

## California School Finance Authority

Title 4, Division 15, Article 4

### Finding of Emergency

Pursuant to Education Code Section 17170, the State Legislature directed the California School Finance Authority (Authority) to commence administration of the State Charter School Facilities Incentive Grants Program (CFDA #84.282D).

Education Code Section 17180(o) authorizes the Authority to adopt regulations as emergency regulations and provides that adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

### Authority and Reference

Authority: Section 17180(o) of the Education Code

Reference: Section 17180(o) of the Education Code

### Informative Digest

The Authority has received three grant awards under the State Charter School Facilities Incentive Grants Program (CFDA #84.282D) (“Grant” or “Program”) from the United States Department of Education. These Grants are authorized under Title V, Part B, Subpart 1 of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001. These Grants, awarded in 2004, 2009, and 2014, have provided \$49,250,000, \$48,194,000, and \$50,000,000, respectively, for the purposes of funding per-pupil facilities aid programs for California charter schools.

Grant funds may be applied toward a charter school’s annual costs of rent, lease, mortgage, debt service, and Proposition 39 pro-rata payments for facilities, or toward the costs of purchase, construction, and renovation of a new or existing facility.

On January 27, 2022, the Authority’s Board approved the emergency regulations at its board meeting; amendments adopted pursuant to emergency rulemaking are listed below:

#### **Section 10176. Definitions**

(m) – “Good Standing.” Defined to clarify and explain the requirements consistent with other Authority Programs.

(n) – (v) – Each subsection will be amended to the next letter alphabetically.

#### **Section 10177. Eligible Applicant**

(b) - Addition of language “that are current Program subgrantees shall” and “Program Applicants must cure any noncompliance within the lesser of 14 days before the board meeting at which grants are to be awarded” to subdivision (b) to

clarify the relevant deadlines for current subgrantees and Program Applicants. This addition memorializes current practice and is being added in the interest of transparency and to provide adequate notice to Program Applicants of the applicable deadline. Additionally in subdivision (b), the term “good standing and compliance response letter” is deleted and replaced with “Good Standing Confirmation Form (GSCF) (CSFA Form 1119) to reflect the change in the Authority’s procedure for verifying whether a school is in good standing with its chartering authority and in compliance with the terms of its charter.

**Section 10188. Release of Funds.**

(a)(1) – Addition of a space between “rent” and “or” to remedy a typographical error.

(a)(1)(E), (a)(2)(E), and (a)(3)(E) - the term “good standing and compliance response letter” is deleted and replaced with “GSCF” to reflect the change in the Authority’s procedure for verifying whether a school is in good standing with its chartering authority and in compliance with the terms of its charter. The Authority is requesting this substantive addition to existing text.

(a)(1)(G) – The addition the phrase “except that in the final year of the Program, 2022, documentation must be received by July 1, 2022, to allow sufficient time for processing” in is necessary to adjust the reporting time frame in the final year of the Program to ensure that funds do not revert to the U.S. Department of Education.

(a)(1)(H)1 – “In the final year of the Program, the failure to meet the July 1, 2022, deadline shall result in the subgrantee being declared ineligible to receive any remaining funds. The forfeited funds will not be disbursed retroactively and will immediately revert back to the Authority.” was added to allow additional time for the Authority to process disbursements of award funds to ensure that no funds revert to the U.S. Department of Education.

(a)(2)(G) – The addition the phrase “except that in the final year of the Program, 2022, documentation must be received by July 1, 2022, to allow sufficient time for processing” in is necessary to adjust the reporting time frame in the final year of the Program to ensure that funds do not revert to the U.S. Department of Education.

(a)(2)(H) – “In the final year of the Program, the failure to meet the July 1, 2022, deadline shall result in the subgrantee being declared ineligible to receive any remaining funds. The forfeited funds will not be disbursed retroactively and will immediately revert back to the Authority.” was added to allow additional time for the Authority to process disbursements of award funds to ensure that no funds revert to the U.S. Department of Education.

This Emergency Rulemaking Action represents an adoption pursuant to Government Code, Section 11346.1(h), of the Emergency Rulemaking Action. The Authority intends to submit a Certificate of Compliance upon the Office of Administrative Law’s approval of this Emergency Adoption.

### **Mandate on Local Agencies or School Districts**

The Executive Director of the Authority has determined that these amendments to the program regulations do not impose any additional mandate on local agencies or school districts for a new program or higher level of service of an existing program.

### **Cost Estimate**

The Executive Director of the Authority has determined that these emergency regulations will involve no costs or savings to any State agency, no nondiscretionary costs or savings to local agencies or school districts, no reimbursable cost to local agencies or school districts under Section 17561 of the Government Code, and no costs or savings in federal funding to the State.