

Frequently Asked Questions

Charter School Facilities Program

AVAILABLE FUNDING

Q. *Is there funding available for new charter schools?*

Funding is not currently available for new Charter Schools.

Additional funding may become available for future funding rounds with the passage of a new bond, or if enough bond authority remains at the close of a previous round. The next round is scheduled to close November 2015, with a possible extension to November 2016. The State Allocation Board (SAB) would need to take action to use remaining bond authority to fund a new round.

Q. *Is there funding available for charter schools currently participating in the CSFP?*

To receive funding, charter schools with active Preliminary Apportionments must first have an Unfunded Approval on the Unfunded List. To receive an Unfunded Approval, a charter school will need to convert their Preliminary Apportionment to a Final Apportionment by submitting a complete and valid [Application for Funding \(Form SAB 50-04\)](#). Please refer to the [Conversion Application Submittal Checklist](#) for information on what makes up a complete Form SAB 50-04. Once processed and presented to the SAB, the project will receive an Unfunded Approval, at which time the charter school will need to participate in the [Priority Funding](#) process.

CHARTER HOLDING TITLE

Q. *What is Senate Bill (SB) 592 and how does it affect CSFP projects?*

SB 592 amended the Education Code (EC) to allow charter schools or a Local Governmental Entity (LGE) to hold title to project facilities built under the CSFP. Previously, the district in which the project was physically located was required to hold title to the facilities. The new law went into effect on January 1, 2010. In order to be able to request to hold title, the charter school must not have entered into the Charter School Agreements, or, if already executed, the agreements were entered into prior to January 1, 2010.

Q. *What steps does a charter school that wishes to hold title to CSFP project facilities have to take?*

The charter school must submit a written request to the Office of Public School Construction (OPSC) indicating that it wishes to hold title to the project facilities. The request must justify why title is not vested with either the district where the project is physically located or a LGE. The SAB will review the request to ensure it contains all the necessary information—School Facility Program (SFP) Regulation Section 1859.172.

AGREEMENTS

Q. *What are the different Agreements that make up the Charter School Agreements?*

There are three Charter School Agreements: Memorandum of Understanding (MOU), Funding Agreement, and Use Agreement. The MOU identifies the respective roles and responsibilities of all parties involved: state, charter, and possibly the district, and is required for all CSFP projects. The Funding Agreement pertains to the loan provided by the state for the charter school's 50 percent matching share, and is only required if the charter requested a loan. The Use Agreement is between the school district/LGE and charter school and pertains to the use of the charter facility. This is required if the district holds title.

Q. *Where do I get templates or samples of the Charter School Agreements?*

The [California School Finance Authority \(CSFA\)](#) has templates of the MOU and Funding Agreement. There is no sample of a Use Agreement. The Use Agreement must be written by the charter school and the school district/LGE.

CONVERSION APPLICATIONS

Q. *What are the pupil grant amounts for a conversion application for New Construction?*

The New Construction pupil grants are adjusted annually. The following are the amounts for 2014:

Elementary:	\$9,921
Middle:	\$10,491
High:	\$13,347
Non-severe:	\$18,640
Severe:	\$27,873

Q. *Is there a limit on the number of pupil grants that can be requested for a full funding application for new construction?*

Yes. The charter school may not request more pupils on the Form SAB 50-04 than it requested for its Preliminary Apportionment.

Q. *What is the grant for a rehabilitation project?*

The grant is determined by a dollar per square foot amount based on the project's square footage including the square footage of classrooms, multipurpose rooms, gyms, libraries, and administrative facilities. The rehabilitation project must include at least one classroom. The rehabilitation grants are adjusted annually. The following are the amounts for 2014:

Toilet area:	\$162/square foot
Non-toilet area:	\$292/square foot

Q. *Is there a cap on the grant for a rehabilitation project?*

Yes. A rehabilitation project can be funded up to what the same project would receive if it were a New Construction project based on the loading standards of the classrooms in the project.

Q. *If a charter school is determined to be in an urban area, does it automatically qualify for the urban grant?*

No. To qualify for the urban grant for a New Construction project, new sites must be at least \$750,000 per usable acre, the project must include multi-level construction, and the site size must be 60 percent or less of the California Department of Education (CDE) recommended site size for traditional schools. To qualify for the urban grant for a rehabilitation project, the only requirement is that the site size be 60 percent or less of the CDE recommended site size for traditional schools.

Q. *Is the charter school assured to receive all of the grants requested if the application is approved and apportioned?*

No. The grants requested on the preliminary apportionment application are an estimate of eligible grants only. The final determination of funding will occur at the final apportionment. The OPSC will review the Division of the State Architect (DSA) and CDE approved plans to determine eligible project costs for final apportionment determination.

Q. *Will the total grant amounts be adjusted for inflation or construction cost index increases when a project is converted?*

Yes. The approved preliminary apportionment requested was increased by an inflation factor based on the Marshall Swift Class B Construction

Cost Index to account for inflation as a cushion for projects that do not convert for several years. The Final Apportionment, however, will be calculated using the grant amounts in effect at the time the conversion application is submitted. The amount approved for preliminary apportionment will be the maximum receivable by the charter school should there be no remaining excess funds available.

Q. *How long do we have from the date of apportionment to convert the project?*

Four years with a possible one year extension.

GENERAL QUESTIONS

Q. *Does the charter school have to pay for a portion of a project?*

Yes. For both new construction and rehabilitation projects, the charter must provide a 50 percent matching share. This can come from the charter's own resources, or it can be borrowed from the state and paid back in annual installments for up to 30 years, provided the charter school requested the lease from the state at the preliminary apportionment phase.

Q. *Is advanced funding available for site acquisition or design costs?*

Yes. There is advanced funding available for design for a rehabilitation project and for both site acquisition and design for a new construction project. This funding may be applied for after the preliminary apportionment has been granted and any required Charter School Agreements have been executed. For design funding requests, a [Fund Release Authorization \(Form SAB 50-05\)](#) must be submitted. For advanced site funds, a Form SAB 50-05 and a new Form SAB 50-09 must be submitted along with a preliminary appraisal and a CDE contingent site approval letter. The applicant requesting the release of funds for both site acquisition and/or design must have been deemed and maintained financial soundness status by CSFA.

Q. *Can the funding be used to retrofit an existing building that is not Field Act compliant?*

Yes. New construction CSFP funding may be used for new construction of a charter school facility or to purchase and retrofit an existing building — EC 17078.54(a). The cost of the building purchased is taken from the base grant. The cost of the land is taken from the site acquisition funds.

Q. *Does the project need to be Field Act compliant upon completion?*

Yes. EC 17078.54(c)(1).

Q. *Can CSFP funds be used on leased land?*

Yes. However, the land can only be leased from a school district, and must meet the requirements provided for in SFP Regulation Section 1859.22.

Q. Can New Construction funding be used to reimburse projects that have already been started or completed?

Yes. However, current regulations state that a district or charter must not have occupied the school site before a complete final apportionment Form SAB 50-04 has been submitted to the OPSC and all other SFP requirements have been met including obtaining DSA and CDE approvals for the project.

Q. Can a charter school rehabilitate just one facility like a gym or a library?

No. The charter can rehabilitate multipurpose rooms, gyms, libraries, and administrative facilities, but it must also rehabilitate at least one classroom.

Q. Can a charter use the rehabilitation grant to replace old facilities?

Yes. The funding can be used to replace facilities that are at least 15 years old as long as the new facilities have the same square footage as those replaced.

Q. Can CSFP funds be used on leased buildings?

No. The buildings must be owned; however, the funds

may be used to purchase a building which the charter school was previously leasing.

Q. Can a charter file for eminent domain?

It is our understanding that charter schools cannot do this.

Q. Can a school district file for eminent domain on behalf of a charter school?

We do not see any reason that this could not occur; however, please check with your legal counsel before doing so.