



## CALIFORNIA SCHOOL FINANCE AUTHORITY

**Date:** April 7, 2020

**To:** Charter School Facility Grant Program Recipients

**From:** California School Finance Authority

**Re:** Charter School Facility Grant Program 2019-20 & 2020-21 Projections

### MEMBERS

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The California School Finance Authority (CSFA) has finalized its 2018-19 awards under the Charter School Facility Grant Program (Program), and has issued Initial and Second Apportionments under the 2019-20 funding round. Pursuant to Section 47614.5(f) of the Education Code, Program funds should first be used for rent and lease costs. If funds remain, the Program may reimburse other costs such as remodeling buildings, deferred maintenance, built-in equipment, and improving sites (Other Costs). If there are insufficient funds to reimburse 75% of requested Other Costs, awards will be pro-rated. Similarly, in the event the amount of requested eligible rent and lease costs exceed the amount of funds available, the lease portion of the award will be pro-rated, and CSFA will not make awards for Other Costs.

The California Department of Education (CDE) recently provided the 2019-20 Period 1 (P1) Average Daily Attendance (ADA) for all California charter schools. Based on the P1 ADA data from CDE, CSFA is projecting that the 2019-20 funding round is oversubscribed under the first-priority rent and lease cost category. Based on CDE data and total eligible rent and lease costs, CSFA anticipates rent and lease costs will be pro-rated and schools will receive approximately 95% of eligible awards. At this time, CSFA is anticipating the 2019-20 Other Costs will not be funded. We encourage schools incurring Other Costs to track those expenses as applicants may still request Other Costs through the [Facility Invoice Expenditure Report](#) due July 15, 2020 (in the event funding is made available in the 2020-21 budget to backfill awards).

### Example Award Calculation

2019-20 Lease Costs		\$400,000.00
Other Costs		\$0.00
75% of Annual Facility Costs		\$300,000.00
Award per P-2 (ADA x \$1,184)	<b>250.00</b>	\$296,000.00
Award (Lesser of the two)	ADA Cap	\$296,000.00
Pro-Rated Award	95%	\$281,200.00
<b>Initial Apportionment</b>		\$140,600.00
<b>Second Apportionment</b>		\$70,300.00
<b>Final Lease Award</b>		\$70,300.00

**2019-20 Timing:** CSFA traditionally receives Period 2 (P2) ADA data in late June, and sends True-Up award notices in July. Awardees have 30 calendar days to review and request changes or appeal staff's award determination. The Authority will disburse 50% of the True-Up award along with an award notice. Once all awardees have had an opportunity to review their award determinations, CSFA will finalize the pro-rata rate and disburse the remaining balance to all awardees. Please note that final true-up awards can be delayed by several months due to appeals at the staff and board level.

**2020-21 Funding Round Projections:** In light of the economic impacts of the COVID-19 pandemic, it is unclear what the 2020-21 budgets holds for the Program. We will continue to update schools as information becomes available.

We appreciate how important this funding is for charter schools throughout the state. Please contact us should you have any questions or need additional information. We can be reached at [ian.davis@treasurer.ca.gov](mailto:ian.davis@treasurer.ca.gov) or [Thomas.dear@treasurer.ca.gov](mailto:Thomas.dear@treasurer.ca.gov).