



Shasta Secondary Home School

“Preparing students for college, citizenship, and the world of work”

Date: January 21, 2011
To: Charter School Advisory Commission
Re: SB740 Narrative on funding determination
From: Lynn Peebles, Director

I would like to explain the reasons that we were just short of the 80% percent threshold for full funding on our SB740 Funding Determination application. If it were not for the current economic crisis in the state of California we would have exceeded the necessary levels of spending. SSHS is weathering the storm of economic uncertainty as is the rest of the state. We have taken steps to insure our stability through this time period. Everything we have done to make sure we survive intact are steps that have been endorsed and/or suggested by our chartering agency, School Services of California, FCMAT, budget workshops, other schools and districts, and of course, our own sense of care and responsibility for the school. Our board and staff have been diligent, wonderful, and understanding during these times.

Because of our diligence and cutting back last year we have been able to move a bit forward this current year, buying textbooks and some classroom improvements.

- Personnel - During the 09/10 school year our staff did not get any kind of raise. They stayed at the previous year's levels and did not get any COLA increase. This resulted in a \$122,106 savings that helped us balance the budget. Our staff is still one year behind on salary schedules and it is the board's hope to be able to move ahead in the next two years getting back to where everyone is supposed to be with regard to salaries. Also, during these times we continue to keep our student/teacher ratio under 25:1.
- Supplies – In 2009/2010 we also put off replacing textbooks and other supplies and decided to begin this year replacing textbooks on a very conservative schedule.

If there were no state-wide financial crisis we would have been on schedule with salaries and supplies and our percentages on the SB740 form would be much higher.

Another area that needs explanation is our reserve. We have encumbered over \$530,000 of our facilities reserve for the payoff of the lease on our Gold Street building and the loan on our Market Street building. Since our inception we have always been moving forward with facilities as we have grown in numbers and in need of classroom space. Currently these two buildings house four classrooms, library, study areas, meetings rooms, and administration offices. We have been building these facilities reserves over the last 6-8 years.



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Lynn Peebles, Director



Our board and staff continue to be dedicated to the facility needs of our students as part of our school wide improvement. With the remaining facilities reserve we had been planning to build a two classroom building on our Gold Street sight, but this has been postponed.

As the 09/10 school year began, the state's financial disaster loomed larger. It was our administration and board's decision to halt further movement with facilities and use our reserve for possible greater economic crisis. Because of the state's deferrals we are currently in a negative cash flow and are using these reserves on a monthly basis for salaries, supplies, and facilities costs. This move has been endorsed and strongly encouraged by all agencies and associations having anything to do with California schools. Our current reserve minus obligated funds for facilities leaves us with a pool of \$576,000 for cash flow.

Our board and administrative staff have been involved and informed regarding the state's financial crisis and its affect of SSHS at every step of the way.

Thank you for these considerations.