

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: Los Angeles (K-8)	2. Charter No.:	1652
3. Funding % Requested with mitigating circumstances	100%	4. CDS Code:	19 75309 0130773

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 ----->.	27.68%	58.44%	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 school first year 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 costs that come with a first year school, it caused the budget to be uncertain that the expenditures were played conservatively. This is easily correctible, as this school is in its second year of operation and the reserve from last year were more than enough to have covered the needed expenditures for the previous year. The charter has made it an effort to increase teacher salaries to meet the amount necessary to reach to 40% instructional salaries requirement – which would also meet the 80% general instruction requirement. 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: Los Angeles K-8 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 wise to be more conservative within making expenditures, as ADA/enrollment is very uncertain. It happens that the ADA/enrollment and thus finding 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 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. For the Academy of Arts and Sciences: Los Angeles K-8, 2014-15 funded P2 was 357.47 and 95.51 for 2015-16 P1 (each of the attendance reports will be attached). The charter school anticipated the drop in ADA and has budgeted conservatively to deficit spend during the current fiscal year. According to the LCFF calculator (attached) that's a decrease from 2014-15 to 2015-16 of approximately \$1,968,166.

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 conservative 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