

Charter School Facilities Program Proposition 51



2017 Funding Round



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 (held in trust for CA educational system)



Program History

- 2002: AB 14 creates “pilot program” for charter facilities, Proposition 47 on ballot
 - \$100 million
- 2004: AB 16 puts Proposition 55 on ballot
 - \$300 million
- 2006: AB 127 changes program, Proposition 1D on the ballot
 - \$500 million
- 2016: Ballot Initiative, Proposition 51 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
- Administer Program agreements on behalf of the State

Required Application Materials



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

Required Application Materials



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

Required Application Materials



- **Part 2 – Charter Information (continued)**
 - MOU and agreements w/ charter authorizer
 - Enrollment and waiting list data
 - Student retention data
 - Student performance data
 - 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 years
 - Audited financial statements for the last three years
 - Description and verification of contributions from third parties
 - Material contract information
 - Financial information related to guarantor, if applicable

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
 - Anticipated date instructional operations will begin

Required Application Materials



- **Part 5 – Charter Management Experience**
 - For schools with less than 2 years of operations, eligibility can be met by demonstrating previous California charter school experience
 - If organization applying on behalf of schools does not meet 2 year requirement, the following information must be submitted:
 - Education Plan
 - Financial Resources
 - Facilities Expertise
 - Management Experience



Required Application Materials

▪ **Part 6 – Guarantor Information**

- Guarantor can be an individual, government entity, for-profit or non-profit organizations
- Demonstrate financial ability and commitment to guaranty the CSFP obligation
- Completed commitment letter
- Legal status questionnaire
- Financial and operational information

*Online application will be available May 1st



Program Agreements

- Agreements must be executed prior to fund release
- Memorandum of Understanding
 - State, Title Holder (Charter School, District, or Government Entity)
- Funding Agreement
 - State, Charter School
- Facility Use Agreement, if applicable
 - Charter, District (if district is holding title)

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.)



- Enrollment, ADA, retention rates, contributions
- Student performance trends (Smarter Balanced data as reported by CDE)
- Qualifications of management and personnel
 - Resumes, adequacy of expertise
- Standing with authorizer and compliance with charter
 - Good standing notification from authorizer
- Financial Soundness status valid for 12 months

Contact Information



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