

**State of California
Office of Administrative Law**

In re:
California School Finance Authority

Regulatory Action:

Title 04, California Code of Regulations

Adopt sections:

Amend sections: 10170.2, 10170.3, 10170.4,
10170.5, 10170.6, 10170.7,
10170.9, 10170.10

Repeal sections:

**NOTICE OF APPROVAL OF EMERGENCY
REGULATORY ACTION**

**Government Code Sections 11346.1 and
11349.6**

OAL Matter Number: 2018-0420-01

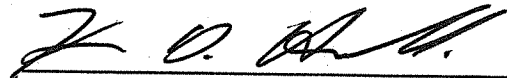
OAL Matter Type: Emergency Readopt (EE)

This emergency rulemaking by the California School Financing Authority readopts amendments made in prior matter No. 2017-1023-02E and makes additional amendments to regulations pertaining to the Charter School Facility Grant Program.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 4/30/2018 and will expire on 7/31/2018. The Certificate of Compliance for this action is due no later than 7/30/2018.

Date: April 30, 2018



Kevin D. Hull
Senior Attorney

For: Debra M. Cornez
Director

Original: Katrina Johantgen, Executive
Director

Copy: Katrina Johantgen

NOTICE PUBLICATION/REGULATIONS SUBMISSION

EMERGENCY

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-	2018-0420-01E	E

For use by Office of Administrative Law (OAL) only

ENDORSED - FILED in the office of the Secretary of State of the State of California

APR 30 2018 1:50 pm

2018 APR 20 P 2:50 OFFICE OF ADMINISTRATIVE LAW

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY California School Finance Authority

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE	
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Charter School Facility Grant Program	1b. ALL PREVIOUS RELATED REGULATORY ACTION NUMBER(S) 2017-0329-01E, 2017-0719-02C, 2017-1023-02E
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (including title 26, if toxics related)
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)
ADOPT
AMEND 10170.2, 10170.3, 10170.4, 10170.5, 10170.6, 10170.7, 10170.9, 10170.10
REPEAL
TITLE(S) 4

3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input checked="" type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify)	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY		
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify)		

7. CONTACT PERSON Katrina Johantgen	TELEPHONE NUMBER (213) 620-2305	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) katrina.johantgen@treasurer.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 4/18/18
TYPED NAME AND TITLE OF SIGNATORY Katrina Johantgen, Executive Director	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

APR 30 2018

Office of Administrative Law

TEXT OF REGULATIONS

CALIFORNIA CODE OF REGULATIONS Title 4, Division 15, Article 1.5 Charter School Facility Grant Program

Section 10170.2. Definitions.

For the purposes of this article, the following words and phrases shall have the meaning as described below:

- (a) "Applicant" shall mean the Charter School, educational management organization, or charter management organization applying on behalf of a Charter School for a grant under this article.
- (b) "Application" shall mean ~~the~~ a completed Charter School Facility Grant Program Online Application (CSFA Form 740-01; revised ~~October 23, 2015~~ December 2017), incorporated herein by reference, as developed by the Authority, and described in section 10170.6.
- (c) "Authority" shall mean the California School Finance Authority.
- (d) "Average Daily Attendance" (ADA) shall mean the unit of attendance, as reported by the Department for the second period of the school year.
- (e) "Average Daily Attendance Cap" (ADA Cap) shall mean for the 2017–18 fiscal year, an amount equal to one thousand one hundred seventeen dollars (\$1,117) per unit of ADA. Commencing with the 2018–19 fiscal year and moving forward, the amount of funding provided per unit of ADA in the preceding fiscal year, as adjusted by the Cost Of Living Adjustment Index or the amount specified in the current Budget Act.
- (f) "Chartering Authority" shall mean the school district, county board of education, or State Board of Education that granted a Charter School's petition to become a Charter School pursuant to Education Code section 47605.
- (g) "Charter School" shall mean a school established and operating pursuant to the Charter Schools Act of 1992 (Education Code section 47600, et seq.). Except where the defined term First Year Charter School is specifically used, Charter School shall also be meant to include schools that otherwise meet the definition of First Year Charter School.
- (h) "Cost Of Living Adjustment Index" (COLA Index) shall mean a percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.
- (i) "Department" shall mean the California Department of Education.
- (j) "Estimated Annual Entitlement" shall mean the estimated grant amount to which a Charter School is entitled as calculated pursuant to section 10170.7 prior to the first apportionment.
- (k) "Final Fiscal Year Entitlement" shall mean the final calculated grant amount to which a Grantee is entitled based on the calculation prescribed in section 10170.8.

- (l) "First Year Charter School" shall mean a school that anticipates beginning operations as a Charter School in the Fiscal Year for which it submits an Application and was not open the previous school year.
- (m) "Fiscal Year" shall mean the school year for which an Application for grant funds is submitted.
- (n) "Free or Reduced-Price Meal Eligibility" or "FRPM Eligibility" shall mean the percentage of enrolled students in grades Kindergarten through 12th grade or students ages 5 through 17, whichever is greater, eligible for free or reduced-price meals, as reported by the Department and certified through the annual Fall 1 data submission to the California Longitudinal Pupil Achievement Data System (CALPADS).
- (o) "Grantee" shall mean a Charter School determined by the Authority to be eligible for a grant.
- (p) "Facility Invoice Expenditure Report" shall mean the annual Charter School Facility Grant Program Facility Invoice Expenditure Report (CSFA Form 740-02; revised ~~March~~ October 2017) herein incorporated by reference.
- (q) "Prior Year" shall mean the school year prior to the school year for which an Application is submitted.

Note: Authority cited: Section 47614.5, Education Code.

Reference: Sections 47614.5, 47600 et seq., and 47605, Education Code.

Section 10170.3. Eligible Applicant.

Any Applicant shall be eligible to apply for a grant if all of the following conditions are met:

- (a) The Application is submitted by or on behalf of a Charter School.
- (b) An approved charter has been awarded, is in place, and is current at the time of Application.
- (c) In the case of a First Year Charter School, a charter petition has been submitted for approval to the Chartering Authority and evidence, such as a copy of the charter petition, is submitted that the school anticipates beginning operations in the Fiscal Year for which an Application is submitted.
- (d) The Charter School meets one of the following criteria:
 - (1) Fifty-five percent (55%) or more of the student enrollment at the charter school site is eligible for prior year FRPM; or
 - (2) The charter school site for which grant funds are requested is physically located in the attendance area of a public elementary school in which fifty-five percent (55%) or more of the pupil enrollment is eligible for prior year FRPM and the school site gives a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter school site is located, as determined by the local school district.
 - (3) First Year Charter Schools not operational in the prior year shall be eligible in the current year if the school meets the FRPM Eligibility requirements based on current year data.
 - (4) ~~In the 2015-2016 fiscal year, the Authority may conduct an additional funding round.~~

- ~~(4)(5)~~ In all subsequent funding rounds, all schools shall adhere to application dates outlined in section 10170.5.
- (e) The Charter School, educational management organization, or charter management organization is not in default with the requirement of all other programs administered by the Authority.
 - (f) The charter school is in good standing with its chartering authority and is in compliance with the terms of its charter at the time of application submission, and without interruption throughout the term of the grant. The Authority will rely on information from the chartering authority regarding the school's good standing and compliance with the terms of its charter. Charter schools may appeal any response by the chartering authority's staff directly to the chartering authority's governing board. It shall be the charter school's responsibility, and not the Authority's, to ensure that the good standing and compliance response letter is received by the stated deadline.
 - (1) Requests for good standing will be sent out to the chartering authority as follows:
 - (A) Upon receipt of the Application;
 - (B) In February, prior to the disbursement of the second apportionment as described in section 10170.9(d); and
 - (C) In June, prior to the disbursement of the Final apportionment as described in Section 10170.9(e).

Note: Authority cited: Section 47614.5, Education Code.

Reference: Section 47614.5, Education Code.

Section 10170.4. Eligible Costs.

- (a) Grant funds may be applied toward a Charter School's facilities costs for all of the following:
 - (1) Costs associated with facility rents or leases as evidenced by an executed rental or lease agreement, ~~and beginning with the 2018-19 funding round, shall be subject to one of the following conditions:~~
 - ~~(A) Reimbursable facility rent or lease costs may not exceed prior year's costs on file with the Authority, adjusted to be consistent with the current year COLA Index; or~~
 - ~~(B) The rent or lease costs of new facility agreements are at or below market rate based on an independent appraisal paid for by the Applicant.~~
 - (2) Costs associated with the facility but not limited to, remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, improving sites, and common area maintenance charges that are based on the Charter School's usage of the facility are limited to maintaining and repairing the facility and its common areas.
 - (3) Costs described in subdivisions (a)(1) and (a)(2) and associated with portions of school district or county office of education facilities that are not existing school district or county office of education facilities and are not reasonably equivalent facilities received from their charter authorities.

- (4) Costs associated with a ground lease as evidenced by an executed rental or lease agreement where there is no existing district facility on the ground being leased.
- (b) Grant funds may not be apportioned for any of the following:
 - (1) Units of ADA generated through non classroom-based instruction as defined in Education Code section 47612.5;
 - (2) Facility rent and lease costs associated with a Charter School's occupancy of existing district or county office of education facilities;
 - (3) Facility rent and lease costs associated with a Charter School's occupancy of reasonably equivalent facilities received from its chartering authority pursuant to Education Code section 47614
 - (4) Costs incurred to meet a Charter School's local match obligation for charter school facilities that receives funds pursuant to the Charter School Facilities Program; or
 - (5) Costs incurred for instructional or administrative costs including, but not limited to, salaries and benefits paid to teachers, instructional aides, the educational management organization or charter management organization responsible for managing the Charter School, or the chartering authority and existing district personnel.
 - (6) Lease costs assessed to the charter school based on grant funds awarded to the school by the Authority during the same funding round.
 - (7) Facility rent and lease costs associated with a facility previously purchased and paid in full by the Charter School with State Charter School Facilities Incentive Grants Program funds unless those costs are associated with capital improvements.
 - (8) Facility rent and lease costs associated with lease-to-purchase agreements where the rent and lease costs lower the final purchase price.
- (c) Grant funds must be expended and liquidated within the guidelines of this article and the Charter School Facility Grant Program.
- (d) No grant, whether for costs described in subdivision (a)(1), (a)(2), or a combination of both, shall exceed the ADA Cap as defined in Section 10170.2 (f) or 75% of the annual facility rent and lease costs for the Charter School for the Fiscal Year for which the Application is submitted, whichever is less.
- (e) Where an application is for multiple school sites, each site's eligibility and costs will be evaluated separately. The ADA applied to the determination of the grant, as described in subdivision (d), shall only be based on the eligible site(s).
 - (1) Where the Charter School's students migrate between eligible and ineligible school sites, the ADA applied shall be based upon the square footage ratio of eligible facilities to all facilities.
 - (2) Where the Charter School's students do not migrate between eligible and ineligible schools sites, the ADA applied shall be based upon the schools self-certification of the ADA for the facility the students are assigned to.

Note: Authority cited: Section 47614.5, Education Code.
 Reference: Sections 47612.5 and 47614.5, Education Code

10170.5. Application Submission.

~~Completed applications and all attachments shall be submitted to the Authority and shall include, at a minimum, the following items. All documents specified below may be submitted via hard copy, CD Rom, or flash drive, except for the Application (CSFA Form 740-01), which must be submitted via hard copy with original executed signatures. Applications may not be submitted by email or facsimile. Upon the development of an online application system an Applicant may submit an Application and all supporting documents via the online Application system.~~

- ~~(a)~~ (a) Application for grant funds shall be made on an online form (CSFA Form 740-01) prescribed by the Authority, and will be available as described below. The Authority will accept applications during the application periods described. Applications received after the final filing date will not be accepted for review. Applications may not be submitted by email or facsimile.
- ~~(a)(b)~~ (a)(b) The Application for each grant year shall be made available by the Authority in the month of April. Application deadlines shall be 5:00 p.m. on the date five weeks from the date the application is made available by the Authority. The Authority shall make application materials available on the Authority's website and notify the public of the application release date.
- ~~(b)(c)~~ (b)(c) For any funding round, under the following circumstances, an Application may be submitted after the initial Application deadline, but in no case later than October 15 of the Fiscal Year for which the Application is submitted:
 - (1) A Charter School relocates from a facility that was ineligible for a grant award to a facility that is eligible and the Application includes a description of the change in facility circumstances; or
 - (2) A First Year Charter School.
- ~~(e)~~ (e) For an additional 2015-16 funding round offered pursuant to section 10170.3(d)(3), the Application will be made available by the Authority in the month of January 2016. The Application deadline shall be 5:00 p.m. on the date three weeks from the date the Application is made available by the Authority. The Authority shall make Application materials available on the Authority's website and notify the public of the Application release date.
- ~~(d)~~ (d) The Authority's review and evaluation of an Application for purposes of calculating the Estimated Annual Entitlement shall be based on the information contained in and submitted with the Application, and supporting information obtained directly from other state and local agencies.
- ~~(e)~~ (e) Organizations operating more than one Charter School, as identified by separate County District School (CDS) codes, must submit a separate Application for each Charter School with a separate CDS code for which a grant award is sought. Organizations operating more than one facility location under the same CDS code must combine all facilities operating under that CDS code in one Application.
- ~~(f)~~ (f) The Authority may waive procedural defects in the submission of an Application, such as an Application filed past the deadline.

Note: Authority cited: Section 47614.5, Education Code. Reference: Section 47614.5, Education Code.

Section 10170.6. Content of Application.

Completed Applications and all attachments shall be submitted to the Authority via the online application form (CSFA Form 740-01) and shall include all of the following items.

- (a) Application. The Application shall include identifying information, a completed Legal Status Questionnaire, and signed certification that the data and information reported is true and correct and the charter will continue to comply with state and federal laws.
- (b) Copy of current charter agreement and verification of Authorizing Board adoption and expiration date.
- (c) Copy of the rent or lease agreement contract, or other documentation, verifying the Charter School's facilities rent or lease costs for the Fiscal Year for which a grant award is requested, and evidence that the rent or lease term matches or exceeds the anticipated grant term. If the Charter School does not have an executed rent or lease agreement for the Fiscal Year, the Applicant shall produce an executed lease or rental agreement for the Prior Year or other documentation sufficient to show the Charter School's actual facilities rental or lease costs for the Prior Year. If the Charter School does not have a rent or lease agreement for the Fiscal Year or Prior Year, the Applicant shall provide such other evidence to the satisfaction of the Authority, such as a pending lease agreement, that establishes the Applicant's best estimate of such costs for the Fiscal Year.
- (d) An Applicant requesting reimbursement for Charter School costs associated with remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, improving sites and common area maintenance charges shall, submit no later than July 15 following the applicable Fiscal Year all of the following:
 - (1) A description of the work for which the reimbursement is requested, including how it meets one of the categories of eligible work;
 - (2) An Facility Invoice Expenditure Report, as provided by the Authority, detailing the costs to be reimbursed; and
 - (3) Applicable contracts for work to be performed to the extent they exist at the time of the Application.
- (e) An Applicant applying for or on behalf of a First Year Charter School shall submit an Application and the supporting documentation listed in subdivisions (e)(1)-(3), as they are made available. Grant funds will not be disbursed until items (1), (2) and (3) have been received by the Authority.
 - (1) An approved charter agreement evidencing the First Year Charter School's intention of operating a Charter School during the Fiscal Year for which grant funds are requested. If an approved charter agreement is not available, the Applicant shall submit the charter petition and application and additional documentation demonstrating its intent to receive charter approval to operate a Charter School during the Fiscal Year for which grant funds are requested;
 - (2) An executed rent or lease agreement for the Fiscal Year for which grant funds are requested. If an executed rent or lease agreement is not available at the time of Application, the Applicant shall submit an estimate of rent or lease costs for the Fiscal Year; and

- (3) A Charter School 20 Day Attendance Report shall be submitted within 20 days of initial California Department of Education application submission date.
- (f) The Authority shall be entitled to the return of all grant funds from an Applicant if it is determined that the Applicant failed to provide complete and accurate information, or provided misleading information, that resulted in the disbursement of grant funds for which an Applicant is not eligible.

Note: Authority cited: Section 47614.5, Education Code.

Reference: Section 47614.5, Education Code.

Section 10170.7. Estimated Annual Entitlement Calculation.

- (a) Authority staff will make an initial determination regarding each Charter School's eligibility pursuant to section 10170.3.
- (b) For each eligible Charter School, the Authority will determine the Estimated Annual Entitlement, pursuant to section 10170.4(d).
- (c) The Estimated Annual Entitlement Calculation shall not include reimbursement of invoices as defined by 10170.4(a)(2).
- (d) If an Applicant is unable to provide an executed rental or lease agreement for the Charter School for either the Fiscal Year or for the Prior Year, the Authority may base the Estimated Annual Entitlement on information provided by the Applicant that constitutes an estimate of the Charter School's expected facilities rent or lease costs for the Fiscal Year.
- (e) For Charter Schools that submit an Application pursuant to section 10170.5(b)(c), or Charter Schools that do not have Prior Year enrollment data, the Authority will make the Estimated Annual Entitlement calculation within 30 days of receipt of a complete Application and enrollment data from the Department.
- (f) For Charter Schools that do not have Prior Year enrollment data, the Authority shall base the units of ADA on 90% of the school's enrollment as reported in the Charter School 20 Day Attendance Report pursuant to section 10170.6(e)(3).

Note: Authority cited: Section 47614.5, Education Code.

Reference: Section 47614.5, Education Code.

Section 10170.9. Apportionment of Grant Funds.

- (a) Prior to making any awards for Fiscal Year grants, the Authority shall first determine whether any Grantees that received awards in the Prior Year are entitled to reimbursement for unreimbursed eligible costs for that year. Such costs shall be the first funding priority prior to the Authority disbursing apportionment of current Fiscal Year grants to Grantees and shall be determined by the Authority based on the Final Fiscal Year Entitlement calculation made for each Grantee for the Prior Year. Reimbursements for Prior Year costs shall be made by the Authority to Prior Year Grantees within 60 days of the Authority providing notice.
- (b) The first apportionment of 50% of the Estimated Annual Entitlement, following disbursements required pursuant to subdivision (a), shall be disbursed to each

- Grantee by August 31 of the Fiscal Year for which the grant is requested, or 30 days after enactment of the annual Budget Act, whichever is later.
- (c) For a Grantee that submitted an Application pursuant to section 10170.5(b), the first apportionment of 50% of the Estimated Annual Entitlement shall be made within 30 days after the Authority determines eligibility and the Estimated Annual Entitlement.
 - (d) No later than March 1 of each Fiscal Year, the Authority shall provide to each Grantee a second disbursement of 75% of the Estimated Annual Entitlement less the initial disbursement and less any adjustments due to receipt of the executed rent or lease agreement for the designated Fiscal Year.
 - (e) No later than 30 days after the end of each Fiscal Year or 30 days after receiving the data and documentation needed to compute the Charter School's total annual entitlement, whichever is later, the Authority shall provide to each Grantee a third disbursement of 100 percent of the Final Fiscal Year Entitlement less the first two disbursements and adjusted for any changes to the FRPM Eligibility data, ADA, and executed rental or leases agreements for the designated Fiscal Year. If reimbursement of invoices considered eligible pursuant to section 10170.4(a)(2) is requested, these costs will be incorporated into this final disbursement.
 - (f) If insufficient funds remain available from the Fiscal Year's appropriation, the following conditions shall be in effect:
 - (1) The Authority shall determine the pro rata share to which each Grantee is entitled by calculating the percentage of the Fiscal Year's appropriation as compared to the funds needed to fully award all Grantees. This percentage shall be applied to the Grantee's annual award and shall serve as the Grantee's pro rata share.
 - (2) The Authority shall disburse funds in three apportionments pursuant to subsections (b) - (e).
 - (A) The first apportionment shall be 50% of the pro rata share of the Estimated Annual Entitlement as determined by calculating the percentage of the Fiscal Year's appropriation as compared to the funds needed to fully award all Grantee's Maximum ADA Cap.
 - (B) The second apportionment shall be 25% of the pro rata share of the Estimated Annual Entitlement as determined by calculating the percentage of the Fiscal Year's appropriation as compared to the funds needed to fully award all Grantee's Maximum ADA Cap.
 - (C) The third apportionment shall be the pro rata share of the Grantee's remaining balance of the Final Fiscal Year Entitlement.
 - (3) Until the current year FRPM data is made available, Charter Schools with no Prior Year enrollment data shall have their FRPM based solely on the charter school sites' Period 1 FRPM submission to the Department.
 - (4) During the Final Fiscal Year Entitlement Calculation, each eligible Applicant shall receive a Notice of Eligible Facility Costs (CSFA Form 740-03; revised October 2017), incorporated herein by reference. This notice shall serve as the Section 10170.10 Notification of Grantee and upon receipt, the Applicant shall have 30 days to review and execute the notice.
 - (5) The Applicant shall have the opportunity to appeal the Notice of Eligible Facility Costs and the Appeal Process under Section 10170.10 (b)-(g) shall be implemented.

- (6) The Authority shall not disburse the third apportionment under subsection (e) until each eligible Applicant's executed Notice of Eligible Facility Costs has been received or October 30, whichever is earliest.
- (g) If a Grantee's Final Fiscal Year Entitlement is less than the amount disbursed to the Grantee through the first two apportionments, the Authority shall provide the Grantee with notice and require that the Grantee reimburse the Authority for the excess within 60 days of the Grantee's receipt of such notice.
- (h) Prior to disbursement of funds for costs associated with remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, improving sites, and common area maintenance, the Grantee shall complete an annual Invoice Expenditure Report provided by the Authority. Grantee shall also submit supporting invoices, work orders, or other evidence of completed work to the Authority. Upon presentation of such evidence of actual costs incurred, such costs shall be reimbursed as a portion of the final apportionment. Such evidence shall be provided to the Authority no later than July 15 of the applicable Fiscal Year.
- (i) At any time during each Fiscal Year the Authority reserves the right to:
 - (1) Adjust each Grantee's Estimated Annual Entitlement on a pro rata basis based on the number of approved Grantees, the total amount of Estimated Annual Entitlements, and the amount of funds available;
 - (2) Adjust Estimated Annual Entitlements for individual Grantees based on the Authority's receipt of updated data from the Grantee or the Department; and
 - (3) If final data for FRPM Eligibility provided by the Department establishes that the Grantee is not eligible for the program pursuant to section 10170.3(d), request reimbursement of grant funds already disbursed to the Grantee consistent with subdivision (e).

Note: Authority cited: Section 47614.5, Education Code.

Reference: Section 47614.5, Education Code.

Section 10170.10. Notification of Grantee; Appeal Process.

- (a) The Authority will provide notice to each Applicant of Authority staff's eligibility determination and award calculation pursuant to sections 10170.7 and 10170.8.
- (b) An Applicant shall have 30 calendar days from receipt of the Authority's notice to request reconsideration of eligibility or the award calculation by Authority staff.
- (c) Authority staff shall have 30 calendar days to review an Applicant's request for reconsideration and provide a final staff decision.
- (d) If the Applicant is unsatisfied with Authority staff's final decision, the Applicant shall have 30 calendar days following receipt of notice of the decision to notify the Authority that the Applicant wishes to appeal the matter to the Authority board.
- (e) Upon receipt of an appeal notice from an Applicant, the matter will be considered by the Authority board at the next regularly scheduled Authority meeting.
- (f) Applicants may request a single extension of up to 30 days for either of the deadlines provided in 10170.10 (b) or (d). Including the 30 day extension, the entire Appeal Process under subsections (b)-(d) may not exceed 120 days. The extension request must be approved by Authority staff and can be granted only one time during

an appeal process. Staff shall consider the request for extension based on a showing of good cause and evaluate on a case-by case basis. Extensions granted under these conditions are considered final and not subject to an additional appeal process.

- (g) If an appeal is not able to be resolved by the deadlines provided in Section 10170.10 (b), (d), and (f), the Authority reserves the right to deny the appeal based on a failure to comply with Program regulations. This decision is considered final and is not subject to an additional appeal.
- (h) If an eligibility determination or award calculation is modified by Authority staff or the Authority Board, changes in apportionments will be processed and distributed to the Applicant within 30 days.

Note: Authority cited: Section 47614.5, Education Code.

Reference: Section 47614.5, Education Code.



CALIFORNIA SCHOOL FINANCE AUTHORITY
2015–2016

**Charter School Facility
Grant Program Application**

John Chiang, Chair
California State Treasurer

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Sacramento, CA 95814
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Fax: (916) 651-7709

csfa@treasurer.ca.gov

Charter School Facility Grant Program CHECKLIST

Place a check mark (✓) in the space provided. If an item does not apply, please enter "n/a", attach an explanation, and submit together with the Application. Include this application checklist with your application package.

A complete Application Package must contain one original with original executed signatures.

Original

Applicable Items

- Checklist CSFA Form 740-01 (rev. 3/11/15)
- Application CSFA Form 740-01 (rev. 3/11/15)
- Legal Status Questionnaire (rev. 3/11/15)
- Charter School Certification (rev. 3/11/15)

The following items may be submitted via hard-copy, CD Rom, or flash drive. Please note schools reapplying do not need to submit: 1) current valid charter agreements/ authorizing board adoptions valid through the 2015-16 school year and on file with the Authority; and/ or 2) lease or rental agreements valid through the 2015-16 school year and on file with the Authority.

On File
with the
Authority

New

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of current valid charter agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of approved Authorizer Board Adoption |
| <input type="checkbox"/> | <input type="checkbox"/> | Copy of current lease contract, amendments or other documentation verifying required payments shall include charter name, charter address and evidence of agreement terms match or exceed the anticipated grant terms with supporting signature page. |
| <input type="checkbox"/> | <input type="checkbox"/> | List of Current Board Members, Board of Directors or Governing Board of Charter Schools |

Completed applications must be received by 5:00 p.m. on October 15, 2015 to:

All inquiries and correspondence should be sent to:

California School Finance Authority's Los Angeles or Sacramento Office:

300394 South Spring Street Broadway, Suite 85500, Los Angeles, CA 90013

915 Capitol Mall, Suite 101, Sacramento, CA 95814

Charter School Facility Grant Program APPLICATION

(Education Code Section 47614.5 and California Code of Regulations, Title 4, Sections 10170.1-10170.15)

The grant program is intended to provide assistance with facilities rent and lease costs for California charter school pupils. Grant funds may not be appropriated for any of the following: (1) units of average daily attendance generated through non classroom-based instruction; (2) charter schools occupying existing school district or county office of education facilities; or (3) charter schools receiving reasonably equivalent facilities from their chartering authorities pursuant to Section 47614.

Attach additional pages if necessary.

Charter School Information

Official Name of Charter School:	Charter #:	County District-School Code:	
Primary Contact Person:	Phone Number:	Email Address:	

Mailing Address:	City:	State:	Zip:
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Current Charter term approved by Authorizing Board - Start :	End:
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Current Authorizing Board:

Facility 1 Street Address:	City:	State:	Zip:
Facility 1 Monthly Base Rent:	Facility 1 Lease Expiration Date:		

Facility 2 Street Address:	City:	State:	Zip:
Facility 2 Monthly Base Rent:	Facility 2 Lease Expiration Date:		

Facility 3 Street Address:	City:	State:	Zip:
Facility 3 Monthly Base Rent:	Facility 3 Lease Expiration Date:		

<p>Does the charter school anticipate other facility-related expenditures in 2015-16 such as remodeling buildings, deferred maintenance, site improvements, or installation or extension of service systems or built-in equipment?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
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**Please type or print all responses.
Incomplete applications may not be considered.**

Eligibility

Charter schools must meet the free or reduced price meal (FRPM) eligibility requirement listed below.

At least 55% of the charter school's 2015-2016 pupil enrollments in grades K-12 or ages 5-17 are eligible for FRPM. Yes No

~~The school intends to report 2015-16 FRPM eligibility data to CDE through CALPADS.~~ Yes No

~~The charter school site is physically located in the attendance area of a public elementary school in which 55% or more of the pupil enrollment is eligible for FRPM.~~ Yes No

~~The Charter also gives a preference in admissions to pupils who are currently enrolled in that public elementary and to pupils who reside in the school's attendance area.~~

The school has an admission policy pursuant to Section 10170.3 (d)(2) which gives preference in admissions to pupils who are currently enrolled in that public elementary and to pupils who reside in the school's attendance area. Yes No

During the upcoming funding round, will the school occupy a District/County Office of Education Facility? Yes No

Is any portion of the rent or lease payment attributable to the purchase of a facility? Yes No
If yes, detail the amount attributable to the purchase. Lease payments attributable to the purchase of a facility are not allowable costs under the program:

Related Parties

1. Identify the owner of the property covered by the lease(s) for which you are seeking a grant.

2. Is the property owner/lessor related in any way to the charter school, or an employee or officer of the charter school or a member of the charter school's Governing Board? If so, how are the parties related?

3. If the property owner is related in any way to the charter school, or an employee or officer to the charter school or a member of the charter school's Governing Board, was the property owner formed solely for the purpose of managing or supporting the charter school or a group of charter schools?

4. If the answer to **Question #3** is **Yes**, please provide documentary evidence that supports the sole purpose of the property owner (for example, by –laws or other organizational documents describing the organization's purpose)

5. If the answer to **Question #3** is **No**, please answer the following:
 - a. Provide the names and roles of the individuals who are related to both the charter school and the property owner.

 - b. Provide evidence that the related party or parties recused themselves from the charter school's decision to enter into the lease and apply for the grant.

 - c. Provide evidence that the related party's interest in the property was disclosed to the charter school's governing board.

 - d. Provide evidence that the lease payment is at or below market rate or that, the Governing Board, in approving the lease, made a finding that it was reasonable under the circumstances.

**Charter School Facility Grant Program
LEGAL STATUS QUESTIONNAIRE**

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Response: _____

2. Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

Response: _____

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome.

Signatures on behalf of (school name): _____

I/We attest that we have provided full disclosure *as indicated* in response to the items 1 and 2 above.

Signature of Principal, CEO, or Lead Administrator

Date

Print or Type Name:

Signature of President or Chair of Governing Board

Date

Print or Type Name

**Charter School Facility Grant Program
CHARTER SCHOOL CERTIFICATION**

I/We hereby certify that to the best of my knowledge and belief, this data is true and correct and that all data reported on this application have been compiled and reported in accordance with state and federal laws, regulations, general legal assurances, and instructions to prepare this report form. I/We further certify that the Charter School will comply with all program requirements as outlined in Education Code section 46714.5 and Article 1.5 of Division 15 of Title 4 of the California Code of Regulations (commencing with section 10170.1). I/We attest we have provided full disclosure and understand misrepresentation can cause ineligibility to participate in the Charter School Facility Grant Program.

Signature of Principal, CEO, or Lead Administrator

Date

Print or Type Name

Signature of President or Chair of Governing Board

Date

Print or Type Name

~~Completed applications must be received by 5:00 p.m. on October 15, 2015 to:~~

~~California School Finance Authority's Los Angeles or Sacramento Office:~~

~~304 South Broadway, Suite 550, Los Angeles, CA 90013~~

~~915 Capitol Mall, Suite 101, Sacramento, CA 95814~~

Charter School Facility Grant Program Facility Invoice Expenditure Report

To request final reimbursement for additional fiscal year **2017-18** facility expenditures
 (Education Code Section 47614.5)

SECTION 1. CHARTER SCHOOL INFORMATION:

Charter School Name:	
County-District-School (CDS) Code:	
Charter School Number:	
Contact Person Name/Title:	-
Phone Number:	-
E-mail Address:	0

SECTION 2. 2017-18 TOTAL EXPENDITURES CLAIMED FOR REIMBURSEMENT

I hereby certify that to the best of my knowledge and belief, categories A through E below, report the actual amount of expenditures incurred during fiscal year 2017-18 and are not representative of facility's lease rent costs. Each expenditure in the report is accompanied by an evidence of expenditure and payment including but not limited to, copies of invoices, canceled checks, bank statements. I understand the information provided on this report is subject to audit. Pursuant to Program Regulations Section 10170.14 (c), I certify there are no Related Parties between the school and the vendors for which we are requesting reimbursement.

	Expenditure Amount
A. Remodeling	\$ -
B. Deferred Maintenance	\$ -
C. Installation	\$ -
D. Materials	\$ -
E. Maintaining/Repairing Common Areas	\$ -
Total:	\$ -

 Signature of Principal, CEO, or Lead Administrator

 Date

 Print or Type Name

**Charter School Facility Grant Program (SB740 Program)
Notice of Eligible Facility Costs**

(Education Code Section 47614.5 and California Code of Regulations, Title 4, Sections 10170.1-10170.15)

Review the below table. If the school has no corrections sign and return to the Authority,
SB740@treasurer.ca.gov.

Pursuant to SB740 Program Regulations Section 10170.10(b) the applicant may appeal staff's determination,
by submitting a letter of appeal within 30 calendar days of this notice to SB740@treasurer.ca.gov.

School:	
CDS Code:	
Sites Seeking Reimbursement:	
Mailing Address	
2017-18 Eligible Facility Costs	
SB740 2017-18 Facility's Lease Costs	
Other Facility Costs	
Subtotal	

I/We hereby certify that to the best of my knowledge and belief, the eligible facility costs captured in the above table are true and correct.

Signature of Principal, CEO or Lead Administrator

Date

Print or Type Name