

***Charter School Facilities Program
Spring 2014 CSFP Preliminary
Apportionment Filing Round***



***California School Finance Authority
Spring 2014***

***Charter School
Facilities Program:***

Propositions 47, 55, and 1D

Program Overview



- State provides 50% of project cost as a grant
- Applicant is responsible for 50% of project cost (local matching share)
- Local matching share can be satisfied by lump sum payment or through funding agreement
 - Term not to exceed 30 years
 - Low fixed interest rate, approximately 2.00%
 - Payments made using the intercept mechanism
- Title to project held by school district, local governmental entity, or charter school

Role of CSFA



- Assess financial soundness of applicant
 - Preliminary (initial application)
 - Advance (design and site acquisition)
 - Final apportionment (all permits in place, ready to build)
- Conduct ongoing monitoring of recipients
- On behalf of the State, administer Program agreements

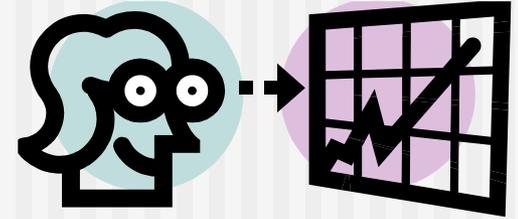
Program Agreements



- Agreements must be executed prior to fund release
- Pursuant to SB 592, not all agreements necessary
- Memorandum of Understanding
 - State, Charter (District or Local Governmental)
- Funding Agreement
 - State, Charter
- Facility Use Agreement, if applicable
 - Charter, District

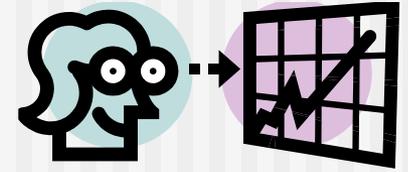
Financial Soundness Process

Financial Soundness Evaluation



- Eligibility criteria
 - Charter in place, 2 years of operations
- Ability to maintain stable financial operations
 - 1X or greater debt service coverage
- Material risks that would threaten the financial or operational viability
 - Civil or criminal disclosures, or threat of charter revocation
- Past, current, and future financial performance
 - audits, budgets, cash flow, reliance on contributions, enrollment and ADA trends and assumptions

Financial Soundness Evaluation (cont.)



- Reasonableness of projections and assumptions
 - Enrollment, ADA, retention rates, contributions
- Student performance trends
 - API scores and AYP criteria met
- Qualifications of management and personnel
 - Resumes, adequacy of expertise
- Standing with authorizer and compliance with charter
 - Good standing notification from authorizer

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