

## **ASSEMBLY BILL 14 PROVIDES EXPANSIVE FUNDING FOR DISTRICT-SPONSORED CHARTER SCHOOLS**

C.A.S.H. fought for and won access to the School Facility Program for all sorts of district-sponsored charter schools. In addition, the School Facility Program will be reformed to align the eligibility calculations with the needs and responsibilities of Proposition 39.

The \$100 million Charter School Facilities Account will allow both independent applications by charter schools as well as school district applications. The School Facility Conference Committee rejected a proposal that would have narrowly proscribed the availability of the fund to a specific classification of non-profit companies in specific income-designated communities. Instead, a variety of criteria were adopted that will respond to a broad range of district needs.

The criteria include: geographic diversity, urban, rural and suburban diversity, diversity of charter school enrollment, and diversity of grade levels. Preferences will be given to schools in overcrowded districts, to low-income areas, and to charter schools operated by not-for-profit entities. There is also regulatory flexibility added to the \$100 million Charter School Facilities Account in recognition of the need for diversity of facilities.

The Account will provide up to 100% of the facility funding. Fifty percent (50%) as a grant, and fifty percent (50%) as either a local match or on a lease basis, by which the charter school can pay in lieu of the local match over a 30-year period. The Charter School Facilities Account also allows a pre-application for charter schools similar to that in the Critically Overcrowded Schools Program in AB 16.

School districts have access to both school facility funding streams: the traditional School Facilities Program at \$11.4 billion, and up to \$100 million in the Charter School Facilities Account.

The Legislature considered an alternative facility program in the State Treasurer's Office. The Legislature eventually adopted a hybrid program that authorizes the Treasurer and the California School Finance Authority to review and make recommendations on the financial soundness of a charter school, to develop uniform terms and conditions for payments, and to develop regulations for security interests of third party substantial contributors. The State Allocation Board is responsible for determining the amount of funding a school is eligible for and then allocating those funds.

AB 14 includes increased flexibility for all projects in the Charter School Facilities Program with the exception of the Field Act. AB 14 gives the State Allocation Board authority to streamline the regulatory approval process.