

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

ssb-csd-mar18item04

# California State Board of Education March 2018 Agenda Item #18

## Subject

Reconsideration of Requests for Determinations of Funding as Required for Nonclassroom-based Charter Schools Pursuant to California *Education Code* sections 47612.5 and 47634.2; *California Code of Regulations,* Title 5 Section 11963.6(g); and Associated *California Code of Regulations,* Title 5.

## Type of Action

Action, Information

## Summary of the Issue

California *Education Code* sections 47612.5 and 47634.2 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). Additionally, if during an approved determination period a charter school wishes to seek a higher or lower determination of funding, it shall do so by the filing of a new determination of funding request for consideration by the SBE, pursuant to *California Code of Regulations*, Title 5 Section 11963.6(g).

The charter schools listed in Attachment 1 are requesting reconsiderations for higher determinations of funding than the determinations that were originally approved. If approved, the higher funding determinations would replace the determinations currently in effect.

## Recommendation

The California Department of Education (CDE) proposes to recommend that the SBE approve the reconsideration requests for the higher determinations of funding, as provided in Attachment 1.

### Advisory Commission on Charter Schools Recommendation

At the February 7, 2018 meeting, the Advisory Commission on Charter Schools (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 have submitted requests for reconsideration, seeking higher funding determinations than the existing funding determinations currently in effect.

### Background

#### National University Academy, Charter #0991

At its July 2017 meeting, the SBE approved a 70 percent funding determination for two years (fiscal years [FYs] 2017–18 and 2018–19). National University Academy (NUA) had requested a 100 percent funding determination with mitigating circumstances for five years. The SBE denied NUA’s mitigating circumstances because NUA did not spend the minimum 80 percent of its FY 2015–16 revenues on instruction and instruction-related services, a condition for 100 percent funding. The CDE found that NUA’s reserves should have been used to comply with the spending conditions for 100 percent funding. NUA’s original funding determination request is provided in Agenda Item 2 of the ACCS June 7, 2017, Meeting Notice located on the SBE June 2017 ACCS Meeting Agenda Web page located at <http://www.cde.ca.gov/be/cc/cs/accsnotice060717.asp>.

NUA is requesting reconsideration for a higher funding determination of 100 percent. NUA reported FY 2016–17 expenditures of 45.43 percent on certificated staff costs and 81.01 percent on instruction and instruction-related services costs, which qualifies NUA for a full determination. Based on the information provided, which also included revenues and expenditures for the current FY 2017–18, the CDE finds that NUA meets the spending conditions for full funding and proposes to recommend that the SBE approve NUA for the higher 100 percent determination of funding for the two year period, FY 2017–18 to 2018–19.

#### Twin Ridges Home Study Charter, Charter #1428

At its September 2017 meeting, the SBE approved a 70 percent funding determination for two years (FYs 2017–18 and 2018–19). Twin Ridges Home Study Charter (TRHS) had requested a 100 percent funding determination with mitigating circumstances for five years. The SBE denied TRHS’s mitigating circumstances because TRHS’s reported FY 2015–16 spending amounts failed to qualify for any funding. However, TRHS identified additional contracted instructional costs and restricted revenues for consideration by the CDE. The CDE found that the information submitted supports a consideration for mitigating circumstances and recommended a funding determination of 70 percent for two years. TRHS’s original funding determination request is provided in Agenda Item 2 of the ACCS August 15, 2017, Meeting Notice located on the SBE August 2017 ACCS Meeting Agenda Web page located at <http://www.cde.ca.gov/be/cc/cs/accsnotice081517.asp>.

TRHS is requesting reconsideration for a higher funding determination of 85 percent with mitigating circumstances. TRHS reported FY 2016–17 expenditures of 37.59 percent on certificated staff costs and 73.31 percent on instruction and instruction-related services costs, which qualifies TRHS for a determination of funding of only 70 percent, without mitigating circumstances.

TRHS’s mitigating circumstances request includes the unexpected loss of senior credentialed staff, and difficulty finding and hiring a qualified replacement due to the limited pool of resources available in a small county. Based on the information provided by TRHS, which also includes revenues and expenditures for the current FY 2017–18, the CDE finds that TRHS meets the spending conditions for a determination of funding at a higher determination and proposes to recommend that the SBE approve TRHS for the higher 85 percent determination of funding for the two year period, FY 2017–18 to 2018–19.

## 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

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

## Attachment

* **Attachment 1:** Determination of Funding Recommendation (1 Page)

# Attachment 1: Determination of Funding Recommendation

Determination of Funding Recommendation for Nonclassroom-based Charter Schools

| Charter School Information Type | Value | Value |
| --- | --- | --- |
| County-District-School Code | 29-10298-0126227 | 37-68189-0118323 |
| Charter Authorizer and County | Nevada County Superintendent of Schools, Nevada County | Lakeside Union Elementary School District,  San Diego County |
| Charter School Name (Charter Number) | Twin Ridges Home Study (1428) | National University Academy (0991) |
| First Year of Operation | 2012–13 | 2008–09 |
| Previously Approved Request and Reconsideration Request Percent Spent on Certificated Staff Compensation *(footnote* *[[1]](#footnote-1))* | 34.79%  37.59% | 41.71%  45.43% |
| Previously Approved Request and Reconsideration Request Percent Spent on Instruction and Instruction Related Services *(footnote 1)* | 63.08%  73.31% | 64.77%  81.01% |
| Pupil Teacher Ratio *(footnote 1)* | 25:1 | 25:1 |
| Current State Board of Education-Approved Funding Determination and Years (*footnote [[2]](#footnote-2)*) | 70% for 2 Years (2017–18 through 2018–19) | 70% for 2 Years (2017–18 through 2018–19) |
| Reconsideration of Funding Determination and Years Requested by Charter School | 85% for 2 Years (2017–18 through 2018–19) | 100% for 5 Years (2017–18 through 2021–22) |
| California Department of Education Proposed Recommendation Funding Determination and Years | 85% for 2 years (2017–18 through 2018–19) | 100% for 2 years (2017–18 through 2018–19) |

Prepared by the California Department of Education (CDE), Charter Schools Division

January 2018

1. Spending percentages and pupil-teacher ratio correspond to the charter school’s funding determination request as originally submitted to the CDE. [↑](#footnote-ref-1)
2. Approved at the July 2017 and September 2017 State Board of Education meetings. [↑](#footnote-ref-2)