

This document was provided, as is, to the California Department of Education (CDE) by **Pivot Charter School - San Diego II**. This document is posted to the CDE website to meet the legal requirements of California *Education Code* Section 33009.5.

For more information regarding the content of this material, please contact the Charter Schools Division by phone at 916-322-6029 or by email at charters@cde.ca.gov.

Nonclassroom-Based Funding Determination Form - Fiscal Year 2022-23

Information collected on this form is pursuant to *California Code of Regulations*, Title 5 (5 CCR). Instructions for completing this form can be found on the California Department of Education (CDE) website at <https://www.cde.ca.gov/sp/ch/nclrbifunddet.asp>.

Users should download and save the PDF prior to entering data into the form. The recommended program for completing the form is Adobe Acrobat Reader DC. Completing the form using the web browser may result in errors.

Section I. Charter School Information (Complete fields 1-18) 5 CCR 11963.3(a)(1) to (4)

1. Charter School Name Pivot Charter School - San Diego II
2. Charter School Authorizer San Marcos Unified
3. Charter School Number 1983 4. CDS Code 37737910138222
5. Street Address 1030 La Bonita Drive, Suite 100
6. City San Marcos 7. County San Diego 8. Zip Code 92078
9. Contact Name Elizabeth Jones 10. Title Chief Business Officer
11. Phone Number 760-591-0217 ext. 12. Email ejones@pivotcharter.org
13. Grade Levels Served K-12 14. Date Charter Expires (MM/DD/YYYY) 06/30/2024
15. Funding Level Requested (Select one) 100% 85% 70%
16. Years Requested (Select one) 2 3 4 5
17. Funding Determination Period Requested FY 2023-24 to 2027-28
18. Charter School Deadline - Select one
 - Due Date: 12/1/22 To be heard at the March State Board of Education (SBE) meeting
 - Due Date: 2/1/23 To be heard at the May SBE meeting
 - Other Funding Determination (Specify in Section VI.3) Source Data FY

- For an existing charter school that does **not** have an active funding determination, please use current-year budget data as the source data to complete the form.
- For an existing charter school with a funding determination that expires at the end of FY 2022-23, use FY 2021-22 audited financial data.
- If an existing charter school with a funding determination misses the February 1 deadline, the governing board of the charter school's authorizing local educational agency will need to request a waiver to submit a late funding determination request. The SBE may approve such waivers under the general authority, under California *Education Code (EC)* sections 33050-33053. Additional information regarding the waiver process is located on the CDE Waivers web page at <https://www.cde.ca.gov/re/lr/wr>.

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Section II. Financial Information (Complete sections A, B, D, and E)

A. Total Resources (Complete lines A.1.a to A.1.d)

1. Revenues and Other Resources		5 CCR 11963.3(a)(5)(A) and (6)
a. Federal Revenues	\$266,502	
(i) Enter amount of Public Charter Schools Grant Program included under Federal Revenues (Line A.1.a)	\$0	
b. State Revenues	\$1,261,600	
c. Local Revenues	\$48,172	
d. Other Financing Sources	\$0	
e. Total Revenues (Sum of lines A.1.a to A.1.d)	\$1,576,274	

B. Total Expenditures and Other Uses (Complete lines B.1 to B.4)

1. Instruction and Related Services		5 CCR 11963.3(a)(5)(B) and (6)
a. Salaries and Benefits		
(i) Certificated	\$781,329	
(ii) Classified	\$132,312	
b. Books, Supplies, and Equipment	\$44,416	
c. Services and Other Operating Costs		
(i) Contracts for Instructional Services	\$0	
(ii) Contracts for Instructional Support	\$29,188	
(iii) All Other Instruction Related Operating Costs	\$188,175	
d. Total Instruction and Related Services	\$1,175,420	
2. Operations and Facilities		5 CCR 11963.3(a)(5)(C) and (6)
a. Salaries and Benefits		
(i) Certificated	\$0	
(ii) Classified	\$13,787	
b. Books, Supplies, and Equipment	\$7,288	
c. Services and Other Operating Costs	\$139,383	

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B. Total Expenditures and Other Uses (Complete lines B.1. to B.4), continued
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d. Facility Acquisition and Construction		\$0
e. Total Operation and Facilities		\$160,458
f. Allowable Facility Costs	5 CCR 11963.3(b)(7)	
(i) Enter the total facility square footage occupied by the charter school	4,606	sqft.
(ii) Enter the total Classroom-Based P-2 ADA reported in the prior FY. DO NOT INCLUDE NCB ADA	0	
(iii) Enter the total Student Hours attended by the NCB pupils at the school site in the prior FY	20,054	
(iv) Calculated Facilities Costs Lesser of line B.2.e or [(B.2.fii+(B.2.fiii/868)]*1000	\$23,103.69	
Allowable (Lesser of line B.2.e or B.2.fiv)	\$23,103.69	
3. Administration and All Other Activities		5 CCR 11963.3(a)(5)(D) and (6)
a. Salaries and Benefits		
(i) Certificated	\$15,808	
(ii) Classified	\$1,827	
b. Books, Supplies, and Equipment		\$2,018
c. Services and Other Operating Costs		
(i) Contracts for Other Administrative Services	\$0	
(ii) Supervisorial Oversight Fee	\$10,717	
(iii) All Other Administration and Other Activities, Services and Operating Costs	\$20,373	
d. Total Administration and Other Activities		\$50,742
4. Other Outgo and Other Financing Uses		5 CCR 11963.3(a)(5)(E) and (6)
a. Debt Service		\$0
b. Transfers to local educational agencies		\$0
c. All Other Transfers and Outgo		\$0
Note - This must not be a negative value.		
d. Total Other Outgoing and Other Financing Uses		\$0

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B. Total Expenditures and Other Uses, continued

5. Total Expenditures \$1,386,620
(Sum of lines B.1.d, B.2.e, B.3.d, and B.4.d)

C. Revenues Over Expenditures - Surplus or (Deficit)

(Line A.1.e minus Line B.5) \$189,654

D. Fund Balance (Complete line D.a)

a. Enter Beginning Fund Balance (July 1) 5 CCR 11963.3(a)(5)(A) \$384,849
b. Ending Fund Balance - June 30 (Line C plus Line D.a) \$574,503

E. Reserves (Complete lines E.a. to E.e)

If reserves in line E.a or E.b are more than \$50,000 or over 5% of total expenditures, provide an explanation in Section III.6, pursuant to 5 CCR 11963.3(a)(5)(F).

	% of Expenditures	
a. Designated for Economic Uncertainties	0%	\$0
b. Facilities Acquisition or Capitol Projects	0%	\$0
c. Reserves Required by Charter Authorizer	0%	\$0
d. Other Reserves (Explain in Section III.5)	0%	\$0
e. Unassigned/Unappropriated Fund Balance	41%	\$574,503
f. Total (Sum of lines E.a to E.e)	41%	\$574,503

Note - Line E.f must agree with Line D.b

Section III. Supplemental Information (Complete lines 1 through 8)

1. Pupil to Teacher Ratio (PTR), pursuant to EC Section 51745.6 and 5 CCR Section 11704

a. Enter the charter school's PTR: 0.00:1 17:1
b. If the charter school's PTR in line III.1.a exceeds 25:1, enter the name of the largest unified school district in the county or counties in which the charter school operates:
N/A
c. Enter the PTR for the unified school district listed on line III.1.b: 0.00:1 N/A

2. Did any entity receive \$50,000 or more OR 10% or more of total expenditures (Line B.5) in the FY 2021-22 OR will receive in the FY 2022-23? (5 CCR 11963.3[b][3]) Yes
 No

If yes to line III.2, list the name of each entity and the cumulative amount received by each entity in Box 2.a on Page 5. Are contract payments made by the charter school based on specific services rendered or upon an amount per unit of average daily attendance (ADA) or some other percentage of the charter school's revenues, enrollment, etc? If yes, identify on Page 5 Box 2.a.

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2.a Provide information regarding entity and contract information below. Attach an extra sheet if necessary.

Name of Entity	Amount	Purpose/Explanation	Are contract payments based on specific services rendered?	If no, are payments based on amount per ADA or some other percentage?
Land Trek Property Mgmt	\$101,602	Rent	Yes	
			Yes	
			Yes	
			Yes	

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3. List the charter school's CURRENT governing board pursuant to 5 CCR Section 11963.3(b)(4).

Name and Title of Board Member	Board Member Type (Parent, teacher, etc)	How was this member selected?	Is the member affiliated in any way with any entity listed in Section III.2?	Board Member Term (From MM/YY to MM/YY)
James Lewis	Community Member	Founding Board	No	01/20 to 01/24
Tom Halvorsen	Community Member	Elected by Board	No	01/21 to 01/25
Kevin Harrigan	Community Member	Elected by Board	No	01/20 to 01/24
Ralph Holmes	Community Member	Elected by Board	No	12/20 to 12/24
Patricia Martel	Community Member	Elected by Board	No	01/21 to 01/25
Steve Siegel	Community Member	Elected by Board	No	06/19 to 06/23
O.J. Sutherland	Community Member	Elected by Board	No	06/19 to 06/23

Has the governing board adopted and implemented conflict of interest policies and procedures? Yes
 No

For any governing board member identified as affiliated with any entity reported above in Section III.2, explain the nature of the affiliation below. Attach an extra sheet if necessary.

N/A

4. If transfers are reported on lines B.4.b or B.4.c, describe the nature of the transactions and identify the accounts or entities involved in the transfers pursuant to 5 CCR Section 11963.3(b)(5).

B.4.b N/A

B.4.c

5. If "Other Reserves" are reported on line E.d, explain the purpose for these reserves.

Reserves in Line E.d N/A

E.d

6. If reserves reported on line E.a (designated for economic uncertainties) OR E.b (facilities acquisition or capital projects) exceed the greater of \$50,000 or 5% of total expenditures, explain the need for such excess reserves.

E.a N/A

Percentage

E.b

Percentage

7. Enter the average daily attendance (ADA).

FY 2021-22 P-2 ADA (0.0) 102.68

FY 2022-23 P-2 ADA (0.0) 79.1

8. Enter the full-time equivalent (FTE) employees working at the charter school that possess a valid teaching certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold issued by the Commission on Teacher Credentialing and who work in the charter school in a position required to provide direct instruction or direct instructional support to students, pursuant to 5 CCR Section 11963.3(b)(8).

FY 2021-22 FTE (0.0) 6.6

FY 2022-23 FTE (0.0) 6.0

Section IV. Nonclassroom-Based Virtual or On-line Charter Schools (Complete lines 1 and 2)

1. Is this charter school a virtual or on-line charter school as defined in 5 CCR Section 11963.5? (A virtual or on-line charter school is one in which at least 80% of teaching and student interaction occurs via the Internet.) Yes No

2. If yes to line IV.1, can the charter school demonstrate compliance with 5 CCR sections 11963.5(b)(2) to (8)? Yes No N/A

Section V. Calculated Funding Determination Percentage

1. Percent spent on Certificated Employee Salaries and Benefits to Total Public Revenues 5 CCR 11963.3(c)(1)

Certificated Salaries and Benefits costs Line B.1.a(i)/Federal Revenues Lines A.1.a - PCSGP A.1.a(i) + State Revenues A.1.b

2. Percent spent on Instruction and Related Services to Total Revenues 5 CCR 11963.3(c)(2)

Instructional and Related Services costs Line B.1.d + Allowable Facilities costs 2.f.(iv)/Total Revenues Line A.1.e

Funding Determination Criteria	
If the percentages from lines V.1 or V.2 do not meet the spending criteria of the funding level requested as shown below, complete Section VI to provide mitigating circumstances for consideration by the Advisory Commission on Charter Schools (ACCS) for making a recommendation other than one that results from the criteria specified in regulations.	
100%	1) Line V.1 must equal or exceed 40 percent, 2) Line V.2 must equal or exceed 80 percent, AND 3) Line III.1.a. PTR cannot exceed 25:1 OR the PTR on line III.1.c, the ACCS shall recommend approval at 100%, unless there is a reasonable basis to recommend otherwise (5 CCR 11963.4[a][3]).
85%	1) Line V.1 must equal or exceed 40 percent, AND 2) Line V.2 must equal or exceed 70 percent but less than 80 percent, the ACCS shall recommend approval at 85%, unless there is a reasonable basis to recommend otherwise (5 CCR 11963.4[a][2]).
70%	1) Line V.1 must equal or exceed 35 percent, AND 2) Line V.2 must equal or exceed 60 percent but less than 70 percent, the ACCS shall recommend approval at 70%, unless there is a reasonable basis to recommend otherwise (5 CCR 11963.4[a][1]).
Denied	1) Line V.1 is less than 35 percent, OR 2) Line V.2 is less than 60 percent, the ACCS shall recommend that the SBE deny the request, unless there is a reasonable basis to recommend otherwise (5 CCR 11963.4[a][4]).

Section VI. Mitigating Circumstances (Complete lines 1-3 and attach any supporting documentation)

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

Pivot Charter School - San Diego II's audited financials do not meet the criteria to receive full funding in accordance with SB740 unless mitigating circumstances are considered. Please note that Pivot Charter Schools qualified for and accepted the SBA's PPP loan in April 2020. The organization complied with all requirements to earn full forgiveness of the loan, which was granted September 27, 2021. In accordance with the organization's financial policies the 'revenue' generated by the forgiveness of the loan liability was transferred to the school sites on a per ADA basis, including Pivot Charter School - San Diego II. Consequently, the loan forgiveness revenue was recorded on Pivot Charter School - San Diego II's income statement in FY22. The school's audited financial statements record the loan forgiveness under Other Financing Sources, but at the request of the CDE the loan forgiveness has been included under Federal Revenues on this form.

2. List and explain the mitigating circumstance(s) to be considered by the CDE and ACCS.

The recording of the loan forgiveness at Pivot Charter School - San Diego II inflated revenue in FY22. It's important to consider that 100% of the expense associated with the loan forgiveness was recorded in FY21. Consequently the denominator in Percent Spent on Instruction and Instruction Related Services to Total Revenues grows while the numerator remains constant. Had the non-cash revenue not been recorded in FY22 then Pivot Charter School - San Diego II's percentage on line V.2 would have been 83.74%.

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.

Pivot Charter Schools can provide the PPP Forgiveness letter as needed.

At the CDE's request, a narrative regarding the school's plans for reserves has been provided. The narrative is attached as page 10 of this document.

Section VII. Certification (Review, sign, and date)

5 CCR 11963.3(b)(1)

I certify that:

1. The information provided is true and correct to the best of my ability and knowledge.
2. This charter school's nonclassroom-based instruction is conducted for and substantially dedicated to the instructional benefit of the school's students.
3. This charter school's governing board has adopted and implemented conflict of interest policies.
4. All of the charter school's transactions, contracts, and agreements are in the best interest of the school and reflect a reasonable market rate for all goods, services, and considerations rendered for or supplied to the school.

Elizabeth Jones

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

Chief Business Officer

Title of Authorized Individual

Before certifying with electronic/digital signature below, please be sure to check all numerical entries and information provided, and save a copy of this form. Modifications to the information reported on this form cannot be made after the signature field below has been completed. If providing a wet signature instead of an electronic one, please date the signature.



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

Digitally signed by Elizabeth E Jones
Date: 2023.02.17 15:02:01 -08'00'

Submit completed and electronically signed forms via email to FundingDeterminations@cde.ca.gov.

The CDE no longer requires the following documents:

- Hard copy of the FDF
- Hard or soft copy of the Conflict of Interest Policy

Therefore, please do not submit these documents to the CDE.



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At the CDE’s request, the narrative below describes the school’s plans for and usage of reserves:

The school aims to maintain a healthy, liquid reserve as a safety net in the event of financial hardship stemming from state funding decreases, deferrals, and/or under-enrollment. As recently as June 30, 2021 the school had significant amounts in accounts receivable as a result of state-wide LCFF deferrals. The established reserve was critical in allowing the school to maintain operations without making cuts to staffing or programs. The school has a relatively high proportion of State Aid in its LCFF mix, due to In-Lieu of Property tax funds being fairly low, and the school's cashflow is therefore particularly vulnerable to LCFF deferrals. The school continues to maintain reserves at a level that would allow it to weather economic hardships arising from the current economic landscape and trends of declining enrollment in California. Additionally, certain funding sources have been operating on a reimbursement basis, including ESSER II & III. It is necessary to maintain sufficient liquid reserves in order to pay for these program expenses on an ongoing basis, considering ESSER funds are not received until after the expenses have been incurred and paid. Lastly, as we move away from the immediacy of responding to the COVID-19 pandemic, and as the school continues transitioning to new iterations of its in-person offerings, reserves will be used to support long term strategic plans designed to improve outcomes for students.