California Department of Education

Fiscal Year 2015- 16

Nonclassroom-Based Funding Determination - Mitigating Circumstances Summary Sheet

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

1. Charter School:	**Academy of Arts and Sciences: Del Mar Elementary**	2. Charter No.:	**1452**
3. Funding % Requested with mitigating circumstances	**100%**	4. CDS Code:	**37-68213-0127068**

B. Nonclassroom-Based Funding Determination Criteria

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

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

	Certificated Staff Costs to Total Public Revenues Ratio	Instruction and Instruction-Related Services Costs to Total Revenues Ratio	Pupil toTeacher Ratio (PTR)
Enter the charter school's calculated ratios from the FDF in Section VI. Line 1. and VI. Line 2 ----------->.	32.56%	54.96%	**25** : 1

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

D. Regulations

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

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

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

The charter school did not meet the criteria due to the drastic spikes in ADA from year to year (detailed in the following section), this creating a drastic change in funding and therefore an inability to budget accordingly. Being a school only in its 2nd complete fiscal year, it was difficult to be able to develop or see trends and thus an effective method to measure/forecast attendance/enrollment. To correct its lack of compliance with meeting funding determination requirements, the charter school will be more aggressive in its spending, given that they currently have a reserve for its lack of expenditures. Funds will be spent as soon as possible towards increasing teacher salaries, offering them bonuses, hiring additional teachers as needed, increasing student curriculum, and spending more money in general on instruction and students. Given that they now have a reserve, deficit spending in the following fiscal years to strictly meet funding determination requirement will be accepted. This will be approved by the board and implemented by management. The school will also prepare better for ADA adjustments by doing its appropriate due diligence in estimating ADA, and thus spending specifically to meet funding determination compliance requirements.

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

The first mitigating circumstances is the unpredictability in ADA. For the Academy of Arts and Sciences: Del Mar Elementary, 2013-14 funded P-2 was 133.55, (each of these attendance reports will be attached) while 2014-15 funded P-2 was 184.40, and 2015-16 P-1 was 88.00, thus the spike in 2014-15 ADA of an average of 73.63 ADA between the two bordering fiscal years of 2014-15. That's a one year spike in respective teacher salaries and instructional material for those students that needs to be met for that one year because that funding will no longer be there in the following year - a challenging task to prepare for as temporary teachers need to be hired and major one time expenditures need to take place. In budgeting, the school prepared for this in attempting to create a reserve so they could look forward and be proactive rather than looking back and being reactive upon its funding. According to the LCFF calculator (attached) that's a decrease from 2014-15 to 2015-16 of approximately $554,820.

The second mitigating circumstances is the charter schools conservative spending - waiting for cash prior to spending it, and thus the inability to spend based off accruals recorded in last month of the fiscal year. The school did not want to spend money that they did not currently have. For example the attached documents highlight the date the specific LCFF State Aid and EPA June 2015 funding was recorded. Please note that the LCFF State Aid amount of $102,900.00 and the EPA amount of $88,685.00. The sum of those amounts totals $191,585.00, an amount far too big to spend without having first received the money. If you take the total of $191,585.00 out of the total reported state revenue reported on the audit report of $1,330,550, it would leave a balance of $1,138,965.00. If this were the balance, the charter schools revenue to expenditures percentages would have been 38.04% certificated instructional salaries and 63.78% general instructional, qualifying at least for 70% of funding.

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.

With the difficultly in projecting accurate ADA, it is challenging to get a good grasp on budgeting, as it is something that is out of control and knowledge. Please note our fluctuation in ADA and thus our funding and examine how the funds are disbursed, and how they cause a difficulty in budgeting. Please also take into consideration the schools turnover in management, thus creating a break in continuity and oversight and thus an inability to meet funding determination compliance as new personnel are attempting to prepare for the present as well as the future, and the desire to be fiscally responsible for the current and future students.

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

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

Title of Authorized Individual

Date