

PROGRAM OVERVIEW

In 2002, Assembly Bill 14 created the Charter School Facilities Program (CSFP). Through the passage of Propositions 47, 55, and 1D, \$900 million has been made available for the new construction of charter school facilities and the rehabilitation of existing school district facilities for charter school use. This program allows charter schools that provide site based instruction to access state facility funding directly or through the school district where the project will be physically located.

The CSFP permits a charter school, or school district filing on behalf of a charter school, to apply for a preliminary apportionment (reservation of bond authority) for new construction projects and rehabilitation of district owned existing facilities that are at least 15 years old. If the application is successful, the charter school that applies independently would receive the funding. In the event that a school district applies on behalf of a charter school, the district would receive the funding. To qualify for funding, a charter school must be deemed financially sound by the California School Finance Authority.

The preliminary apportionment for a CSFP project must be converted within a four-year period to an adjusted grant apportionment meeting all the School Facility Program (SFP) criteria, unless a one-year extension is granted.

PRELIMINARY APPORTIONMENT SUBMITTAL REQUIREMENTS

- » **Completed application form** from the Office of Public School Construction (OPSC) called the *Application for Charter School Preliminary Apportionment* (Form SAB 50-09)
- » **Narrative** description of the project
- » **Recommended Site Size Letter** from the California Department of Education
- » **Charter petition**, approved and valid, with a projected enrollment that supports the number of pupils requested in the application
- » **CSFP Application** and supporting financial documents for determining financial soundness
- » **Evidence that a notification** was delivered to the school district at least 30 days prior to the submission of the application submittal. This allows the district time to create an eligibility certification or enter into the rehabilitation agreement.
- » **Verification of Non-Profit status**, if applicable (for Preference Points purposes)
- » **Drawings of all proposed buildings** including interior dimensions and labeling of facilities (rehabilitation only)
- » **Signed agreement** between the charter school and the school district for the rehabilitation of district-owned facilities (rehabilitation only)
- » **Property Appraisal** or Preliminary Appraisal or Median Cost Evaluation, if requesting funds for site acquisition
- » **Cost documents** (actual costs, historical costs, or flat per-acre rate) from the Department of Toxic Substances Control
- » **Cost Estimate** for site development (actual costs, historical costs, or flat per-acre rate)

FOR ADDITIONAL ASSISTANCE with your CSFP application, please refer to the OPSC website at www.dgs.ca.gov/opsc, which provides direct access to program information, including:

- » SFP Regulations - see Section 1859.160
- » SFP Guidebook
- » SAB Forms
- » Project Manager Assignments

To enrich the lives of California’s school children as stewards of the taxpayers’ commitment to education.

Charter School Facilities Program

New Construction and Rehabilitation
School Facility Program Regulation Section 1859.160

Office of Public School Construction
707 Third Street
West Sacramento, CA 95605

916.376.1771
www.dgs.ca.gov/opsc

PRELIMINARY APPORTIONMENTS

Charter schools that wish to pursue state funding may not have the means to complete a school construction or rehabilitation project without a guarantee of state funding, so their proposed projects are only a concept or an idea based on an approved charter petition. The purpose of a preliminary apportionment is to reserve bond authority for these proposed projects. Preliminary apportionments provide assurance to an applicant that there will be funding available to them in the future so that it can move forward with the planning, design, and execution of its project.

The information provided in a preliminary apportionment application is the basis for determining the apportionment amounts that the applicant will receive, as well as the ranking they will receive compared to the other applicants. It provides the OPSC with the general project information to determine the future new construction or rehabilitation adjusted grant; the grade level of the project, the number of SFP pupils the project will serve, whether or not a site is to be acquired, and if any supplemental grants are requested.

The grant reservation provided in a preliminary apportionment is based on what the applicant believes will be the eventual components of the project. The applicant uses the *Application for Charter School Preliminary Apportionment* (Form SAB 50-09) to request a reservation of a certain number of pupil grants and additional supplemental grants. Many of the grants are based on the same supplemental grant amounts for full funding applications. Other grants are provided using estimates. A built-in inflation factor is also included in the preliminary apportionment to estimate for the inflation of the grants amount over a four year period. These grants are merely used to approximate the appropriate amount of funding needed for the project.

PREFERENCE POINTS AND FUNDING MATRIX

If a CSFP filing round is oversubscribed, projects are ranked using the criteria outlined in Education Code (EC) Section 17078.56. The projects funded must be representative of the following:

- » Various geographical regions of the state
- » Urban/rural/suburban regions of the state
- » Large, medium, and small charter schools
- » Various grade levels of the projects

The law also requires that preference is given to charters in overcrowded school districts, charters in low income areas, not-for-profit charters, and for the use of existing district facilities. A Preference Points calculation system, based on the criteria set above, was developed to determine the projects that will be funded from each of these categories.

PREFERENCE POINTS

Non-Profit Status	40 Points
Rehabilitation Project	40 Points
Low Income Percentage	0—40 Points
Overcrowding Relief	0—40 Points

A funding matrix was developed to ensure that preliminary apportionments are awarded competitively and in compliance with the law. The funding matrix is a combination of the Preference Points and the different classifications of charter schools throughout the state, as described in EC Section 17078.56 (listed above). Projects are funded in order of the most Preference Points within each category.

FREQUENTLY ASKED QUESTIONS

Q. *What steps should be taken by a charter school that wishes to hold title to CSFP project facilities?*

The charter school must submit a written request to the 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 with a Local Governmental Entity. The State Allocation Board will review the request to ensure it contains all the necessary information.

Q. *What are the Charter School Agreements?*

There are three types of 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 and charter school and pertains to the use of the charter facility. This is required if the district holds title.

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 *Application for Funding* (Form SAB 50-04) than the number approved in its preliminary apportionment.

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

Yes. The charter school must provide a 50 percent matching share for all projects, which can come from its own resources or it can be borrowed from the state and paid back in annual installments for up to 30 years, provided that 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 advance funding available for design and site acquisition. This funding may be applied for after the preliminary apportionment has been granted and any required Charter School Agreements have been executed. The applicant requesting the release of funds for both site acquisition and/or design must have been deemed and maintained financial soundness status by the Charter School Facilities Association (SFP Regulation Section 1859.164.2).