

2380 Shasta Way  
Suite A  
Simi Valley, CA 93065

ph. 805.581.0202  
fx: 805.581.0330  
www.caliva.org



**CALIFORNIA**  
VIRTUAL ACADEMIES<sup>SM</sup>

**RECEIVED**

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



RECEIVED

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

RECEIVED

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 @ 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

**RECEIVED**

JAN 19 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 @ 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

**RECEIVED**

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 @ 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

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

RECEIVED  
JAN 13 2010  
CHARTER SCHOOLS  
DIVISION

**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



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

RECEIVED



# 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,

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



**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.

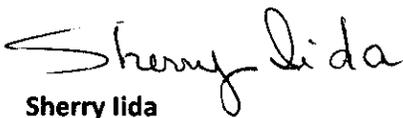
Though we have currently been able to meet the SB740 percentages we fear that the continual decline in revenues from the state, declining ADA and additional revenue deferrals to future fiscal budget years may hinder our ability to reach the required 80 (eighty) percent for current and future years.

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 30<sup>th</sup>. 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