

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

lacb-csd-jul24item02

# California State Board of Education July 2024 Agenda Item #10

## Subject

Consideration of Determination of Funding Requests with “Reasonable Basis”/Mitigating Circumstances 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, Consent

## 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 that offers NCB instruction in excess of the amount authorized by *EC* Section 47612.5(e)(1) may receive apportionment funding for NCB instruction only if a determination of funding is made by the California State Board of Education (SBE).

Pursuant to *California Code of Regulations*, Title 5 (5 *CCR*), the California Department of Education (CDE) reviews a charter school’s determination of funding request and presents it for consideration to the Advisory Commission on Charter Schools (ACCS). The ACCS may include the consideration of mitigating circumstances in conjunction with a recommendation to the SBE, pursuant to 5 *CCR* Section 11963.4(e).

This item considers determination of funding requests with mitigating circumstances for eight charter schools.

## Recommendation

The CDE recommends that the SBE approve the determination of funding requests with the consideration of mitigating circumstances for the eight charter schools at the funding levels requested by the charter schools for a period of two fiscal years (2024–25 through 2025–26), as detailed in Attachment 1.

## Advisory Commission on Charter Schools Recommendation

At the June 4, 2024, ACCS meeting, the CDE presented two funding determinations with mitigating circumstances items. For the purposes of the July 2024 SBE meeting, the CDE included all requests for funding determinations with the consideration of mitigating circumstances that were considered at the June ACCS meeting, in this item.

At the June ACCS meeting, one commissioner recused themselves from one of the funding determinations with mitigating circumstances items.

The ACCS took the following actions:

* **Motion 1:** The ACCS made a motion to approve the CDE’s recommendation that the SBE approve the following charter schools’ determination of funding requests at the funding levels requested by the charter schools for a period of two fiscal years (2024–25 through 2025–26), as detailed in Attachment 1.
  + Anderson New Technology High
  + Golden Gate Community
  + Mid Valley Alternative Charter
  + Northern United – Siskiyou Charter
  + Sierra Vista Charter High
  + The MET
  + Vantage Point Charter

The motion passed by a vote of seven to one.

* **Motion 2:** The ACCS made a motion to approve the CDE’s recommendation that the SBE approve the determination of funding request for Imperial Pathways Charter at 100 percent for a period of two fiscal years (2024–25 through 2025–26), as detailed in Attachment 1.

The motion passed by a vote of six to one.

The notice for the June 2024 ACCS meeting and the determination of funding requests for the charter schools presented in this item are available under Item 02 and Item 03 of the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060424.asp>.

## Funding Determination Criteria

*EC* Section 47634.2(a)(1) provides the following:

Notwithstanding any other provision of law, the amount of funding to be allocated to a charter school on the basis of average daily attendance that is generated by pupils engaged in nonclassroom-based instruction…shall be adjusted by the State Board of Education. The State Board of Education shall adopt regulations setting forth criteria for the determination of funding for nonclassroom-based instruction, at a minimum the regulation shall specify that the nonclassroom-based instruction is conducted for the instructional benefit of the pupil and substantially dedicated to that function. In developing these criteria and determining the amount of funding to be allocated to a charter school pursuant to this section, the State Board of Education shall consider, among other factors it deems appropriate, the amount of the charter school’s total budget expended on certificated employee salaries and benefits and on schoolsites, as defined in paragraph (3) of subdivision (d) of Section 47612.5, and the teacher-to-pupil ratio in the school.

*EC* Section 47634.2(a)(4) further states:

For the 2003–04 fiscal year and each fiscal year thereafter, the amount of funding determined by the State Board of Education pursuant to this section shall not be more than 70 percent of the unadjusted amount to which a charter school would otherwise be entitled, unless the State Board of Education determines that a greater or lesser amount is appropriate based on the criteria specified in paragraph (1) of subdivision (a).

Pursuant to *EC* Section 47634.2 and SBE-adopted regulations, a charter school may qualify for 70 percent, 85 percent, or 100 percent funding, or may be denied funding (i.e., 0 percent) for its NCB instruction.

To qualify for a recommendation of 100 percent funding, a charter school must meet the following criteria as outlined in 5 *CCR* Section 11963.4(a)(3):

* Spend at least 40 percent of the charter school’s public revenues on salaries and benefits for all employees who possess a valid teaching certificate, permit, or other document equivalent to that which a teacher in other public charter schools would be required to hold issued by the Commission on Teacher Credentialing (and who work in the charter school in a position required to provide direct instruction or direct instructional support to students)
* Spend at least 80 percent of the charter school’s total revenues on instruction and related services
* Maintain a ratio of average daily attendance (ADA) for independent study pupils to full-time certificated employees responsible for independent study that does not exceed a pupil-teacher ratio (PTR) of 25:1 or the PTR of the largest unified charter school district in the county or counties in which the charter school operates

The expenditure and PTR criteria for all funding levels for which a charter school may qualify to receive for its NCB instruction are specified in 5 *CCR* Section 11963.4(a). A summary of the criteria is provided in the table below:

Nonclassroom-Based Instruction Funding Levels

| **Funding Level** | **Percentage Spent on Certificated Salaries and Benefits** | **Percentage Spent on Instruction and Related Services** | **PTR[[1]](#footnote-1)** |
| --- | --- | --- | --- |
| **100%** | ≥ 40 | ≥ 80 | ≤ 25 to 1 |
| **85%** | ≥ 40 | ≥ 70 | Not Applicable |
| **70%** | ≥ 35 | ≥ 60 | Not Applicable |
| **0%** | < 35 | < 60 | Not Applicable |

### Mitigating Circumstances

The ACCS may find a “reasonable basis” (also referred to as mitigating circumstances) by which to make a recommendation other than what a charter school qualifies to receive for its NCB instruction based on the criteria specified in 5 *CCR* Section 11963.4(a). Specifically, 5 *CCR* Section 11963.4(e) allows the ACCS to consider “documented data regarding individual circumstances of the charter school” and provides examples of the types of mitigating circumstances that the ACCS might consider, which may include, but are not limited to, the following:

* Information provided by the charter school, pursuant to 5 *CCR* Section 11963.3(b)(2) through (8)
  + PTR, calculated pursuant to 5 *CCR* Section 11704
  + Listing of entities receiving $50,000 or 10 percent or more of total expenditures
  + Identification of governing board members
  + Explanation of outgo transfers; explanation of reserves, if over the allowable amount
  + Facility costs and square footage
  + Number of full-time equivalent (FTE) employees with a valid teaching certificate
* Documented data regarding individual circumstances of the charter school (e.g., one-time or unique or exceptional expenses for facilities, acquisition of a charter school bus, acquisition and installation of computer hardware not related to the instructional program, special education charges levied on the charter school by a local educational agency, restricted state, federal, or private grants of funds awarded to the charter school that cannot be expended for teacher salaries, or contracted instructional services other than those for special education)
* The size of the charter school
* The number of years the charter school has been in operation

Additionally, under 5 *CCR* Section 11963.4(e), the ACCS shall give charter schools with less than a total of 100 units of prior year second period ADA or that are in their first year of operation serious consideration of 100 percent funding for their NCB instruction.

When considering a charter school’s request for mitigating circumstances, the CDE also reviews other information provided on the charter school’s determination of funding request. Additionally, the CDE considers a charter school’s previous requests to the ACCS and the SBE for the consideration of mitigating circumstances.

**Funding Periods**

A determination of funding may not exceed five years, pursuant to *EC* Section 47612.5(d)(2). For a new charter school in its first year of operation, a funding determination shall be for a period of two fiscal years, pursuant to 5 *CCR* Section 11963.6(a). For an existing charter school with an active funding determination, a funding determination shall be in increments of a minimum of two years and a maximum of five years in length, pursuant to 5 *CCR* Section 11963.6(c).

Regarding five-year funding periods, *EC* Section 47612.5(d)(2) provides the following:

A charter school that has achieved a rank of six or greater on the Academic Performance Index for the two years immediately prior to receiving a funding determination…shall receive a five-year determination.

Based on the CDE’s interpretation of statute and regulations, the CDE recommends a funding period between two to four years for an existing charter school. Because the Academic Performance Index is no longer calculated, the CDE does not recommend five-year funding determination periods.

The CDE’s recommended funding period for an existing charter school is dependent upon factors such as the number of times the charter school has renewed its funding determination with the SBE, and the information provided by the charter school as a part of its determination of funding request. The CDE typically recommends a funding period of three years for a charter school that is renewing its funding determination request with the SBE for the first time and a funding period of four years for subsequent renewals.

For charter schools requesting the consideration of mitigating circumstances, the CDE typically recommends a funding determination period of two years. A period of two years allows the CDE to timely revisit a charter school’s funding determination, ensure that the charter school meets the appropriate expenditure requirements for its approved level of funding for its NCB instruction, and follow up on other matters reported by the charter school on its determination of funding request.

## Review of Funding Determination Requests

Based on its reported fiscal year (FY) 2022–23 data, no charter school presented in this item meets the regulatory requirements to qualify for its requested level funding for NCB instruction without the consideration of mitigating circumstances. Seven charter schools are requesting 100 percent funding, and one charter school is requesting 85 percent funding. Summaries of each charter school’s mitigating circumstances as well as the CDE’s review and recommendation to the SBE, are provided below.

If a charter school’s determination of funding request is approved, the charter school will be eligible to receive funding for its ADA generated through NCB instruction as approved by the SBE, pursuant to *EC* Section 47634.2(c). For instances in which a charter school’s funding determination is approved at a lower level than requested, the charter school may submit a funding determination reconsideration request, pursuant to 5 *CCR* Section 11963.6(g).

### Recommendations for Approval at a Higher Level of Funding – 100 Percent

The CDE finds a reasonable basis for the following charter schools to be approved for 100 percent funding despite not meeting the regulatory criteria outlined in 5 *CCR* Section 11963.4(a) and recommends that the SBE approve the determination of funding requests with the consideration of mitigating circumstances for the charter schools listed in this section at 100 percent for two years.

**Anderson New Technology High (Charter #0452)**

The following table provides the regulatory criteria for funding levels and the charter school’s expenditures percentage calculations and PTR.

*Anderson New Technology High Nonclassroom-Based Instruction Funding Qualification*

| **Criteria** | **Percentage Spent on Certificated Salaries and Benefits** | **Percentage Spent on Instruction and Related Services** | **PTR** |
| --- | --- | --- | --- |
| **100 Percent** | ≥ 40 | ≥ 80 | ≤ 25 to 1 |
| **85 Percent** | ≥ 40 | ≥ 70 | N/A |
| **70 Percent** | ≥ 35 | ≥ 60 | N/A |
| **Charter school** | 63.53 | 79.18 | 11.60 to 1 |

Without the consideration of mitigating circumstances, the charter school qualifies for 85 percent funding for its NCB instruction.

The charter school’s complete determination of funding request with mitigating circumstances is provided on the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun24item02a2.docx>. The following bullets summarize the charter school’s reasoning for not meeting the regulatory expenditure requirements:

* Small charter school with less than 100 ADA.
* Receipt of one-time revenues, including the Arts, Music & Instructional Materials Block Grant; Learning Recovery Emergency Block Grant; A-G Learning Loss Mitigation Grant; Educator Effectiveness Block Grant; and California Charter schools Healthy Air, Plumbing, and Efficiency Program funding.
* There was a fair value adjustment to cash in the county treasurer after closing the books for the 2022–23 fiscal year which unexpectedly increased the charter school’s local revenues.

Upon consideration of all information provided by the charter school, the CDE finds that the information supports the charter school’s claim for mitigating circumstances and its request for 100 percent funding. The CDE acknowledges that the charter school has less than 100 ADA, reporting a 2022–23 P-2 ADA of 92.80. Pursuant to regulations, the ACCS shall give charter schools with less than a total of 100 units of prior year second period ADA serious consideration of 100 percent funding for their NCB instruction. Additionally, the CDE notes that had the one-time revenues been excluded, the charter school’s expenditure calculations for percentages spent on certificated salaries and benefits and instruction and related services would have been 72.55 percent and 89.90 percent, respectively, qualifying it for a recommendation for 100 percent funding.

The CDE therefore recommends that the charter school receive 100 percent funding for its NCB instruction for two years.

**Golden Gate Community (Charter #1887)**

The following table provides the regulatory criteria for funding levels and the charter school’s expenditures percentage calculations and PTR.

*Golden Gate Community Nonclassroom-Based Instruction Funding Qualification*

| **Criteria** | **Percentage Spent on Certificated Salaries and Benefits** | **Percentage Spent on Instruction and Related Services** | **PTR** |
| --- | --- | --- | --- |
| **100 Percent** | ≥ 40 | ≥ 80 | ≤ 25 to 1 |
| **85 Percent** | ≥ 40 | ≥ 70 | N/A |
| **70 Percent** | ≥ 35 | ≥ 60 | N/A |
| **Charter school** | 76.71 | 73.40 | 10.94 to 1 |

Without the consideration of mitigating circumstances, the charter school qualifies for 85 percent funding for its NCB instruction.

The charter school’s complete determination of funding request with mitigating circumstances is provided on the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun24item02a3.docx>. The following bullets summarize the charter school’s reasoning for not meeting the regulatory expenditure requirements:

* Small charter school with less than 100 ADA.
* The charter school states that during the pandemic, the charter school’s ADA declined, which caused administrative support costs to become a higher portion of the overall expenditures.[[2]](#footnote-2)
* The charter school’s authorizer, Contra Costa County Office of Education, contributed $1,639,569 to offset the administrative activities and all other activities necessary to provide consistent support for students, increasing the charter school’s reported local revenues.

Upon consideration of all information provided by the charter school, the CDE finds that the information supports the charter school’s claim for mitigating circumstances and its request for 100 percent funding. The CDE acknowledges that the charter school has less than 100 ADA, reporting a 2022–23 P-2 ADA of 56.57. Pursuant to regulations, the ACCS shall give charter schools with less than a total of 100 units of prior year second period ADA serious consideration of 100 percent funding for their NCB instruction.

The CDE therefore recommends that the charter school receive 100 percent funding for its NCB instruction for two years.

#### Imperial Pathways Charter

The following table provides the regulatory criteria for funding levels and the charter school’s expenditures percentage calculations and PTR.

Imperial Pathways Charter Nonclassroom-Based Instruction Funding Qualification

| **Criteria** | **Percentage Spent on Certificated Salaries and Benefits** | **Percentage Spent on Instruction and Related Services** | **PTR** |
| --- | --- | --- | --- |
| **100 Percent** | ≥ 40 | ≥ 80 | ≤ 25 to 1 |
| **85 Percent** | ≥ 40 | ≥ 70 | N/A |
| **70 Percent** | ≥ 35 | ≥ 60 | N/A |
| **Charter School** | 35.44 | 63.21 | 22.43 to 1 |

Without the consideration of mitigating circumstances, the charter school qualifies for 70 percent funding for its NCB instruction.

The charter school’s complete determination of funding request with mitigating circumstances is provided on the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun24item03a2.docx>. The following bullet summarizes the charter school’s reasoning for not meeting the regulatory expenditure requirements:

* The charter school’s ADA has continued to grow substantially. The charter school attributes this growth to a high number of adults in Imperial County who do not have a high charter school diploma. The charter school intends to buy out a lease for a building to accommodate its growth. The charter school states that its current facilities do not have enough space for more teachers. The charter school will use the larger facility to add teachers, instructional assistants, technology, classroom supplies, and additional CTE programs.

Upon consideration of all information provided by the charter school, the CDE finds that the information supports the charter school’s claim for mitigating circumstances and its request for 100 percent funding. The CDE acknowledges that the charter school has set aside funds to obtain an additional facility. Pursuant to 5 *CCR* Section 11963.4(e), one-time or unique or exceptional expenses for facilities may provide a reasonable basis for a recommendation other than one that results from the regulatory criteria.

The CDE therefore recommends that the charter school receive 100 percent funding for its NCB instruction for two years.

**Mid Valley Alternative Charter (Charter #0088)**

The following table provides the regulatory criteria for funding levels and the charter school’s expenditures percentage calculations and PTR.

*Mid Valley Alternative Charter Nonclassroom-Based Instruction Funding Qualification*

| **Criteria** | **Percentage Spent on Certificated Salaries and Benefits** | **Percentage Spent on Instruction and Related Services** | **PTR** |
| --- | --- | --- | --- |
| **100 Percent** | ≥ 40 | ≥ 80 | ≤ 25 to 1 |
| **85 Percent** | ≥ 40 | ≥ 70 | N/A |
| **70 Percent** | ≥ 35 | ≥ 60 | N/A |
| **Charter school** | 47.69 | 59.31 | 18.10 to 1 |

Without the consideration of mitigating circumstances, the charter school would not qualify for any funding for its NCB instruction.

The charter school’s complete determination of funding request with mitigating circumstances is provided on the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun24item02a4.docx>. The following bullets summarize the charter school’s reasoning for not meeting the regulatory expenditure requirements:

* Small charter school with less than 100 ADA.
* The charter school reserved funds for construction costs to address its increasing enrollment.[[3]](#footnote-3)

Upon consideration of all information provided by the charter school, the CDE finds that the information supports the charter school’s claim for mitigating circumstances and its request for 100 percent funding. The CDE acknowledges that the charter school has less than 100 ADA, reporting a 2022–23 P-2 ADA of 56.10. Pursuant to regulations, the ACCS shall give charter schools with less than a total of 100 units of prior year second period ADA serious consideration of 100 percent funding for their NCB instruction. Additionally, the CDE notes that the charter school reserved a significant portion of its revenues on a future facility project, which affected the charter school’s expenditure percentages, and that in 2023–24, the charter school’s authorizer, Kit Carson Union Elementary Charter school District, secured facilities for the charter school and contracted for construction, installation, and maintenance of the new building. Pursuant to 5 *CCR* Section 11963.4(e), one-time or unique or exceptional expenses for facilities may provide a reasonable basis for a recommendation other than one that results from the regulatory criteria.

The CDE therefore recommends that the charter school receive 100 percent funding for its NCB instruction for two years.

**Northern United - Siskiyou Charter (Charter #1958)**

The following table provides the regulatory criteria for funding levels and the charter school’s expenditures percentage calculations and PTR.

*Northern United - Siskiyou Charter Nonclassroom-Based Instruction Funding Qualification*

| **Criteria** | **Percentage Spent on Certificated Salaries and Benefits** | **Percentage Spent on Instruction and Related Services** | **PTR** |
| --- | --- | --- | --- |
| **100 Percent** | ≥ 40 | ≥ 80 | ≤ 25 to 1 |
| **85 Percent** | ≥ 40 | ≥ 70 | N/A |
| **70 Percent** | ≥ 35 | ≥ 60 | N/A |
| **Charter school** | 38.33 | 70.89 | 10.31 to 1 |

Without the consideration of mitigating circumstances, the charter school qualifies for 70 percent funding for its NCB instruction.

The charter school’s complete determination of funding request with mitigating circumstances is provided on the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun24item02a5.docx>. The following bullet summarizes the charter school’s reasoning for not meeting the regulatory expenditure requirements:

* Receipt of one-time revenues, including the Community Charter school Planning Grant, Arts, Music & Instructional Materials Block Grant, and Learning Recovery Emergency Block Grant

Upon consideration of all information provided by the charter school, the CDE finds that the information supports the charter school’s claim for mitigating circumstances and its request for 100 percent funding. The CDE notes that had the one-time revenues been excluded, the charter school’s expenditure calculations for percentage spent on expenditure calculations for percentages spent on certificated salaries and benefits and instruction and related services would have been 46.12 percent and 85.10 percent, respectively, qualifying it for a recommendation for 100 percent funding.

The CDE therefore recommends that the charter school receive 100 percent funding for its NCB instruction for two years.

**The MET (Charter #0586)**

The following table provides the regulatory criteria for funding levels and the charter school’s expenditures percentage calculations and PTR.

*The MET Nonclassroom-Based Instruction Funding Qualification*

| **Criteria** | **Percentage Spent on Certificated Salaries and Benefits** | **Percentage Spent on Instruction and Related Services** | **PTR** |
| --- | --- | --- | --- |
| **100 Percent** | ≥ 40 | ≥ 80 | ≤ 25 to 1 |
| **85 Percent** | ≥ 40 | ≥ 70 | N/A |
| **70 Percent** | ≥ 35 | ≥ 60 | N/A |
| **Charter school** | 59.11 | 75.03 | 14.98 to 1 |

Without the consideration of mitigating circumstances, the charter school qualifies for 85 percent funding for its NCB instruction.

The charter school’s complete determination of funding request with mitigating circumstances is provided on the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun24item02a8.docx>. The following bullets summarize the charter school’s reasoning for not meeting the regulatory expenditure requirements:

* The charter school maintains a facility comparable to a classroom-based program.
* ADA has decreased since the charter school’s previous funding determination request; in 2019–20, the charter school’s ADA was 264, while in 2022–23, the charter school’s ADA was 200.79, causing the charter school’s facility costs to become a relatively higher percentage of its budget.
* The charter school’s authorizer, Sacramento City Unified Charter school District, approved instructional salary increases in 2023–24.

Upon consideration of all information provided by the charter school, the CDE finds that the information supports the charter school’s claim for mitigating circumstances and its request for 100 percent funding. While the charter school’s 2022–23 instructional expenditures are lower than the requirement, the charter school has cited specific adjustments that will be made to meet the requirement in the immediate future. The charter school states that in 2024–25, the charter school’s facility costs will change to a percentage of Local Control Funding Formula funding, as opposed to a pro-rata square foot calculation, which is anticipated to lower its facility costs. Additionally, the instructional salary increases will increase instructional expenditures beginning in 2023–24.

The CDE therefore recommends that the charter school receive 100 percent funding for its NCB instruction for two years.

**Vantage Point Charter (Charter #0024)**

The following table provides the regulatory criteria for funding levels and the charter school’s expenditures percentage calculations and PTR.

*Vantage Point Charter Nonclassroom-Based Instruction Funding Qualification*

| **Criteria** | **Percentage Spent on Certificated Salaries and Benefits** | **Percentage Spent on Instruction and Related Services** | **PTR** |
| --- | --- | --- | --- |
| **100 Percent** | ≥ 40 | ≥ 80 | ≤ 25 to 1 |
| **85 Percent** | ≥ 40 | ≥ 70 | N/A |
| **70 Percent** | ≥ 35 | ≥ 60 | N/A |
| **Charter school** | 57.88 | 70.70 | 20.09 to 1 |

Without the consideration of mitigating circumstances, the charter school qualifies for 85 percent funding for its NCB instruction.

The charter school’s complete determination of funding request with mitigating circumstances is provided on the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun24item02a9.docx>. The following bullets summarize the charter school’s reasoning for not meeting the regulatory expenditure requirements:

* Small charter school with less than 100 ADA.
* Receipt of one-time revenues, including the Arts, Music & Instructional Materials Block Grant; Learning Recovery Emergency Block Grant; A-G Access Grant; A-G Learning Loss Mitigation Grant; Educator Effectiveness Block Grant; and California Charter schools Healthy Air, Plumbing, and Efficiency Program funding.

Upon consideration of all information provided by the charter school, the CDE finds that the information supports the charter school’s claim for mitigating circumstances and its request for 100 percent funding. The CDE acknowledges that the charter school has less than 100 ADA, reporting a 2022–23 P-2 ADA of 40.17. Pursuant to regulations, the ACCS shall give charter schools with less than a total of 100 units of prior year second period ADA serious consideration of 100 percent funding for their NCB instruction. Additionally, the CDE notes that had the one-time revenues been excluded, the charter school’s expenditure calculations for percentages spent on certificated salaries and benefits and instruction and related services would have been 67.98 percent and 82.68 percent, respectively, qualifying it for a recommendation for 100 percent funding.

The CDE therefore recommends that the charter school receive 100 percent funding for its NCB instruction for two years.

**Recommendation for Approval at a Higher Level of Funding – 85 Percent**

The CDE finds a reasonable basis for the following charter school to be approved for 85 percent funding despite not meeting the regulatory criteria outlined in 5 *CCR* Section 11963.4(a) for this level of funding. The CDE recommends that the SBE approve the charter school’s determination of funding request with the consideration of mitigating circumstances at 85 percent, a higher level of funding than for which it qualifies, for two years.

**Sierra Vista Charter High (Charter #1664)**

The following table provides the regulatory criteria for funding levels and the charter school’s expenditures percentage calculations and PTR.

*Sierra Vista Charter High Nonclassroom-Based Instruction Funding Qualification*

| **Criteria** | **Percentage Spent on Certificated Salaries and Benefits** | **Percentage Spent on Instruction and Related Services** | **PTR** |
| --- | --- | --- | --- |
| **100 Percent** | ≥ 40 | ≥ 80 | ≤ 25 to 1 |
| **85 Percent** | ≥ 40 | ≥ 70 | N/A |
| **70 Percent** | ≥ 35 | ≥ 60 | N/A |
| **Charter school** | 43.29 | 62.13 | 15.65 to 1 |

Without the consideration of mitigating circumstances, the charter school qualifies for 70 percent funding for its NCB instruction.

The charter school’s complete determination of funding request with mitigating circumstances is provided on the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun24item02a6.docx> and <https://www.cde.ca.gov/be/cc/cs/documents/accs-jun24item02a7.pdf>. The following bullet summarizes the charter school’s reasoning for not meeting the regulatory expenditure requirements:

* Unrealized expenditures due to vacancies of teachers and instructional aides

Upon consideration of all information provided by the charter school, the CDE finds that the information supports the charter school’s claim for mitigating circumstances and its request for 85 percent funding. The CDE notes that had these unrealized expenditures been made, the charter school’s expenditure calculations for percentage spent on instruction and related services would have been 72.56 percent, qualifying it for a recommendation for 85 percent funding. Additionally, the charter school notes that out of 12 vacancies, 8 vacancies were filled by 2023–24.

The CDE therefore recommends that the charter school receive 85 percent funding for its NCB instruction for two years.

## Fiscal Analysis

If the funding determination requests are approved by the SBE, the eight charter schools presented in this item will receive apportionment funding for their NCB ADA under the Local Control Funding Formula model.

## California Department of Education Staff Review

Direct links to the charter schools’ determination of funding requests are provided within the summary of each charter school’s mitigating circumstances above. The requests are also available under Item 02 and Item 03 of the June 2024 ACCS Meeting Agenda web page at <https://www.cde.ca.gov/be/cc/cs/accsnotice060424.asp>.

## Attachment

* **Attachment 1:** Recommendations for Nonclassroom-Based Determination of Funding Requests with Mitigating Circumstances (1 Page)

1. The PTR criteria outlined in this table pertain only to charter schools submitting funding determination requests for their NCB instruction. All charter schools offering independent study are required to comply with the ADA-to certificated-employee ratios outlined in *EC* Section 51745.6. [↑](#footnote-ref-1)
2. The charter school’s 2018–19 P-2 ADA was reported as 78.09; the charter school’s 2022–23 P-2 ADA was reported as 56.57. [↑](#footnote-ref-2)
3. The charter school’s ADA increased following the COVID-19 pandemic. In 2018–19, the charter school’s ADA was reported as 19.53, while the charter school’s ADA in 2022–23 was reported as 56.10. [↑](#footnote-ref-3)