

Nonclassroom-Based Funding Determination Form

Instruction Guide

Version 4.1 | Fiscal Year 2022–23

Revision History

Version Number	Revision Date	Section	Summary of Changes
v 4.1	12/2022	All Sections	Updates to email address
v 4.0	10/2022	All Sections	Updates for the 2022–23 fiscal year
v 3.0	11/2021	All Sections	Updates for the 2021–22 fiscal year
v 2.0	11/2020	All Sections	Updates per Senate Bills 98 and 820
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Glossary

Below is an alphabetical list of acronyms, initialisms, and terms that are frequently referenced throughout this document.

- ACCS: Advisory Commission on Character Schools
- ADA: Average Daily Attendance
- CCR: California Code of Regulations
- CDE: California Department of Education
- CSAM: California School Accounting Manual
- CTC: Commission on Teacher Credentialing
- EC: Education Code
- FDF: Funding Determination Form
- FTE: Full-Time Equivalent
- FY: Fiscal Year
- LCFF: Local Control Funding Formula
- LEA: Local Educational Agency
- NCB: Nonclassroom-Based
- P-2: Second Principal
- PCSGP: Public Charter School Grant Program
- PTR: Pupil to Teacher Ratio
- SB: Senate Bill
- SBE: State Board of Education

Background

Senate Bill 740 (Chapter 892, Statutes of 2001) improved the oversight of nonclassroom-based (NCB) charter schools by directing the California State Board of Education (SBE) to adopt regulations establishing a process for funding NCB charter schools. SB 740 amended California *Education Code (EC)* Section 47612.5 and added *EC* Section 47634.2.

SB 740 is available to be viewed online at http://www.leginfo.ca.gov/pub/01-02/bill/sen/sb_0701-0750/sb_740_bill_20011014_chaptered.pdf. *EC* sections 47612.5 and 47634.2 are available to be viewed on the California Legislative Information website at <http://leginfo.legislature.ca.gov/faces/home.xhtml>.

Pursuant to *EC* Section 47612.5(e)(1), average daily attendance (ADA) can only be considered classroom-based if instruction meets all of the following conditions:

- Classroom-based instruction occurs only when charter school pupils are engaged in educational activities required of those pupils and are under the immediate supervision and control of an employee of the charter school who possesses a valid teaching certification, in accordance with *EC* Section 47605(l).
- For purposes of calculating ADA for classroom-based instruction apportionments, at least 80 percent of the instructional time offered by the charter school shall be at the school site, and the charter school shall require the attendance of all pupils for whom a classroom-based apportionment is claimed at the school site for at least 80 percent of the minimum instructional time required to be offered, pursuant to *EC* Section 47612.5(a)(1).

Classroom-based instruction is further defined in *California Code of Regulations*, Title 5 (5 *CCR*) Section 11963.

ADA not meeting all of the aforementioned conditions is considered NCB ADA. A charter school may receive funding for its NCB ADA only if a determination of funding is made pursuant to *EC* Section 47634.2.

Purpose

The purpose of this guide is to provide information about the NCB funding determination request process. Additional information regarding determination of funding requests and instructions on how to apply for a determination of funding, is also available on the California Department of Education (CDE) Nonclassroom-Based Determination of Funding web page at <https://www.cde.ca.gov/sp/ch/nclrbifunddet.asp>. Questions may also be sent by email to FundingDeterminations@cde.ca.gov.

Please note that the NCB funding determination process differs for new NCB charter schools, existing NCB charter schools, and charter schools that are not NCB. For the purposes of the NCB funding determination process, an NCB charter school is considered new during its first year of operation and is considered existing if it has existed longer than one year. Charter schools that are not NCB may also become involved in the NCB funding determination process if they foresee the possibility of becoming NCB.

The CDE notes that a temporary prohibition on the creation of new NCB charter schools is in effect until January 1, 2025. Further information is available on the CDE Temporary Prohibition on New NCB Charter Schools web page at <https://www.cde.ca.gov/sp/ch/ncbmoratorium.asp>.

Overview

This section addresses the who, what, when, where, and why of the determination of funding process.

Who

Who is required to submit a nonclassroom-based funding determination request?

New Nonclassroom-Based Charter Schools

New NCB charter schools must submit a funding determination request to receive funding for NCB ADA.

The CDE notes that from January 1, 2020, to January 1, 2025, the approval of the petition for the establishment of a new charter school, as defined by *EC* Section 47612.5(e)(2), is prohibited. Additional information on this subject is available on the CDE Temporary Prohibition on New NCB Charter Schools web page at <https://www.cde.ca.gov/sp/ch/ncbmoratorium.asp>.

Existing Nonclassroom-Based Charter Schools

To continue receiving funding for NCB ADA, existing NCB charter schools whose funding determination expires at the end of fiscal year (FY) 2022–23 must submit a funding determination request by **February 1, 2023**. Audited data from FY 2021–22 should be used to complete the NCB Funding Determination Form (FDF).

Classroom-Based and Combination Charter Schools

Classroom-based and combination charter schools **are not** required to obtain a funding determination. However, for charter schools who offer a combination of classroom-based and NCB instruction, and whose NCB ADA is near 20 percent of the school's total ADA, the CDE recommends obtaining a funding determination in the event that the school's NCB ADA increases unexpectedly, which, without a funding determination, would result in the school becoming ineligible to receive funding for its NCB ADA.

A classroom-based or combination charter school that maintains its NCB ADA below the 20 percent maximum is not positively or negatively impacted by having a funding determination.

What

What financial information does a charter school use to complete a nonclassroom-based funding determination request?

New Nonclassroom-Based Charter School

A new NCB charter school uses its July 1 budget estimates from its first year of operation. Generally, the total revenues, expenditures, and fund balances reported on the FDF should agree with the charter school's July 1 preliminary budget that was filed with its charter authorizer, pursuant to *EC* Section 47604.33(a).

The CDE notes that from January 1, 2020, to January 1, 2025, the approval of the petition for the establishment of a new charter school, as defined by *EC* Section 47612.5(e)(2), is prohibited. Additional information on this subject is available on the CDE Temporary Prohibition on New NCB Charter Schools web page at <https://www.cde.ca.gov/sp/ch/ncbmoratorium.asp>.

Existing Nonclassroom-Based Charter School with a Funding Determination

An existing NCB charter school uses its annual independent financial audit report data from the FY prior to the FY in which the charter school's funding determination will expire. This means that a school whose funding determination expires at the end of FY 2022–23 should use audited data from FY 2021–22 to complete the NCB FDF.

Generally, the total revenues, expenditures, and fund balance that are reported on the FDF should agree with the total revenues, expenditures, and fund balance from the charter school's audited financial data.

Existing Charter School without a Funding Determination

An existing charter school without a funding determination in the prior year uses current year budget data to complete the FDF.

Both New and Existing Charter Schools

For both new and existing charter schools, the CDE may request additional information to complete its review of a charter school's FDF or to develop a reasonable basis for a recommendation. With the consent of the State Superintendent of Public Instruction, the request for additional information shall be considered a reasonable inquiry to which the charter school must respond, pursuant to *EC* Section 47604.3 and 5 *CCR* Section 11963.4(b).

What happens after a charter school submits a nonclassroom-based funding determination request?

When a timely and complete funding determination request is received and reviewed by the CDE, the CDE forwards its recommendation to the Advisory Commission on Charter Schools (ACCS). The ACCS then reviews the funding determination request at a public meeting and provides its own recommendation. Both the ACCS's and CDE's recommendations are forwarded to the SBE for a final approval of the funding determination. The CDE does not review or process any funding determination requests that it deems incomplete or that are filed past the regulatory reporting deadlines.

Pursuant to 5 CCR Section 11963.4(b), the ACCS and/or the CDE may ask the charter school to provide additional information in order to make possible a more detailed review.

When

When is a charter school required to submit a nonclassroom-based funding determination request?

New Charter School

New charter schools are required to submit the funding determination request by December 1 of their first year of operation.

An NCB funding determination request submitted after the deadline is considered delinquent and cannot be reviewed by the CDE. A delinquent request must be accompanied by an SBE-approved waiver to waive the regulatory deadline. Information regarding obtaining waivers is available on the CDE Waivers web page at <https://www.cde.ca.gov/re/lr/wr/>.

Ninety days after its first year of operation, a new NCB charter school shall also submit unaudited actual expense reports and an FDF based on the school's second-year budget, pursuant to 5 CCR Section 11963.6(a). The CDE refers to this submission as the 90 Day Report.

The CDE notes that from January 1, 2020, to January 1, 2025, the approval of the petition for the establishment of a new charter school, as defined by EC Section 47612.5(e)(2), is prohibited. Additional information on this subject is available on the CDE Temporary Prohibition on New NCB Charter Schools web page at <https://www.cde.ca.gov/sp/ch/ncbmoratorium.asp>.

Nonclassroom-Based Charter Schools with a Funding Determination

To continue receiving funding for NCB ADA, existing NCB charter schools whose funding determination expires at the end of FY 2022–23 must submit a funding determination request by **February 1, 2023**.

Existing Charter School without a Funding Determination

There is no statutory deadline to submit the funding determination request for these schools. However, in order to avoid interruptions to funding, the schools must submit their request by certain dates to be placed on the ACCS and SBE meeting agendas.

Funding determination requests will be agendized according to the table below. The following deadlines provide CDE staff adequate time to review all FDFs received as well as allow the requests to be heard first at the ACCS meeting occurring the month before each SBE meeting:

Deadline for CDE Receipt of FDF	ACCS Meeting	SBE Meeting
December 1, 2022	February 7, 2023	March 8–9, 2023
February 1, 2023	April 18, 2023	May 17–18, 2023
April 1, 2023	June 13, 2023	July 12–13, 2023

Where

Where does a charter school submit a nonclassroom-based funding determination request?

An electronic copy of the completed and signed NCB FDF must be submitted to the CDE via email at FundingDeterminations@cde.ca.gov. It is not required to submit a hard copy to the CDE.

Why

Why must a charter school submit a nonclassroom-based funding determination request?

Without an SBE-approved funding determination, an NCB charter school may not be eligible for funding for any of its NCB ADA.

Local Control Funding Formula Impacts

Pursuant to 5 CCR Section 11963.6(c), determination of funding requests approved by the SBE for existing nonclassroom-based charter schools shall be prospective (not for the current year) and shall be submitted in the FY prior to the year the funding determination will be effective.

A charter school requesting funding for its NCB ADA for FY 2023–24 must have a funding determination request approved by the SBE by its January 2024 meeting. Otherwise, the CDE will not disburse Local Control Funding Formula (LCFF) funds to the charter school any of its NCB ADA beginning with the First Principal (P-1) Apportionment for FY 2023–24. In order to receive disbursement of LCFF funds for NCB ADA for the Second Principal (P-2) Apportionment for FY 2023–24, the funding determination must be approved by the SBE by its May 2024 meeting.

Funding may be adjusted after a funding determination is approved. However, any funding withheld at the 2023–24 P-2 Apportionment will not be adjusted until the following FY, at the 2024–25 P-1 Apportionment certified in February 2025. The charter school's following FY Advance Apportionment funding will also be impacted. Other ADA-driven funding for charter schools, such as lottery funding, may also be impacted.

Additional information about the Principal Apportionment processes and timelines can be found on the CDE Fiscal Calendars web page at <http://www.cde.ca.gov/re/ca/fc>.

Questions regarding the implications to LCFF funding should be directed to the School Fiscal Services Division by email at PASE@cde.ca.gov.

Existing Charter Schools without a Funding Determination

Existing charter schools that have not previously had a funding determination but are providing a combination of both classroom-based and NCB instruction for FYs 2022–23 or 2023–24 should be aware that a funding determination is required to receive LCFF funding for their NCB ADA if their classroom-based ADA falls below the 80 percent minimum in accordance with *EC* Section 47612.5(e)(1). Pursuant to *EC* Section 47612.5(d), charter schools must receive an approved funding determination from the SBE.

Funding Determination Form Instructions

This section is intended to provide detailed instructions for completing the FDF.

The FDF contains seven sections, which are as follows:

- Section I: Charter School Information
- Section II: Financial Information
- Section III: Supplemental Information
- Section IV: NCB Virtual or On-Line Charter Schools
- Section V: Calculated Funding Determination Percentages
- Section VI: Mitigating Circumstances
- Section VII: Certification

Users should download and save the PDF prior to entering data into the form. The recommended program for completing the form is Adobe Acrobat Reader DC. Completing the form using the web browser may result in errors, such as failing to automatically calculate revenues and expenditures.

Section I: Charter School Information

Complete all information fields listed in Section I. The data requested in this section are detailed in 5 *CCR* sections 11963.3(a)(1) to (4).

Indicate which funding determination percentage (i.e., 100 percent, 85 percent, or 70 percent) the charter school is requesting, the number of years of funding that is being requested, and the starting and ending FY period of the request. Pursuant to 5 *CCR* Section 11963.6(a), a new charter school shall only be approved for a funding determination period of two years. Pursuant to 5 *CCR* Section 11963.6(c), an existing charter school shall only be approved for a funding determination period of at least two years and a maximum of five years.

Section II: Financial Information

The data collected in this section is used as the basis for determining the eligible funding determination percentage, pursuant to 5 *CCR* Section 11963.4. For assistance with the definitions needed to complete this section, refer to the definitions outlined in the California School Accounting Manual (CSAM), which is located on the CDE Definitions, Instructions, and Procedures web page at <https://www.cde.ca.gov/fq/ac/sa>.

Section II is divided into the following sub-sections:

- A. Total Resources
- B. Total Expenditures and Other Uses
- C. Revenues Over Expenditures – Surplus or (Deficit)
- D. Fund Balance
- E. Reserves

A. Total Resources

Resources are categorized into four major revenue object classifications: Federal, State, Local, and Other Financing Sources. The data requested in this section are detailed in 5 CCR sections 11963.3(a)(5)(A) and (6).

1. Revenues and Other Resources

a. Federal Revenues (CSAM Object Codes 8100–8299 and Resource Codes 3000-5999)

Federal revenues include federal programs such as Special Education and other federally funded programs.

Federal revenues from the Public Charter Schools Grant Program (PCSGP) must be indicated on Line A.1.a.(i). Per regulations, PCSGP revenues reported on this line are excluded from the SB 740 minimum spending criteria.

b. State Revenues (CSAM Object Codes 8010–8099 and 8300–8599)

State revenues include LCFF funding (e.g., State Aid, Education Protection Account, In Lieu of Property Taxes, and any additional state aid for Minimum State Aid); Lottery Funds; Assembly Bill 602 Special Education Funds; School Facilities Grant Funds; and any other state funded resources.

c. Local Revenues (CSAM Object Codes 8600–8799)

Local revenues include interest income, donations, fundraising proceeds, and other local revenue resources. Local revenues do not include the In Lieu of Property Taxes calculated under the LCFF.

d. Other Financing Sources (CSAM Object Codes 8900–8979)

Other financing sources include proceeds from property sales, loans, and other financing resources.

e. Total Revenues

Total revenues include the sum of the charter school's federal revenues, state revenues, local revenues, and other financing sources. This figure should calculate automatically on the FDF.

B. Total Expenditures and Other Uses

Expenditures are categorized into four major activities: Instruction and Related Services; Operations and Facilities; Administration and All Other Activities; and Other Outgo and Other Financing Uses.

1. Instruction and Related Services

The data requested in this section are detailed in 5 CCR sections 11963.3(a)(5)(B) and (6).

Instruction-related services provide administrative, technical, and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services, and enterprise programs rather than as entities within themselves (e.g., supervision of instruction; library, media, technology services; development of curriculum; school site administration).

Instruction includes the following:

- Activities dealing directly with the interaction between teachers and students, without regard to the instructional location or medium (e.g., classroom instruction, independent study, home/hospital study, work study, computer/distance-based education).
- Services provided in direct support of students (e.g., counseling, health services, physical therapy, occupational therapy, home-to-school transportation, food services).
- School-sponsored extra-curricular or co-curricular activities designed to provide students with experiences such as motivation, and enjoyment and improvement of skills (e.g., athletics, music, debate, public speaking).
- Instructional materials, supplies, and equipment.

a. Salaries and Benefits

Salaries and benefits include those for teachers, aides, specialists, and other personnel who are employees of the charter school and provide direct instruction or related support services to students (e.g., counselors, nurses, physical therapists, occupational therapists, librarians, psychologists, curriculum coordinators, Individualized Education Program coordinators, bus drivers, food services personnel). Salaries and benefits also include personnel costs associated with school-sponsored extra-curricular or co-curricular activities designed to provide students with experiences such as motivation, and enjoyment and improvement of skills.

(i) Certificated salaries and benefits are for all instruction and related employees who possess a valid certificate, permit, or other document equivalent to that

which a teacher in other public schools would be required to hold from the Commission on Teacher Credentialing (CTC) and who work in the charter school in a position required to provide direct instruction or direct instructional support to students.

“Employees” in this category also include the following: (1) special education teachers who possess a valid certificate, permit, or other document equivalent to that which special education teachers in non-charter public schools would be required to hold from the CTC, and who provide direct instruction or direct instructional support to students of the charter school pursuant to a contract with a public or private entity; and (2) individual employees who possess a valid certificate, permit, or other document equivalent to that which the individual would be required to possess in a non-charter public school, issued by the CTC, and who are employed by a local educational agency (LEA), provided all of the following conditions are met: (a) the LEA is the employer of all the charter school’s staff, (b) the governing board of the LEA is the governing authority for the charter school and, (c) the LEA’s employees are assigned exclusively to work at the charter school providing direct instruction or direct instructional support to students or, to the extent that the LEA’s employees are assigned to work at the charter school on a part-time basis, the charter school pays for the services rendered by the employee providing direct instruction or direct instructional support to students on a documented, fee-for-service basis and not, on the basis of a fixed annual amount, fixed percentage of ADA revenue, or other basis that is not related to documented services actually rendered to the charter school.

Under no circumstances shall certificated employees of an LEA be considered employees of a charter school for purposes of this category unless the charter school pays for the services rendered by the LEA’s employees on a documented, fee-for-service basis. For purposes of this section, “employees” also mean qualified persons who provide direct instruction or direct instructional support, that are hired directly by the charter school through an employment services contract based on a documented, fee-for-service basis.

(ii) Classified salaries and benefits are for those employees who do not possess a certificate, permit, or other valid document from the CTC.

b. Books, Supplies, and Equipment

Books, supplies, and equipment include approved textbooks; core curricula materials; instructional or related books and reference materials; instructional or related materials and supplies; food for food services; fuel, oil, tires, and parts for buses; instructional or related vehicles or machinery; computer hardware and software; and equipment.

c. Services and Other Operating Costs

(i) Contracts for instructional services include those for teachers, aides, specialists, and other personnel who provide direct instruction to students pursuant to a contract with a public or private entity. These contracts should exclude those for special education instructors who possess a valid certificate, permit, or other document equivalent to that which special education teachers in non-charter public schools would be required to hold from the CTC, and who provide instruction to pupils of the charter school. Those special education contract amounts should be reported on Line B.1.a.

Other qualified persons who provide direct instruction or direct instructional support, and who are hired directly by the charter school through an employment services contract based on a documented, fee-for-service basis should also be reported on Line B.1.a.

All other contracts for instructional services should be reported on Line B.1.c.(i).

(ii) Contracts for instructional support include those for personnel providing related support services to students (e.g., nurses, physical therapists, occupational therapists, bus drivers, food services personnel. Contracts for personnel costs associated with school-sponsored, extra-curricular or co-curricular activities designed to provide students with experiences such as motivation, and enjoyment and improvement of skills are also included.

(iii) All other instruction related operating costs include travel, conference, and professional development costs for instructional or related personnel; instructional or related professional or consulting service contracts; instructional or related equipment rents, leases, and repairs; instructional or related communication costs; insurance for school buses; and special education excess costs paid to another agency.

d. Total Instruction and Related Services

This is the sum of the charter school's instruction and related services costs. This figure should calculate automatically on the FDF.

2. Operations and Facilities

The data requested in this section are detailed in 5 CCR sections 11963.3(a)(5)(C) and (6).

Operations and facilities include expenditures for activities concerned with securing, keeping open, and maintaining the physical plant, grounds, and equipment necessary for school operations (e.g., custodial, maintenance, grounds keeping, security). Operations and facilities also include facility rents, leases, and utilities, and activities related to facilities acquisition and construction costs.

a. Salaries and Benefits

Salaries and benefits include personnel who provide plant maintenance and operational services (e.g., janitors, gardeners, custodians, grounds keepers, security personnel, other plant services personnel).

(i) Certificated salaries and benefits are for all operations and facilities employees who possess a valid teaching certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold from the CTC.

(ii) Classified salaries and benefits are for those employees who do not possess a certificate, permit, or other valid document from the CTC.

b. Books, Supplies, and Equipment

Books, supplies, and equipment include materials, supplies, and equipment that are needed to keep the physical plant and grounds open, clean, comfortable, in working condition, and a state of repair (e.g., custodial supplies; gardening and maintenance supplies; supplies for operation, repair, and upkeep of equipment, buildings, and grounds; other plant services supplies and equipment).

c. Services and Other Operating Costs

Services and other operating costs include rents, leases, utilities, and repairs.

d. Facility Acquisition and Construction

Facility acquisition and construction include costs of acquiring land and buildings, remodeling buildings, constructing buildings, additions to buildings, and site improvements.

e. Total Operations and Facilities

This includes the sum of the charter school's operation and facilities costs. This figure should calculate automatically on the FDF.

f. Allowable Facility Costs

The data requested in this section are detailed in 5 CCR Section 11963.3(b)(7).

(i) Enter actual square footage of the facility occupied by the charter school.

(ii) Enter the total classroom-based P-2 Apportionment ADA reported in the prior FY (if applicable). Do not include NCB ADA.

(iii) Enter the total student hours attended by NCB students at the school site in the prior FY. The equivalent ADA is equal to 868 hours.

Use time logs or other auditable documentation to support the hours NCB students participated in activities at the school site. Determine the total hours of student attendance on site for the year, which equates to the number of students multiplied by the number of hours each student attended a class or meeting on the school site.

An equivalent ADA is equal to the total student hours attended by NCB students divided by 868 and added to the total classroom-based ADA. However, the student hours attended by an individual NCB student may not exceed the equivalent of one ADA.

The portion of allowable facility costs that can be included as instruction related is limited to the lesser of the total charter school's operations and facilities costs or the total (classroom-based plus equivalent student hours) allowable ADA calculated at \$1,000 per equivalent ADA.

3. Administration and All Other Activities

The data requested in this section are detailed in 5 CCR sections 11963.3(a)(5)(D) and (6).

a. Salaries and Benefits

Salaries and benefits include individuals who provide general administrative services to the overall charter school as a whole, or who provide community services or other services not reported elsewhere.

(i) Certificated salaries and benefits are for all administrative employees who possess a valid teaching certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold from the CTC.

(ii) Classified salaries and benefits are for those employees who do not possess a certificate, permit, or other valid document from the CTC.

b. Books, Supplies, and Equipment

Books, supplies, and equipment include books, reference materials, supplies, vehicles, machinery, and computer hardware and software used in general administration, community services, or activities not reported elsewhere.

c. Services and Other Operating Costs

Services and other operating costs include travel, conference, and professional development costs for administrative personnel; community services personnel or other personnel reported in this category; professional or consulting service contracts; equipment rents, leases, and repairs; communication costs; and property and liability insurance costs. If any or all of these services are provided to the charter school through a contract with an educational management organization or any other public or private entity, the total contract amounts should be separately identified.

Supervisory oversight fees include expenses related to compensating a chartering authority for costs of supervisory oversight of a charter school and engaging in the charter renewal process. These costs are capped at actual costs, not to exceed one percent of the charter school's revenue (or three percent if a chartering authority provides substantially rent-free facilities), pursuant to *EC* Section 47613.

d. Total Administration and Other Activities

This is the sum of the charter school's total administration and other activities costs. This figure should calculate automatically on the FDF.

4. Other Outgo and Other Financing Uses

Other outgo and other financing uses include servicing debt schedules; transferring funds to LEAs or others; other outgo; and transfers to other funds within the charter school.

5. Total Expenditures

This is the sum of the charter school's total instruction and related services costs, total operations and facilities costs, total administration and other activities costs, and other outgo and other financing uses costs. This figure should calculate automatically on the FDF.

C. Revenues Over Expenditures – Surplus or (Deficit)

The data requested in this section are detailed in 5 *CCR* Section 11963.3(a)(5)(F).

An operating surplus is reported when total resources exceed total expenditures. An operating deficit occurs when the total expenditures exceed total resources. This figure should calculate automatically on the FDF.

D. Fund Balance

The data requested in this section are detailed in 5 *CCR* Section 11963.3(a)(5)(A).

The ending fund balance is equal to the ending fund balance from the prior FY plus the current FY's operating surplus or operating deficit. The ending fund balance is further separated into reserve components on Lines E.a through E.e. This figure should calculate automatically on the FDF.

E. Reserves

The data requested in this section are detailed in 5 CCR Section 11963.3(a)(5)(F).

a. Designated for Economic Uncertainties

Enter the amount set aside by the charter school as reserves for economic uncertainties

For Designated for Economic Uncertainties reserves reported on Line E.a in excess of the greater of \$50,000 or five percent of total expenditures, an explanation must be provided in Section III: Supplemental Information (Item 6) as to why reserves are maintained at that level.

b. Facilities Acquisition or Capitol Projects

Enter the amount set aside by the charter school for the purchase of a facility or leasehold capital improvements.

For Capital Projects reserves reported on Line E.b in excess of the greater of \$50,000 or five percent of total expenditures, an explanation must be provided in Section III: Supplemental Information (Item 6) as to why reserves are maintained at that level.

c. Reserves Required by Charter Authorizer

Enter the amount set aside by the charter school for the additional reserves agreed to with the chartering authority

d. Other Reserves

Enter all other reserves set aside by the charter school for other purposes.

Explain the purpose for the other reserves in Section III. Supplemental Information (Item 5).

e. Unassigned/Unappropriated Fund Balance

Enter the unobligated reserves that have not been set aside by the charter school on Lines E.a through E.d.

f. Total

This is the sum of the charter school's total reserves. **The amount must agree with the ending fund balance on Line D.b.** This figure should calculate automatically on the FDF.

Section III: Supplemental Information

1. Pupil to Teacher Ratio

The data requested in this section are detailed in *EC* section 51745.6 and 5 *CCR* Section 11704.

The ratio of ADA for independent study pupils to full-time equivalent (FTE) certificated employees responsible for independent study shall not exceed a pupil to teacher ratio (PTR) of 25:1 or the ratio of pupils to FTE certificated employees for all other educational programs operated by the largest unified school district in the county or counties in which the charter school operates.

For the purposes of this section, an FTE certificated employee means an employee who is required to work a minimum six-hour day and 175 days per FY. Part-time positions shall generate a partial FTE on a proportional basis. For existing charter schools, the PTR is calculated and based on the charter school's prior year P-2 Apportionment ADA. The ratio of ADA for independent study pupils to FTE certificated employees responsible for independent study shall not exceed a PTR of 25:1 or the ratio of pupils to FTE certificated employees for all other educational programs operated by the largest unified school district in the county or counties in which the charter school operates.

2. \$50,000 or 10% of Total Expenditures

The data requested in this section are detailed in 5 *CCR* Section 11963.3(b)(3).

If applicable, provide a list of entities that received in the previous FY or will receive in the current FY \$50,000 or more, or 10 percent or more of the charter school's total expenditures, cumulatively. Identify the amount received by each entity and whether each of the contract payments is based on specific services rendered, or upon an amount per unit of ADA or some other percentage.

3. Current Governing Board

The data requested in this section are detailed in 5 *CCR* Section 11963.3(b)(4).

Provide an identification of the members comprising the charter school's governing board and a description of how those members were selected. Also indicate whether the governing board has adopted and implemented conflict of interest policies and procedures; and whether any of the governing board members are affiliated in any way

with any of the entities reported, per the contract payments reporting requirements. If so, explain how the governing board members are affiliated with the entities.

4. Transfers

The data requested in this section are detailed in 5 *CCR* Section 11963.3(b)(5).

Provide an explanation and description of all transfers reported and identified in Section II: Financial Information, Other Outgo and Other Financing Uses.

5. Other Reserves

If applicable, provide a listing and the amounts of each of the Other Reserves reported on Line III.E.d.

6. Excess Reserves

If a charter school opts to include facility costs as an instructional cost, the following must be provided: the total annual facility-related and operational cost; the total facility square footage occupied by the charter school; the total prior year P-2 classroom-based ADA; and the total student hours attended by NCB students at the charter school site.

7. Average Daily Attendance

Enter the charter school's certified FY 2021–22 P-2 Apportionment ADA if the school was in operation during that year, and the charter school's budget P-2 Apportionment ADA for the current year.

8. Full-Time Equivalent Employees

Enter the number of FTE employees who possess a valid teaching certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold issued by the CTC and who work in the charter school in a position required to provide direct instruction or direct instructional support to students. For purposes of this requirement, direct instructional support includes activities that are directly related to student instruction that are performed by qualified certificated persons such as curriculum coordinators, individualized education plan coordinators, librarians, counselors, psychologists, and nurses.

Section IV: Nonclassroom-Based Virtual or On-Line Charter Schools

Indicate whether the charter school is a virtual or on-line charter school, which is defined as a charter school that provides teaching and student interaction on the Internet for at least 80 percent of the time, pursuant to 5 *CCR* Section 11963.5.

Section V: Calculated Funding Determination Percentage

The results of the FDF are calculated and displayed in this section. Data input is not needed for this section. The two percentages displayed must meet the funding determination criteria for the charter school’s requested funding determination. 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 total public revenues (which includes federal revenues, state revenues, and local revenues from in-lieu property taxes) on salaries and benefits for all employees who possess a valid teaching certificate
- Spend at least 80 percent of total revenues on instruction and related services
- Maintain a ratio of ADA for independent study pupils to full-time certificated employees that does not exceed a 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 expenditure and PTR criteria for all funding levels for NCB instruction are summarized in the table below:

Funding Level	Percent of Public Revenues Spent on Certificated Salaries and Benefits	Percent of All Revenues Spent on Instruction and Related Services	Pupil-Teacher Ratio
100%	≥ 40%	≥ 80%	≤ 25 to 1
85%	≥ 40%	≥ 70%	Not Applicable
70%	≥ 35%	≥ 60%	Not Applicable
0%	< 35%	< 60%	Not Applicable

Pursuant to EC Section 47612.5(d)(2), a determination of funding may not exceed five years. It is the CDE’s current practice to recommend time periods between two to four years based on the number of years a charter school has been in operation and the number of times it has obtained a funding determination. 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.

Section VI: Mitigating Circumstances

If a charter school does not meet the spending criteria for the funding determination requested, the charter school may provide mitigating circumstances for consideration by the ACCS for making a recommendation for funding other than one that results from the criteria specified in the regulations.

Regulations specify that mitigating circumstances may include, but are not limited to, the following:

- One-time or unique or exceptional expenses
- Size of the charter school
- Number of years the charter school has been in operation

An NCB charter school choosing to provide mitigating circumstances must complete this section. Supporting documentation should be submitted to the CDE with the charter school's FDF.

Section VII: Certification

Pursuant to 5 *CCR* Section 11963.3(b)(1), the charter school's director, principal, or governing board chairperson shall sign the certification. The certification may either be a digital signature or a scan of a wet signature. Submission of an FDF without a signed certification will be deemed an incomplete submission by the CDE.