

This document was provided, as is, to the California Department of Education (CDE) by **California Innovative Career Academy**. This document is posted to the CDE website to meet the legal requirements of California *Education Code* Section 33009.5.

For more information regarding the content of this material, please contact the Charter Schools Division by phone at 916-322-6029 or by email at charters@cde.ca.gov.

Nonclassroom-Based Funding Determination Form - Fiscal Year 2022-23

Information collected on this form is pursuant to *California Code of Regulations*, Title 5 (5 CCR). Instructions for completing this form can be found on the California Department of Education (CDE) website at <https://www.cde.ca.gov/sp/ch/nclrbifunddet.asp>.

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.

Section I. Charter School Information (Complete fields 1-18) 5 CCR 11963.3(a)(1) to (4)

1. Charter School Name California Innovative Career Academy
2. Charter School Authorizer Twin Rivers Unified School District
3. Charter School Number 2072 4. CDS Code 34765050139584
5. Street Address 1333 Grand Avenue
6. City Sacramento 7. County Sacramento 8. Zip Code 95838
9. Contact Name Murdock Smith 10. Title Executive Director/CEO
11. Phone Number 916-844-2283 ext. 12. Email murdock.smith@hccts.org
13. Grade Levels Served 9-12 14. Date Charter Expires (MM/DD/YYYY) 6/30/2024
15. Funding Level Requested (Select one) 100% 85% 70%
16. Years Requested (Select one) 2 3 4 5
17. Funding Determination Period Requested FY 2023-24 to 2024-25
18. Charter School Deadline - Select one
 - Due Date: 12/1/22 To be heard at the March State Board of Education (SBE) meeting
 - Due Date: 2/1/23 To be heard at the May SBE meeting
 - Other Funding Determination (Specify in Section VI.3) Source Data FY

- For an existing charter school that does **not** have an active funding determination, please use current-year budget data as the source data to complete the form.
- For an existing charter school with a funding determination that expires at the end of FY 2022-23, use FY 2021-22 audited financial data.
- If an existing charter school with a funding determination misses the February 1 deadline, the governing board of the charter school's authorizing local educational agency will need to request a waiver to submit a late funding determination request. The SBE may approve such waivers under the general authority, under California *Education Code (EC)* sections 33050-33053. Additional information regarding the waiver process is located on the CDE Waivers web page at <https://www.cde.ca.gov/re/lr/wr>.

Section II. Financial Information (Complete sections A, B, D, and E)

A. Total Resources (Complete lines A.1.a to A.1.d)

1. Revenues and Other Resources		5 CCR 11963.3(a)(5)(A) and (6)
a. Federal Revenues	\$1,302,996	
(i) Enter amount of Public Charter Schools Grant Program included under Federal Revenues (Line A.1.a)	\$0	
b. State Revenues	\$15,895,770	
c. Local Revenues	\$5	
d. Other Financing Sources	\$0	
e. Total Revenues (Sum of lines A.1.a to A.1.d)	\$17,198,771	

B. Total Expenditures and Other Uses (Complete lines B.1 to B.4)

1. Instruction and Related Services		5 CCR 11963.3(a)(5)(B) and (6)
a. Salaries and Benefits		
(i) Certificated	\$4,954,874	
(ii) Classified	\$2,573,855	
b. Books, Supplies, and Equipment	\$251,502	
c. Services and Other Operating Costs		
(i) Contracts for Instructional Services	\$180,405	
(ii) Contracts for Instructional Support	\$0	
(iii) All Other Instruction Related Operating Costs	\$2,112,674	
d. Total Instruction and Related Services	\$10,073,310	
2. Operations and Facilities		5 CCR 11963.3(a)(5)(C) and (6)
a. Salaries and Benefits		
(i) Certificated	\$5,562	
(ii) Classified	\$78,954	
b. Books, Supplies, and Equipment	\$12,308	
c. Services and Other Operating Costs	\$0	

B. Total Expenditures and Other Uses (Complete lines B.1. to B.4), continued

d. Facility Acquisition and Construction		\$0
e. Total Operation and Facilities		\$96,823
f. Allowable Facility Costs	5 CCR 11963.3(b)(7)	
(i) Enter the total facility square footage occupied by the charter school	43,716	sqft.
(ii) Enter the total Classroom-Based P-2 ADA reported in the prior FY. DO NOT INCLUDE NCB ADA		
(iii) Enter the total Student Hours attended by the NCB pupils at the school site in the prior FY	206,364	
(iv) Calculated Facilities Costs Lesser of line B.2.e or [(B.2.fii+(B.2.fiii/868)]*1000		\$237,746.54
Allowable (Lesser of line B.2.e or B.2.fiv)		\$96,823.25
3. Administration and All Other Activities		5 CCR 11963.3(a)(5)(D) and (6)
a. Salaries and Benefits		
(i) Certificated	\$12,023	
(ii) Classified	\$184,234	
b. Books, Supplies, and Equipment		\$19,981
c. Services and Other Operating Costs		
(i) Contracts for Other Administrative Services	\$136,822	
(ii) Supervisorial Oversight Fee	\$278,128	
(iii) All Other Administration and Other Activities, Services and Operating Costs	\$195,272	
d. Total Administration and Other Activities		\$826,460
4. Other Outgo and Other Financing Uses		5 CCR 11963.3(a)(5)(E) and (6)
a. Debt Service		\$0
b. Transfers to local educational agencies		\$0
c. All Other Transfers and Outgo		
Note - This must not be a negative value.		
d. Total Other Outgoing and Other Financing Uses		\$0

B. Total Expenditures and Other Uses, continued

5. Total Expenditures \$10,996,594
(Sum of lines B.1.d, B.2.e, B.3.d, and B.4.d)

C. Revenues Over Expenditures - Surplus or (Deficit)

(Line A.1.e minus Line B.5) \$6,202,177

D. Fund Balance (Complete line D.a)

a. Enter Beginning Fund Balance (July 1) 5 CCR 11963.3(a)(5)(A) (\$126,478)
b. Ending Fund Balance - June 30 (Line C plus Line D.a) \$6,075,699

E. Reserves (Complete lines E.a. to E.e)

If reserves in line E.a or E.b are more than \$50,000 or over 5% of total expenditures, provide an explanation in Section III.6, pursuant to 5 CCR 11963.3(a)(5)(F).

	% of Expenditures	
a. Designated for Economic Uncertainties	15%	\$1,649,489
b. Facilities Acquisition or Capitol Projects	20%	\$2,199,319
c. Reserves Required by Charter Authorizer	0%	
d. Other Reserves (Explain in Section III.5)	20%	\$2,226,891
e. Unassigned/Unappropriated Fund Balance	0%	\$0
f. Total (Sum of lines E.a to E.e)	55%	\$6,075,699

Note - Line E.f must agree with Line D.b

Section III. Supplemental Information (Complete lines 1 through 8)

1. Pupil to Teacher Ratio (PTR), pursuant to EC Section 51745.6 and 5 CCR Section 11704

a. Enter the charter school's PTR: 0.00:1 16.96:1
b. If the charter school's PTR in line III.1.a exceeds 25:1, enter the name of the largest unified school district in the county or counties in which the charter school operates:

c. Enter the PTR for the unified school district listed on line III.1.b: 0.00:1

2. Did any entity receive \$50,000 or more OR 10% or more of total expenditures (Line B.5) in the FY 2021-22 OR will receive in the FY 2022-23? (5 CCR 11963.3[b][3]) Yes
 No

If yes to line III.2, list the name of each entity and the cumulative amount received by each entity in Box 2.a on Page 5. Are contract payments made by the charter school based on specific services rendered or upon an amount per unit of average daily attendance (ADA) or some other percentage of the charter school's revenues, enrollment, etc? If yes, identify on Page 5 Box 2.a.

2.a Provide information regarding entity and contract information below. Attach an extra sheet if necessary.

Name of Entity	Amount	Purpose/Explanation	Are contract payments based on specific services rendered?	If no, are payments based on amount per ADA or some other percentage?
Delta Managed Solutions	\$414,796	Back Office Service Provider	No	Yes
Asher College	\$95,573	CTE Pathways - Business Essentials, Medical Office & Medical Ad. Program Services	Yes	
Cosmo Beauty Academy	\$89,953	CTE Pathways - Esthician, Cosmetology and Manicuring Program Services	Yes	
Edmentum	\$52,380	Curriculum	Yes	
Gurnick Academy of Medical Arts	\$141,935	TE Pathways - Medical Assisting Program Services	Yes	
Kaiser Foundation Health Plan	\$397,648	Employee Benefits	Yes	
Sacramento County Office of Education	\$742,836	STRS/PERS	Yes	
Sutter Health Plus	\$384,933	Employee Benefits	Yes	
TCG Administrators	\$296,258	Employee Retirement	Yes	
Twin Rivers Unified School District	\$305,453	Oversight	No	Yes

3. List the charter school's CURRENT governing board pursuant to 5 CCR Section 11963.3(b)(4).				
Name and Title of Board Member	Board Member Type (Parent, teacher, etc)	How was this member selected?	Is the member affiliated in any way with any entity listed in Section III.2?	Board Member Term (From MM/YY to MM/YY)
Ernie Daniels	Community Member	Appointed	No	07/20-07/23
Doyle Radford	Community Member	Appointed	No	03/21-02/24
Matt Powers	Community Member	Appointed	No	03/21-02/24
Sonja Cameron	Community Member	Appointed	No	03/19-01/25
Sharon Rocco	Community Member	Appointed	No	06/21-05/24
Rick Jones	Community Member	Appointed	No	06/21-05/24
Sondra Betancourt	Community Member	Appointed	No	no fixed term
Mary DeChance	Community Member	Appointed	No	01/21-12/23
Mellonie Yang	Community Member	Appointed	No	01/22-01/25

Has the governing board adopted and implemented conflict of interest policies and procedures? Yes No

For any governing board member identified as affiliated with any entity reported above in Section III.2, explain the nature of the affiliation below. Attach an extra sheet if necessary.

4. If transfers are reported on lines B.4.b or B.4.c, describe the nature of the transactions and identify the accounts or entities involved in the transfers pursuant to 5 CCR Section 11963.3(b)(5).

B.4.b

B.4.c

5. If "Other Reserves" are reported on line E.d, explain the purpose for these reserves.

Reserves in Line E.d In anticipation of the deficit spending for the first nine months of FY22-23, we put aside 20%, \$2,226,891, of our reserve to ensure fiscal stability in FY22-23. See attached for further explanation.

E.d

6. If reserves reported on line E.a (designated for economic uncertainties) OR E.b (facilities acquisition or capital projects) exceed the greater of \$50,000 or 5% of total expenditures, explain the need for such excess reserves.

E.a

Reserve for economic uncertainties as enrollment is growing at an exponential pace and future funding is precarious with current economic outlook.

Percentage

E.b

Reserves for Facilities/Capital Acquisitions: Expansion

Percentage

See attached for further explanation

7. Enter the average daily attendance (ADA).

FY 2021-22 P-2 ADA (0.0)

FY 2022-23 P-2 ADA (0.0)

8. Enter the full-time equivalent (FTE) employees working at the charter school that 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 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, pursuant to 5 CCR Section 11963.3(b)(8).

FY 2021-22 FTE (0.0)

FY 2022-23 FTE (0.0)

Section IV. Nonclassroom-Based Virtual or On-line Charter Schools (Complete lines 1 and 2)

1. Is this charter school a virtual or on-line charter school as defined in 5 CCR Section 11963.5? (A virtual or on-line charter school is one in which at least 80% of teaching and student interaction occurs via the Internet.) Yes No

2. If yes to line IV.1, can the charter school demonstrate compliance with 5 CCR sections 11963.5(b)(2) to (8)? Yes No N/A

Section V. Calculated Funding Determination Percentage

1. Percent spent on Certificated Employee Salaries and Benefits to Total Public Revenues 5 CCR 11963.3(c)(1)

Certificated Salaries and Benefits costs Line B.1.a(i)/Federal Revenues Lines A.1.a - PCSGP A.1.a(i) + State Revenues A.1.b

2. Percent spent on Instruction and Related Services to Total Revenues 5 CCR 11963.3(c)(2)

Instructional and Related Services costs Line B.1.d + Allowable Facilities costs 2.f.(iv)/Total Revenues Line A.1.e

Funding Determination Criteria

If the percentages from lines V.1 or V.2 do not meet the spending criteria of the funding level requested as shown below, complete Section VI to provide mitigating circumstances for consideration by the Advisory Commission on Charter Schools (ACCS) for making a recommendation other than one that results from the criteria specified in regulations.

100%	1) Line V.1 must equal or exceed 40 percent, 2) Line V.2 must equal or exceed 80 percent, AND 3) Line III.1.a. PTR cannot exceed 25:1 OR the PTR on line III.1.c, the ACCS shall recommend approval at 100%, unless there is a reasonable basis to recommend otherwise (5 CCR 11963.4[a][3]).
85%	1) Line V.1 must equal or exceed 40 percent, AND 2) Line V.2 must equal or exceed 70 percent but less than 80 percent, the ACCS shall recommend approval at 85%, unless there is a reasonable basis to recommend otherwise (5 CCR 11963.4[a][2]).
70%	1) Line V.1 must equal or exceed 35 percent, AND 2) Line V.2 must equal or exceed 60 percent but less than 70 percent, the ACCS shall recommend approval at 70%, unless there is a reasonable basis to recommend otherwise (5 CCR 11963.4[a][1]).
Denied	1) Line V.1 is less than 35 percent, OR 2) Line V.2 is less than 60 percent, the ACCS shall recommend that the SBE deny the request, unless there is a reasonable basis to recommend otherwise (5 CCR 11963.4[a][4]).

Section VI. Mitigating Circumstances (Complete lines 1-3 and attach any supporting documentation)

1. 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.

See attached

2. List and explain the mitigating circumstance(s) to be considered by the CDE and ACCS.

\$1,189,205 - PPP Loan Forgiveness Revenue (recorded in Local Rev in audit). The school received loan forgiveness in FY21-22 so revenue is recognized in same year however expenses were recognized in the same year the cash was received: FY20-21.

\$375,441 - other one-time revenues recognized in FY21-22 that affect the revenue:expense ratio that would not be a factor in other years. (ELO ESSER II \$37,867; ELO GEER II \$8,691; ELO ESSER III \$24,685; ELO State Res \$42,553; Educator Effectiveness \$53,630; A-G Grants \$128,643; ELO-G \$38,512; ELO-G Para \$20,918; and Ethnic Studies \$19,942.

If the school had not recognized these one-time revenues, the Calculated FD % would be 31.69%/65.05%

3. 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.

See attached

Section VII. Certification (Review, sign, and date)

5 CCR 11963.3(b)(1)

I certify that:

1. The information provided is true and correct to the best of my ability and knowledge.
2. This charter school's nonclassroom-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.

Murdock Smith

Enter Name of Charter School's Director, Principal, or Governing Board Chairperson

Executive Director/CEO

Title of Authorized Individual

Before certifying with electronic/digital signature below, please be sure to check all numerical entries and information provided, and save a copy of this form. Modifications to the information reported on this form cannot be made after the signature field below has been completed. If providing a wet signature instead of an electronic one, please date the signature.

Murdock Smith



Digitally signed by Murdock Smith

Date: 2023.02.28 18:57:24 -08'00'

Signature of Charter School's Director, Principal, or Governing Board Chairperson

Submit completed and electronically signed forms via email to FundingDeterminations@cde.ca.gov.

The CDE no longer requires the following documents:

- Hard copy of the FDF
- Hard or soft copy of the Conflict of Interest Policy

Therefore, please do not submit these documents to the CDE.



Mitigating Circumstances

As California Innovative Career Academy (CICA) wrapped up FY2020-21 and moved into FY2021-22, the school experienced a sharp influx in enrollment. This is reflected in the school's ADA growth when comparing the P-2 of FY2020-21 to that of FY2021-22. CICA began the fiscal year being funded at 234.29 ADA (FY2020-21 P-2) and finished P-2 of FY2021-22 at 1,102.39 ADA, representing a growth multiplier of 4.7. A very large portion of the new student population in FY2021-22 came from countries ravaged by violence and war; to be specific, 295 students from Ukraine and 436 students from Afghanistan. A decision with intention had to be made: does the school freeze enrollment or continue to provide its services to all who came, knowing that they had almost nowhere else to go? Seeing an influx, even into our P-3 annual ADA, we knew morally that there was only one choice: provide the services and support to those in need given the uniqueness of our student body being over the age of 22. This assumption has proven to be true as we had a P-1 ADA of 2,205 in FY2022-23, doubling our FY2021-22 P-2 ADA.

In addition to the drastic increase in enrollment, CICA faced other challenges that hampered meeting the optimal Calculated Funding Determination Percentage:

- **Challenges in Staffing**

- Due to a teacher shortage statewide, we have reserved \$500,000 that has been dedicated to increasing recruitment and education efforts for current staff. This includes building out a para-to-teacher pathway as well as CBEST tutoring for current staff pursuing a career as a



teacher. This amount is accounted for in our 20% reserve for deficit spending.

- **Depending on Substitutes and Internal Substitutes; not properly capturing the realized expenses related to wrap-around services.**
 - To support the massive influx of students an increase in substitute teachers from our internal pool as well as our partners was implemented in FY2021-2022. We increased our core curriculum and wrap-around services such as mentoring and tutoring as well. The parent school, Highlands Community Charter School, absorbed most of these costs (Appendix A). To correct this moving forward extensive training was implemented for Accounts Payable staff and 2 FTEs were added to the Finance department to provide increased levels of oversight and SACS training.
- **One-time funding**
 - A total of \$375,441 in one time grant monies were recognized in FY2021-22 that will not be a factor in future years. This includes ELO ESSER II \$37,867; ELO GEER II \$8,691; ELO ESSER III \$24,685; ELO State Res \$42,553; Educator Effectiveness \$56,630; A-G Grants \$128,643; ELO-G \$38,512; ELO-G Para \$20,918; and Ethnic Studies \$19,942.
 - \$1,189,205 in local revenue from a PPP loan was recognized in FY 21-22. Although all expenses for this program were recognized in FY2020-21 when the cash was received, at the request of our independent auditors revenue was recognized in FY2021-22 due to loan forgiveness being achieved in July 2021.



- If the school had not recognized these one-time revenues, the Calculated Funding Determination Percentages would have been 31.69% and 65.05%.

Board Reserves + Facility Reserves

- A total of 15%, \$1,649,489, was set aside for Economic Uncertainties as enrollment is growing at an exponential pace and future funding is precarious with the current economic outlook. An additional 20%, \$2,199,319, was set aside for Facilities and expansion to support the influx of new students. This includes additional facility space, learning centers, and technology that is issued to each enrolled CICA student.
- Working with stakeholders and our community partners, we realized the demand for our services would only continue to increase in FY2022-23 as we saw growth from FY2021-22 P-2 to our FY2021-22 P-3 Annual. In anticipation of the deficit spending for the first 9 months of FY2022-23 we put aside 20%, \$2,226,891, of our reserve to ensure fiscal stability and no risk of going concern in FY2022-23. (Appendix B)



Appendix A

Internal Coding Review 1.15.23

Sum of GL 2021-22	Lables			
Row Labels	CICA	HCCS	Grand Total	Notes
abc English		290,239.72	290,239.72	Core Curriculum
Burlington English Inc	3,776.00	37,928.00	41,704.00	Core Curriculum
Edgenuity Inc		70,500.00	70,500.00	Core Curriculum
Edynamic Learning, Inc.		7,000.00	7,000.00	Core Curriculum
Pivot Sac		330,250.00	330,250.00	Tutoring
Swing Education, Inc. c/o P2Binvestor, Inc.		280,409.00	280,409.00	Substitutes
Workforce Development Unit		44,350.00	44,350.00	Mentoring Service
Grand Total	3,776.00	1,060,676.72	1,064,452.72	
		ADA	ADA Split	
Highlands		2,647.10	70%	
CICA		1,102.39	30%	
Total		3,749.49		



Appendix B

**California Innovative Career Academy
2022-23 First Interim Budget
BUDGET SUMMARY**

	2022-23 July Budget	Year-To-Date Actuals	2022-23 First Interim Budget	Change
Projected Enrollment:	1,579	-	2,222	643
Projected P-2 ADA:	1,500	-	2,000	499.75
Revenues:				
General Purpose Entitlement	\$ 23,461,176	\$ 3,726,090	\$ 32,268,499	\$ 8,807,323
Federal Revenue	-	-	-	-
Other State Revenue	492,831	86,133	654,728	161,897
Other Local Revenue	-	-	-	-
TTL Revenues	\$ 23,954,007	\$ 3,812,223	\$ 32,923,227	\$ 8,969,220
Expenditures:				
Certificated Salaries	\$ 5,910,219	\$ 1,589,014	\$ 8,882,176	\$ 2,971,958
Non-Certificated Salaries	4,093,524	1,103,073	5,681,491	1,587,967
Benefits	3,807,344	857,627	5,831,711	2,024,366
Books/Supplies/Materials	1,138,000	497,856	2,218,800	1,080,800
Services/Operations	3,601,429	674,382	4,610,373	1,008,944
Capital Outlay	-	-	-	-
Other Outgo	-	-	-	-
TTL Expenditures	\$ 18,550,516	\$ 4,721,951	\$ 27,224,551	\$ 8,674,035
Net Revenues	\$ 5,403,491	\$ (909,729)	\$ 5,698,675	\$ 295,185
Beginning Balance July 1	\$ 2,809,499		\$ 5,888,449	
Ending Balance June 30	\$ 8,212,990		\$ 11,587,124	

