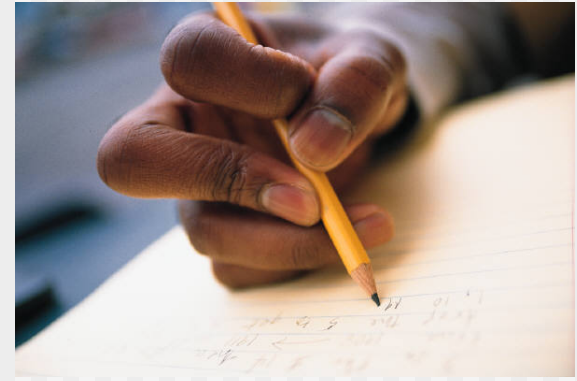


# ***Charter School Facilities Program 2009 Funding Round***



***The Role of the California School  
Finance Authority***

***Katrina Johantgen  
July 13, 2009***

# Charter School Facilities Program Overview



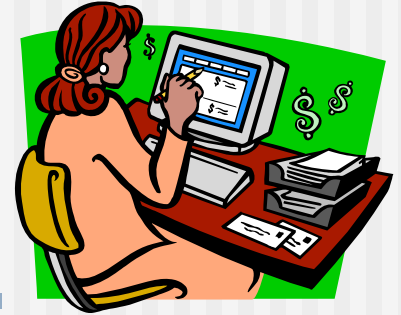
- State provides 50% project cost as a grant
- Applicant is responsible for 50% of project cost (local matching share)
- Local matching share can be satisfied by lump sum payment or through lease agreement
- Title to project is held by school district

# Funding Rounds to Date



- In 2002, 2004, and 2006, voters approved statewide ballot measures to fund school facilities
- To date, 64 projects have received apportionments totaling \$900 million in funding
- Of these projects, some have rescinded their awards or award amounts have been reduced
- These residual funds are currently being allocated to new eligible projects

# Role of CSFA



- Assess financial soundness of applicant
  - Preliminary, Advance and Final Apportionments
- Conduct ongoing monitoring of applicant's financial soundness
- Determine the payment schedule for the applicant
- Serve as lead agency for program agreements

# Financially Sound Determination



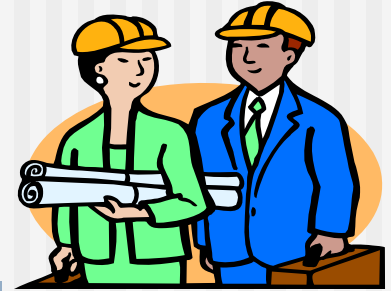
- CSFA staff evaluates several financial indicators to determine soundness
  - Ability to maintain stable financial operations, and make estimated CSFP payments (minimum 1X debt service coverage ratio)
  - Reasonableness of projections (enrollment, contributions)
  - Past, current, and future financial performance
  - Reliance on contributions or subsidies from parent organization or guarantor
  - Effects of State and local financials on operations and projections

# Financially Sound Determination



- CSFA staff evaluates several operational and other indicators to determine soundness
  - Compliance with charter terms, standing with authorizer
  - Likelihood of charter renewal
  - Enrollment and retention trends and projections
  - Student performance trends (API and AYP)
  - Expertise and experience of management and personnel
  - Board composition and Governance structure
  - EMO or CMO structure

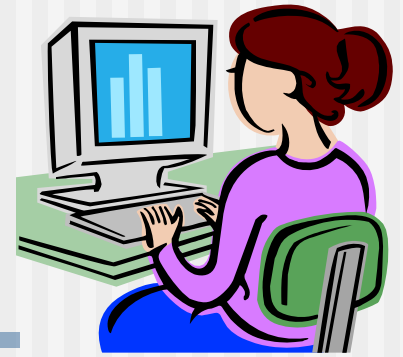
# Steps Preliminary Apportionment



- Step #1: Submit Application for Reservation of Funds
- Step #2: CSFA staff reviews financial and operational information
- Step#3: CSFA staff evaluates information to determine school's financial soundness
- Step #4: CSFA board finds that the school is financially sound
- Step #5: CSFA notifies OPSC staff of board's finding
- Step #6: SAB/OPSC makes awards

# Overview of Application

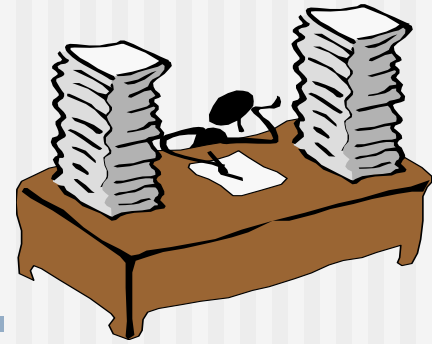
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- Part 1: Applicant Information
  - Applicant Information
  - Structure/Management Information
  
- Part 2: Charter Information
  - Charter and Oversight Information
  - Charter Organizational Information

# Overview of Application

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- Part 3: Financial Information
  - Financial Information
  - Material Contracts
  
- Part 4: Project Information
  - Project Facility Information
  - Project Funding Information

# Overview of Application

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- Part 5: Charter Management Experience
  - Charter Operation History
  - Charter Management Requirement
  
- Part 6: Guarantor Information
  
- Legal Status Questionnaire

# Steps to Advance and Final Apportionment



- Step #1: Maintain financial soundness
- Step #2: Have sufficient approvals in place from DTSC, DSA, OPSC, CDE (for Final)
- Step #3: Request finding of financial soundness
- Step #4: CSFA staff evaluates information to determine school has maintained financial soundness
- Step #5: CSFA board finds that the school has maintained financially sound status
- Step #6: Program Agreements executed by all parties
- Step #7: Notify OPSC of finding (SAB Board Approval Required for Final Fund Release)

# Program Agreements

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- Agreements must be executed prior to fund release
- Memorandum of Understanding
  - State, Charter, District
- Funding Agreement
  - State, Charter
- Facility Use Agreement
  - Charter, District

# CSFA Timing



- Applications for Supplemental Funding Round due by September 28, 2009
- Depending on the number of applications, reviews could take up to six months

# CSFA Contact Information



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