

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

oab-csd-jul21item01

# California State Board of Education July 2021 Agenda Item #09

## Subject

Consideration of a Request 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

California *Education Code* (*EC*)sections 47612.5 and 47634.2 established the eligibility requirements for apportionment funding for charter schools that offer nonclassroom-based (NCB) instruction. The statutes specify that a charter school may receive apportionment funding for NCB 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 (ACCS), pursuant to relevant *California Code of Regulations*, Title 5 (5 *CCR*).

## Recommendation

The CDE recommends that the SBE approve the determination of funding request at the percentage and for the time period specified for MAAC Community Charter (charter number 0303) as provided in Attachment 1.

## Advisory Commission on Charter Schools Recommendation

At its June 8, 2021, meeting, the ACCS moved for recommendation to the SBE of the CDE staff recommendation. The motion passed unanimously.

The notice for the June 8, 2021, ACCS meeting and the charter school’s funding determination request form are located on the SBE June 2021 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060821.asp>.

## Background

*EC* Section 47612.5(d)(1) states that a charter school that has an approved charter may receive funding for its NCB instruction only if a determination for funding is made by the SBE.

However, for fiscal years (FYs) 2020–21 and 2021–22, certain schools are exempt from the requirement to obtain an approved funding determination from the SBE, pursuant to Senate Bill 820 Section 75:

A charter school with a nonclassroom-based funding determination pursuant to Section 47612.5 of the Education Code that expires on June 30, 2021, or June 30, 2022, shall receive its current funding level for two years upon submission of a complete funding determination request to the State Department of Education pursuant to Section 11963.3 of Title 5 of the California Code of Regulations. A charter school’s funding determination request shall be received by the State Department of Education no later than June 30, 2021 or June 30, 2022, as applicable.

Because MAAC Community Charter does not have an active funding determination that expires on June 30, 2021, or June 30, 2022, SB 820 is not applicable and the school is required to obtain an approved funding determination from the SBE.

MAAC Community Charter, which offers a combination of classroom-based and NCB instruction, previously had an approved NCB funding determination of 100 percent from FYs 2016–17 through 2017–18. However, the school opted not to request a renewal of its funding determination at the end of FY 2017–18. It currently does not have an active NCB funding determination. The purpose of the funding determination request presented in this item is for MAAC Community Charter to request funding for its NCB instruction beginning in FY 2021–22.

## Brief Analysis of Key Issues

Pursuant to 5 *CCR* Section 11963.4(a), an NCB charter school requesting a determination of funding may qualify for either 70 percent, 85 percent, or 100 percent funding, or may be denied.

To qualify for a recommendation of 70 percent funding, which is the percentage of funding requested by MAAC Community Charter, an NCB charter school must meet the following criteria:

* Spend at least 35 percent of the school’s public revenues on salaries and benefits for all employees who possess a valid teaching certificate.
* Spend at least 60 percent of all revenues on instruction and related services.

For an existing NCB charter school, 5 *CCR* Section 11963.6(c) specifies that a determination of funding shall be for a minimum time period of two years and a maximum time period of five years. It is the CDE’s current practice to recommend time periods based on the number of years a charter school has been in operation.

In the past, the CDE recommended five-year periods dependent on a charter school’s Academic Performance Index (API) rank, pursuant to *EC* Section 47612.5(d)(2); however, because API is no longer calculated, the CDE does not currently recommend five-year funding determination periods.

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

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

## Fiscal Analysis

If approved, MAAC Community Charter would receive apportionment funding for its NCB average daily attendance under the Local Control Funding Formula model.

## California Department of Education Staff Review

A direct link to the school’s funding determination request form is provided below. The request is also available under Agenda Item 1 of the SBE June 2021 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060821.asp>.

* Determination of Funding Request for MAAC Community Charter, Charter #0303 (<https://www.cde.ca.gov/be/cc/cs/documents/accs-jun21item01a2.pdf>)

## Attachment

* **Attachment 1:** Determination of Funding Recommendation for a Nonclassroom-Based Charter School (1 Page)