

California Department of Education
Nonclassroom-Based Funding Determination - Mitigating Circumstances Request Summary Sheet
Fiscal Year 2016-17

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

1. Charter School:	Uncharted Shores Academy	2. Charter No.:	859
3. Requested Funding % with mitigating circumstances	100%	4. CDS Code:	08-10082-0114116

B. Nonclassroom-Based Funding Determination Criteria

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

C. Enter the Reported Charter School's Expenditure Ratios and Pupil to Teacher Ratio from Form FDF

	Certificated Staff Costs to Total Public Revenues Ratio	Instruction and Instruction-Related Services Costs to Total Revenues Ratio	Pupil to Teacher Ratio
Enter the charter school's calculated ratios from the FDF in Section VI. Line 1. and VI. Line 2 ----->.	49.48%	78.86%	16 : 1

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

D. Regulations

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

E. Mitigating Circumstances (complete lines 1, 2, and 3 and attach any supporting documentation)

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

The actual percentage of instructional spending to the total expenditures is 94.5% although it is only 78.8% of the entire revenue due to a reserve for future facilities and the reserve for economic uncertainties. The Uncharted Shores Academy (USA) Governing Board directed the school administration to maintain a 10% of revenue reserve in 2012 after there was difficulty in maintaining an adequate cashflow during the 2009-2012 years due to the deferment of funds from the state. Additionally, USA is in a growth mode and has outgrown its current facilities. USA operates a school that offers home study, but with the option of attending site-based classes taught daily by credentialed teachers. The facilities are used daily as classrooms for the independent study students, with very little office space for the administrative staff. At this time, USA leases facilities from a church. In 2013 the USA Governing Board determined that saving for purchasing, renovation, or construction of our their school site would be advisable as the room for expansion at the current facilities is limited. Therefore, the Board directed that the school endeavor to save \$500,000 in 5 years (by 2018) to provide for a starting fund for future facilities. Accordingly, \$100,000-\$200,000 has been set aside each year for this purpose. The USA Board ensured that this would not impact the education of the students by maintaining adequate instructional expenditures and student to teacher ratios. Furniture for the school had already been purchased when the school opened in 2007, and new furniture was not expected to be needed until at least 2018. Up-to-date instructional books and materials had already been purchased between 2007-2012, so only consumable items and additional materials for new students were expected to be needed for the next five years while saving for the facilities. Seven full-time teachers and three part-time teachers served 145 students in 2015-2016 (equaling a total 8.4 FTE). This year, a total of 9.0 FTE serves 155 students. Teacher salaries and benefits have remained competitive. Instead of trimming instructional costs, administrative costs have been trimmed, with credentialed administrative staff taking on active teaching assignments in addition to their administrative duties, freezing purchases of administrative equipment, cancelling administrative professional development, and keeping office staff to a minimum. These measures have proved effective in maintaining adequate funds for the required reserves, but the required ratios did slip below the 80% benchmark.

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

1. Uncharted Shores Academy functions as an independent study school which provides daily classes with credentialed teachers at the school site in addition to using the facility to provide additional educational activities, competitive sports, and clubs. USA expects to be in need of new facilities by 2021 as the school grows and an additional grade is added. Therefore, a facilities reserve fund has been set up which made it impossible to meet the 80% instructional funds requirement. 2. The actual percentage of instructional spending to the total expenditures is 94.5%. USA spends less than 6% on administration fees. USA keeps student spending as a priority!
3. Uncharted Shores Academy is a small school (155 students this year) with a small budget, which makes cashflow and accumulation of funds for specific purposes difficult. Uncharted Shores Academy currently maintains a 10% reserve due to previous difficulties with cashflow during the years the state was deferring funds. The excess economic uncertainties funds are expected to be released by the USA Governing Board for use in 2017-2018 now that funding from the state has stabilized.
4. Uncharted Shores Academy has maintained student instructional services despite the reserve by using the two credentialed administrative directors as teachers and keeping administrative expenses low while building the funds. 5. The Facilities reserve is expected to build to \$500,000 by 2018, at which time the school administration will attempt to get a matching grant and begin the search for a new facility or land for construction of a facility. The goal is to have the facility available for occupancy by 2021. 6. As goals are achieved and facilities are purchased, the 80% of instructional services requirement will again be met by the school. In the meantime, the school will still strive to meet the 80% requirement, and has nearly met it despite the fund reserves, with 78.8% of the funds going to instructional services in 2015-2016.

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

Uncharted Shores Academy's facilities are as necessary to this independent study school as to a classroom-based school because of the services which Uncharted Shores Academy offers its independent study students. The school was started with the idea that many K-8 home study students needed more support in their education than they were currently receiving from home. Classes in basic academic subjects were offered at school while students continued their studies at home. Currently, the school has expanded to offering a complete selection of daily classes for every grade level and 95% or more of the students take advantage of at least some of the classes each day. As the classes involve working on projects, presentations, and demonstrations, there is an increased need for space for students to assemble, display, and store projects as well as practice presentations. Currently, USA is sharing its facility with the church who is its landlord. This means limited space for keeping projects, and moving projects in and out of storage units. USA feels finding its own facility would greatly aid in carrying out the mission and vision of the school, which includes project-based learning. Additionally, the 10% economic uncertainties fund may seem excessive now, but the first few years of USA's existence were difficult financially, and the Board reacted with instituting this measure. It is expected that the current climate will relieve the Board of its concerns and the funds will again be made available for use for student instruction. It should also be noted that due to the executive administrator's duties as teacher as well as administrator, the funds were not monitored closely enough to ensure that the 80% threshold was met in the 2015-2016 school year. According to rough calculations, the expenditures were on track, but in actuality, they fell over 1% short. Nearly \$25,000 more needed to be spent in order to reach the desired goals, which could have been easily spent with additional technology, but had not since the priority of meeting the reserves was being considered. The executive director will be glad to spend these funds for the students in the future, and requests that the school not be penalized simply

F. Certification

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

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

Margie Rouge

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

Executive Director/Principal

Title of Authorized Individual

25-Jan-17

Date