

Charter School Facilities Program
Proposition 2
Funding Round

Converting Preliminary Apportionment to Final Apportionment

Overview of CSFA

- The California School Finance Authority was established in 1985 to assist school districts, county offices of education and community colleges in financing working capital and school facilities
- Three-member board:
  - California State Treasurer, Fiona Ma, CPA, Chair
  - Superintendent of Public Instruction, Tony Thurmond, Member
  - Director of Finance, Joe Stephenshaw, Member
- CSFA has administered 15 programs to assist school districts, community college districts, and charter schools since 2002
- Offices in Sacramento and Los Angeles

CSFA Administered Programs

- Charter School Facility Grant Program (SB 740)
- Charter School Facilities Program (CSFP)
- Charter School Revolving Loan Fund Program (CSRLF)
- State Charter School Facilities Incentive Grants Program (Incentives)
- Conduit Financing Program
- Charter School Facilities Credit Enhancement Programs
- *State Aid Intercept Note Program*
- *Charter School Advances of State Aid Payment Program*
- *California Student Housing Revolving Loan Program (Funding Pending)*

CSFP - CSFA Process

1. Application Submitted via On-line Portal to CSFA ✔
2. Preliminary Apportionment Financial Soundness Review ✔
3. **Execution of Program Agreements - Funding Agreements and/or Memorandums of Understanding**
4. **Advance Apportionment Financial Soundness Review – Only for applicants accessing site and design funding**
5. **Final Apportionment Financial Soundness Review**
6. Payments Commence After Occupancy
7. Post Compliance Requirements

CSFP Supporting Documentation – Project/Program

Obligor Confirmation:

- Identify the entity responsible for the 50% local matching share
- Choose between loan repayment or lump sum contribution
- Source and structure of any matching share contributions

Site/Facility Information:

- Documentation for site acquisition and title ownership (if applicable)
- MOU or operational agreement with the chartering authority (if applicable)

Charter & Project Documentation:

- Copy of recent Charter authorization/renewal
- Updated project description (scope, timeline, location, occupancy)
- Reports/evaluations from the chartering authority

CSFP Supporting Documentation - Operational

Enrollment Data:

- Prior 3 years, current & projected enrollment (*through 2030-31 or first two FYs after full occupancy*)
- Demographics: ADA, Free/Reduced-Price Meals, English Learners, Foster Youth
- Waiting list (if available)

Staff & Governance:

- Resumes for key staff (CEO, CFO, Principal, etc.)
- Board members list (name, role, term)
- FTE Teacher data (past, present, projected)

School Performance & Oversight:

- Written report/evaluations from chartering authority on instruction, curriculum, and performance
- Student performance data (3 years)

CSFP – Supporting Documentation - Financials

Audited Financials:

- Last 3 year's audited financial statements (with notes)
- Unaudited Actuals if most recent audit isn't available

Budget Projections

- Current year budget & financial projections
  (*5 FYs or first 2 FYs after full occupancy)*
- Projected income statements, balance sheets, and cash flows
- Include written assumptions for all forecasts

CSFP – Supporting Documentation - Financials

Debts & Contracts:

- List of any borrowing over $50K for terms exceeding one year
- All material contracts and any anticipated contracts involving use of Program funds

Additional Disclosures:

- Completed Legal Status Questionnaire (CSFA 07-04)
- Information on all material contracts and any contract w/ Charter Management Organizations (CMO), if applicable

CSFP – Financial Benchmarks

100% Debt Service Coverage in first two years of repayment

- Supplemental considerations:
  - Enrollment and ADA levels
  - Free Cash Flow per ADA
  - Free Cash Flow
  - Net Working Capital
  - Matching Share Payment relative to Operational Revenues
  - Net Working Capital relative to Operating Expenses

CSFP – Post FSD Notes & Requirements

Financial Soundness Status Valid for 12 months

Awardees must report the following:

- Changes in finances resulting in a decline in debt service coverage
- Material changes that would affect the financial or operational viability
  - Civil or criminal disclosures, or threat of charter revocation
- Changes to project scope
- Changes in standing with authorizer and compliance with charter
- Incurring any additional indebtedness

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