

# ***California School Finance Authority***

## ***SB740 Webinar***



***October 30, 2018***

*10:00-11:00 a.m. PDT*

- For technical issues, contact GoToWebinar (GoToMeeting) at (877) 582-7011 or <https://support.logmeininc.com/gotowebinar>
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# *Charter School Facility Grant Program*

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# Agenda

- Reimbursable Facility Costs
  - COLA Cap
  - Appraisal Cap
- 2017-18 True Up Disbursement
  - Other Cost Pro Rated
    - Lease Costs reimbursed first
    - Other Costs will be disbursed after
  - Timing
- 2018-19 Initial Apportionment
  - Currently being reviewed
  - Appraisal request
- Preference in Admissions
  - 47614.5 Who must provide preference in admissions
  - Sufficient language
- Contact Information

# *Reimbursable Facility Costs*

- Reimbursable Facility Costs
  - Multiyear lease - COLA Cap
  - New Facility Agreement - Appraisal Cap
  
- Rent/Lease schools are COLA capped
  - 2017-18 1.56%
  - 2018-19 2.71%

# Reimbursable Facility Costs

- How does this affects future reimbursements:

Multiyear Lease				
	School's Rent (Per Lease)	Cap Basis	COLA	Reimbursable Rent
2016-17	\$100,000.00	N/A	N/A	\$100,000.00
2017-18	\$105,000.00	COLA CAP	1.56%	\$101,560.00
2018-19	\$110,000.00	COLA CAP	2.71%	\$104,312.28

New Facility Agreement				
	School's Rent (Per Lease)	Cap Basis	COLA	Reimbursable Rent
2016-17	N/A	N/A	N/A	N/A
2017-18	\$105,000.00	Appraisal	1.56%	\$105,000.00
2018-19	\$110,000.00	COLA CAP	2.71%	\$107,845.50

# *Reimbursable Facility Costs Appraisal*

- **New Facility Agreement:**
  - 1) A rental or lease agreement for a facility not previously occupied by the charter school
  - 2) A rental or lease agreement that includes additional square footage not included in the previous year's agreement
  - 3) A new agreement for existing facilities or square footage when the existing lease is up for renewal or expires

# *Reimbursable Facility Costs Appraisal*

## Section 10170.6 Content of Application.

(d) After the Authority has confirmed the applicant's eligibility and determined one or more of the applicant's facilities is a New Facility Agreement, the Authority will request an Independent Appraisal. The Appraisal shall be consistent with the USPAP, and at a minimum contain the following items:

- (1) Use a Certified Real Estate Appraiser or Certified General Appraiser licensed by the California Department of Real Estate Appraisers;
- (2) The Appraiser shall not be a Related Party as defined in section 10170.14(a)(3);
- (3) "Intended "Client" shall be the Charter School;
- (4) "User" shall be the California School Finance Authority for Charter School Facility Grant Program eligibility;
- (5) Provide a Fair Market Rent Analysis including an explanation that supports the conclusions reached; and
- (6) Signed Certification consistent with language found in USPAP.

# Reimbursable Facility Costs Appraisal

- Where to find a list of appraisals (Bureau of Real Estate Appraisers)  
<http://orea.ca.gov/html/SearchAppraisers.asp>

## Enter One or More Search Criteria

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First Name:

Last Name:

Company Name:

Mailing City:

Mail ZIP:

County:

License Level:

License Number:

(six digits only e.g. 012345)

AG = Certified General License

- Fair Market Rent: rent or lease costs at the time the appraisal was conducted.



# 2017-18 True Up Disbursement

- What is oversubscription

2017-18 Appropriation	\$133,177,000.00
Funds needed for just lease costs	\$116,000,000.00
Funds needed for Other Costs	\$22,000,000.00
Total funds needed	\$138,000,000.00

- How does it affect schools

- Lease costs will be fully awarded
- Other Cost portion of a school's award will be pro-rated

# What is pro-rata

- What is pro-rata
  - The percentage of the remaining funds available as compared to the funds needed to award all Grantees eligible Other Costs will be applied.
  - This percentage will be applied to the schools eligible Other Costs

Requested Other Costs	\$40,000.00
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ADA x \$1,117	\$125,000.00
75% of Lease Costs	\$100,000.00
Remaining (eligible Other Costs)	\$25,000.00
Pro rata (80% of remaining)	\$20,000.00
TOTAL Award	\$120,000.00

# *2017-18 True Up Disbursement*

- When will schools receive their 2017-18 True up Award?
  - Schools with other costs will receive two True up disbursements
    - 1) Lease only portion of the school's award
      - Schools with Other Costs, need to review the Notice of Eligible Facility Costs
      - Submit corrections within 30 days from date of notice
    - 2) The other cost portion of each school's award will be disbursed after all grantees have had 30 calendar days to review their eligible facility costs.
- All Appraisal schools have completed the 2017-18 Appraisal Request
  - Deadline 10/31/18 unless the school has requested additional time
- A current 204 form - Payee Data Record is on file with the Authority

# 2017-18 True Up Disbursement FI\$CAL 204 form

- State Controller's Office uses this form to determine the award recipients name and mailing address
- Must submit new form if applicant wishes to change:
  - School's name, Mailing address, or FEIN
- If the school's name is different that what is listed on their FEIN
  - FEIN name: ABC Charter, Inc.
  - School Name: ABC Charter School
  - **204 Form Payee:** ABC Charter, Inc. d.b.a ABC Charter School
- Same naming convention applies to schools operating under a **parent organization**

# 2017-18 True Up Disbursement

School:		ABC Charter School
CDS Code:		11111111111111
<b>FRPM Eligibility</b>	<b>Eligible</b>	
2016-17 FRPM School Site: (2017-18 for New schools)		39%
2016-17 FRPM Public ES: (2017-18 for New schools)	ABC Elementary	90%
<b>Eligible Sites</b>	<b>Lease Cap Basis</b>	<b>Reimbursable Lease Costs</b>
123 School St. San Diego, CA 92102	COLA	100,000.00
123 Educator Ave. San Diego, CA 92102	Appraisal	\$150,000.00
COLA: Reimbursable facility rent or lease costs cannot exceed reimbursable prior year costs on file with the Authority as of 2016-17, subject to an adjustment of the annual K-12 cost of living adjustment. (1.56%) Appraisal: Rent or lease costs of New Facility Agreements must be at or below market rate, based on an Independent Appraisal paid for by the Applicant.		
SB740 2017-18 Lease Costs		\$250,000.00
75% of Annual <b>Lease</b> Costs:		\$187,500.00
Award per P-2 (ADA x \$1,117)	<b>581.78</b>	\$649,848.26
<b>2017-18 Lease Only Award</b> Lesser of the Two		<b>\$187,500.00</b>
<b>Initial Apportionment of 50%</b> (Lease Only)		\$93,750.00
<b>Second Apportionment of 75%</b> (Lease Only)		\$46,875.00
<b>Lease Only Apportionment 100%</b> (Lease Only)		\$46,875.00
<b>Other Cost Apportionment</b>		<i>To be determined</i>

## Charter School Facility Grant Program (SB740 Program)

### Notice of Eligible Facility Costs

(Education Code Section 47614.5 and California Code of Regulations, Title 4, Sections 10170.1-10170.15)

Pursuant to SB740 Program Regulations Section 10170.10(b) the applicant may send corrections or appeal staff's determination, by submitting corrections to [SB740@treasurer.ca.gov](mailto:SB740@treasurer.ca.gov) within 30 calendar days of this notice (dated October 29, 2018.)

If the school has no corrections, no further action is required and the school's the 2017-18 SB740 Award will be based on the below information.

School:		ABC Charter School
CDS Code:		11111111111111
Mailing Address:		123 School St. San Diego, CA 92102
<b>2017-18 Eligible Facility Costs</b>		
<b>Eligible Sites</b>	<b>Lease Cap Basis</b>	<b>Reimbursable Lease Costs</b>
123 School St. San Diego, CA 92102	COLA	100,000.00
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SB740 2017-18 Lease Costs		\$250,000.00
Eligible Other Facility Costs		\$35,123.00
Average Dailey Attendance		<b>285,123.00</b>

Sincerely,  
SB740 Team

# *2018-19 Initial Apportionment*

- \* 2018-19 Initial Apportionment Timing:
  - \* The Authority anticipates Initial disbursements will begin going out in November
  - \* Requests for Appraisals will go out shortly and will be due within 30 days of the request
  - \* If the school has entered in to a New Facility Agreement for the 2018-19 fiscal year the appraisal may be submitted early

# *Preference in Admissions*

- Preference in Admissions

- Charter Schools using their Local Elementary FRPM to qualify for SB740 must demonstrate that preference in admissions is granted to the students attending the local elementary school or residing in the elementary boundaries.
- The Authority will accept evidence including: admissions policy in the charter petition, a resolution adopted by the charter school's governing Board, or information on the school' website.
- The following is an example of satisfactory language to be included in the charter school's preference in admissions:
  - Students who are currently enrolled in or who reside in the elementary school attendance area of the Public elementary school(s) in which [Charter School] is located (for purposes of the Charter School Facility Grant Program).



# *Preference in Admissions*

- Education Code Section 47605(d)(2)(B) and (i)
  - Charter petitions approved or renewed on or after January 1, 2018, must include preference in admissions language that is consistent with 47605(d) and such preferences must be approved by the chartering authority at a public meeting.

# *Questions*

**Frequently Asked Questions are available at**  
**<http://www.treasurer.ca.gov/csfa/csfgp/faq.pdf>**

**Schools can contact the Authority at [SB740@treasurer.ca.gov](mailto:SB740@treasurer.ca.gov)**

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