

## MEMORANDUM

**Date:** September 11, 2020  
**To:** All Interested Parties  
**From:** Katrina M. Johantgen, Executive Director  
**Subject:** Charter School Revolving Loan Fund Program  
2020-21 Funding Round (A) - Frequently Asked Questions

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This information is provided by the California School Finance Authority (Authority) and should be considered by charter schools while preparing an application for the 2020-21 Funding Round (A) of the State Charter School Revolving Loan Fund Program (Program). If you have any questions or require additional information, please contact the Authority at [csrlf@treasurer.ca.gov](mailto:csrlf@treasurer.ca.gov).

### I. General Funding Round Questions:

**Q: Who should apply for Funding Round A?**

A: Schools that have their charter in place, have a charter #, have a CDS Code, and are currently in operation.

**Q: Do schools need to have a charter in place to apply for Funding Round A?**

A: Yes. To apply for Funding Round A, all schools must have an active charter. The school will need to provide evidence that its charter petition was submitted to a chartering authority for approval and that it is currently operating. Evidence such as the charter petition and board approval (clarifying the term of charter) are required. Furthermore, the Authority will contact the school's charter authorizer to confirm Good Standing as defined in Program regulations Section 10170.17 (j).

**Q: Do schools need to have a County District School (CDS) code to apply for Funding Round A?**

A: Yes. Schools need to provide their CDS code at the time of application submission. The CDS code is needed to issue an award.

**Q: What if my school plans to open next year (Fall 2021)? When should we apply?**

A: Schools that plan to open in Fall 2021 should apply for Funding Round B. The application period will open Winter/Spring 2021.

**Q: Is priority given to schools in their first year of operation?**

A: Yes; per Program regulation Section 10170.20 (c), priority is given to new charter schools in their first year of operation. Schools already in operation are considered priority two schools.

**Q: How much in program funds will be available to make loans during the 2020-21 Funding Round (A)?**

A: The Authority expects approximately \$13 million will be available for the 2020-21 Funding Round A

**Q: Will there be funds available for priority two applicants (schools that have been open longer than a year)?**

A: Depending on the number of priority one applicants funded, there may be funds available for priority two applicants. Authority staff will contact priority two applicants to let them know that their applications will be reviewed for Program loans if there is availability.

**Q: What happens in the case of Program oversubscription?**

A: In the case of Program oversubscription with priority one applicants, the Authority will give preference to applicants based on highest Free or Reduced-Price Meal (FRPM) percentage across Region One through Region Four of the State as described in Program regulations (Section 10170.17). This methodology ensures equal representation to the extent feasible among regions. The Authority will rely on FRPM data as reported by the California Department of Education (CDE).

In the case of Program oversubscription with priority two applicants, the Authority will also give preference to applicants based on highest FRPM percentage across Region One through Region Four. This method will also ensure equal representation to the extent feasible among Regions.

If the charter school's FRPM data is not available, the Authority will award loans based on the FRPM of the school's projected elementary school attendance area.

**Q: When will loan award determinations be announced?**

A: Authority staff will make loan recommendations to the Board, and once the Board approves the recommendations, schools will receive notification of the approved award amount between the months of November and January.

**Q: How long after a loan award is approved at an Authority board meeting will the school receive its first disbursement?**

A: Once an award is approved at an Authority board meeting, the approved applicant will need to complete all funding criteria required by the Authority. Once the applicant meets all funding criteria, the Authority will send the applicant a loan agreement and governing board resolution template. The applicant needs to execute the loan agreement and governing board resolution accepting the terms and conditions of the loan agreement. Once the Authority receives the signed loan documents, it will take approximately four to six weeks for a school to receive loan funds.

**Q: Will the awardee receive its loan in one lump sum?**

A: No. To help mitigate future loan defaults, the Authority made changes to the Program's disbursement process during the 2017-18 funding round. Approved applicants will now receive two to three disbursements throughout the fiscal year contingent upon the risk analysis determination by the Authority as well as adequate attendance levels as reported by the CDE.

**Q: What determines the term of the loan?**

A: The term of the loan will coincide with the school's charter term, i.e. from the start of loan repayment (the fiscal year after the loan award was disbursed) to the last year of the current charter term.

**Q: If my school is awarded a loan in Funding Round A, when does repayment begin?**

A: Repayment of a Funding Round A loan will begin Fall 2021.

## II. Program Application & Submission:

**Q: Where may I apply?**

A: The application will be made available starting Friday, September 11, 2020. Schools may apply for the Program by using the Authority's online application found on the [Authority's website](#). There is no longer a hard copy application available.

**Q: What types of files may I upload to my Application?**

A: The file type must be a PDF and the maximum file size is 5000 KB.

**Q: What if my file is larger than 5000 KB?**

A: If the file is larger than 5000 KB there are PDF compressors available online. If the issue persists, please send an email to the Authority at [csrff@treasurer.ca.gov](mailto:csrff@treasurer.ca.gov).

**Q: When is the application deadline?**

A: The school must submit the online application no later than 5:00 p.m. on Friday, October 9, 2020. Late applications will not be accepted.

## III. Application Content:

### Applicant-Charter Information-

**Q: What if an item on the application is not applicable because the school is only in its first year of operation?**

A: Schools should provide an answer for each item on the application. If a school is unsure about a submission, the best possible projection should be provided. The school should note on the application whether an entry is a projection. If an application item is not applicable, please enter N/A and explain why.

**Q: What is an Affiliated Organization?**

A: An Affiliated Organization is a legal entity that assumes financial, legal, and operational responsibility for a charter school(s), including but not limited to, a school district, parent company and charter management organization. Schools that are part of an Affiliated Organization may have their risk analysis determination lowered to reflect the increased security of the organization. The Affiliate Organization will also be considered the guarantor of the loan.

**Q: How do I find my school's Elementary School Attendance Area?**

A: The school may use its current physical address and contact its local public school district to determine its local elementary school.

**Charter School Questions-**

**Q: What is a hybrid school?**

A: A hybrid school consists of a combination-learning environment which may hold online classes, off-campus classes, and/or classroom-based classes.

**Written Request-**

**Q: What is the written request and how long should it be?**

A: The applicant will submit a written request describing the school's need for loan funds. The written request should include why the school needs the funds and what the funds will be used for. (Limit of 2000 characters)

**Operational Documents-**

**Q: Is there a template for the "Business Plan/Strategic Plan"? What kind of information should schools describe in this section?**

A: The Authority does not provide or require a certain template. The applicant may use its own Business Plan/Strategic Plan template. The Authority will review information such as: programmatic objectives, marketing and outreach strategies, organizational chart (if applicable), internal fiscal controls, staffing ratios, identification of financial reporting system, liability insurance, facilities maintenance, ability to accommodate projected growth, annual and long-term debt, budget format, estimated revenues, expectations to apply for grant money, and estimated expenditures. However, if there is no separate business plan, strategic plan, or memorandum of understanding between the charter school and the

chartering authority available that contains the financial information requested, the Authority will accept a charter petition that includes these elements.

**Q: Should current and projected enrollment and average daily attendance (ADA) figures be provided? What documentation will be expected?**

A: All schools should provide budgeted enrollment and ADA for the current year, plus the four years following (2020-21 through 2024-25). The Authority will also require a student enrollment list and wait list from all applicants.

#### Financial Documents-

**Q: What kind of template should be used to show the school's budget plans?**

A: The applicant may use its own budget template. The document should be submitted as a PDF. In addition, the Authority staff will request a Microsoft Excel version at a later time.

**Q: Should schools submit a budget that includes the current 2020-21 fiscal year?**

A: All schools are required to provide budget projections for the current year and four fiscal years after (2020-21 through 2024-25).

**Q: Should the budget show the loan coming in and payments going out?**

A: No, the Authority wants to see the school's budget exclusive of the loan proceeds and scheduled repayments being included.

**Q: Should schools add other sources of funding to their budgets, other than state, federal, and local apportionments: for example, grants, loans, contributions, fundraising, etc.?**

A: Schools should include all other sources of funding or financing, if applicable, and provide evidence that the school has or will receive funds from each of the included funding sources. Evidence such as award letters, factoring agreements, loan agreements, repayment schedules and cancelled checks are all acceptable documents.

*If you have any questions or concerns, email [csrlf@treasurer.ca.gov](mailto:csrlf@treasurer.ca.gov).*