



December 17, 2010

The Office of Public School Construction (OPSC) recently notified Charter Schools of the ability to access \$10 million in cash proceeds made available by the State Allocation Board (SAB) for purposes of requesting an advance fund release for design and/or site acquisition. The deadline to submit a request was November 19, 2010. At its December 15, 2010 meeting, the SAB authorized the allocation of an additional \$96 million in available cash proceeds to the Charter School Facilities Program (CSFP) for these purposes. Of this amount, \$46 million will be used to fund advance fund releases for Charter Schools that requested consideration for the previous filing round. The allocation of the remaining \$50 million will be determined via a new filing round.

Advance fund release recipients for the \$50 million will be determined via a 30-day filing period from December 31, 2010, through January 31, 2011. During this period, Charter Schools must submit a written request for consideration for an advance fund release. Requests must be physically received by the OPSC by the close of business on January 31, 2011 at the following address:

Attn: Jason Casillas  
Office of Public School Construction  
707 3<sup>rd</sup> Street, 8<sup>th</sup> Floor  
West Sacramento, CA 95605

At the end of the 30-day filing period, if there are more requests received than funds available, a lottery will be held to determine the order in which fund releases will be offered from each respective bond source. Partial fund releases may also be offered should there remain less cash proceeds than the next request on each bond list.

The request for consideration must include a certification from the Charter School that if it does not submit a valid *Fund Release Authorization* (Form SAB 50-05) by the deadline that OPSC will announce at the conclusion of the filing round, the opportunity to receive an advance fund release for the current filing round will be exhausted. The deadline will be determined based on how many requests are granted.

The prerequisites for submitting a Form SAB 50-05 include entering into the Charter School Agreements and having a determination of financial soundness from the California School Finance Authority (CSFA). Recipients will need to work closely with CSFA upon notification to fulfill these requirements. Requests for an advance fund release for site acquisition have the additional requirement of contingent site approval from the California Department of Education and a preliminary appraisal.

Since there is not enough in cash proceeds to provide advance fund releases for all projects, projects that do not receive all of the advance fund releases for which they qualify will remain Inactive Preliminary Apportionments until the SAB allocates additional bond sale proceeds to the CSFP. However, Charter Schools that receive each of the advance fund releases for which their project qualifies will have their apportionments activated and have their statutory timelines resume.

Additionally, per the SAB's action, all Preliminary Apportionments and Unfunded Preliminary Apportionments advance fund releases that do not qualify for funding in either of the filing rounds will now have these amounts placed on the Unfunded Approvals List based on the date of approval of the Preliminary or Unfunded Preliminary Apportionment for consideration in future priority funding rounds when additional cash proceeds become available. In addition, the OPSC has been instructed to analyze whether the current requirements of requesting an apportionment used to govern District projects on the Unfunded Approval List can be fairly applied to CSFP projects. The OPSC will provide additional information on this issue at a future SAB meeting.

Should you have any questions, please feel free to contact me at [jason.casillas@dgs.ca.gov](mailto:jason.casillas@dgs.ca.gov) or (916) 375-4229.

Sincerely,

JASON CASILLAS  
Project Manager  
Office of Public School Construction