

Office of the California State Treasurer
and
California School Finance Authority (CSFA)

Presents:

Webinar - SB740 Program

Wednesday, May 16, 2018

10:00 a.m. – 11:00 a.m. PDT

<https://youtu.be/8GGPGoffqWA>

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[Webinar begins 10:02 a.m.]

Slide 1 Opening Statement

>> IAN DAVIS: Good morning. This is Ian Davis with the California School Finance Authority. Today we're bringing you a webinar for the Charter School Facility Grant Program. Today is May 16, 2018.

If you have any technical issues, please go to the go to webinar link below or you can call 1-800-263-6317. Live captioning is also available at the link shown on your screen, as well as we will be providing a recording of this webinar as well as transcripts. As soon as those transcripts are completed and we believe that will be up on our website sometime next week.

Slide 2 Introductions

>> IAN DAVIS: Again, my name is Ian Davis. Program co-lead for the Charter School Facility Grant Program, and I'm joined by Anne Osborne, also the program co-lead.

Slide 3 Agenda

>> ANNE OSBORNE: Thank you, Ian. I'd like to talk about what is on today's agenda. We're going to be talking about the Program overview, eligibility. We will discuss the grant calculator, just update you on the application, invoices. We have some regulation updates that we will be bringing to you as far as upcoming dates. And of course the contact information.

Slide 4 Program Overview

>> ANNE OSBORNE: To begin with, the charter school Program started in 2002 and came over to CSFA in 2013 currently we have awarded over \$430 million to grantees.

Slide 5 Program Overview

>> IAN DAVIS: So for 2017-18 year we anticipate the Program would need about \$137 million to fund all schools. This is based on current regulations and the education code.

Going forward, for apportionment the award is apportioned out first in October 31st and this is again subject to a proof of Governor's Budget previously it had been August 31st. The Second Apportionment is in March 1st and true-up is August for 30 days after receiving information from the applicant to calculate the final award.

Slide 6 Program Eligibility

>> ANNE OSBORNE: Thank you, Ian. As far as eligibility for the Program, we need to have a current charter in place. Schools need to meet the FRPM, Free and Reduced Priced Meal, at least 55% of students are eligible for FRPM. Also if the school is unable to meet the 55%, then the school site that they are next to needs to be in the attendance area of a local elementary school and that school has to have the 55% FRPM. Also eligibility is based on classroom-based instruction, which is ADA and the school must also remain in good standing throughout the term of the grant.

>> IAN DAVIS: I apologize Anne. I did forget one housekeeping item which is questions. If you have questions, you can certainly pose those questions in the webinar in the questions tab we will not be taking questions until after the webinar we'll be sending those questions to you and if you have questions we'll respond directly to those issues and you can put that into the question box. All right. Thank you, Anne.

Slide 7 Program Eligibility

>> ANNE OSBORNE: Next slide, please. Program eligibility again preferences in the missions. Schools that are using their local elementary school to qualify for SB740 need to demonstrate that they are granting admission, preference admissions to the elementary students that are in their local area.

The Authority currently accepts for evidence for admission preference of admissions, I'm sorry, charter's admission policy, a letter signed by the school administrator or an Authorizer's approval saying that they grant preference to admissions.

Slide 8 Maximum Grant Calculator

>> IAN DAVIS: Thank you, Anne. Once we've determined a school is eligible for award we move on to calculating the school's award itself. And it can be broken down by cost by discussing it as lesser of the two calculation. So the school is either eligible for an award up to 75% of annual facility cost usually a lease or cost of maintenance or school's average daily attendance times \$1,117 for the '17-'18 year and for the '18-'19 year that amount will be increased to \$1,147. Again if you have any questions at all about this reward calculation, we'll be discussing it further in this webinar but you can also pose it here in the questions tabs or take a look at our frequently asked questions online.

Slide 9 Program Calculator

>> IAN DAVIS: This is a breakdown of the Program calculator for the '17-'18 year. This would be the school's final apportionment calculator because we are again looking at other costs at the end of the year.

So this school had a lease of \$246,000 for the school year for the '17-'18 school year. And they also submitted \$150,000 worth of approved other costs. This could have been utilities, maintenance, installations throughout the school year. For a subtotal of \$396,000 for the year. 75% of annual facility costs \$297,000. And now we take a look at the school's ADA which is 217.15 for the year. We received the ADA from the California Department of Education so this is the certified P2 data for the school. And it is also the eligible ADA for the school, we'll actually

be talking about ADA eligibility in a bit. But to move on this school has 217 ADA multiplied by the 17-18 amount which is \$1,117. That's 242,000 about. So the lesser of the two is the ADA apportionment.

So the school's award for the '17-'18 year is \$242,000. During the initial apportionment the school would receive 50% of the lease-based award without the other costs included.

Second apportionment would be an additional 25% now schools receive 75% of their award. During the final apportionment the school submitted those other costs we discussed earlier. So the school awards significantly increased. And the final apportionment is whatever is remaining of the award.

Basically the school could receive up to \$242,000 as stated earlier. So the schools already received \$92K and \$46K so the remaining portion is \$104K.

Slide 10 Application Overview

>> IAN DAVIS: The Authority requires all applicants to submit their application on line through the online application. That application is currently available and is due June 4th at 5:00 p.m. afterwards the application will shut down and no other applications will be accepted.

Applications received after the final filing date will not be reviewed. If an applicant experiences technical difficulties, please email the authority SB740@treasurer.ca.gov. We will be going over the application process now.

Slide 11 CSFA Website

>> IAN DAVIS: So just a heads-up, our application is available on our website and you can click on that link. As well as just below the online application is a printout for the legal status questionnaire and application signature page these are forms that you could have filled out prior to filling out the application and just have ready to upload when you begin the application. The link to these forms is also available on the application itself.

Slide 12 Application Update

>> IAN DAVIS: There's one update to the application which is a new question for schools occupying district or county of office of education facilities. We're simply asking if the school occupies one of these sites. If the school does occupy one of these sites, we'll send out a follow-up email after we receive your application basically asking: Do the students migrate between the eligible and ineligible site such as a junior high or high school and if so then we'll ask you to provide the square footage of your district facility and the square footage of your eligible SB740 facility.

If the applicant's students do not migrate between those sites, then they can just self-certify the ADA breakdown between those sites.

If you have additional questions about the process, by looking at the frequently asked questions or email us at SB740@treasurer.ca.gov.

Slide 13 Steps for Success

> ANNE OSBORNE: So let's talk about how to successfully complete your application. The first thing is all documents must be text readable with the maximum file size of 5,000 KB. We also need to have your current charter agreement on file.

If it's on file, you do not need to resubmit. We also need to have the approved authorized board adoption of the charter. Again, if that's already on file, we do not need to have you resubmit that.

Your board members, we do need to have that one, a copy of that submitted. You can upload that with the board members.

>> IAN DAVIS: And may I ask a question: What happens if any or all of these files are above 5,000 kilobytes and I'm unable to upload it?

>> ANNE OSBORNE: Send us an email at SB740@treasurer.ca.gov and then we can help you.

>> IAN DAVIS: Actually all I need to do is submit it in the email that you send to us, just send us the attachment and then mark on your application that it's on file with the authority. So send it to SB740@treasurer.ca.gov and we will send you a confirmation email saying that we've received your charter or your board members.

>> ANNE OSBORNE: Oh. Perfect. Thank you, Ian.

Also, a quick clarification question came in about preference and admissions. And that is only if the school is relying on their local elementary for eligibility.

If you meet the 55% threshold, then you do not need to provide us proof of preference of admission. I just wanted to bring that up because that question just came in online.

Slide 14 Steps for Success

>> ANNE OSBORNE: Legal status questionnaire and certificate of compliance. We do have these documents available for you to print out. One thing we like to point out is this document requires two separate signatures.

So we cannot have the same person signing in the signature block. They do need to be two different signatures. If they're not filled out correctly, we are going to have to send these back to you and this could delay the application review. So we want to just bring that to your attention.

And the authority again does not require a wet signature. Everything is handled online so you can scan those and submit those. They do not need to be sent to the authority.

>> IAN DAVIS: They don't need to be mailed then.

Slide 15 Steps for Success

>> ANNE OSBORNE: And lease terms, again, a lot of schools have their current lease on file with us. And you don't need to send us your lease if it is already on file, but if you do have any updates, amendments or if it's a brand new lease, that will need to be sent to us and with

the naming convention 123 School Street. So it would be the school address would be your naming convention.

And just load them up individually on the application. It says upload and you upload each document at that time.

>> IAN DAVIS: And again if the lease doesn't fit or if there's not enough space to submit all your leases you can also email them to us.

>>Katrina Johantgen: I want to interject as to wet signatures. The Treasurer's Office is working on implementing a new process for submitting signatures. So we'll be working through that over the next probably 6 to 12 months. We've been asked by a lot of applicants about things like DocuSign and other ways of electronic signing.

We heard the request and we're looking to implement something as an office.

Slide 16 Other Costs

>> IAN DAVIS: All right, thank you. All right. Moving on to other cost submissions. Right now for a current applicant we're ending the year right now so schools can begin filling out the invoice expenditure report, also known as the invoice wizard. This can be sent to us at the end or at the close of the school fiscal year due July 16 at 5pm. It can include remodeling buildings, deferred maintenance, extending service systems such as HVAC systems, cabling and things that are physically attached to the wall not moving furniture.

Improving sites as well as maintaining repairing common areas such as landscaping, utility costs. And these will be incorporated into the awardees final true-up award. For a new applicant you will not be filling out this. You will be filling this out toward the close of the fiscal year you're applying for.

Slide 17 Invoice Template - Updates and clarifications

>> IAN DAVIS: Just go over a little bit invoice cost. Invoice cost shall be reviewed for related parties. Consumables such as janitorial supplies are ineligible such as toilet paper or anything else that might be consumed by the staff or students.

Employee salary and benefits are ineligible. Invoices for other costs are due to the authority again in July for the 17-18 school year other costs are going to be due July 16, 2018 at 5:00 p.m. and this is done to provide schools ample time to close out costs for the school year and send us the full bulk of their costs for the 17-18 fiscal year.

Slide 18 Invoice Instructions

>> IAN DAVIS: When you're submitting your invoices make sure to let the invoice clearly state the vendor, the project description, a location of the project and the date of service and that must fall between July 1st, 2017 to June-30, 2018. If you only have copies of receipts or bank statements, on the receipt itself provide a brief description of the project and the location of where that project took place.

And again we'll be reviewing those vendors for conflicts of interest.

>> ANNE OSBORNE: Ian, just real quick, on the other costs, we're only looking for other costs, not lease cost to be on that invoice.

>> IAN DAVIS: Correct. If you have any storage units or if you have mobile units, just send us the leases for those, and if those are changing month-to-month you can submit a breakdown in an Excel spreadsheet to us, but the invoice spreadsheet is strictly for those types of costs deferred maintenance other costs.

>> ANNE OSBORNE: Thank you.

Slide 19 SB 740 Invoice Email

>> IAN DAVIS: And when you submit them, you'll be submitting them via email to SB740@treasurer.ca.gov. Please include the invoice wizard itself, completed, and filled out. A signature page which is part of the invoice wizard signed by an administrator of the school, as well as the supporting documents for that invoice wizard.

Slide 20 Regulations Updates

>> IAN DAVIS: This year, beginning this year we'll be notifying the schools with the final true-up with this form. Basically breaking down the school's award and how we came to that award cost.

For years of oversubscription, we would ask that schools submit, sign this and return this to us showing that you have received it and you understand the award. And if you have any disagreement with it, you can certainly appeal and we can begin the appeal process for the school.

During years of undersubscription you do not need to return this to us. If you want to, you can, but it's not needed. Basically this is just for your records during years of undersubscription, for years of oversubscription it's for us to have a full process that all schools have been notified and are understanding of their award. And if not we can begin an appeal for that.

Slide 21 Governor's Budget Updates

>> IAN DAVIS: We do have some news regarding the latest May revise that came out last week. These are proposed funding increases that have recently been approved by the senate and are still pending in Assembly vote and the Governor's approval. For the '17-'18 funding round, there's proposed one-time increase of \$21.1 million in funding due to the oversubscription. That increase will provide us with \$133 million for the school year.

As well as for the 2018 year this proposed funding increase of \$25 million, which provides the Program with 137 million for the 2018-19 fiscal year. The \$133 million if approved should be enough if the other considerations in the budget are approved.

Regarding those other considerations, we will be providing you a breakdown of how those processes will be implemented to you once they are approved as well as we'll be updating our regulations as well. We just want to let you know we'll keep you apprised of how those will take effect, but at this time because they're proposed we are still working on how all those other considerations will be processed through the Program.

Slide 22 Upcoming Dates

>> ANNE OSBORNE: Thank you, Ian. Just to call out some upcoming dates as we have talked about the application is due on June 4th at 5:00 p.m. our true-ups will be due on July 16th at 5:00 p.m. and we also ask that you submit all your supporting documents and complete the wizard at that time. And just a gentle reminder the fiscal year that you will be using for this is July 1st 2017 through June 30th, 2018. That would be the date that you would be using for all your documentations for the 2017-18 true-up.

Slide 23 Questions

>> ANNE OSBORNE: If you have any other questions, we ask that you please look at our frequently asked questions, which is on our website. You can also contact us through our email which is SB740@treasurer.ca.gov.

Slide 24 CSFA Staff

>> ANNE OSBORNE: I'd like to introduce you to our staff we have Katrina Johantgen, Executive Director, Dana Brazelton, our supervisor. Laura Martinez, our manager. You have Ian and I as co-leads, and on the other side you have the analysts that would be reviewing your application. So we just want to let you know these are the people that would be involved

Slide 25 SB740 Contact Information

>> ANNE OSBORNE: Our contact information for Ian and myself is on the screen, and our phone number is there as well. I believe Katrina is on the line and I believe she has some closing remarks. So Katrina, we'll let you speak.

>> KATRINA JOHANTGEN: Thank you, Anne and Ian, and everyone else on the CSFA team and to all the charter schools. We've phased in on the Online Application, and I think that's been successful, and again I mention that we're looking to implement an easier way to sign documents and submit those. So we are continuing to work on making this Program more efficient.

We know that this has been an interesting year as it relates to changes to the Program, with the increase in funding and now the oversubscription. It looks like the Program will more than likely not be oversubscribed. So we are working with interacting the trailer bill and we are working on an implementation plan now to implement all the changes that are in the trailer bill.

So as Ian and Anne mentioned we should have more answers in the next couple of weeks but we are internally starting and planning on how those changes to the Program will be implemented. As usual, reach out to us, send us an email, if you have any questions, we're here to answer any and all questions.

And thank you Anne and Ian for your leadership on this Program.

>> IAN DAVIS: Thank you.

>> ANNE OSBORNE: Thank you.

>> IAN DAVIS: All right. And just as a final note, again, if you guys have any additional questions, you may submit them to SB740@treasurer.ca.gov. We'll have a recording of this presentation sometime next week once the transcripts are made available. And that's it. All right. Thank you.

[End of webinar 10:25]