

***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



Program History

- 2002: AB 14 creates “pilot program” for charter facilities, Proposition 47 on ballot
 - \$100 million
- 2003: SB 15 allows for advance apportionments, maximizes # of projects
- 2004: AB 16 puts Proposition 55 on ballot
 - \$300 million
- 2006: AB 127 changes program, Proposition 1D on the ballot
 - \$500 million

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

Required Application Materials



- **2 Sets of Application Required (CSFA Form 03-01)**
 - Submitted simultaneously with SAB Form 50-09
- **Part 1 - Applicant Information**
 - Applicant name and contact information
 - Legal structure/management information
 - EMO Information, if applicable

Required Application Materials



- ***Part 2 – Charter Information***
 - Description of charter curriculum
 - Description of competitive advantage
 - Charter authorizer information
 - Articles of Incorporation and By-Laws
 - Current charter/petition
 - Copy of business or strategic plan

Required Application Materials



- ***Part 2 – Charter Information (continued)***
 - MOU and agreements w/ charter authorizer
 - Enrollment data (and waiting list)
 - Student retention data
 - All student performance data (API, AYP)
 - Key staff information and resumes
 - Governing board information and resumes

Required Application Materials



- ***Part 3 – Financial Information***
 - Organization budgets for the current and future fiscal year
 - Projected income statements, balance sheets, cash flows
 - Audited financial statements for the last three years
 - Current monthly statements, with comparisons
 - Description and verification of contributions from third parties
 - Material contract information

Required Application Materials



- ***Part 4 – Proposed Project Information***
 - Project facility description and location
 - Type of project – construction, renovation, rehabilitation
 - Anticipated project costs, per OPSC’s calculator
 - Anticipated dates of advances for design costs and/or site acquisition

Required Application Materials



- ***Part 5 – Charter Management Experience***

- Eligibility can be met by demonstrating previous California charter school experience
- Information regarding CA charter experience

- ***Part 6 – Guarantor Information***

- Demonstrate financial ability and commitment to guaranty the CSFP obligation
- Commitment Letter
- Legal Status Questionnaire
- Financial and Operational Information

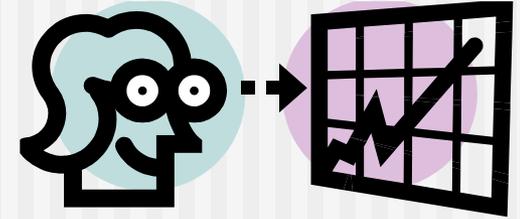
Program Agreements



- 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

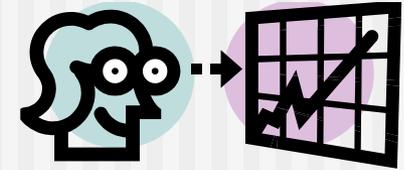
Financial Soundness Process

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

Contact Information



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