Committee of the Whole

Prospective Process for Prop. 39 Over-Allocations

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What is Proposition 39?

• Passed by California voters in 2000

• **STATE LAW**: Amended Education Code section 47614
  • On an annual basis, a school district must provide facilities to a qualifying charter school sufficient to accommodate the charter school’s total in-district classroom average daily attendance (“ADA”).

• **IMPLEMENTING REGULATIONS**: The law is implemented through regulations adopted by the State Board of Education (Cal. Code Regs. tit. 5, section 11969 et seq.)
  • Over-allocation: Section 11969.8
What is Over-Allocated Space?

• Charter school submits ADA projections to the District for upcoming school year.

• District confirms reasonableness of the projections, and allocates teaching stations (i.e., classrooms), specialized classroom spaces (e.g., science labs), and non-teaching station spaces (e.g., administrative office spaces) to accommodate charter school’s projected ADA.

• If charter school’s actual ADA is less than its projected ADA, and the difference exceeds a threshold amount of 25 ADA or 10% of its projected ADA (whichever is greater), charter school is deemed to have “over-allocated space.”
Charter School Reporting of Over-Allocated Space

• Charter school must notify District when it anticipates that it will have over-allocated space that could be used by District.

• Upon notification, District may elect to use the space for District programs.
  • If District notifies charter school that it intends to use all or a portion of the over-allocated space, payments for over-allocated space and pro rata share payments shall be reduced.
  • If District notifies charter school that it does not intend to use the space, charter school must continue to make payments for over-allocated space and pro rata share payments.
How is Over-Allocated Space Reimbursement Amount Calculated?

• Mandatory reimbursement amount set by formula adopted by SBE’s implementing regulations.

• “Per-Pupil Rate” set yearly by CDE and published online at: https://www.cde.ca.gov/sp/ch/overallocated.asp (for 2018-2019, per-pupil rate was $2,211)

**Example**

(1) Per-Pupil Rate times the difference between Charter School’s actual in-district classroom ADA and the projected in-district classroom ADA upon which the facility allocation was based

$2,211 \times 50 = $110,550$

(2) Per-Pupil Rate times one-half the threshold ADA

$2,211 \times (1/2 \text{ of } 40) = $44,220$

Reimbursement Amount Owed by Charter School to the District

$= $66,330$
# Over-Allocation Reimbursement Example

Charter School’s **Projected** In-District Classroom ADA: **400.00**

<table>
<thead>
<tr>
<th>Charter School’s Actual In-District Classroom ADA</th>
<th>Percentage of Projected In-District Classroom ADA</th>
<th>Reimbursement Amount Owed by Charter School</th>
</tr>
</thead>
<tbody>
<tr>
<td>400.00 (or above) - 360.01</td>
<td>100 (or above) - 90.01</td>
<td>$0.00</td>
</tr>
<tr>
<td>360.00 - 320.00</td>
<td>90 - 80</td>
<td>$44,220.00 - 132,660.00</td>
</tr>
<tr>
<td>319.99 - 280.00</td>
<td>80 - 70</td>
<td>$132,682.11 - 221,100.00</td>
</tr>
<tr>
<td>279.99 - 240.00</td>
<td>70 - 60</td>
<td>$221,122.11 - 309,540.00</td>
</tr>
<tr>
<td>239.99 - 200.00</td>
<td>60 - 50</td>
<td>$309,562.11 - 397,980.00</td>
</tr>
<tr>
<td>199.99 - 160.00</td>
<td>50 - 40</td>
<td>$398,002.11 - 486,420.00</td>
</tr>
<tr>
<td>159.99 - 120.00</td>
<td>40 - 30</td>
<td>$486,442.11 - 574,860.00</td>
</tr>
<tr>
<td>119.99 - 80.00</td>
<td>30 - 20</td>
<td>$574,882.11 - 663,300.00</td>
</tr>
<tr>
<td>79.99 - 40.00</td>
<td>20 - 10</td>
<td>$663,322.11 - 751,740.00</td>
</tr>
<tr>
<td>39.99 - 0.00</td>
<td>10 - 0</td>
<td>$751,762.11 - 840,180.00</td>
</tr>
</tbody>
</table>
Charter School ADA Reporting Obligations

• Charter school must report actual ADA to District every time that charter school reports ADA for apportionment purposes (e.g., P-1, P-2).

• Report must include in-district and total ADA and in-district and total classroom ADA.

• Charter school must maintain records documenting the data contained in reports. Records shall be available on request by District.

Sample reporting format:

<table>
<thead>
<tr>
<th>Charter School Name and Site</th>
<th>In-District ADA (Reporting Period)</th>
<th>Total ADA (Reporting Period)</th>
<th>In-District Classroom ADA (Reporting Period)</th>
<th>Total Classroom ADA (Reporting Period)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter School Name and Site</td>
<td>350.00</td>
<td>378.00</td>
<td>350.00</td>
<td>375.00</td>
</tr>
</tbody>
</table>
Updated LAUSD Procedures for Over-Allocated Space
Charter Schools Division

Over-Allocation Notification
• Publish auditable report summarizing over-allocation data from previous school year, relevant to the delivery of written notifications of the mandatory reimbursement amounts owed.

• Annual reminder sent to each Proposition 39 charter school regarding over-allocation reporting requirements.

• Provide informational workshops for all charter schools applying for facilities under Proposition 39, with specific attention to over-allocation reporting obligations and illustrative examples of reimbursement payments.

• Over-allocation reminders included in December 1 in-District ADA projections sent from District to each Proposition 39 charter school.
FEB
- Over-allocation reminders included in February 1 Preliminary Proposal sent from District to each Proposition 39 charter school.
- Reminders of First Principal Apportionment Proposition 39 reporting deadline, and acceptable format, sent to each Proposition 39 charter school.

APR
- Over-allocation reminders included in April 1 Final Offer sent from District to each Proposition 39 charter school.

MAY
- Include discussion of over-allocation reporting obligations at co-location training workshops for all charter schools that accept offers of space.

JUN
- Reminders of Proposition 39 Second Principal Apportionment reporting deadline, and acceptable format, sent to each Proposition 39 charter school.
Real Estate

Over-Allocation Courtesy Notices, Final Calculation and Preparation of Billing Statements
• Following Office of General Counsel's case-by-case review, prepare timely, auditable billings for execution by the Chief Financial Officer to each Proposition 39 charter school for their over-allocation reimbursement for the previous school year.

• Using illustrative examples, provide notices in October for the current operating year to each Proposition 39 charter school regarding the charter school's potential for over-allocation reimbursement payments if the charter school fails to meet projections.

• Using illustrative examples, provide notices in January for the current operating year to each Proposition 39 charter school regarding the charter school's potential for over-allocation reimbursement payments if the charter school fails to meet projections.

• Using illustrative examples, provide notices in April for the current operating year to each Proposition 39 charter school regarding the charter school's potential for over-allocation reimbursement payments if the charter school fails to meet projections.
Finance

Over-Allocation Collections
AUG

• Review, execute and mail the billings to each Proposition 39 charter school for their over-allocation reimbursement for the previous school year.

SEPT

• Follow up and provide information on collections and payment agreements with Charter Schools that owe on over-allocation.