

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: Fresno	2. Charter No.:	1631
3. Funding % Requested with mitigating circumstances	100%	4. CDS Code:	10-62331-0130880

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 ----->.	25.44	52.86%	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.

This was the charter schools first complete year of operation and as with the funding for any first year school, there were many unknowns regarding ADA and thus funding. The charter school decided to be conservative regarding teachers and their respective salaries, thus the failure to meet the 40% of revenue to instructional certificated salaries as well as the 80% of revenue to instruction for the funding determination expectations. With the ADA and thus funding uncertain, while attempting to meet the one time start up cost that come with a first year school, it caused the budget to be uncertain and the expenditures were played conservatively. This is easily correctable, as this school is now in its second year of operation, and the reserve from last year was more than enough to have covered the needed expenditures for the previous year. The charter has made it an effort to increase teacher salaries as well as instructional expenditures. Potentially offering a bonus rather than a salary bump will allow the school to meet their requirement for the year as well as if necessary be conservative to prepare for unexpected adjustments or decreases to funding due to enrollment/ADA. Given that the school has a big enough reserve because of this lack of spending, they can easily make this happen going forward.

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

The two major mitigating circumstances that the Academy of Arts and Sciences: Fresno incurred were: the challenges of being a first year school and because of it, the funding payout structure.

Being a first year school and all the uncertainty that comes with it, it was in wisdom to be more conservative when making expenditures as ADA/enrollment is very uncertain. It happens that the ADA/enrollment and thus funding came in higher than expected; thus the general difficulty in budgeting accordingly to meet the funding determination expenditure criteria as the goal was to be more conservative than not and avoid taking on liabilities and debt.

With the general payout of ADA being structured the way it is, in an effort to be fiscally responsible, the charter school did not want to spend money that it did not have. As the large majority of the funds came in the second half of the year it had been too late to make any major expenditure decisions. The way the funding structure is set up in fiscal year 2014-15, \$341,735 was received in the first half, while \$936,805 was received/owed in the back half. (We have attached our ledger of when payments were received) At that point, 2nd interim would have passed and most instruction related expenses regarding supplies and teachers would have been already decided upon – making it difficult for conservative budgeting to meeting the funding determination compliance requirements. In addition to that, a total of \$383,759 was received on 6/29/2015 and 6/30/2015, making it near impossible to spend an amount of money that would meet the funding determination criteria. Going forward the school will be much more aggressive to comply with the funding determination requirement yet being diligent in awareness of its ADA - especially as there becomes more confidence in ADA/enrollment as well as the current reserve.

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

The school is prepared to deficit spend to meet each of the funding determination criteria, and because of the reserve, it will not harm the fiscal impact of the school. In the second year things are more established and stable, and thus the appropriate compliance issues will be taken care of.

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