



CALIFORNIA
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May 31, 2011

Members of the ACCS
Charter Schools Division
California Department of Education
1430 N Street
Sacramento, CA 95814

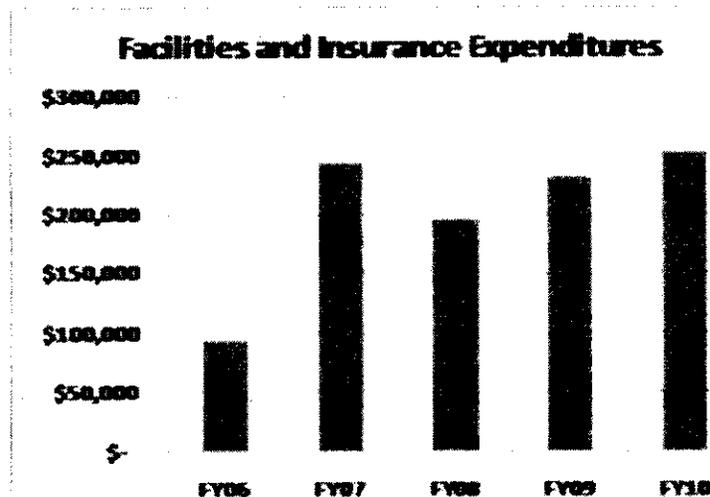
REF: SB 740 Mitigating Circumstances, California Virtual Academy @ San Diego, #0493

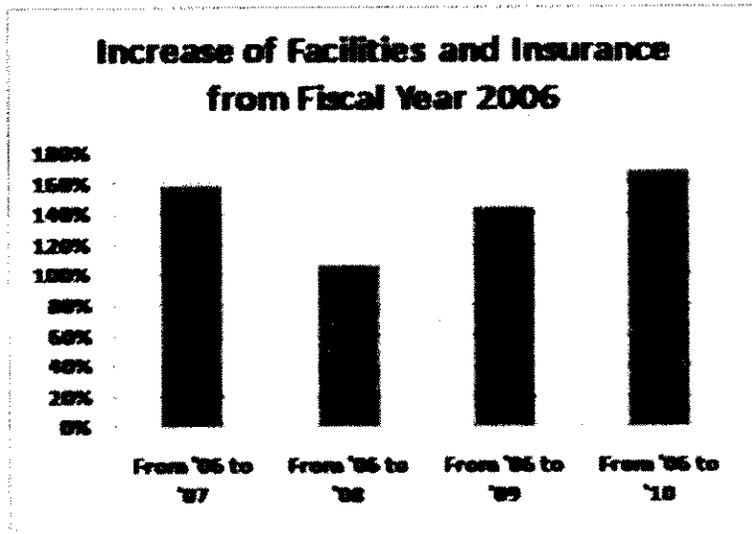
Dear Members of the ACCS,

Please accept this letter as our request for budgetary relief under the SB 740 guidelines for mitigating circumstances of the funding determination for the California Virtual Academy @ San Diego. The charter began serving students on September 9, 2002.

As was discussed by the ACCS last year, meeting the SB 740 expenditure targets is and has been challenging over the past year due to the state budget crisis. From the recent budgetary news, it appears those challenges will continue in the near future without relief. Many of the costs that do not count toward the current SB 740 targets are "fixed" in nature and in fact have increased this year (district office rent, utilities, maintenance, liability insurance, district oversight and services fees, special education services costs, etc.). The school has relatively little control over them and they are very difficult to reduce or eliminate. Please see Charts A & B below:

A:





Due to the current and forecasted future budget crisis in California we respectfully request the granting of mitigating circumstances in the following areas:

- **“Spending on certificated staff compensation**—the school will direct at least 35 percent of its expenditures toward eligible certificated staffing costs.
- **One-time funding sources excluded**—when calculating the above spending targets thresholds, the school will exclude “one-time” funding sources (e.g., federal stimulus funding, ed jobs funding, and all funding sources that are categorical in nature or one time allocations, etc.).
- **Coping with cash flow deferrals**— for funding determination purposes, the school will book the receipt of deferred state funding on an accrual basis.

We believe these are reasonable requests and the budget crisis provides a “reasonable basis” for the provision of “Funding Determination” mitigating circumstances during this difficult financial period in California.

The request of California Virtual Academy @ San Diego includes the understanding that with meeting the above mitigated criteria for our expenditures in the 2011-12 through 2012-13 fiscal years will allow the school to continue with a 100% funding determination for the period of its current determination or until such time the ACCS determines the budget situation in the state no longer requires the continuance of these measures. This is consistent with the period of flexibility that has been provided to school districts through the 2012-13 fiscal years.

By submission and approval of this request the California Virtual Academy @ San Diego provides the assurance that it will maintain the above stated expenditure and student ratio targets for the duration of its most current funding determination.

Respectfully,

A handwritten signature in cursive script that reads "Katrina Abston".

Katrina Abston
Head of School