

California School Finance Authority

SB740 Webinar



May 15, 2019

10:00-11:00 am PDT

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Treasurer Fiona Ma, CPA



Charter School Facility Grant Program

Program Co-Leads

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Agenda

- Program Overview
- Program Eligibility
 - Preference in Admission
 - Good Standing Letter (GSL)
- Grant Calculator
- Application Overview
 - Late Applications
 - Appraisal
- Invoice Updates
- Upcoming Dates
- Contact Information

Program Overview

- \$137 million for fiscal year 2019-20
- SB740 Program to reimburse charter schools for facilities cost including:
 - Rent or Lease
 - Other (*Deferred Maintenance, remodeling, etc.*)
- Apportionments:
 - 1st - October
 - 2nd - March
 - True-up - August

CSFA Website update screen shot

SB740 2019-20 Application

The 2019-20 Online Application is will be made available April 29, 2019 and will close June 3, 2019 at 5:00 P.M. Late applications will NOT be accepted.

- [SB740 2019-20 Online Application](#)



Application Overview

- The Online Application is available on CSFA's website
- Application deadline **June 3, 2019 at 5:00 pm**
- All applicants are to submit their application using the **Online Application**

No Late Applications will be accepted

Steps for Success

**Applications should be submitted under the school's name
(consistent with the 204)**

Scan documents must be a PDF file with a maximum file size is 5000 KB.

Documents to Submit with Application:

- Current valid charter agreement
- Approved Authorizer Board Adoption
- Board Members
- Legal Status Questionnaire (LSQ) and Certification Signature Pages (DocuSign or Wet scanned Signature)

More Steps for Success

- Current lease with agreement terms
 - Lease agreements must be signed
 - Scan each lease agreement separately
 - Save as Facility Street Address

(EX: 123 Main St.)

Note: One upload per facility site, combine any corresponding amendment(s) and original lease as a single document (latest amendment first.)

Program Eligibility

- Approved charter on file
- Classroom-based instruction (ADA requirement of 80%)
- Meets low-income criteria of:
 - At least 55% students meet Free and Reduced Priced Meal (FRPM) criteria, or
 - Located in attendance area of an elementary school with at least 55% FRPM students
 - Preference in Admissions (see next slide)

Preference in Admissions Program Eligibility

Preference in Admissions to qualify

- Granted to the students who attend the local elementary school or reside in the local elementary school boundaries.

Example of satisfactory language located in the Admission Policy within the Charter School Petition:

- 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 Program Eligibility

Charter Approved on or After January 1, 2018

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

Pending Regulation Update Good Standing Letter

10170.3.(f)(1) Eligible Applicant.

- * (1) Requests for good standing will be sent out to the chartering authority as follows:
 - * (A) Upon receipt of the Application;
 - * (B) The Authority reserves the right to request an additional good standing confirmation during the fiscal year.

Reimbursable Facility Costs

- Multi year lease
 - Reimbursable lease costs based on prior year's reimbursable rent + COLA
- New Facility Agreement
 - Reimbursable Lease costs based on *Fair Market Rate* as determined by an Appraisal
- New Facility Agreement is:
 - 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

The Appraisal shall be consistent with the USPAP, and at a minimum contain the following items:

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

Pending Permanent Regulations

10170.4 Eligible Costs (a)(1)(B)(i)(a & b)

- (i) The Authority will use the Independent Appraisal on file if the following conditions are met:
 - (a) An Independent Appraisal completed within the last three fiscal years is on file with the Authority; and
 - (b) Rent or lease costs do not exceed prior year's reimbursable costs, subject to an adjustment of the annual COLA Index (COLA Cap).

Pending Permanent Regulations

10170.4 Eligible Costs (a)(1)(B)(iii)

- (iii) Options to renew contained in existing rent or lease agreements on file with the Authority, executed by the charter school and the lessor, will not be considered a New Facility Agreement.

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

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.

True Up Program Calculator

School:		ABC Charter School
CDS Code:		11111111111111
FRPM Eligibility	Eligible	
2016-17 FRPM School Site: (2017-18 for New schools)		39%
2016-17 FRPM Public ES: (2017-18 for New schools)	ABC Elementary	90%
Eligible Sites	Lease Cap Basis	Reimbursable Lease Costs
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 Lease Costs:		\$187,500.00
Award per P-2 (ADA x \$1,117)	581.78	\$649,848.26
2017-18 Lease Only Award Lesser of the Two		\$187,500.00
Initial Apportionment of 50% (Lease Only)		\$93,750.00
Second Apportionment of 75% (Lease Only)		\$46,875.00
Lease Only Apportionment 100% (Lease Only)		\$46,875.00
Other Cost Apportionment		<i>To be determined</i>

Other Costs

- All Other Costs must be submitted with the **Invoice Report** (Invoice wizard)
- Remodeling Buildings
- Deferred Maintenance
- Installation and Extending Service Systems
- Built-In Equipment
- Improving Sites
- Maintaining/Repairing Common Areas

Note: Other Costs will only be included in the Awardee's Final True-Up Award

Invoice Template

Updates and clarifications

- Ineligible Costs:
 - Consumables such as janitorial supplies
 - Property taxes
 - Employee salary and benefits
 - Cellphones – not physically restricted to the eligible site
 - Vehicles – not physically restricted to the eligible site
 - Liability Insurance
- Invoices for **Other Costs** are due to the Authority by **July 15, 2019 at 5:00pm**

Invoice Instructions

- **Invoice must clearly state:**

- Vendor
- Project description
- Location of project date of service
(limited to these dates 7/1/18-6/30/19)
- School's share of the expense (if applicable)

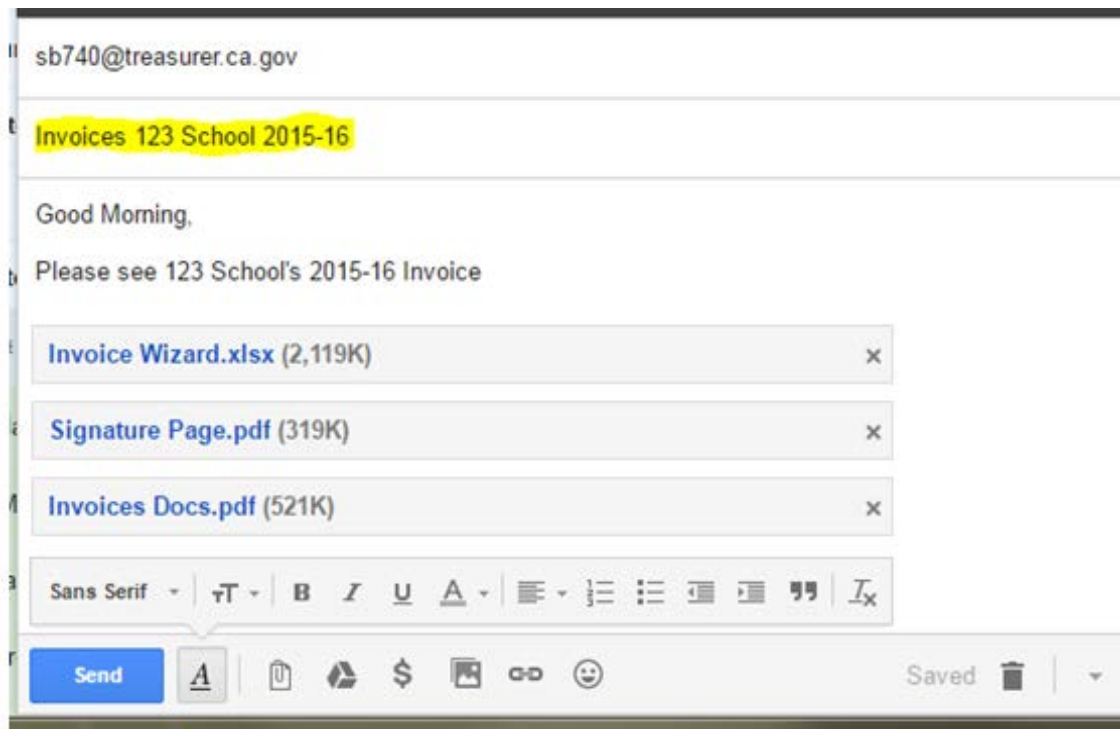
- **Copies of receipts and bank statements:**

- Provide brief description of the project and the location

- **Related party (Conflict of Interest)**

SB740 Invoice Email

- * Subject Line shall include: “*Invoices School Name 2018-19*”
- * Invoices are to be emailed to SB740@treasurer.ca.gov



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**

Upcoming Dates

SB740 2019-20 Application Dates

- June 3, 2019 Applications due by **5:00 pm**

SB740 2018-19 True-Up

- July 15, 2019 Invoice Report (wizard) due by **5:00 pm**

SB740 2019-20 Application Date – First Year Charter School

- October 15, 2019 Applications due by **5:00 pm**

2018-19 Awards – Lease (August) | Other Costs (October)

2019-20 Awards – Begin in October

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



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