

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

oab-csd-may21item01

# California State Board of Education May 2021 Agenda Item #07

## Subject

Consideration of 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

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 requests at the percentages and for the time periods specified for the charter schools as provided in Attachment 1.

## Advisory Commission on Charter Schools Recommendation

At its April 13, 2021, meeting, the ACCS moved to approve the CDE recommendation that the SBE approve the determination of funding requests at the percentages and for the time periods as specified in Attachment 1. The motion passed by a vote of seven to zero with one abstention.

The notice for the April 13, 2021, ACCS meeting and the charter schools’ funding determination request forms are located on the SBE April 2021 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice041321.asp>.

## Brief Analysis of Key Issues

NCB charter schools must obtain an approved determination of funding from the SBE in order to establish eligibility to receive apportionment funding for NCB instruction. Pursuant to 5 *CCR* Section 11963.4(a), an NCB charter school may qualify for either 70 percent, 85 percent, or 100 percent full funding, or may be denied. To qualify for a recommendation of 100 percent funding to the SBE, an NCB charter school must meet the following criteria:

* Spend at least 40 percent of the school’s public revenues on salaries and benefits for all employees who possess a valid teaching certificate.
* Spend at least 80 percent of all revenues on instruction and related services.
* Maintain a ratio of average daily attendance (ADA) for independent study pupils to full-time certificated employees that does not exceed a pupil-teacher ratio (PTR) of 25:1 or the PTR of the largest unified school district in the county or counties in which the charter school operates.

The four NCB charter schools listed in Attachment 1 are newly operational in fiscal year (FY) 2020–21. However, pursuant to Senate Bill 98, these schools were required to offer distance learning, which is not considered NCB instruction, in FY 2020–21. As such, these schools were not required to obtain a funding determination to receive funding for their NCB instruction for this fiscal year. The funding determination requests submitted by these schools and that are presented in this item are to request funding for NCB instruction beginning in FY 2021–22.

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, the four schools listed in Attachment 1 would receive apportionment funding for their NCB ADA under the Local Control Funding Formula model.

## California Department of Education Staff Review

Direct links to the schools’ funding determination request forms are provided below. The requests are also available under Agenda Item 1 of the SBE April 2021 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice041321.asp>.

* Determination of Funding Request for Agnes J. Johnson Charter, Charter #2103 (<https://www.cde.ca.gov/be/cc/cs/documents/accs-apr21item01a2.pdf>)
* Determination of Funding Request for Banta Charter, Charter #2104 (<https://www.cde.ca.gov/be/cc/cs/documents/accs-apr21item01a3.pdf>)
* Determination of Funding Request for Liberty Independent Study, Charter #2102 (<https://www.cde.ca.gov/be/cc/cs/documents/accs-apr21item01a4.pdf>)
* Determination of Funding Request for Pathways Charter Academy, Charter #2089 (<https://www.cde.ca.gov/be/cc/cs/documents/accs-apr21item01a5.pdf>)

## Attachment

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