California Department of Education

Charter Schools Division

Created 03/2024

lacb-csd-apr24item02

Attachment 23

# Nonclassroom-Based Funding Determination Request

CALIFORNIA DEPARTMENT OF EDUCATION

This document presents the determination of funding request for River Oaks Academy (charter #1256). Information from the school has been exported from the web-based Funding Determination Form at [Nonclassroom-Based Determination of Funding - Charter Schools (CA Dept of Education)](https://www.cde.ca.gov/sp/ch/nclrbifunddet.asp#form).

Responses from the school have been provided, as is, and have not been edited by the California Department of Education for capitalization, punctuation, or spelling.

## River Oaks Academy Determination of Funding Request 2023–24

### Section 1. General Information

Charter School Information

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Charter School Name | River Oaks Academy |
| Charter School Authorizer | Ventura County Office of Education |
| Charter School Number | 1256 |
| County District School (CDS) Code | 56-10561-0122713 |
| Street Address | 920 Hampshire Rd., Ste. X |
| City | Westlake Village |
| County | Ventura |
| ZIP Code | 91361 |
| Grade Levels Served | TK, K, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 |
| Date Charter Expires | 6/30/2027 |
| Contact First Name | Claudia |
| Contact Last Name | Weintraub |
| Contact Title | Executive Director |
| Contact Phone Number | 805-777-7999 |
| Contact Email Address | claudia.weintraub@roavc.com |

Funding Determination Request Information

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Is this a reconsideration request? | No, this is not a reconsideration request. |
| Requested Funding Level | 100% |
| Beginning Period Requested | FY 2024–25 |
| Number of Years Requested | 5 |
| Source Data | FY 2022–23 Audit |
| If the source data used was “Other”, provide a description. | [No Response] |

### Section 2. Financial Information

#### A. Total Resources

Revenues and Other Resources

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Federal Revenues[[1]](#footnote-1) | $92,574 |
| Public Charter School Grant Program Funds (separately identified) | $0 |
| State Revenues[[2]](#footnote-2) | $4,736,452 |
| In-Lieu of Property Taxes (separately identified) | $71,454 |
| Local Revenues | $313,817 |
| Other Financing Sources | $0 |
| **Total Revenues** | **$5,142,843** |

**If Other Financing Sources were reported, provide a description:**

[No Response]

#### B. Total Expenditures and Other Uses

Instruction and Related Services

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Certificated Salaries and Benefits for Instruction and Related Services | $2,720,702 |
| Classified Salaries and Benefits | $398,064 |
| Books, Supplies, and Equipment | $174,916 |
| Services and Other Operating Costs: Contracts for Instructional Services | $473,732 |
| Services and Other Operating Costs: Contracts for Instructional Support | $74,423 |
| Services and Other Operating Costs: All Other Instruction Related Operating Costs | $95,725 |
| **Total Instruction and Related Services** | **$3,937,562** |

Operations and Facilities

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Certificated Salaries and Benefits | $0 |
| Classified Salaries and Benefits | $2,309 |
| Books, Supplies, and Equipment | $7,319 |
| Services and Other Operating Costs | $376,024 |
| Facilities Acquisition and Construction | $0 |
| **Total Operations and Facilities** | **$385,652** |

Allowable Facilities Costs

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Total facility square footage occupied by the charter school | 11990 |
| Enter total classroom-based P-2 ADA reported in the prior fiscal year. Do not include nonclassroom-based ADA. | 0 |
| Enter total student hours attended by nonclassroom-based pupils at the school site in the prior fiscal year. | 18883 |
| Calculated Facilities Costs | $21,755 |
| **Allowable Facilities Costs** | **$21,755** |

Administration and All Other Activities

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Certificated Salaries and Benefits | $31,101 |
| Classified Salaries and Benefits | $0 |
| Books, Supplies, and Equipment | $0 |
| Contracts for Other Administrative Services | $342,775 |
| Supervisorial Oversight Fee | $42,628 |
| All Other Administration and Other Activities, Services, and Operating Costs | $0 |
| **Total Administration and Other Activities** | **$416,504** |

Other Outgo and Other Financing Uses

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Debt Services | $0 |
| Transfers to Local Educational Agencies | $0 |
| All Other Transfers and Outgo | $0 |
| **Total Other Outgoing and Other Financing Uses** | **$0** |

**Describe the nature of the transaction(s) for Transfers to Local Educational Agencies and identify the accounts or entities involved in the transfer(s).**

[No Response]

**Describe the nature of the transaction(s) for All Other Transfers and Outgo and identify the accounts or entities involved in the transfer(s).**

[No Response]

#### C. Fund Balance

Total Expenditures and Fund Balance

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Total Expenditures | $4,739,718 |
| Revenues Over Expenditures | $403,125 |
| Beginning Fund Balance | $1,053,786 |
| **Ending Fund Balance – June 30** | **$1,456,911** |

#### D. Reserves

Reserves

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Designated for Economic Uncertainties | $473,972 |
| Facilities Acquisition or Capital Projects | $0 |
| Reserves Required by Charter Authorizer | $0 |
| Other Reserves | $982,939 |
| Unassigned/Unappropriated Fund Balance | $0 |
| **Total Reserves** | **$1,456,911** |

Reserves as a Percentage of Total Expenditures

| **Reserves** | **Percentage of Total Expenditures** |
| --- | --- |
| Designated for Economic Uncertainties | 10.00% |
| Facilities Acquisition or Capital Projects | 0.00% |

**Explanation for reserves designated for economic uncertainties if these reserves exceed the greater of $50,000 or 5 percent of total expenditures:**

At the close of the 2022-23 fiscal year, there was a lot of uncertainty regarding the 2023-24 budget particularly with the extended October deadline for the 2023 taxes. There was uncertainty as to what the cost-of-living-adjustment was going to be and whether or not funding might be reduced if tax collections came in lower than expected. We now know that the State over-appropriated education dollars in 2022-23 and 2023-24, and even though the effects won't be felt until 2024-25, the deficit that the State is facing ($38 billion) will almost certainly impact schools including River Oaks.

River Oaks' board voted to double its reserve for economic uncertainties and raise it to 10% in anticipation of possible cash deferrals and funding cuts in the near future. Maintaining higher reserves allows River Oaks to maintain positive cash flow that will allow the school to meet its fiscal obligations. The higher reserve also allows River Oaks to absorb short-term deficit spending should there be any major cuts to key funding sources such as the LCFF and AB 602. Finally, maintaining an elevated reserve protects the school from having to take out a loan to maintain positive cash flow. These loans come at a significant cost for schools that are forced to take them, and River Oaks wants to make sure that its education dollars are being used for instructional purposes as much as possible.

**Explanation of Other Reserves:**

The $982,939 in Other Reserves is comprised of the ending balances for the following restricted resources:

Educator Effectiveness (R6266) - $14,233

Restricted Lottery (R6300) - $73,474

Special Ed AB 602 (R6500) - $97,641

Arts, Music & Instructional Materials Discretionary Block Grant (R6762) - $211,795

Learning Recovery Emergency Block Grant (R7435) - $242,516

Ethnic Studies(R7810) - $2,838

Fundraising Reserve (R9079) - $800

Parent Advisory Council(R9081) - $951

Mandate Block Grant (R0060) - $121,356

Board Designated Reserve(Facilities) - $150,000

Board Designated Reserve (Technology) - $67,335

The 2 largest reserves belonging to the Arts, Music & Instructional Materials and Learning Recovery Emergency block grants are scheduled to be spent down by 2025-26 and 2027-28, respectively, per statute. The Educator Effectiveness reserve will likewise be fully spent by the end of 2025-26 based on the school's spending plan. The Restricted Lottery reserve is maintained to cover large one-time instructional material purchases as they arise. Similarly, the Special Education AB 602 reserve is available to cover special education encroachment, which River Oaks is expecting in 2023-24 and 2024-25. Finally, the Mandate Block Grant reserve is available to cover one-time costs as necessary.

The board has designated 2 special reserves for facilities and technology. $150,000 has been allocated for improvements and additions to River Oaks' Oxnard facility. Enrollment has been steadily growing in the Oxnard area, and River Oaks will need additional space to accommodate increasing enrollment. This reserve will be used to add space to the existing facility and will include infrastructure upgrades as well as furnishings for this new, in-person instructional space. The board has also designated over $67K towards purchasing and replacing technology for students in 2024-25. River Oaks anticipates an increase in enrollment in 2024-25, which will require a significant investment in computers and hotspots for new students as well as replacement purchases for many of the school's 300+students.

**Explanation for reserves designated for facilities acquisition or capital projects if these reserves exceed the greater of $50,000 or 5 percent of total expenditures:**

[No Response]

**Explanation of school’s unassigned/unappropriated fund balance and details regarding the school’s plans for these funds: *(Optional)***

[No Response]

### Section 3. Pupil-Teacher Ratio

Pupil-Teacher Ratio

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| FY 2022–23 Average Daily Attendance for independent study pupils | 374.59 |
| FY 2022–22 Full-Time Equivalent certificated employees responsible for independent study | 15.36 |
| Among the unified school districts in the county or counties in which the charter school operates, do any districts report a PTR greater than 25 to 1? | [No Response] |
| Provide the name of the unified school district that reports a PTR greater than 25 to 1. | [No Response] |
| Enter the PTR for the district above. | [No Response] to 1 |

### Section 4. Funding Determination Calculations

Calculated Percentages

| **Criteria** | **Funding Determination Calculations** |
| --- | --- |
| Percentage Spent on Instructional Certificated Salaries and Benefits to Total Public Revenues | 56.34% |
| Percentage Spent on Instruction and Related Services and Allowable Facility Costs | 76.99% |
| 2022–23 Pupil-Teacher Ratio | 24.39 to 1 |
| Pupil-Teacher Ratio of Largest Unified School District in the County or Counties in which the Charter School Operates | [No Response] to 1 |

### Section 5. Supplemental Information

#### A. Virtual Charter Schools

Virtual Charter Schools

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Is this charter school a virtual or on-line charter school as defined in 5 *CCR* Section 11963.5? | No |
| If yes, can the charter school demonstrate compliance with 5 *CCR* sections 11963.5(b)(2) to (8)? | [No Response] |

#### B. Entity and Contract Information

Entity and Contract Information

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Did any entity receive or will receive $50,000 or more or 10% or more of total expenditures from the school in FY 2022–23 or FY 2023–24? | Yes |
| Number of reportable entities | 5 |

##### List of Reported Entities

Reported Entity 1

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Name of Entity | Water Court, LLC |
| Amount | $153,723 |
| Purpose/Explanation | Rent for Westlake resource center |
| Are contracts based on specific services rendered? | Yes |
| If no, are payments based on amount per ADA or some other percentage? | [No Response] |

Reported Entity 2

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Name of Entity | Edward J. Banman |
| Amount | $102,038 |
| Purpose/Explanation | Rent for Oxnard resource center |
| Are contracts based on specific services rendered? | Yes |
| If no, are payments based on amount per ADA or some other percentage? | [No Response] |

Reported Entity 3

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Name of Entity | CharterSafe |
| Amount | $66,332 |
| Purpose/Explanation | Property and liability insurance |
| Are contracts based on specific services rendered? | Yes |
| If no, are payments based on amount per ADA or some other percentage? | [No Response] |

Reported Entity 4

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Name of Entity | Tutor Me, LLC |
| Amount | $99,500 |
| Purpose/Explanation | Tutoring services for students |
| Are contracts based on specific services rendered? | Yes |
| If no, are payments based on amount per ADA or some other percentage? | [No Response] |

Reported Entity 5

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Name of Entity | Ventura County Schools Business Services Authority |
| Amount | $267,347 |
| Purpose/Explanation | Back-office services |
| Are contracts based on specific services rendered? | Yes |
| If no, are payments based on amount per ADA or some other percentage? | [No Response] |

#### C. Current Governing Board Information

##### List of Board Members

Board Member 1

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Terri |
| Last Name of Board Member | Childs |
| Title of Board Member | Chairman of the Board |
| Board Member Type | community member |
| How was this member selected? | voted in by board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 06/23 - 06/26 |

Board Member 2

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Carrie |
| Last Name of Board Member | Van Acker |
| Title of Board Member | Vice Chairman |
| Board Member Type | community member |
| How was this member selected? | voted in by board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 10/21 - 10/24 |

Board Member 3

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Brittany |
| Last Name of Board Member | Savin |
| Title of Board Member | Secretary |
| Board Member Type | community member |
| How was this member selected? | voted in by board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 08/23 - 08/26 |

Board Member 4

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Kimberly |
| Last Name of Board Member | Perosio |
| Title of Board Member | Parliamentarian |
| Board Member Type | community member |
| How was this member selected? | voted in by board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 01/24 - 01/27 |

Board Member 5

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Benny |
| Last Name of Board Member | Martinez |
| Title of Board Member | Treasurer |
| Board Member Type | community member |
| How was this member selected? | voted in by board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 08/21 - 08/24 |

### Section 6. Mitigating Circumstances

**Explain why the charter school did not meet the criteria for the funding level requested. Include specific measures or actions taken by the charter school to comply. List and explain the mitigating circumstances to be considered by the CDE and ACCS.**

In 2022-23, River Oaks received 2 large, one-time grants totaling $468,291 ($225,775 for the Arts, Music & Instructional Materials Discretionary Block Grant and $242,516 for the Learning Recovery Emergency Block Grant). Both of these grants are meant to be spent over a period of 4-6 years (2025-26 deadline for AMIM and 2027-28 for LRE). However, in the short-term, since both of these grants allow for a fund balance, they inflated River Oaks' total revenues for 2022-23 and added to the school's ending balance.

When comparing total instructional expenditures in 2022-23 against the total revenues that were received, River Oaks ended up spending 76.99% of its revenues on instructional expenditures. However, when you factor out the unspent dollars from the 2 grants mentioned above, which totals $454,311, River Oaks spent 84.45% of its remaining revenues on instructional expenses. Another way of looking at this is that River Oaks would've met its spending obligations in 2022-23 if these 2 grants were treated as unearned revenue similarly to the CTEIG and ESSER grants. If this were the case, then only the spent portions of these grants would have been recognized as revenue in 2022-23. In terms of the calculation described above, the math breaks down as follows:

Total instructional expenses: $3,959,317.

Total revenues: $5,142,843. Total revenues minus unspent portion of AMIM and LRE grants: $5,142,843 - $454,311 = $4,688,532.

Recalculated instructional percentage based on adjusted revenue: $3,959,317 / $4,688,532 = 84.45%.

It is important to note that these 2 large grants are unique and uncommon when viewed against the history of school finance. Even with a 13.26% COLA, California was still well shy of meeting its Prop 98 obligations to education last year, which is a primary reason why the State issued these 2 large, one-time grants. In hindsight, it turns out that California over-appropriated the dollars that went to schools in 2022-23 as well as 2023-24, and it remains to be seen how the State plans on correcting this. It is very possible that the State may take back a significant portion of these grants in the future. Alternatively, the State may underfund certain revenue sources (LCFF, AB 602, ELO-P) knowing that most schools are sitting on significant reserves from these 2 grants. With all that being said, in a normal year without such large, one-time grants, River Oaks would have easily met its spending obligations. As things stand, River Oaks may end up returning some of these dollars or have to rely on them to weather the possibility of deficited funding in the future.

To further emphasize the uniqueness of these 2 grants, please keep in mind that even though River Oaks recognized $225,775 for the AMIM grant, the school only received $119,584 during the school year. During the year, with uncertainty surrounding State revenue collections, the State only released 50% of the full allocations for the AMIM grant. The prevailing thought was that this was all that schools would receive. However, by the end of the school year, we discovered that this grant would only receive a small reduction. River Oaks' auditor advised us to recognize the balance of the grant that was owed (about $106K) even though River Oaks didn't receive the rest of this grant until the 2023-24 school year (October 2023).

Similarly, only 50% of the full LRE allocation ($141,657) was sent out in November 2022, and even though the remaining 50% was eventually released ($141,656), it didn't arrive until the end of the school year in April 2023. Even then, River Oaks had to set up a payable to the State in the amount of $40,797 at the end of the year to account for the funding cut to this grant. Also, by the time the 2nd allocation was received, there was very little time left in the school year to spend down this grant, which had very specific allowable expenses. This grant did not have the same kind of flexibility as the AMIM grant. Finally, given the fact that a 2nd allocation of the AMIM grant wasn't issued during the 2022-23 fiscal year, there was always the chance that the same was going to happen with the 2nd allocation of the LRE grant. Overall, when you look at the $106K receivable for the AMIM grant and the $101K balance of the 2nd payment for the LRE grant, the total is $207K. Given the fact that River Oaks missed the 80% spending threshold by a little less than $177K, this $207K that wasn't expected or even available for most of the year should be weighed heavily when considering River Oaks' mitigating circumstances.

For all the reasons noted above, River Oaks believes it is fair to recalculate the instructional percentage by leaving out the amounts for the AMIM and LRE grants. Please keep in mind that River Oaks was also a California Distinguished School last year. River Oaks continually devotes its resources towards providing students with the highest quality instructional services and materials with the purpose of giving its students the best education possible. With the lack of one-time funding available in 2023-24, River Oaks is committed to complying with all the requirements of SB 740. Rest assured, the school's inability to meet the 80% spending threshold in 2022-23 was an anomaly based on unique circumstances (massive 13.26% COLA and 2 large, one-time grants) that are unlikely to happen again especially in the current economic climate.

### Section 7. Additional Information

**Provide any other pertinent information that may assist the CDE and ACCS in conducting a detailed review or develop a reasonable basis for a recommendation.**

Please reference the following links that reference the designation of River Oaks' reserves by the school's board of directors.

Link to 1/11/2024 board agenda: https://app.beehively.com/beehively/cms/admin/sites/765/files/102735/cdn\_url.pdf Action item #10 on page 7 of the agenda designates certain portions of River Oaks' reserve.

Link to 1/11/2024 minutes: https://app.beehively.com/beehively/cms/admin/sites/765/files/102740/cdn\_url.pdf

Page 7 of the minutes for the 1/11/2024 board meeting records the minutes for action item #10. All board members in attendance voted in favor of designating River Oaks' reserve as outlined in the agenda item. Specific details on River Oaks' reserve can be found earlier in this funding determination under the section pertaining to reserves. Additional documentation can be provided upon request if further clarification is needed.

### Section 8. Certification

**1) The information provided is true and correct to the best of my ability and knowledge.**

**2) This charter school's nonclassoom-based instruction is conducted for and substantially dedicated to the instructional benefit of the school's students.**

**3) This charter school's governing board has adopted and implemented conflict of interest policies.**

**4) All of the charter school's transactions, contracts, and agreements are in the best interest of the school and reflect a reasonable market rate for all goods, services, and considerations rendered for or supplied to the school.**

**Enter your name below which will serve as a signature and certify agreement with all of the above terms.**

Claudia Weintraub

**Indicate whether the certification is from the charter school's director, principal, or governing chairperson:**

Director

1. Includes Public Charter Schools Grant Program funds, if applicable [↑](#footnote-ref-1)
2. Includes In-Lieu of Property Taxes, if applicable [↑](#footnote-ref-2)