

TOOLS FOR FUNDING CHARTER FACILITIES

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TOOLS FOR FUNDING CHARTER FACILITIES

SB 740 Lease Funds

◆ **Exclusions:**

- ◆ Not for cost of facilities from school districts/COEs
- ◆ Not occupying
- ◆ Not receiving reasonably equivalent facilities

TOOLS FOR FUNDING CHARTER FACILITIES

SB 740 Lease Funds

◆ **Amounts:**

- ◆ \$10 million intended
- ◆ \$5 for 01-02 – July 19 deadline; Fall 02 distribution
- ◆ \$10 for 02-03 – July 03 deadline; Fall 03 distribution

TOOLS FOR FUNDING CHARTER FACILITIES

SB 740 Lease Funds

◆ **Reimbursement:**

- ◆ Up to \$750 per ADA
- ◆ Up to 75% of rents & leases

◆ **Rents & Leases:**

- ◆ California School Accounting Manual

TOOLS FOR FUNDING CHARTER FACILITIES

SB 740 Lease Funds

◆ **Process**

- ◆ Department of Education Form

◆ **Target**

- ◆ Public elementary school attendance area
- ◆ 70% free or reduced
- ◆ Not if non-classroom based

◆ **Admissions Preference**

TOOLS FOR FUNDING CHARTER FACILITIES

AB 16 School Facility Program

◆ **Exclusions:**

- ◆ Apply through district in which charter school is located or granted?
- ◆ AB 1994 Limited Life of Existing Out of District Granted Charter
- ◆ Unanswered Questions

TOOLS FOR FUNDING CHARTER

FACILITIES

AB 16 School Facility Program

◆ **Amounts:**

- ◆ Up to \$11.4 billion of \$13.05 billion bond
- ◆ Funding available for new construction and modernization expenses up to 50% of total allowable project cost unless hardship
- ◆ Supplemental grants for Special Education, Multi-level Construction, Site Acquisition, Site Development, etc.
- ◆ Eligibility based on unhoused student calculations

TOOLS FOR FUNDING CHARTER

FACILITIES

AB 16 School Facility Program

◆ **Process:**

- ◆ State Allocation Board
 - SAB decides grant based on traditional eligibility;
 - Other Agencies include Division of the State Architect (Field Act); California Department of Education (Site selection and design appropriateness); Department of Toxic Substances Control
- ◆ First in Line

TOOLS FOR FUNDING CHARTER

FACILITIES

AB 16 School Facility Program

◆ **Process (Cont.)**

- ◆ Preliminary Apportionment Now Available
 - Establish unhoused pupil eligibility
 - Identify pupils to be served
 - Identify the general location of the new facility
 - Estimate total cost facility cost

Preliminary application reserves apportionment until application is completed.

TOOLS FOR FUNDING CHARTER FACILITIES

AB 16 School Facility Program

- ◆ **Target**
 - ◆ All public school students receive in- district housing
- ◆ **Flexibility**
 - ◆ State Allocation Board shall adopt regulations for streamlined approvals regarding toxic substance review and Field Act.

TOOLS FOR FUNDING CHARTER FACILITIES

AB 14 Charter School Facilities Account

- ◆ **Exclusions**
 - ◆ Apply directly or through district in which charter school is located
 - ◆ Title held by district in which charter school is located in trust for the benefit of the state public school system

TOOLS FOR FUNDING CHARTER FACILITIES

AB 14 Charter School Facilities Account

- ◆ **Amounts**
 - ◆ Up to \$100 million of \$13.05 billion bond
 - ◆ Funding available on or before January 2003, preliminary application in by March 1, 2003, thirty-day notice to district in which charter school is located.
 - ◆ Funding available for new construction expenses up to 100% of total allowable project costs (2x grant)

TOOLS FOR FUNDING CHARTER FACILITIES

SAB 14 Charter School Facilities Account

◆ **Amounts (cont.):**

- ◆ Other grants include supplemental grants for Special Education, Multilevel Construction, Site Acquisition, Site Development, etc.
- ◆ Type of Facilities – new construction; includes existing buildings and retrofitting expenses;
- ◆ Limited to site of district with grant eligibility.

TOOLS FOR FUNDING CHARTER FACILITIES

SAB 14 Charter School Facilities Account

◆ **Process**

- ◆ State Allocation Board/State Treasurer Responsibilities
- ◆ SAB decides grant based on traditional eligibility;
- ◆ Establish process to prevent double counting;
- ◆ Establish regulatory flexibility

TOOLS FOR FUNDING CHARTER FACILITIES

SAB 14 Charter School Facilities Account

◆ **Process (cont.):**

- ◆ California School Finance Authority (CSFA) develops regulations over financial soundness.
- ◆ How to pay local match share
- ◆ Security provisions
- ◆ Release of funds

TOOLS FOR FUNDING CHARTER FACILITIES

AB 14 Charter School Facilities Account

- ◆ **Preliminary Apportionment**
 - ◆ Same as Critically Overcrowded Schools
 - ◆ Establish unhoused pupil eligibility
 - ◆ Identify pupils to be served
 - ◆ Identify the general location of the new facility
 - ◆ Estimate total facility cost
 - ◆ Preliminary application reserves apportionment until application completed

TOOLS FOR FUNDING CHARTER FACILITIES

AB 14 Charter School Facilities Account

- ◆ **Special Local Match Provisions:**
 - ◆ Charter may pay portion of match as lump sum (donor/other)
 - or
 - ◆ Local share may be lease payments in lieu of local share: ½ total eligible project costs plus interest amortized over payment period not to exceed 30 years

TOOLS FOR FUNDING CHARTER FACILITIES

AB 14 Charter School Facilities Account

- ◆ **Special Local Match Provisions (cont.):**
 - ◆ Security interest may be gained where a substantial contribution in excess of state and local share to be satisfied from proceeds if sold

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AB 14 Charter School Facilities Account

- ◆ **Priorities**
 - 1st Existing charter remains
 - 2nd Successor charter
 - 3rd Another charter
 - 4th District upon payment of balance of local share
 - 5th Sale property pay security interest
 - 6th If local share paid, hold on to property for charter or other school purpose

TOOLS FOR FUNDING CHARTER FACILITIES

AB 14 Charter School Facilities Account

- ◆ **Target:**
 - ◆ Four criteria with a preference in each for overcrowded regions, low-income areas and not-for-profit entities
 - 1. **Geographic regions**
 - 2. **Urban, rural and suburban regions**
 - 3. **Large, medium and small charter schools**
 - 4. **Various grade levels**

TOOLS FOR FUNDING CHARTER FACILITIES

AB 14 Charter School Facilities Account

- ◆ **Flexibility:**
 - ◆ State Allocation Board shall adopt regulations for streamlined approvals except Field Act regarding school construction, site approval, and toxic substance review.
