

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

ssb-csd-mar18item02

# California State Board of Education March 2018 Agenda Item #16

## Subject

Consideration of Retroactive Requests for Determination of Funding as Required for Nonclassroom-based Charter Schools Pursuant to California *Education Code* sections 47612.5 and 47634.2, and Associated *California Code of Regulations*, Title 5.

## Type of Action

Action, Information

## Summary of the Issue(s)

California *Education Code* (*EC*) sections 47612.5 and 47634.2 established the eligibility requirements for apportionment funding for charter schools that offer nonclassroom-based instruction. The statutes specify that a charter school may receive apportionment funding for nonclassroom-based instruction only if a determination of funding is made by the State Board of Education (SBE). The California Department of Education (CDE) reviews a charter school’s determination of funding request and presents it for consideration by the Advisory Commission on Charter Schools, pursuant to relevant *California Code of Regulations*, Title 5 (5 *CCR*).

Pursuant to 5 *CCR* Section 11963.6(c), any determination of funding request approved by the SBE for an existing nonclassroom-based charter school must be prospective (not for the current year). The CDE received completed determination of funding requests from the charter schools listed in Attachment 1 after the February 1 deadline, thereby making the requests retroactive, not prospective. Since the charter schools failed to submit completed requests by the regulatory filing deadline, the charter schools were required to request a waiver for SBE approval to allow the charter schools to request a non-prospective funding determination.

The waivers requesting approval for a retroactive funding determination were submitted to the SBE for each charter school and were approved by the SBE at its September 2017 meeting, as specified in Attachment 1. The waiver requests are provided on the SBE Agenda for September 2017 Web page at <https://www.cde.ca.gov/be/ag/ag/yr17/agenda201709.asp>.

## Recommendation

The CDE proposes to recommend that the SBE approve the determination of funding requests for the percentages and periods specified for the nonclassroom-based charter schools provided in Attachment 1.

### Advisory Commission on Charter Schools Recommendation

At the February 7, 2018 meeting, the ACCS voted unanimously to approve the CDE recommendation that the SBE approve the determinations of funding and the time periods specified for the nonclassroom-based charter schools as provided in Attachment 1.

## Brief History of Key Issues

The nonclassroom-based charter schools identified in Attachment 1 each submitted a request to obtain a determination of funding by the SBE to establish eligibility to receive apportionment funding.

Pursuant to 5 *CCR* Section 11963.4(a), a nonclassroom-based charter school may qualify for 70 percent, 85 percent, or 100 percent funding, or may be denied. To qualify for a proposed recommendation of 100 percent funding, a nonclassroom-based charter school must meet the following criteria:

* At least 40 percent of the school’s public revenues are to be spent on salaries and benefits for all employees who possess a valid teaching certificate; and
* At least 80 percent of all revenues are to be spent on instruction and instruction- related services; and
* The ratio of average daily attendance for independent study pupils to full-time certificated employees does not exceed a pupil-teacher ratio of 25:1, or the pupil-teacher ratio of the largest unified school district in the county or counties in which the charter school operates.

5 *CCR* Section 11963.6(c) specifies that a determination of funding approved by the SBE shall be prospective (not for the current year), and shall be in increments of a minimum of two years and a maximum of five years in length.

*EC* Section 47612.5(d)(2) requires a determination of five years for a charter school that has achieved a rank of six or greater on the Academic Performance Index (API) for the two years immediately prior to receiving a determination of funding. However, *EC* Section 52056(a) requiring API ranking of schools was repealed. Alternatives were authorized by Assembly Bill 484 (Chapter 489, Statutes of 2013) to meet legislative and/or programmatic requirements. For purposes of meeting the API requirement pursuant to *EC* Section 47612.5(d)(2), the CDE considers the following alternatives as proposed by AB 484: (a) the most recent API calculation or (b) an average of the three most recent annual API calculations, whichever is higher.

When making a recommendation for a funding determination period, the CDE also considers the number of years a charter school has been in operation and the number of years requested for the determination of funding by the charter school. As provided in Attachment 1, the CDE proposes to recommend five years for Hallmark Charter, which met the API requirements. ASA Charter did not meet the API requirement; therefore, the CDE proposes to recommend four years since the charter school has been in operation for three or more years.

## Summary of Previous State Board of Education Discussion and Action

The SBE is responsible for approving a determination of funding to establish eligibility for apportionment funding for charter schools that offer nonclassroom-based instruction. The CDE notes that this request is a recurring action item for the SBE.

## Fiscal Analysis (as appropriate)

If approved, the charter schools listed in Attachment 1 would receive apportionment funding under the Local Control Funding Formula model.

## Attachment(s)

* **Attachment 1:** California Department of Education Determination of Funding

Recommendation for Nonclassroom-based Charter Schools (2 Pages)

# Attachment 1: Determination of Funding Recommendation

Determination of Funding Recommendation for Nonclassroom-based Charter Schools

| County-District-School Code | Charter Authorizer and County | Charter School (Charter Number) | First Year of Operation | Percent Spent on Certificated Staff Compensation *(footnote [[1]](#endnote-1))* | Percent Spent on Instruction and Instruction-Related Services *(footnote 1)* | Pupil-Teacher Ratio *(footnote 1)* | Funding Determination and Years Requested by Charter School | California Department of Education Recommendation Funding Determination and Years |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 10-62414-1030766 | Sanger Unified School District  Fresno | Hallmark Charter (0257) | 1999–2000 | 61.96% | 82.42% | 22.56:1 | 100% for 5 Years (2017–18 through 2021–22) | 100% for 5 Years (2017–18 through 2021–22)  *(refer to footnotes [[2]](#endnote-2)* *and [[3]](#endnote-3))* |
| 36-67876-0107730 | San Bernardino City Unified School District  San Bernardino | ASA Charter (0677) | 2004–05 | 41.45% | 83.33% | 15.0:1 | 100% for 5 Years (2016–17 through 2020–21) | 100% for 4 Years (2016–17 through 2019–20)  *(refer to footnotes 3 and [[4]](#endnote-4))* |

Created by California Department of Education, Charter Schools Division

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1. Spending percentages and pupil teacher ratio correspond to the charter school’s funding determination request as originally submitted to the California Department of Education (CDE). [↑](#endnote-ref-1)
2. *Education Code* (*EC*) Section 47612.5(d)(2) requires a determination of five years for a charter school that has achieved a rank of six or greater on the Academic Performance Index (API) for the two years immediately prior to receiving a determination of funding. However, *EC* Section 52056(a) requiring API ranking of schools was repealed. Alternatives were authorized by Assembly Bill 484 (Chapter 489, Statutes of 2013) to meet legislative and/or programmatic requirements. For purposes of meeting the API requirement pursuant to *EC* Section 47612.5(d)(2), the CDE considers the following alternatives as proposed by AB 484: (a) the most recent API calculation or (b) an average of the three most recent annual API calculations, whichever is higher. [↑](#endnote-ref-2)
3. At its September 2017 meeting, the State Board of Education approved the request to waive specific portions of *California Code of Regulations*, Title 5 Section 11963.6(c). [↑](#endnote-ref-3)
4. For the funding determination effective period, the CDE considers the number of years a charter school has been in operation, and recommends a determination of four years for a charter school that has been in operation for three or more years. [↑](#endnote-ref-4)