelope Valley Learning Academy

CHARTER SCHOOLS
DIVISION

HERE FOR OUR KIDS

DATE: March 19, 2010

TO: California Department of Education (CDE)
Charter Schools Division, Carol Barkley, Director
Advisory Commission on Charter Schools (ACCS)
Beth Hunkapillar, Chair

FROM: Antelope Valley Learning Academy
Charter #841

SUBJECT: Request for Budget Crisis Mitigating Circumstances Flexibility for Current SB740 Funding Determination Period

Antelope Valley Learning Academy is requesting that mitigating factors be considered for the remainder of its current SB740 funding determination period scheduled to end on June 30, 2013.

Our school is facing tremendous financial hardship due to the drastic cuts to the annual budget and the apportionment deferrals in the current year and future years as a result of the budget crisis. Our fixed costs, as a percentage of our revenues, have increased dramatically making it impossible for our school to meet the current expenditure thresholds established under SB740 guidelines for nonclassroom based charter schools. As an example, based on last year's revenue and expenses, we spent 80.77% of our revenue on instruction and related costs. Based on the current revenue limits, we would have spent 104% on instruction and related costs, leaving us with a 4% deficit and nothing for fixed costs. Another factor that is impacting our school is the revenue deferrals. Our apportionments are being deferred for months and even into the next fiscal year. In order to maintain our cash flow, our school had to sell their apportionment receivables. Of course, this comes at an additional cost which further increases our fixed costs since the interest and fees cannot be claimed as part of our instruction and related services expenses.

Due to the financial impact created by the state budget crisis, we are requesting the following changes to our funding determination for the remainder of the current funding determination period.

"Student-to-teacher" ratio— We are requesting permission to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. We realize that we will need to request a waiver from the State Board to waive the current 25 to 1 "student to teacher" cap under the "independent study" law during the budget crisis. This increase in the ratio would provide us with the ability to increase our ADA and give us the flexibility to hire fewer teachers and thus reduce our costs. Based on current year information, allowing our charter school to increase the ratio to 27.5 ADA per FTE, would enable us to serve 20 additional students with our current level of staffing. This is vital to our school's financial survival, as well as providing us the opportunity to serve additional students without increasing our costs.



Antelope Valley Learning Academy

HERE FOR OUR KIDS

Spending on certificated staff compensation— We request a 5% reduction in the percentage of expenditures toward eligible certificated staffing costs. Current law requires

spending at least 40% of our revenues on certificated staffing. We are requesting this be reduced to 35%. This change would provide us with additional flexibility to cope with the budget crisis. Reducing our certificated staffing costs to 35% would allow our charter school to have \$69,902 or 5% of our total revenue available to better manage our financial situation.

Spending on instructional costs— We are requesting a 14% reduction in our spending for “instruction and related services” cost. This reduction would allow us to spend 66% of our revenues on “instruction and related services” costs rather than the current requirement to spend 80% to qualify for full funding. This reduction will provide additional funds to deal with our fixed costs and the 6 % to 8% interest and fees associated with selling our apportionment receivables to maintain our cash flow and remain viable during this budget crisis. By allowing this reduction in instructional costs, our charter school would have \$195,724 or 14% of total revenue to be used to provide some of the fixed costs necessary for our survival.

Allowable facilities expenditures— Under current policy, nonclassroom based schools may count facilities expenditures based on a detailed formula that takes into account the amount of time students spend onsite, the square footage of facilities, and other factors. This formula is complex and labor intensive for us. We request permission to count 60% (sixty) of our facilities costs as “instruction and related services” costs. This amount would count toward the 66% spending Threshold referenced above. If this provision is implemented, we would be claiming approximately \$57,256 or 60% of our facility costs toward the instruction and related services costs calculation.

Reserves— Due to the economic uncertainty, we request permission to establish and maintain reserves at 10% (ten) of expenditures, whereas the current law stipulates a 5% (five) reserve threshold. This change would equate to \$154,042 or 10% of total expenditures for the current year which would enable us to establish more conservative reserves to deal with this multi-year budget crisis.

One-time funding sources excluded— We request to exclude “one-time” funding sources, when calculating the above spending targets and reserve thresholds (e.g., federal stimulus funding). This proposal corresponds with flexibility previously provided during years when “excess” state revenues permitted the creation of substantial new and “one-time” categorical funding sources. During such years charter schools were permitted to exclude their receipts from these one-time programs when calculating their funding determinations.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dante R. Simi', written in a cursive style.

Dante R. Simi
C.E.O.



RECEIVED

MAR 23 2010

CHARTER SCHOOLS
DIVISION

DATE: March 19, 2010

TO: California Department of Education (CDE)
Charter Schools Division, Carol Barkley, Director
Advisory Commission on Charter Schools (ACCS)
Beth Hunkapillar, Chair

FROM: Mission View Public School
Charter #888

SUBJECT: Request for Budget Crisis Mitigating Circumstances Flexibility for Current SB740 Funding Determination Period

Mission View Public School is requesting that mitigating factors be considered for the remainder of its current SB740 funding determination period scheduled to end on June 30, 2013.

Because of the drastic cuts to the annual budget and the apportionment deferrals in the current year and future years, our school is facing extreme financial hardship as a result of the budget crisis. Our fixed costs, as a percentage of our revenues, have increased dramatically making it impossible for our school to meet the current expenditure thresholds established under SB740 guidelines for nonclassroom based charter schools. As an example, based on last year's revenue and expenses, we spent 88% of our revenue on instruction and related costs. Based on our current revenue, we would have spent 106% on instruction and related costs, leaving us with a deficit of 6% and nothing for overhead costs. Another factor that is impacting our school is the revenue deferrals. Our apportionments are being deferred for months and even into the next fiscal year. In order to maintain our cash flow, our school had to sell their apportionment receivables. Of course, this comes at an additional cost which further increases our fixed costs since the interest and fees cannot be claimed as part of our instruction and related services expenses.

Due to the financial impact created by the state budget crisis, we are requesting the following changes to our funding determination for the remainder of the current funding determination period.

"Student-to-teacher" ratio— We are requesting permission to claim average daily attendance (ADA) at levels up to 27.5 ADA per full-time equivalent (FTE) teacher. We realize that we will need to request a waiver from the State Board to waive the current 25 to 1 "student to teacher" cap under the "independent study" law during the budget crisis. This increase in the ratio would provide us with the ability to increase our ADA and give us the flexibility to hire fewer teachers and thus reduce our costs. Based on current year information, allowing our charter school to increase the ratio to 27.5 ADA per FTE, would enable us to serve 28 additional students with our current level of staffing. This is vital to our school's financial survival, as well as providing us the opportunity to serve additional students without increasing our costs.

Administrative Office:

42455 10th St. West, Suite #105 • Lancaster, CA 93534
(661) 272-1225 • (661) 945-2430 Fax

Mission View Public School:

20655 Soledad Canyon Road, Suite #12 • Santa Clarita, CA 91351
(661) 299-6759 • (661) 299-9287 Fax



MISSION VIEW
PUBLIC SCHOOL

Spending on certificated staff compensation— We request a 5% reduction in the percentage of expenditures toward eligible certificated staffing costs. Current law requires spending at least 40% of our revenues on certificated staffing. We are requesting this be reduced to 35%. This change would provide us with additional flexibility to cope with the budget crisis. Reducing our certificated staffing costs to 35% would allow our charter school to have \$81,343 or 5% of our total revenue available to better manage our financial situation.

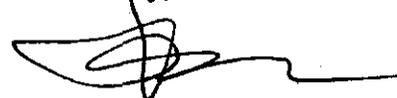
Spending on instructional costs— We are requesting a 14% reduction in our spending for "instruction and related services" cost. This reduction would allow us to spend 66% of our revenues on "instruction and related services" costs rather than the current requirement to spend 80% to qualify for full funding. This reduction will provide additional funds to deal with our fixed costs and the 6% to 8% interest and fees associated with selling our apportionment receivables to maintain our cash flow and remain viable during this budget crisis. By allowing this reduction in instructional costs, our charter school would have \$227,759 or 14% of total revenue to be used to provide some of the fixed costs necessary for our survival.

Allowable facilities expenditures— Under current policy, nonclassroom based schools may count facilities expenditures based on a detailed formula that takes into account the amount of time students spend onsite, the square footage of facilities, and other factors. This formula is complex and labor intensive for us. We request permission to count 60% (sixty) of our facilities costs as "instruction and related services" costs. This amount would count toward the 66% spending Threshold referenced above. If this provision is implemented, we would be claiming approximately \$87,268 or 60% of our facility costs toward the instruction and related services costs calculation.

Reserves— Due to the economic uncertainty, we request permission to establish and maintain reserves at 10% (ten) of expenditures, whereas the current law stipulates a 5% (five) reserve threshold. This change would equate to \$202,563 or 10% of total expenditures for the current year which would enable us to establish more conservative reserves to deal with this multi-year budget crisis.

One-time funding sources excluded— We request to exclude "one-time" funding sources, when calculating the above spending targets and reserve thresholds (e.g., federal stimulus funding). This proposal corresponds with flexibility previously provided during years when "excess" state revenues permitted the creation of substantial new and "one-time" categorical funding sources. During such years charter schools were permitted to exclude their receipts from these one-time programs when calculating their funding determinations.

Sincerely,



Jeff Brown
C.E.O.

Administrative Office:

42455 10th St. West, Suite #105 • Lancaster, CA 93534
(661) 272-1225 • (661) 945-2430 Fax

Mission View Public School:

20655 Soledad Canyon Road, Suite #12 • Santa Clarita, CA 91351
(661) 299-6759 • (661) 299-9287 Fax



SIERRA Charter School

K-12 Public School Personalized Learning / Independent Study

1931 N. Fine Ave., Fresno, CA 93727
Phone: (559) 490-4290 or (877) 490-4290

www.sierracharter.org
Fax: (559) 490-4292

DATE: March 23, 2010

RECEIVED

TO: California Department of Education (CDE)
Charter Schools Division, Carol Barkley, Director
Advisory Commission on Charter Schools (ACCS)
Beth Hunkapillar, Chair

**CHARTER SCHOOLS
DIVISION**

RE: Request for Budget Crisis Mitigating Circumstances Flexibility for Current SB740 Funding Determination Period

I am writing this letter as a request for a budget crisis mitigating factor to be considered for the remainder of Sierra Charter School's (#898) current SB740 funding determination period scheduled to end 2012-2013.

The mitigating factor we request is to modify the allowable instructional facilities expenditures. We request that 60 (sixty) percent of our facilities costs be counted towards the 80 (eighty) percent spending target for instructional and instructional related costs.

The existing mitigating factor is calculated using student hours on campus. The documentation and time that is required to log student hours is labor-intensive and burdensome for our school. Currently, each instructional staff member documents the hours they spend with individual students. This means that there may be multiple entries for a student, i.e. the student may have seen a teacher and tutor on campus the same day. Once the entries are individually documented according to activity, date and time, this information is then submitted to an individual whom maintains a student data base tracking system. This system then compiles the data by activity and provides us total student hours on campus.

The current state of school finance dictates that resources must be used very efficiently. By eliminating this labor-intensive process we could use our existing resources more effectively focusing on educating students.

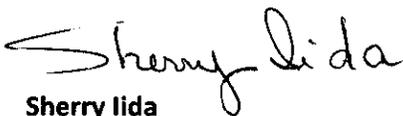
Though we have currently been able to meet the SB740 percentages we fear that the continual decline in revenues from the state, declining ADA and additional revenue deferrals to future fiscal budget years may hinder our ability to reach the required 80 (eighty) percent for current and future years.

By implementing this provision, based on our projected revenue stream of \$ 5,097,172 and our related expenditures, we would be claiming a projected \$ 200,516 which is equivalent to 60 (sixty) percent of our facility costs toward the, instruction and related services costs calculation, based on current year information rather than a projected \$ 63,206 using the current method. We believe that the proposed modification of the mitigating factor will help ensure that we meet the SB740 requirements of 80 (eighty) percent or more on instructional related expenditures.

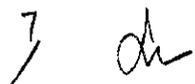
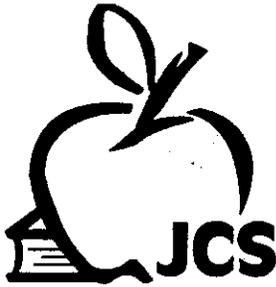
It is impossible for us to predict the duration of this current budget crisis and deferral of revenues. Therefore, the school is currently working with Charter School Capital to possibly receive advanced funding, if necessary, in order to have the cash flow to make the necessary instructional expenses by June 30th. By allowing the school to use more facilities expenditures toward the instructional component would help the school reach its required goals without further reducing cash-flow.

Please inform us at your earliest opportunity of your decision whether to recommend granting us our request for mitigating factor modification for school facilities.

Sincerely,



Sherry Iida
Business Director
siida@sierracharter.org
559-476-3402


 RECEIVED
 CHARTER SCHOOLS
 DIVISION

JULIAN CHARTER SCHOOL

P.O. Box 2470

Julian, CA 92036-2470

Telephone: 866-853-0003 ♦ Fax: 877-894-4150

www.juliancharterschool.org

JCS: The right choice for personalized learning

May 1, 2010

 TO: Charter Schools Division
 Advisory Commission on Charter Schools (ACCS)

RE: Request for Budget Crisis Mitigating Circumstances Flexibility for Current SB740 Funding Determination Period

We are writing to request that Julian Charter School, for the remainder of its current SB740 funding determination period scheduled to end on June 30, 2011, be granted greater expenditure flexibility under the SB740 Mitigating Circumstances Budget Crisis proposal adopted by the Advisory Commission on Charter Schools in June 2009 in the specific areas listed below.

The current state budget crisis, the consequences of which have resulted in dramatic cuts to our annual budget and additional revenue deferrals to future fiscal budget years, has caused unprecedented financial hardship and challenges to our charter school. As a result, our fixed overhead costs have increased substantially as a percentage of our overall revenue, making it extremely difficult for us to meet the current expenditure criteria established under SB740—guidelines for non-classroom based charter schools that were established during financially stable times when revenues and expenditures were expected to be more predictable and stable.

Currently, Julian Charter School is spending approximately 79% of its revenue on instructional related costs and 21% on administration. We are working on adjusting some of our facilities costs for the 2010-11 school year, which hopefully will help with the percentages. However, we are maintaining a very small reserve and would like the flexibility to increase it, if possible, during these difficult financial times.

For the reasons stated above, for the remainder of our current funding determination period, we are requesting greater budget expenditure flexibility under the ACCS SB740 Budget Crisis Mitigating Circumstances proposal adopted in June 2009 in the following areas:

- **Spending on instructional costs**— We request to be permitted to direct at least 75 (seventy-five) percent of our expenditures on "instruction and related services" costs whereas current law requires spending at an 80 percent level to qualify for full funding. This reduction will permit us to cope with relatively inflexible fixed costs during the budget crisis.
- **Allowable facilities expenditures**— We request to be permitted to count 50 (fifty) percent of our facilities costs as "instruction and related services" costs toward the above-referenced 75 percent spending target for instruction and related costs. Under current policy, non-classroom based schools may count facilities expenditures based on a detailed formula that takes into account the amount of time students spend onsite, the square footage of the facilities, and other factors. This formula may work well for some schools, but is complex, labor-intensive and burdensome for us. The simple 50

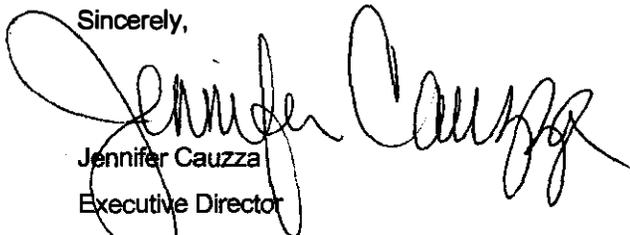
Core Values: Creativity and Innovation, Integrity and Compassion, Commitment, Choice, Excellence

percent formula proposed here would provide us with a greater degree of stability and predictability not offered by the current mitigation formula.

- **Reserves**— *We request to be permitted to establish and maintain budget reserves for economic uncertainty at a level of 10 percent of budgeted expenditures whereas current law establishes a five percent reserve threshold. This level of reserve would permit a modest degree of additional flexibility, to enable us to establish more prudent reserves and to more readily "smooth" the impact of budget changes over a multi-year period. Currently, Julian Charter School's reserve is a mere one percent. We will be working towards increasing this within the next few school years to increase above five percent, if permitted by the Advisory Commission on Charter Schools and California Department of Education.*
- **Coping with cash flow deferrals**— *For funding determination purposes, we request to be permitted to book the receipt of deferred state funding on either an accrual or cash basis. This flexibility is essential to enable us to cope with the massive deferrals of state funding (e.g., a large deferral of general-purpose funding of two state aid apportionments usually due to schools in February and June that will now be delayed until July or further—and into the following fiscal year). Without such flexibility, most charter schools operate under a modified- or full-accrual basis of accounting and would be required to book revenues in the year earned rather than when they actually receive the funding. This flexibility would be similar to that previously accorded to non-classroom based schools undergoing funding determinations in the 2005-06 fiscal year. Schools that take advantage of this flexibility would, for funding determination purposes, be required to book expenditures related to deferred revenues in the same year as they book the related revenues. Thus, schools would ultimately be required to still meet the expenditure targets specified above, but could defer booking of income and the related expenditures into the year when the cash is actually received.*

Given the severity of the current state budget crisis, and the need for us to plan and manage our budget as responsibly and effectively as possible during these volatile times, your immediate attention to this request is much appreciated. Our goal as a school is to continue to work towards the 80/20 formula and will only need these mitigating factors if fiscally we are caught in a difficult financial situation. Please inform us at your earliest opportunity of your decision to recommend granting us our request for greater expenditure flexibility under the approved ACCS Budget Crisis Mitigating Circumstances proposal.

Sincerely,



Jennifer Cauzza

Executive Director

Julian Charter School

jcauzza@juliancharterschool.org

MAY-24-2010 17:23

FROM-PACIFIC VIEW CHARTER SCHOOL

760-435-2666

T-904 P.002/002 F-183



PACIFIC VIEW CHARTER SCHOOL

A California Public School

3670 Ocean Ranch Blvd. • Oceanside, CA 92056

Phone: 760.757.0161 Fax: 760.435.2666 www.pacificview.org

May 24, 2010

Advisory Commission on Charter Schools
Charter Schools Division
California Department of Education
1430 North Street, Room 5401
Sacramento, California, 95814

Attn: Beth Hunkapiller, Director

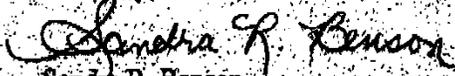
Subject: ACCS Budget Crisis Mitigating Factors Policy

Dear Ms. Hunkapiller:

Pacific View Charter School (PVCS) is submitting this request based on the SB740 State Budget Crisis Mitigating Factors Policy. PVCS submitted the 2008-09 Nonclassroom-Based Funding Determination earlier this year and ACCS approved a five year funding determination at 100%. The SB740 submission was based on a pupil to teacher ratio of 24.44:1. PVCS has always been able to maintain 25 to 1 student-to-teacher ratio or below. The most recent budget reductions have brought this ability into question. PVCS is experiencing class size increases as are many traditional schools, because the school does not have the funds to hire additional teaching staff. The school 2009/10 Adopted revenues compared to First Interim revenues have decreased 12.5%. Fund 40 reserves have been used to cover 3% reserves in the general budget. Therefore, PVCS requested and Oceanside Unified School District submitted a waiver request on PVCS behalf to permit average daily attendance at levels up to 27.5 ADA per FTE. Approval of this action will enable PVCS to continue to maintain and achieve SB740 percentages of 40% certificated staff and 80% instructional.

The waiver request will only be requested during the 2010/2011 fiscal crisis that PVCS and all other schools in the State of California are experiencing. The dates covered on the waiver request are July 2010 through June 2011. PVCS would like to thank you in advance for your prompt consideration of this request.

Sincerely,


Sandra R. Benson
Business Manager