

# **The California School Finance Authority**

Presents:

Sixteenth Funding Round of the State Charter School Facilities Incentive Grants Program

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## **Johantgen, Katrina**

Good morning, everyone, and welcome to the California School Finance Authority's webinar on the state charter, school facilities and SIXTEENTH grants program. We're thrilled to announce that California received its fourth federal grant under this program in late 2024. And without further ado, I wanted to introduce our California State Treasurer, Fiona MA, to open up the webinar, treasure Ma. Thank you so much.

## **Fiona Ma**

Thank you so much, Katrina, and thank you to everyone. We're very, very excited. For this new round of grants, it's \$30 million in incentive grants for charter schools to either rent or lease their facilities.

Construction needs acquisition and even renovation, so I know that there's a lot of need out there for infrastructure and improvements and also for those of you who are expanding looking to move, perhaps to a new location. So, thank you all for joining and I hope you're successful in applying for these grants back to you, Katrina.

## **Johantgen, Katrina**

Thank you so much Treasure Ma. And with that, I wanted to introduce our presenters for the today's webinar. I'm here to kick off our wonderful team. Ryan Storey is overseeing the kickoff and launch of this program for this funding round. Fatima Anwar as well as Linda Doan and Steven Theuring. Steven has been with the authority since our first award back in 2005. So Steven brings wonderful institutional knowledge on, you know. Administration of this program. So, we look forward to hearing from him as well. Just wanted to walk through a couple of housekeeping items. This webinar will be recorded and shared at a later date. Please keep your cameras and microphones are disabled, and then any questions in the chat. Please limit them to this program and its application. As

many of you know, CSFA administers a number of programs, but this webinar is specifically. We're going to cover only the incentive grant program. Any questions that go unanswered during the chat will be responded to via e-mail after the presentation, and please be sure to include your contact information in the chat so that we can reach you with an answer. And if you don't hear back from us in the chat, please. Reach out to us at our program E-mail listed here, which is [incentivegrants@treasurer.ca.gov](mailto:incentivegrants@treasurer.ca.gov). So with that, I'm going to turn it over to Ryan Storey.

### **Storey, Ryan**

Thank you, Katrina. Hi everyone I'm Ryan Storey. I am a staff service manager one with CSFA. Been here for about almost nine years now and this is actually going to be my first round helping with the administration of our charter school facilities incentive grant program. The program as you know, is federally funded. As mentioned before, it is meant to provide grant funding to assist high performing charter schools, and we'll discuss. About our preference points that determine awards when we expect this program to be oversubscribed, but it also ranks are award funding list rounds one through 15 were funded by three different grants in the years mentioned below. Every grant award is a three-year grant, so it'll provide either funding for at least rent Prop 39 pro rata payments, mortgages and or renovation, construction and debt service costs. Funds cannot exceed 75% of the eligible program cost or renter lease costs and just for display repurpos. ING only program criteria will be evaluated in writing by authority staff.

So to talk about just quick overview before giving it over to our program analysts, we're going to go over the overview changes, eligibility and preference points. Preference points has an update based on our last round so that one has a lot a few different considerations than before. Eligible cost and ineligible costs, funding formula certifications, and last but not least our 204 process which allows for us to provide funding to you. With that, I'm going to go ahead and pass it over to Linda Doan, one of our program analysts.

### **Doan, Linda**

Thank you Ryan. And so now we're going to be going over briefly the program overview. Ryan has mentioned a few points already. So for this program, the awards are

determined using the preference point, which we will be going into more details later on in the presentation. The funding terminations are based on the lesser than formula that we use and the awards are for two different categories, which is the base rent lease prop, 39 mortgage debt service and then we have purchase acquisition, design, new construction and renovation. And again, the grants are provided as a three-year award and paid out over 36 months.

And now we're going to go into some of the program changes under the 2024 grant for this year. So in the past we were awarded 50 million and so for 2024 we were awarded 30 million. There's been an enrollment rate increase and the preference point criteria has some updates and changes, which again we'll go into detail later on. We've also added the disaster preference. We also have the BABAA requirement, which is the Build America, Buy America Act. And one thing to note is the lottery preference review right now is currently pending with the US Department of Education. But we will provide more updates to the school once everything has been solidified and our inbox will be open for questions as well.

And then now we can get into the program eligibility. So, in order for your school to be eligible is that you have to be an approved charter in place, you have to complete it at least one year of operations at the time of application. And we're looking at least 80% of classroom-based instruction. Your school also has to be in good standing and compliant with the Charter agreement. For example, if you are owing any funding with RLF program you would not be eligible for this program unless you already paid off your invoices and anything that's still pending.

And then eligibly continued, in terms of conflict-of-interest vetting, you have to make sure that your school complies with all the federal and state laws. Your school cannot be a current subgrantee under the program, but if your school is a district Dependent charter school, you can still apply if you can demonstrate operational and financial autonomy from its authorizing district. And your charter school also has to show that you are a not-for-profit status required by the EDC 47604.

Now I will be kicking it back to Ryan.

**Storey, Ryan**

Thank you, Linda. So as mentioned, these are our awards, are all ranked by preference points as the program is oversubscribed, we want to ensure we're not only providing awards for high performing schools, but also schools that are serving in need populations. As well as disaster affected schools and then additionally like I mentioned, performance measures as well and our analyst Steve Theuring will go over that in a second, but just to give a quick overview. The Program regulations section 10183 holds the entirety of our criteria it is currently being updated so on our website it's under the proposed regulations. Points are used to rank applicants and we expect to be oversubscribed. If not, it will just rank the order.

But again, we don't expect that there's a maximum of 140 points if we don't have the data available. Unfortunately, won't be able to sign points, just the unfortunate nature of the balance. For the most part, we do. Not have haven't been running an issue, but just putting a disclaimer out there. And then a few different categories mentioned driving distance and that is the local, those are the codes used and the distances associated with them. When we're using that for our preference considerations. So here are the categories for the 2024 grant. The subsequent funding rounds coming up low-income students serve, which is a measure of frpm. Nearby ESSA school sites and Steve will go into detail about that. That uses the chart that was on the previous slide. Other equity demographics, other demographics that schools are required to serve. Student performance, School choice and then last but not least, one of our new additions, the 6th consideration disaster preference. And so, without further ado, and to get better detailed all these categories, I'm going to go ahead and kick it over to Steve.

**Theuring, Steven**

Good morning. My name is Steve Theuring.

I'm an AGPA with the California School Finance Authority. I've been with the Authority now 15-16 years now. I've worked on all the grants and yeah, been around for a while. So we did as was mentioned before, we did have to do an update to the preference points categories, not only due to just the nature of the preference points, but also because the state and federal requirements have also changed so for to start off on the preference points, the low income. This is the bulk of the preference points assigned.

This is based on the school's current frpm data that's provided by CDE. You can refer to the table.

In our program regulations in 10182 a you'll see it's a sliding scale based on your frpm. As you get a higher frpm, you will be assigned more points of course, so. Next one the SSI school assistance. This is a update on our overcrowding school site. Overcrowding is, I think, not, not around anymore. So we had to find something that could replace this particular preference point category for this particular one. It's when the applicant is located within the driving distance of any public school. That serves the same grade level we have any public school that serves in the same grade level in italics. This is very important.

We'll be adding this has been added or will be added to the regulations. So that way the schools that we compare are comparable in grades that we were not taking a elementary school applicant and comparing them to a high school. For this particular preference point category, I also want to note on the driving distance. This is driving distance we will look at Google Maps. It's not how the crow flies again. It will be driving distance. So how we determine your locale code is based again on the federal data, and then that then is.

How we assign your miles radius for your particular preference points. Next slide, Sir. All right, continued. Another update that we have is other equity demographics. Again, we want to the program is intended to reward those schools that are in the highest need but also serve the most vulnerable populations within the state. And so, what we've done is included these equity demographics for our maximum point of temporary 10 points. Get 2.5 points each for Ingres, Lerner's foster youth, homeless and students with disabilities. This will be based on your most recent Cal Pads and seabeds figures, and we will be comparing that to the your actual chartering authority that you're located in. And so we will be comparing.

So say your English learner rate is 25% and your chartering authority that you are located in is at 20%. You'll then be subsequently awarded the 2.5 points for that particular category. All right, student performance. This had to be updated as well based

on the state requirements changing since the last round that we had back in 2014. This now has been changed to the level and progress of the school and again what we have been iterated before. Where you have to have at least one year of operations to be eligible for the program. However, some of this data actually requires at least two years of operation for order in order for us to be able to assess the points that are assigned to you based on these particular categories, especially the student performance. So that is something to keep in mind when you do apply. You want to make sure that you have both of these categories listed in your profiles when we verify this data.

Next one, Sir. All right, school choice. This is based on the percentage difference between a charter schools distance from standard as compared to the state the sorry as state states, the chartering authority's distance from standard states have been struck out of there. Again, this will be based on again on your local authority your where you are actually located. And then we will compare that. To their respective scores, and then based on your percentage from the distance from standard based. On that you will be assigned the points accordingly.

Alright, next one. That might be disaster, OK? This is the new one that we just did. Based on the LA fires as well, but also due to previous disaster declarations that have affected charters throughout the state, we decided to include this preference point category for a 20-point Max and so it's a consideration for the school when you apply. When you do apply please these include the documentation that proves that you fall under the declaration, and then we'll be able to confirm that you can get the points under that particular or this particular preference point category.

So if you have any, I'm seeing questions pop up on chat right now. I will be answering. Some of them as I go now, so I think I'm done with my particular part. So if you have any other questions, please feel free to reach out to me. On the preference points, categories and or anything, I'd be more than happy to answer any questions.

**Johantgen, Katrina**

This is Katrina, you know our preference points are really critical as Steven mentioned, this will be a very competitive program given that the funding is so limited and there

really are a lot of qualitative factors. So given how dense the preference point data is, you know we're happy to, you know, help you kind of figure out your preference points and competitive you'll be prior to applying. But there is a lot to get through and our regulations are, you know, we're working through those. Right now with OL, so that's also a really good resource to look at if you're looking for additional information to figure out how competitive you will be.

**Storey, Ryan**

Thank you. And we're going to go ahead and toss it back to Linda to go and cover eligible and eligible costs and a different award type.

**Doan, Linda**

All right. Thank you, Ryan. So this was touched on a little bit earlier for eligible costs if you have, if you are applying for the existing or new facility, this the war is based on the base rent, the lease mortgage debt service and Prop 39 and again is dispersed in 36. Equal monthly disbursements. Now if you are awarded based on the renovation of a facility, then that's based on the purchase acquisition, design and construction. And you can also use this to pay the current and future facility costs for up to a three-year period.

Next, diving a little bit more into construction and renovated awards. Now it's important to notate that these funds are dispersed in arrears and they are submitted to the authority. We will be reviewing all of these certified labor forms and invoices, as well as all non admin labor. It's important to know that they must meet the Davis Beacon prevailing wage requirement and the same thing all projects must apply to also BABAA for this one. If you have any questions regarding the language or the requirements, feel free to e-mail the incentive team for more information as well. Now the Davis Beacon prevailing wage has to be paid out on the entire project since it is a federal and state requirement.

And then the next slide. And then now for ineligible costs, it's really important to notate that any of the costs that had occurred prior to the day of the grant award, which is July 1st, 2025, would not be valid. Now if you have any projects for base rent and you are already receiving funds for example, the SB740 site, and you're trying to apply for the

same site, that would not be eligible. Same thing if you're applying for projects. For renovation and you are already receiving funds for the CSFP program and it's for the same site again it's not eligible, now it's also important to know that any grant funds that you cannot use to make any CSFP payments to the state or certify a CSFP recipients local matching share. And also, we do not pay any overhead or other administrative costs, which means we won't be able to reimburse you for your CMO for their office time or overseeing the grant. OK. And then that would be it on for ineligible costs. I'll be kicking it over to Fatima.

### **Anwar, Fatima**

Good morning. Thank you, Linda, and thank you everybody for joining us. I'm going to quickly review the program formula funding. For base and rent lease and Proposition 39, mortgage and debt, as you can see, it is going to be the lesser of the two. There is no exception to this. The current enrollment is now by 1500 or 75% of the school's annual cost. It cannot exceed \$250,000 so please keep that in mind. There is an example down here you would like to take a look at that.

Next slide please. And then for purchase and acquisition design, new construction and renovation. The enrollment will be by 2000 and the annual award cap for this one is \$500,000. If you have any questions about this, please do not hesitate to e-mail us.

### **Storey, Ryan**

Excellent. Thank you, Fatima. So different part of this program compared to ones we administer. There is a semiannual certification period, so every single grantee, regardless of if it's lease based or renovation construction based, has two periods where they have to recertify eligibility with the program. They are due February 28th and August 31st of each year. We must demonstrate your Charter still current and valid, that the lease, if it is something that you are using for your reimbursement or for your awarding purposes to send that as well, assign certification letter, kind of reaffirming all the program requirements.

An audit, which will be provided in the February certification period. A good standing letter it is just to make sure people are clear who's been in other programs with us. It is

twice a year we do certify. But standing with your authorizer for this program specifically. Assigned a legal status questionnaire. Again, both periods and then system award management, which is a federal registry, you have to have a registration with that as well and then confirmation of it to be still being active with that certification. Ongoing requirements of failure to meet the semiannual certification will result in a loss of funding as followed.

There's different steps that we go through based on failure to comply, failure to comply with a deadline. Let's say you just miss it. And you go in the next month would result in a loss of the 1st monthly disbursement. Failure to submit the required documentation within 30 days of following the deadline will result in a loss of the of the remaining five months. Disbursements for that certification period, you'd have a chance to recertify at the February. And or August, depending if two consecutive certification periods are missed, the sub grantee will be declared ineligible for all remaining disbursements and all forfeited funds will not be dispersed retroactively and they will revert back to the authority to be reapported. So please make sure that you stay on top of this.

It's going to be something where we're going to give a very good amount of time, heads up between people. So we want to make sure that everyone is aware of these deadlines as they are strict and have repercussions for them being missed as this is a federal program. It has a lot of additional oversight. All right.

And then we are opening our application next Monday at 10:00 AM. So same time plan on coming on back to our website. The link is right there. And you'll be able to go ahead. It's a similar process that the SB740 online applications do you have any questions, comments, concerns? Please do reach out to us. We're working on finalizing the actual database closing as required by regulations. We're going to provide the date by June 6, we'll send out not only a listserv or a mass e-mail. We'll also put it on our website, and it'll be no earlier than August 1st. So, enough rain for everyone to work. We want to try to get there at least when schools get back in session, understanding the summertime is not always the easiest time for people to get into their administrative sides, funding determinations will be made in late August, early September.

And again, it's an online application, so please any technical questions earlier rather than later is always safer and that website. Sorry, that e-mail address down there will go ahead and provide you access to all our analysts as well as. We'll go ahead and give a contact list at the end of this of everyone individually as well.

**Johantgen, Katrina**

I just wanted to so folks kind of understand the amount of work that would go into applying. Do we want to just kind of run through some of the items that would be uploaded?

**Theuring, Steven**

Yes.

**Johantgen, Katrina**

Charter application, yeah.

**Theuring, Steven**

It it'll be your charter petition your application. Board members and then the certification letter with the LSQ attachment. For those that do have the disaster declaration, please just attach it to your lease or and or project information when you submit and or upload that to the application itself.

**Storey, Ryan**

And the last part leases or the agreements and then additionally descriptions of the project of the construction or if it's already something that when you apply it's underway, it is something that you provide the more information the better change orders, project descriptions contracts. The more we have on the front end, the better .But yeah, the basics is what Steve and Katrina just described there.

An important part that we need to do with everyone, and you might already have this if you're an SB740 awardee, is our new FIS. Not new, but our fiscal process involving our Form 204 and to discuss that is going to be Fatima.

**Anwar, Fatima**

Thank you, Ryan. So the STD 204 form is required document. So please make sure that this is submitted and on time and any information matches with what is on their website because awards will be used to process the awards. Sorry, this form will be used to process the awards. You do not want to delay in your award, so we cannot stress enough to have this form submitted and on time and also have the right information.

The business name, it should appear has your employer identification number on the website. If the school's name is different from what is listed, you must submit a new one. So please make sure that all documents match. Thank you.

**Storey, Ryan**

Excellent. Thank you so much. So this is our reference information. Our websites there are the form 204 that Fatima just went over is linked there as well. The information for the employer identification number that is needed for the 204 listed there and very importantly our list service down there. Again, you'll get information when we determine the closing date as well as any regulatory updates that we are making throughout the process that was discussed earlier.

And then last but not least, here is our contact information for everybody under the project team and at the lower corner left corner, we got the actual program e-mail which everyone has access to and our locations on the right hand side. We will provide this the recording of this webinar to be posted on our website within one week, just to give everyone a heads up. And our the incentive website is up and updated.

So if you have any questions. Comments, concerns from stuff you've read on Please do reach out to the incentive grant e-mail account. And with that, we'd like to thank you all for your participation in here. We know that this program has a lot of complexities to it. We will provide more information about the federal updates as we wanted to make sure this was focused more on everyone's ability to apply to this program and have any type of general eligibility questions. As we have already had determined.

So we're going to stay on a little bit longer and work through work through some questions. If we don't answer your question in the chat, we'll verbally written. We'll go ahead and follow up with any unanswered ones. As mentioned before the e-mail.

Please do enter your name and information. We do have a list, but it does help if there for whatever reason, there's a disconnect between the registry and then what you actually use as a communication e-mail. So let me just double check on here.

**Johantgen, Katrina**

Ryan, there's a couple questions coming in. So I'm answering one now.

**Storey, Ryan**

OK. Again, please do look at the chatters. We're putting more of our responses in there. I will talk about one general thing and try to touch on stuff that's a little bit more non specialized here. SB740 so if you are, if you are receiving an award for SB740 that those leases that are not eligible for you to be receiving funding also for incentives, so you can projects, renovation, construction are different. They're not the same thing.

Available for SB740 that would apply the same thing as well. There is no ability for you to combine grant awards. Per the statute and regulations, so please make sure you're aware of that, but again you have an agreement with the district. You have an agreement with Authorizer. You have an agreement that is typically ineligible for SB-740 not being a third party. Those would be the leases. That would be the intent of this program.

And of course, for schools that are ineligible for SB-740 for other reasons, of course. See a couple questions here about projects. So we wanted one, one commentary about projects, again it must be well defined if you're doing a project and the grant is used as part of the projects, please make sure things are well defined in your application that we can have follow up questions if need be the more information on the project descriptions the better.

**Johantgen, Katrina**

Yeah. On the project, as we mentioned, the Babo requirement, the Baba requirements follow the project. So if you are for example building a new gym and you're finding the stage with this grant, just talk about the stage in your application because that's what we're going to use to verify the BABAA compliance versus the entire gym, you know, because then the entire gym would be subject to the Babo requirements.

**Storey, Ryan**

Definitions and strict explanations make it a lot easier for us to come to that determination.

**Theuring, Steven**

Just real quick, I just had another question. OK. So when we know if we receive the funding. So we normally so once we get all the applications and the application period closes, we then go through the eligibility review. Once we determine that schools are eligible then that's when we'll go through and actually do the preference point categories and then assign points to all the schools.

That are in the applicant pool and that are eligible. At that point. Once we finalize the points and then we calculate the cost associated with the schools. Again, this is a very competitive program. Most of our award pools for each round average between 20 and 30 schools and we normally receive upwards of 100 to 120. Applications for this particular program, so just to give you an idea of the the competitive nature of it and that's why we use and utilize the preference points categories to determine the the awardees under this particular program.

So once we finalize everything and we get the top 20 to 30 schools, we'll then also calculate probably 5 alternates in case for whatever reason that any of the. The top schools that are going to be awarded funding it happened to drop out. One of the alternates, and we'll actually be able to bump in and receive either all of their funds or portion of it based on the calculations of the schools above them.

Once we determine all that, we then present this to our board and then that is an

approved as a board item. And we're hoping to get this hopefully approved in August. Once it's approved, that's when the schools are then told that they have been awarded, and that's when the process of the loan agreement and certification requirements are all needed on our behalf. And then I think we're going to project, hopefully starting the first disbursement.

So if you are awarded, hypothetically, if you submitted your release. For let's say. You know, for, you know, July 2025, like the question just said. Your first disbursement will be for the award the award calculation, based on what we calculate based on your lease cost the previous year. And so that's the determination of our particular calculation. So again, it won't be any cost for any costs occurred after July 1, 2025. We base all the calculations based on your previous lease costs and then once we do that, we will then disperse up 36 monthly disbursements for three years. So if your first disbursements October 2025, your last one then will be in September of 2028.

Let's see here. If there's one charter school, three different sites and one of our school has one of her. Oh yes, absolutely. You are absolutely eligible if you have three sites and one particular site has a lease that's eligible under SB740.

And one other particular lease is eligible. Or maybe it's a district prop. 39 agreement for whatever. Or, you know, whatever reason you can absolutely apply for that other location.

Let's see here. Can you provide a link to the RFA? I'm not sure where to RFA. I'm not familiar with.

**Storey, Ryan**

This is FY25-26 set for this.

**Theuring, Steven**

Then it was previously we did previous cost but we can do current cost so.

**Storey, Ryan**

It's it will be previous because right then it starts in October. I think that's the that's the hitch with this one.

**Theuring, Steven**

Yes. That's the hitch with this one, but we will use current costs. We previously in other awards we have done other ones. So yes, and Katrina just had a yes, a good no. Document with the details of this application process.

So the application will actually open. It's not on our website at the moment, so once it becomes open. It's all tied to our online application system, so if you already have a profile that you submitted under any of our other programs, RLF, S740, etc. you already have a profile, you'll then be asked to sign in when we make the application live next week you'll have incentive grants listed as an option.

You'll click on send EM grants and then you'll see all the documents and everything else listed within the application itself. Hopefully that helps you, Karen.

**Storey, Ryan**

I want to follow up with that too, Karen. Our regulations provide the outline for the requirements that are needed for our application process.

Steve described is not in there, but the requirements of the application are listed in our program regulations.

**Theuring, Steven**

Can you find that on our website and on the program web page? No problem. Any other questions?

**Storey, Ryan**

Dickie will go ahead, and we're going to update what we have is called frequently asked questions. I know Steve and the program analysts are working on that right now.

That will be placed onto our website. If you are part of our listserv, you will be informed once that FAQ is put up there. It goes into much more detail about the individual questions you guys all might be thinking of or come across as well as some of the general ones we address today, so please do sign up and be on the lookout for that. It is one of the more helpful documents for any of our programs to cover kind of the small, lingering questions before you apply.

**Theuring, Steven**

Yes. Also, there's a lot of pertinent information regarding of construction and renovation projects and the criteria needed for those particular projects as well due to the federal requirements that are needed. So and again, we'll be updating those as well.

**Storey, Ryan**

Yes, and we'll share. A recording will be put on our website within a week. We're going to try to do that with the FAQ so we can have a kind of one stop update, but yes, the recording will be up. We're working with our accessibility department on that, but there will be a recording visually and vocally or audio to this presentation.

**Theuring, Steven**

And again, the application period will be open for a little while. When are we closing it, Ryan?

**Storey, Ryan**

Not before August 1st.

**Theuring, Steven**

Oh, OK. So yeah, we're you will have a little bit of time to apply for the program and that

way you can review the requirements and eligibility and see if you if it's worth you know based on the preference point categories as well.

**Storey, Ryan**

We're going to go through these questions again to make sure that we answered. Everybody's just in case we didn't put your e-mail in there, if we missed it so it helps us, but we hope we answered everything that was generalized. We will go through it again, again for more specific questions and please do feel free to reach out to us and if you have any questions, comments and concerns.

**Johantgen, Katrina**

Again, everyone for joining us and let us know if you have any questions and we look forward to launching this funding round. Have a great day.