

ADDENDUM TO INITIAL STATEMENT OF REASONS

CALIFORNIA SCHOOL FINANCE AUTHORITY

Article 1.5, Sections 10170.2 through 10170.10

Title 4, Division 15

California Code of Regulations

1. Specific Purpose, Necessity, Administrative Requirement or Other Condition or Circumstance That the Regulation is Intended to Address (Section-by-Section Analysis)

Section 10170.2. Definitions

In subsection (c) - The addition of the definition for Attendance Area. The Authority is adding this section to further clarify and explain which local elementary school referenced in Program Regulation Section 10170.3(d)(2) is chosen during eligibility review. This is an eligibility benchmark described in Ed Code Section 47614.5(c)(2)(A). [The current language does not provide a process if the case the district does not designate attendance areas. The additional language provides that process and informs applicants for pre-application considerations.](#)

In current subsection (q) - The amendments to the definition of Good Standing are the removal of (1) "compliance with the terms of its Charter Agreement" and (2) "no pending or outstanding Notices of Violation described in Education Code Section 47607(g)". The Authority is removing these as a lack of compliance should lead to the official notice provided in Ed Code Sections 47607(g) and furthermore, should lead to a Notice of Revocation per Ed Code Section 47607(h). These actions should lead towards Notices of Revocation rather than just a lack of Good Standing. [Additionally, Education Code Section 47607 provides guidelines for denial of grant funds. By removing the first two triggers, the Authority will better comply with Section 47607 as well as ensure the elimination of concerns of abuse due to the range of actions that fall under the current language.](#) To reflect this change, the Authority is also creating a new form for Good Standing, CSFA Form 0921, ~~revised November 2021~~ [established September 2021](#). This is reflected in the amendments which added "provided" and removed "prepared" as well adding "SB740" and updating the form number. The new form is provided as an attachment and incorporated by reference. [As the Authority still uses Form 1119 in other programs and it is incorporated by reference in Education Code Section 10170.17\(g\). Form 0921 is only replacing Form 1119 in this program.](#) Additionally, the Authority is requesting non substantial language to clarify the existing text. This subsection is now subsection (r) due to the addition of subsection (c) above.

Section 10170.10. Notification of Grantee: Appeal Process.

In subsection (g) – The amendments are the addition of applicant fails to ~~reach~~ [submit an appeal per](#) Section 10170.10 (e) within 120 days from receipt of the Authority's notice described in Section 10170.10(~~ba~~)" and removed " appeal is not able to be resolved by the deadlines provided in Section 10170.10 (b), (d), and (f)". This was done to

provide additional clarity to the appeal timeline. This clarifies that applicants that fail to submit the appeal within 120 days of receiving the initial notice described in (a) which is the total of days provided in (b), (d), and (f) will have their appeal denied based on a failure to comply with Program regulations.

8. Problems and Benefits

~~The Authority has emergency regulations for the Program, but they must be made permanent to effectively administer the Program on an ongoing basis.~~ Without permanent regulations, the Authority does not have uniform standards and guidelines to administer the Program, ensure Applications do not receive a fair and consent evaluation, and Applicants do not have guidelines to direct them through the Application process. The benefits of the proposed regulations are to ensure the Authority has uniform standards, internal controls, and guidelines to maintain consistent and effective administration of the Program.