

**CHARTER SCHOOL FACILITIES PROGRAM
2010 LOTTERY FUNDING ROUND
STAFF SUMMARY REPORT – FEBRUARY 2011**

Applicant:	Today's Fresh Start Charter
Project School:	Today's Fresh Start Charter
CDS (County-District-School) Code:	19-76737-0102020 and 19-64634-0119552
Proposed Project Location:	3405 W. Imperial Blvd., Inglewood
Type of Project:	New Construction / Renovation
County:	Los Angeles County
Project Location:	Inglewood Unified School District
Chartering Entity:	State Board of Education (SBE) and ISUD
OPSC Project Cost:	\$12,605,650
Total State Apportionment:	\$6,302,825
Lump Sum Contribution:	N/A
Total CSFP Lease Amount:	\$6,302,825
Length Of CSFP Lease Payments:	30 years
Assumed Interest Rate On Obligation:	3.00%
Estimated Annual CSFP Lease Payment:	\$321,565
First Year Of Occupancy Of New Project:	2011-12

Staff Recommendation: Staff of the California School Finance Authority (CSFA or Authority) has conducted its financial soundness review of Today's Fresh Start Charter School (TFSCS) for the purposes of an Advance Apportionment under the Charter School Facilities Program (Program) for site acquisition. TFSCS has requested that this determination be in place for Final Apportionment as well in the event TFSCS is able to meet all of the OPSC conditions for a final fund release.

Staff is recommending that the Board determine TFSCS financially sound for the purposes of the Charter School Facilities Program for Advance Apportionment and conditional approval of Final Apportionment contingent upon TFSCS submitting the necessary documentation for final fund release to OPSC within six months of the financial soundness determination.

This determination as it relates to an Advance Apportionment and Final (conditional) Apportionment is in place for six months and assumes no financial, operational, or legal material findings within this time period. Staff also recommends that CSFA waive the reserve fund requirement established in May 2009 subject to TFSCS agreeing to the use of the intercept mechanism to make CSFP payments to the State. Staff recommends that the CSFA Board direct staff to notify the Office of Public School Construction (OPSC) and the State Allocation Board regarding this determination.

Summary Findings: Highlighted below are key criteria that were evaluated when conducting the financial soundness review of TFSCS. Detailed information is contained in the body of the report.

Criteria	Comments
Charter Compliance and Standing with Authorizer	Inglewood & State Board of Education Charters: LACOE previously provided TFSCS a charter but no longer acts as charter authorizer. TFSCS' two current charters are with IUSD and State Board of Education (SBE) through 6/30/2014 and 6/30/2015, respectively. In December 2010 and January 2011, Staff received notification that TFSCS was in compliance with its charter agreements and is in good standing with its charter authorizers.
Demographic Information	TFSCS currently enrolls of 703 students for 2010-11. Enrollment is expected to increase to 775 students in 2011-12 and to 975 for 2012-13 through 2014-15. Staff has assumed more conservative enrollment growth for purposes of the financial analysis.
Debt Service Coverage	Enrollment/revenue adjusted TFSCS projections show debt service coverage of 177.4%, 321.7%, and 453.7% for 2012-13 through 2014-15.
Other Financial Factors	<ul style="list-style-type: none"> ▪ CSFP payments are projected to represent on average 4.5% of total revenues during the first three years of CSFP payments, 2012-13 through 2014-15, which are within the recommended 10-15% threshold levels. ▪ TFSCS does not rely on private contributions as sources of revenue. ▪ TFSCS has two notes payable totaling \$6,197,071, which were issued during 2007-08 for purposes of site acquisition for the CSFP project. TFSCS intends to discharge this debt upon receipt of the CSFP advance apportionment for site acquisition.
Student Performance	With two charter authorizations, TFSCS' student performance data will be recorded separately for the IUSD and SBE chartered schools. Formerly chartered by LACOE (now SBE) schools failed to meet API growth targets in 2006-07 and 2007-08 but have met the targets for 2008-09 and 2009-10. The LACOE/SBE chartered schools also failed to meet all AYP criteria in three of the past four years. However, TFSCS' IUSD chartered school met all AYP criteria along with achieving a relatively high API score in 2009-10.

Project Description: TFSCS currently operates at five different leased sites throughout Los Angeles County under its current IUSD and State Board of Education (county-wide) charters. These sites are located within Los Angeles Unified School District, Compton Unified School District, and Inglewood Unified School District boundaries. At these five sites, in 2009-10, TFSCS served 676 students. With its CSFP proceeds, TFSCS intends to

renovate a site at 3405 West Imperial Highway, Inglewood. At this site, TFSCS expects to house 350 students in a total of 18-20 classrooms and additional portable classrooms. Project completion is anticipated in 2011-12, however, TFSCS currently serves 137 students at the site with the use of portables.

Background: On December 22, 2004, the Authority determined that TFSCS was financially sound for purposes of the Charter School Facilities Program. The State Allocation Board subsequently awarded a Preliminary Apportionment on February 23, 2005 in the amount of \$12,605,650 to TFSCS. A year later, in February 2006, the Authority determined that TFSCS was financially sound for purposes of an Advance Apportionment for project design and site acquisition. Pursuant to the Authority's determination, in April 2006, the State Allocation Board disbursed \$1,319,797 to TFSCS for the design portion of the Advance Apportionment.

TFSCS obtained two short-term loans during 2007-08, represented by two notes payable, totaling \$6,197,071, for purposes of site acquisition for the CSFP project, with the intent of discharging the loans upon receipt of the Advance Apportionment for site acquisition. TFSCS is now requesting the Authority's financial soundness determination for this purpose.

At the request of TFSCS, CSFA staff presented findings to the Board at its April 2009 and May 2009 board meetings. At the time of these meetings, several pending issues remained outstanding regarding TFSCS' existing charter with the Los Angeles County Office of Education (LACOE) and a new charter with Inglewood Unified School District (IUSD). It was staff's determination to evaluate TFSCS under the more conservative assumption that it would be operating solely under the IUSD charter, thus ceasing operations of facilities outside of IUSD's boundaries. At the May 2009 Authority meeting, staff found TFSCS financially sound. However, due to cash constraints at the state level, no funds were released to the school subsequent to that board meeting.

To assess TFSCS' continued financial soundness status for purposes of Advance Apportionment for site acquisition / loan repayment, CSFA staff reviewed the following information: updated project information; current and projected financial information; updated enrollment and academic performance information; copies of the current charter and verification of the charter's expiration date; verification of TFSCS' compliance with the terms of its charter and good standing with its chartering authorities; an updated Legal Status Questionnaire; copies of memoranda of understanding and other contracts with the chartering authorities; updated management and Board of Directors information; and disclosure of additional material changes that may have an impact on TFSCS' financial condition.

Although TFSCS is requesting an Advance Apportionment for site acquisition in the amount of \$6,006,662, CSFA's determination of financial soundness is based on TFSCS' ability to meet its obligation for the entire project cost amount of \$12,605,650.

Charter Compliance & Good Standing Letters: TFSCS has had issues with complying and maintaining past charter authorization from LACOE. TFSCS no longer has a charter in place from LACOE, and is currently operating under two separate charters from IUSD and the SBE. In December 2010 and January 2011, staff received documentation confirming TFSCS' good standing with its charter authorizers along with being in compliance with the charter agreements. TFSCS' current charters are set to expire on June 30, 2014 and June 30, 2015 for IUSD and SBE, respectively.

Legal Status Questionnaire: In December 2010, staff received TFSCS' response to the requests for disclosure contained in the Legal Status Questionnaire (LSQ), which included signatures of the TFSCS' Lead Administrator, Dr. Jeanette Parker, and Chair of TFSCS' Governing Board, Dr. Clark Parker. TFSCS did not disclose any material information relating to legal or regulatory proceedings or legal action in which it or any of its affiliates is a named party.

Organizational Information: TFSCS is a non-profit public benefit corporation with a 501(c)(3) status currently serving grades K-8. TFSCS received its first charter from the Los Angeles County Office of Education (LACOE) in 2003, and began instructional operations in 2003-04 with 282 students in grades K-3. Since its inception, TFSCS had been adding an additional grade each year but has no intention to add grades past the 8th grade.

Educational Management Organization: Not applicable.

Management Experience: The resumes of the school's personnel and management team demonstrate professional, experienced, and qualified individuals serving in key capacities within the organization. Dr. Jeanette Parker has served as TFSCS's Chief Administrator and Superintendent since its inception in 2003-04. Dr. Parker holds a Ph.D. from St. Charles University, a Doctorate of Theology from Pacific International University, and a California Life Time General School Services Credential. Each TFSCS campus has a separate co-principal responsible for its administration.

Management Experience for Schools Open Less than Two Years: Not applicable, as TFSCS has been in operation as a charter school since 2003.

Board Experience: TFSCS is managed by a Board of Directors consisting of five directors who serve staggered terms. Four of the directors serve a 3-year term and one of the directors serves a 2-year term. The Board is responsible for approving long-range goals and annual objectives, monitoring general policies such as health and safety, and monitoring use and maintenance of facilities, fundraising, and the effective management of school resources.

Board Member	Expiration Date
Clark Parker	6/30/2011
Maury Wills	6/30/2011
Errol Malcolm	7/5/2011
Jeanette Parker	6/30/2011
Jane Robinson-Harvey	5/8/2011

Student Performance: Because of its implications for student enrollment stability and growth, staff views student performance as a leading indicator of a charter school's sustainability. In order to measure student performance, staff utilizes Academic Performance Index (API) and Adequate Yearly Progress (AYP) per the No Child Left Behind Act of 2001. TFSCS has more than three years of reported API scores, allowing a review of progress and comparison to similar schools.

With two charter authorizations, TFSCS' student performance data will be recorded separately for the IUSD and SBE chartered schools. The formerly chartered by LACOE and now SBE chartered school achieved API growth scores of 654, 638, 685, and 719 for 2006-07, 2007-08, 2008-09, and 2009-10, respectively. The LACOE/SBE chartered schools failed to meet the API growth target in 2006-07 and 2007-08 but has since met the target in the last two years. TFSCS' LACOE/SBE charter school has struggled to consistently meet its AYP criteria. The school did not meet its AYP criteria in 2006-07, 2007-08, and 2009-10 but did meet the criteria in 2008-09. Specifically, TFSCS did not meet the AYP criteria in English proficiency in all the years it did not meet all the AYP criteria. With respect to academic rankings, during 2006-07 through 2009-10, out of a best possible rank of 10, TFSCS ranked 2, 1, 1, and 1 statewide, respectively. In addition, TFSCS ranked 3, 4, 1, and 3 against similar schools during the same period. Given its student performance, TFSCS is characterized as a Program Improvement school, pursuant to No Child Left Behind Act of 2001.

TFSCS' IUSD chartered school has only one year of student performance data but met all of the AYP criteria along with recording a relatively high API growth score of 801 in 2009-10. TFSCS is currently focusing on ensuring all AYP criteria, particularly English proficiency, are met going forward.

Today's Fresh Start - LACOE/SBE Charter	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
ADEQUATE YEARLY PROGRESS (AYP)				
Met All AYP Criteria?	No	No	Yes	No
Criteria Met / Required Criteria	19 / 21	13 / 21	21 / 21	17 / 21
Met API Indicator for AYP?	Yes	Yes	Yes	Yes
Met Graduation Rate?	N/A	N/A	N/A	N/A
ACADEMIC PERFORMANCE INDEX (API)				
Met Schoolwide Growth Target?	No	No	Yes	Yes
Met Comparable Improvement Growth Target?	No	No	Yes	Yes
Met Both Schoolwide & CI Growth Targets?	No	No	Yes	Yes
API Base Statewide Rank (10 = best)	2	1	1	1
API Base Similar Schools Rank (10 = best)	3	4	1	3
School's Actual Growth	-20	-15	42	34
Similar Schools Median of Actual Growth	12	21	15	19
Did School's Growth Exceed Median?	No	No	Yes	Yes

Today's Fresh Start - Inglewood USD Charter	FY 2009-10
ADEQUATE YEARLY PROGRESS (AYP)	
Met All AYP Criteria?	Yes
Criteria Met / Required Criteria	4 / 4
Met API Indicator for AYP?	N/A

As described in the May 2009 staff report, TFSCS provided an explanation for its inconsistent academic performance and a description of remedial actions, including the

hiring of two full-time credentialed counselors. TFSCS also attributed academic performance to the significant amount of underperforming new students entering TFSCS.

Enrollment and Retention Rates: TFSCS has grown from 282 students serving grades K-3 in 2003-04, to 703 students serving grades K-8 estimated for 2010-11. The current enrollment projections submitted to CSFA are much lower than the figures provided by TFSCS at the time of the May 2009 staff report, which projected total enrollment of 1,595 students in 2012-13. Prior enrollment projections included expansion into high school grades, which are no longer expected due to TFSCS' K-8 SBE charter. Current enrollment projections for TFSCS show no growth in enrollment after 975 students. TFSCS budgeted enrollment for 2010-11 at 800 students but 703 students are currently enrolled. TFSCS vacated their facilities at 2311 West 54th St., Los Angeles due to the landlord's property improvements during the school year. As a result, TFSCS moved the students at the 2311 West 54th St. facility into additional classrooms at the 4476 Crenshaw Blvd. facility which were originally intended to serve new students. TFSCS has also mentioned that facility changes should not impact the schools current enrollment projections. The following shows TFSCS current facilities and enrollment at each.

School Facilities	Enrollment
2301 East Rosecrans Ave., Compton	60
2255 West Adams Blvd., Los Angeles	60
6422 Crenshaw Blvd., Los Angeles	30
4476 Crenshaw Blvd., Los Angeles	416
3405 West Imperial Hwy., Inglewood	137
Total	703

The following table shows TFSCS' total enrollment by grade per the California Department of Education since 2003-04 through 2009-10. The table illustrates enrollment increases occurring in every year other than 2006-07. However, the data suggests that a substantial percentage of students are not returning to TFSCS or being replaced into the same grade the following year. This alternative manner of calculating retention rates is considered less stringent than the traditional form which would exclude new students to the school, taking into account only students that finished the previous school year at TFSCS. Retentions rates of 89%, 90%, 69%, 79%, 85%, and 83% were calculated from 2004-05 through 2009-10, respectively. Although, enrollment to Kindergarten declined during the period between 2006-07 and 2008-09 from 157 to 136, it has since increased to 171 students in 2009-10. In spite of the lowered retention rates, total enrollment on average continues to grow.

Today's Fresh Start Charter School
 Enrollment by Year - 2003-04 to 2009-10
 Source: California Department of Education

	2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10	
	Base Enrollment	+/- Students	Enrollment	+/- Students	Enrollment	+/- Students	Enrollment	+/- Students	Enrollment	+/- Students	Enrollment	+/- Students	Enrollment	+/- Students
K	143		157		158		157		143		136		171	
1st	83		113	-30	137	-20	123	-35	137	-20	122	-21	96	-40
2nd	45		74	-9	116	3	104	-33	92	-31	118	-19	100	-22
3rd	11		45	0	64	-10	60	-56	72	-32	71	-21	120	2
4th			18	7	31	-14	43	-21	43	-17	55	-17	55	-16
5th					20	2	23	-8	32	-11	39	-4	36	-19
6th							11	-9	30	7	28	-4	41	2
7th									8	-3	33	3	29	1
8th											9	1	28	-5
Total	282		407	-32	526	-39	521	-162	557	-107	611	-82	676	-97
				89%		90%		69%		79%		85%		83%

As described in the May 2009 staff report, TFSCS offered a number of explanations for the retention trends shown in the above table. It was TFSCS' position that the actions unfairly taken by LACOE in the revocation of their charter adversely impacted student retention, enrollment, and performance. They contended the enrollment table illustrated the lowest years of student retention occurring in 2006-07 and 2007-08 (69.2% and 79.5%), were higher prior years and have increased since.

Another reason for low student retention rates were attributed to the transient nature of the neighborhoods in which TFSCS schools are operated. Low percentages of home ownership and as short as nine months as the average time parents move to one place to another were cited as demographic factors that reduced student retention. In addition, TFSCS purported that the students in these regions tend to discontinue education at higher rates as you move into higher grades.

Since the May 2009 board meeting, TFSCS has shown an increase in its retention rates in 2008-09 and 2009-10 when compared to 2006-07 and 2007-08 but is dependent on substantial amounts of kindergarten students enrolling in TFSCS to offset student attrition from one grade to the next.

Financial Analysis: Highlighted below are selected financial data and credit indicators used to evaluate TFSCS's ability to meet its CSFP obligation.

Staff's evaluation of TFSCS' financial performance is based on review of the following documents: (1) TFSCS' audited financial statements for 2006-07 through 2009-10; (2) TFSCS' budget for 2010-11; (3) TFSCS' budget projections for 2011-12 through 2014-15; and (4) TFSCS' projected annual enrollment for 2010-11 through 2014-15.

Staff's analysis of TFSCS' financial projections are based upon the following assumptions: (1) project occupancy in 2011-12; (2) increases in enrollment from 703 students in 2010-11 to 770, 810, 860, and 920 from 2011-12 through 2014-15, respectively; (3) projected ADA rates of 95% from 2010-11 through 2014-15; (4) general purpose block grant funding rates of \$5,430, \$5,506, and \$5,672 for grades K-3, 4-6, and 7-8; (5) revenue growth (cost of living adjustments) to the block grant funding rates of 0% in 2011-12 and 2.5% from 2012-13 through 2014-15; (6) Projected expenses have been adjusted to include a 3.0% growth rate where applicable.

TFSCS obtained two short term loans represented by two notes payable during 2007-08, totaling \$6,197,071, for purposes of site acquisition for the CSFP project. One note payable was owed to U.S. Bank in the amount of \$5,100,000 and the other is owed to Drs. Clark and Jeanette Parker in the amount of \$1,097,071. The U.S. bank note pays interest at the prime rate plus 2.00% while the other note pays 7.00%. Such amounts remain outstanding as TFSCS awaits state funding, the interest which shall be paid from TFSCS' operating budget. TFSCS paid \$154,326 in interest for the U.S. Bank loan in 2009-10. Given the advance apportionment amount of \$6,006,662, TFSCS would use additional funds on hand to retire outstanding loans.

Adjusted Enrollment/Revenue Assumptions: In reviewing TFSCS enrollment and financial projections, staff made adjustments to TFSCS projections to reflect more conservative assumptions. Under this enrollment/revenue adjusted scenario, staff reduced TFSCS enrollment/ADA assumptions to where ADA annually increased by 50 through 2014-15. TFSCS' past annual ADA increases have averaged 53 from 2007-08 through 2009-10. Secondly, adjustments were made to the categorical and block grant funding rates. Staff adjusted TFSCS funding rate levels from \$5,672, \$5,819, and \$5,901 for grades K-3, 4-6, and 7-8 to the assumptions listed above. TFSCS also projected higher funding rates from federal sources in 2012-13 through 2014-15. In our revenue adjusted financial projections, federal funding rates per ADA are held static to current levels.

Debt Service Coverage: Assuming a 3.00% interest rate and 30-year repayment period, TFSCS's annual CSFP payment will be \$321,565 beginning in 2012-13, the first year after project occupancy. Assuming the revenue adjusted projections, TFSCS' projected increase in net assets of \$570,331, \$1.03 million, and \$1.46 million in 2012-13 through 2014-15 would provide debt service coverage of 177.4%, 321.7% and 453.6%, respectively. CSFP payments as a percentage of projected revenues would average 4.5% from 2012-13 through 2014-15. Under the more conservative assumptions, TFSCS still demonstrates the ability to meet CSFP's minimum debt service coverage of 100%.

Enrollment/Revenue Adjusted Financial Projections

Today's Fresh Start Charter School	Actual FY 2008-09	Actual FY 2009-10	Budgeted FY 2010-11	Projected FY 2011-12	Projected FY 2012-13	Projected FY 2013-14	Projected FY 2014-15
ENROLLMENT PROJECTIONS							
Enrollment	611	676	703	770	810	860	920
Average Daily Attendance	554	640	667	720	770	820	870
Average Daily Attendance (%)	91%	95%	95%	94%	95%	95%	95%
FINANCIAL PROJECTIONS							
Total Revenues Available for CSFP Lease Payment	\$ 5,774,193	\$ 5,918,391	\$ 5,740,740	\$ 6,114,191	\$ 6,633,229	\$ 7,166,919	\$ 7,715,898
Total Expenses Paid Before CSFP Lease Payment	6,167,916	5,664,602	5,577,184	5,163,399	6,062,898	6,132,515	6,257,133
Accounting Adjustments							
Net Revenues Available for CSFP Lease Payment	\$ (393,723)	\$ 253,789	\$ 163,556	\$ 950,792	\$ 570,331	\$ 1,034,404	\$ 1,458,765
CSFP Lease Payment	\$ -	\$ -	\$ -	\$ -	\$ 321,565	\$ 321,565	\$ 321,565
Net Revenues After CSFP Lease Payment	\$ (393,723)	\$ 253,789	\$ 163,556	\$ 950,792	\$ 248,766	\$ 712,839	\$ 1,137,200
FINANCIAL INDICATORS							
Net Revenues Available for CSFP Lease Payment	\$ (393,723)	\$ 253,789	\$ 163,556	\$ 950,792	\$ 570,331	\$ 1,034,404	\$ 1,458,765
Debt Service Coverage by Net Revenues	N/A	N/A	N/A	N/A	177.4%	321.7%	453.6%
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Coverage by Net Revenues (w/out Contributions)	N/A	N/A	N/A	N/A	177.4%	321.7%	453.6%
CSFP Lease Payment / Revenues	N/A	N/A	N/A	N/A	4.8%	4.5%	4.2%
Contributions / Revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Revenues After CSFP Lease Payment / Revenues	-6.8%	4.3%	2.8%	15.6%	3.8%	9.9%	14.7%
Revenues / ADA	\$ 10,423	\$ 9,249	\$ 8,607	\$ 8,492	\$ 8,615	\$ 8,740	\$ 8,869
Expenses / ADA	\$ 11,133	\$ 8,852	\$ 8,362	\$ 7,171	\$ 8,292	\$ 7,871	\$ 7,562
Surplus (Deficit) / ADA	\$ (711)	\$ 397	\$ 245	\$ 1,321	\$ 323	\$ 869	\$ 1,307
Net Working Capital	\$ 1,631,488	\$ 1,917,762					
Net Working Capital / Expenses	26.5%	33.9%					

Asset Position and Liquidity: As of June 30, 2010, TFSCS held \$697,272 in cash and cash equivalents, \$1,560,887 in account receivables and \$398,092 in investments, totaling \$2.66 million in current assets. The current assets were offset by \$735,056 in current liabilities. Liquidity measured in terms of net working capital (NWC) is calculated by subtracting current liabilities from current assets. For 2009-10, NWC was \$1.92 million or 33.9% as a percentage of expenses. The NWC percentage of expenses greatly exceeds

the sufficient level of 5.0%. The current assets associated with TFSCS' reimbursement of legal fees, totaling \$837,739, were excluded from the NWC calculation.

Strengths, Weaknesses and Mitigants

- Although TFSCS has made recent improvements to student performance, TFSCS remains in "Program Improvement" status due to inconsistently meeting the API growth targets and all AYP criteria.
- + TFSCS' projected debt service coverage is 177.4%, 321.7%, and 453.6% for the first three years of CSFP payments, 2012-13 through 2014-15, respectively, under more conservative enrollment growth and revenue projections.

Staff Recommendation: Staff of the California School Finance Authority (CSFA) has conducted its financial soundness review of Today's Fresh Start Charter School (TFSCS) for the purposes of an Advance Apportionment under the Charter School Facilities Program (Program) for site acquisition / loan repayment. At the time of our financial review in May 2009, TFSCS was contemplating moving its facilities within the Inglewood Unified School District area due to the non-renewal of their LACOE charter. Such change in the schools operations would have increased uncertainty regarding TFSCS future operations. As a result of the Authority's review of TFSCS' financial soundness, TFSCS was to address certain outstanding issues in addition to establishing a reserve fund equal to two CSFP annual payments prior to advance apportionment. *TFSCS has requested that the Authority remove the reserve fund requirements for financial soundness.*

Staff is recommending that the Board determine TFSCS financially sound for the purposes of the Charter School Facilities Program for Advance Apportionment and conditional approval of Final Apportionment contingent upon TFSCS submitting the necessary documentation for final fund release to the Office of Public School Construction within six months of the financial soundness determination.

This determination as it relates to an Advance Apportionment and Final (conditional) Apportionment is in place for six months and assumes no financial, operational, or legal material findings within this time period. Staff also recommends that CSFA waive the reserve fund requirement established in May 2009 subject to TFSCS agreeing to use of the intercept mechanism to make CSFP payments to the State. Staff recommends that the CSFA Board direct staff to notify the Office of Public School Construction and the State Allocation Board regarding this determination.