

**CHARTER SCHOOL FACILITIES PROGRAM
PROPOSITION 1D 2009 FUNDING ROUND
STAFF SUMMARY REPORT – JUNE 2011**

Applicant:	Roseland Charter School
Project School:	Roseland Charter School
CDS (County-District-School) Code:	49-70904-0101923
Proposed Project Location:	1934 Biwana Drive, Santa Rosa, CA 95407
Type of Project:	New Construction
County:	Sonoma County
School District Where Located:	Roseland Elementary School District
Chartering Entity:	Roseland Elementary School District
OPSC Project Cost:	\$13,920,182
Total State Apportionment:	\$6,960,091
Lump Sum Contribution:	\$450,000
Total CSFP Lease Amount:	\$6,510,091
Length Of CSFP Lease Payments:	30 years
Assumed Interest Rate On Obligation:	3.00%
Estimated Annual CSFP Lease Payment:	\$332,140
First Year Of Occupancy Of New Project:	2013-14

Staff Recommendation: Staff recommends that the California School Finance Authority (CSFA) Board determine that Roseland Charter School (Roseland) is financially sound for purposes of the Charter School Facilities Program (CSFP) Preliminary and Advance Apportionments. This determination of financial soundness is contingent upon Roseland's execution of an Implementation Agreement with CSFA, the State Controller's Office and CDE, at the appropriate time, whereby CSFA will intercept Roseland's state-aid portion of its General Purpose Block Grant at regular intervals to satisfy the payment requirements of its CSFP obligations. This determination is also contingent upon Roseland providing documented evidence of having established designated funds in the amount of \$450,000 for purposes of making a lump-sum payment towards the CSFP loan amount. This determination as it relates to an Advance Apportionment is in place for six months and assumes no financial, operational, or legal material findings within this time period. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction and the State Allocation Board regarding this determination.

Background: Roseland is requesting a preliminary apportionment for construction of a new facility for its high school program, Roseland University Prep (RUP). On May 12, 2010, as an Applicant under the 2009-10 Proposition 1D Funding Round, Staff recommended and the Authority Board found Roseland to be financially sound for purposes of Preliminary Apportionment. At that time, as a result of the Office of Public School Construction's assignment of preference points, Roseland did not receive an award. However, because Roseland ranked sufficiently high during that Funding Round, and certain awardees withdrew

their reservation of funds for Preliminary Apportionment, Roseland is eligible to reapply for Proposition 1D Preliminary Apportionment.

Roseland is a not-for-profit 501(c)(3) charter school that is divided into a middle school program and a high school program. The high school program, RUP, started operations in September 2004 and serves students in grades 9-12, while the middle school program, Roseland Accelerated Middle School (RAMS), started operations in September 2003 and serves grades 7-8. RUP is currently located at 100 Sebastopol Road, Santa Rosa, and RAMS is currently located at 1777 West Avenue, Santa Rosa.

To assess Roseland’s status for a determination of financial soundness for purposes of a preliminary apportionment, CSFA staff reviewed the following: (1) financial information for the organization; (2) facility information for both schools; (3) current charter and verification of the charter’s expiration date; (4) academic performance results; (5) the Legal Status Questionnaire; (6) enrollment history and projections as well as combined retention rates for both schools; (7) management and Board of Directors information; and (8) disclosure of any information that may have an impact on Roseland’s financial condition. In addition, staff requested confirmation of Roseland’s compliance with the terms of its charter and good standing with its chartering authority, Roseland Elementary School District (District).

Application Highlights: Highlighted below are key criteria that were evaluated when conducting the financial soundness review of Roseland Charter School. Detailed information is contained in the body of the report.

Criteria	Comments
Eligibility Criteria	Roseland has met Program eligibility criteria, including: 1) having a charter in place, 2) being in operation as a charter school for more than two years (middle school since 2003 and high school since 2004); and 3) being in compliance with the terms of its charter and in good standing with its chartering authority, Roseland Elementary School District.
Demographic Information	Roseland has demonstrated consistent enrollment growth since it began operations in 2003-04 with growth from 186 students in 2003-04 to 680 students, including 305 students in grades 7-8 and 375 students in grades 9-12, for the current 2010-11.

Debt Service Coverage	Roseland’s projected debt service coverage is 146.2% for 2014-15, and 145.0% for 2015-16, which exceeds the 100.0% minimum required.
Other Financial Factors	<ul style="list-style-type: none"> ▪ CSFP payments are projected to represent, on average, 6.0% total revenues during the first two years of CSFP payments, 2014-15 and 2015-16, which are within the maximum 10-15% threshold levels. ▪ Roseland currently has three outstanding loans with its chartering authorizer, which should be paid off by 2012-13. ▪ Roseland anticipates a fund balance of \$883,463 as of June 30, 2011, which is more than sufficient to address its outstanding loans with the District.
Student Performance	<ul style="list-style-type: none"> ▪ Roseland achieved API base scores of 715, 705, 705, and 742, respectively, for 2006-07 to 2009-10. ▪ Roseland met all AYP criteria and its API growth targets for 2006-07 and 2008-09, but did not meet either all AYP criteria or its API growth targets for 2007-08 and 2009-10. ▪ For 2009-10, based on its API base score, Roseland received statewide and similar schools rankings of “6” and “10” (“10” = best), respectively.

Program Eligibility: On June 14, 2011, staff received verification from the Roseland Elementary School District confirming that Roseland Charter School is currently (1) in compliance with the terms of its charter agreement, and (2) in good standing with its chartering authority. At its August 4, 2008 board meeting, Roseland Elementary School District approved a five-year renewal of the charter for Roseland Charter School for a term of July 1, 2008 through July 1, 2013.

Legal Status Questionnaire: Staff reviewed Roseland’s responses to the questions contained in the Legal Status Questionnaire (LSQ). The school answered “None” to each of the two questions, indicating that it has no material information to disclose relating to legal or regulatory proceedings, or legal action in which it or any of its affiliates is a named party.

Project Description: The CSFP-funded project involves construction of a 32,000 sq. ft. multi-story building on a small 1.896 acre site. The new facility for RUP high school will serve approximately 400 students in 20 classrooms, including specialty classrooms for media, nutrition and health, and performing arts. Athletic fields and the gymnasium will be shared with the adjacent public school, Sheppard Elementary, and sister charter school Roseland Accelerated Middle School Program. Project completion and occupancy is anticipated in 2013-14.

Organizational Information: Roseland is an independent charter school and not-for-profit public benefit organization with a 501(c)(3) status serving grades 7-12. Roseland received its first charter from Santa Rosa City School District and transferred to the Roseland Elementary School District in 2003. The school began instructional operations as a middle school in 2003-04 with 186 students in grades 7 and 8. The high school program was established in

2004-05 with 78 students in grade 9. RAMS (the middle school) currently serves 305 students in grades 7-8 and RUP (the high school) currently serves 375 students in grades 9-12. The school's current charter under Roseland Elementary School District is set to expire on July 1, 2013.

Although Roseland operates as an independent charter school in which it manages its own budget and is subject to independent audits, the District provides supportive business services to Roseland. In addition, Roseland's certificated and classified staff are paid directly by the District, and Roseland reimburses the District for salaries and benefits that the District pays on behalf of Roseland.

Roseland states that it has implemented a comprehensive approach to school reform designed to improve schooling for young people in at-risk communities. Centered on The Accelerated Schools' Powerful Learning teaching methodology, a combination of small and large group instruction is used with one-on-one help available as needed. Powerful Learning has five theoretical components which shape the delivery of instruction in every classroom: Authentic, Interactive, Learner-Centered, Inclusive, and Continuous. Roseland further describes that all teachers receive specialized and continuous training in how to implement this teaching methodology in their classrooms.

Based on the school's current student population statistics, 82% fall below the federal poverty line; 75% are English Language Learners; 85% are Hispanic; and 80% of the student's parents have not graduated from high school.

Educational Management Organization: Not applicable.

Management Experience: The school's personnel and management team demonstrate professional, experienced, and qualified individuals serving in key capacities within the organization. Key staff for Roseland Charter School includes staff of the chartering authority, Roseland Elementary School District. District staff with key responsibilities for the charter school includes Gail Ahlas, District Superintendent; Rosie Greco, Business Manager; and Maria Lease, Personnel Services. Key staff for the school includes Aubin Giampaoli, Principal of RUP, and Jenny Young, Principal of RAMS.

Ms. Ahlas, founder and director of the charter school, has nine years of experience from 1994 to 2003 as principal of both traditional public and charter schools and has served as the district's Superintendent of Schools since 2003. Ms. Ahlas has a Masters Degree in Education and Policy Analysis, and an Administrative Credential from Stanford University. Aubin Giampaoli has served as Principal of Roseland's high school program, RUP, since July 2010. Prior to this position, Ms. Giampaoli served as Assistance Principal of RUP from 2008 to 2010 and as a teacher at RUP from 2004 to 2008. Ms. Giampaoli holds a B.A. from Christ College Medallion and a California Multiple Subjects Credential from Concordia University. Ms. Greco has served as the district's Business Manager since 2000, and her education includes the School Business Management Certificate Program at the University of Southern California Rossier School of Education and Chief Business Official Certification from the California Association of School Business Officials.

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

Board Experience: Roseland is governed by the five-member Roseland Charter School Board of Directors. The board is responsible for the school’s overall governance, including establishing operating policies and procedures. The board holds member elections each December at the annual organizational meeting; and is currently represented by one parent (who is also a member of the Roseland Elementary School District Board of Directors), three community members, and a Sonoma State University representative.

The following table depicts Roseland’s current Board membership.

NAME	OCCUPATION	COUNTY OF RESIDENCE	TERM OF OFFICE* (years)
Ricardo Navarrette	Santa Rosa Community College Vice President of Student Services	Sonoma	2010-11
Carlos Ayala	Sonoma State University, Interim Dean of the School of Education	Sonoma	2010-11
Sondra Beam, Board President	Pharmaceutical Medicine	Sonoma	2002-11
Ronnie Wilson, Board Vice President	Self-Employed	Sonoma	2001-11
Carmel Curiel Larios	Insurance Agent	Sonoma	2007-11

All Board members’ terms end on June 30, 2011, but are subject to automatic renewal each year for an additional year until such time as they resign.

In addition, the Roseland Charter School Community Advisory Board provides expertise, support, and encouragement toward advancing the school’s mission. More than 40 community leaders serve on this advisory board.

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 financial position. Schools with improving student performance trends are viewed favorably, especially if these trends exceed threshold goals set by the school or the California Department of Education (CDE). In order to measure student performance, staff utilizes Academic Performance Index (API) and Adequate Yearly Progress (AYP) trend data generated by the CDE. The API is also used as an indicator for measuring AYP per the No Child Left Behind Act of 2001. Any school not meeting AYP targets would face additional mandates and corrective actions if the school is a recipient of Federal Title 1 funds.

The reported API and AYP scores for RAMS and RUP are combined under the single charter for Roseland. Thus staff reviewed the combined performance for Roseland as-a-whole for 2006-07 through 2009-10. Roseland has more than four years of reported API scores, allowing a review of progress and comparison to similar schools. The following table summarizes Roseland’s student performance for the past three years.

Roseland Charter School	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10
ADEQUATE YEARLY PROGRESS (AYP)				
Met All AYP Criteria?	Yes	No	Yes	No
Criteria Met / Required Criteria	18 / 18	17 / 18	18 / 18	14 / 17
Met API Indicator for AYP?	Yes	Yes	Yes	Yes
Met Graduation Rate?	Yes	Yes	Yes	NA
ACADEMIC PERFORMANCE INDEX (API)				
Met Schoolwide Growth Target?	Yes	No	Yes	No
Met Comparable Improvement Growth Target?	Yes	No	Yes	No
Met Both Schoolwide & CI Growth Targets?	Yes	No	Yes	No
API Base Statewide Rank (10 = best)	6	5	5	6
API Base Similar Schools Rank (10 = best)	10	10	7	10
School's Actual Growth	-10	-3	38	4
Similar Schools Median of Actual Growth	11	17	14	17
Did School's Growth Exceed Median?	No	No	Yes	No

Roseland has achieved API base scores of 715, 705, 705, and 742, for each year from 2006-07 to 2009-10, respectively. Roseland met all AYP criteria and its API growth targets for 2006-07 and 2008-09, but did not meet either all AYP criteria or its API growth targets for 2007-08 and 2009-10. Based on its API base scores for 2009-10, Roseland achieved statewide and similar schools rankings of “6” and “10” (“10” = best), respectively.

Staff notes that the percent-proficient threshold requirement for AYP, both for English-language arts and mathematics, in accordance with the Elementary and Secondary Education Act (ESEA), reflects increases each year and will continue to reflect increases until 2014. Therefore, with each successive year, charter schools are increasingly challenged in “making AYP” (meeting all AYP criteria). This requirement applies to both schoolwide performance and performance of each numerically significant subgroup within any school. As an example, since 2002, the percent-proficient requirements for English-language arts (elementary schools, middle schools, and elementary school districts) are as follows: 13.6% for each of 2001-02, 2002-03, and 2003-04; 24.4% for each of 2004-05, 2005-06, and 2006-07; 35.2% for 2007-08; 46.0% for 2008-09; and 56.8% for 2009-10. This specific requirement will increase up until 2014 with the following percent-proficient thresholds: 67.6% for 2010-11; 78.4% for 2011-12; 89.2% for 2012-13; and 100.0% for 2013-14. The English-language arts percent-proficient requirement for high schools shows a similar trend, as do the percent-proficient requirements for mathematics for both elementary schools and high schools. Given that each numerically significant subgroup within a school must meet the percent-proficient requirement in English-language arts and mathematics in order for the school to make AYP, and given the high prevalence of English-language learners in California, charter schools are faced with increasing difficulty in making AYP. To further illustrate this challenge, Roseland failed to meet three of the 17 criteria for 2009-10 due to its not meeting the percent-proficient requirement for the numerically significant subgroups of “English Learners” (both English-language arts and mathematics) and “Socioeconomically Disadvantaged” (English-language arts).¹

¹ Information regarding AYP requirements are derived from the California Department of Education’s “2010 Adequate Yearly Progress Report Information Guide.”

Enrollment and Retention Rates: Roseland has shown consistent growth since its first year of operations in 2003-04, growing from approximately 186 students in grades 7-8 in 2003-04 to 680 students in grades 7-12 for the current 2010-11 academic year. Roseland projects 705 students for 2011-12 and anticipates maintaining this level of enrollment through 2015-16, the second year of CSFP payments. The school-wide student retention rates for 2009-10 and 2010-11 were reported as 89% and 92%, respectively. Roseland currently has 41 students on its wait list for the middle school and 16 students on its wait list for the high school. For 2007-08 through 2010-11, Roseland achieved ADA rates of 96%, 92%, 96%, and 94%, respectively.

Financial Analysis: Highlighted below are selected financial data and credit indicators used to evaluate Roseland Charter School’s ability to meet its CSFP obligation. Staff’s evaluation of the applicant’s financial performance is based on review of the following documents: 1) Roseland’s audited financial statements for 2007-08 through 2009-10; 2) Roseland’s budget for 2010-11 (2nd Interim) and budgeted projections for 2011-12 through 2015-16, and 4) projected enrollment for all grades through 2015-16.

Roseland Charter School	Actual FY 2007/08	Actual FY 2008/09	Actual FY 2009/10	Budget FY 2010/11	Projected FY 2011/12	Projected FY 2012/13	Projected FY 2013/14	Projected FY 2014/15	Projected FY 2015/16
ENROLLMENT PROJECTIONS									
Enrollment	541	603	644	680	705	705	705	705	705
Average Daily Attendance	519	557	618	636	665	665	665	665	665
Average Daily Attendance (%)	96%	92%	96%	94%	94%	94%	94%	94%	94%
FINANCIAL PROJECTIONS									
Total Revenues Available for CSFP Payment	\$ 4,699,259	\$ 5,217,918	\$ 5,017,427	\$ 5,531,517	\$ 5,083,936	\$ 5,004,273	\$ 5,328,600	\$ 5,456,431	\$ 5,592,576
Total Expenses Paid Before CSFP Payment	4,412,352	4,526,638	4,995,030	5,501,593	5,111,624	5,164,189	5,117,743	4,978,888	5,119,077
Accounting Adjustments	164,784	168,407	172,751	170,000	98,922	84,148	7,967	7,987	7,967
Net Revenues Available for CSFP Payment	\$ 451,691	\$ 859,687	\$ 195,148	\$ 199,924	\$ 71,234	\$ (75,768)	\$ 218,824	\$ 485,530	\$ 481,466
CSFP Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 332,140	\$ 332,140
Net Revenues After CSFP Payment	\$ 451,691	\$ 859,687	\$ 195,148	\$ 199,924	\$ 71,234	\$ (75,768)	\$ 218,824	\$ 153,390	\$ 149,326
FINANCIAL INDICATORS									
Net Revenues Available for CSFP Payment	\$ 451,691	\$ 859,687	\$ 195,148	\$ 199,924	\$ 71,234	\$ (75,768)	\$ 218,824	\$ 485,530	\$ 481,466
Debt Service Coverage by Net Revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	146.2%	145.0%
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Coverage by Net Revenues (w/out Contributions)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	146.2%	145.0%
CSFP Lease Payment / Revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.1%	5.9%
Contributions / Revenues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Revenues After CSFP Payment / Revenues	9.6%	16.5%	3.9%	3.6%	1.4%	-1.5%	4.1%	2.8%	2.7%
Revenues / ADA	\$ 9,054	\$ 9,368	\$ 8,119	\$ 8,697	\$ 7,645	\$ 7,525	\$ 8,013	\$ 8,205	\$ 8,410
Expenses / ADA	\$ 8,502	\$ 8,127	\$ 8,083	\$ 8,650	\$ 7,687	\$ 7,766	\$ 7,696	\$ 7,987	\$ 8,197
Surplus (Deficit) / ADA	\$ 553	\$ 1,241	\$ 36	\$ 47	\$ (42)	\$ (240)	\$ 317	\$ 219	\$ 213
Net Working Capital	\$ 753,784	\$ 1,414,619	\$ 1,428,943						
Net Working Capital / Expenses	17.1%	31.3%	28.6%						

Roseland’s financial evaluation is also based on the following assumptions: (1) occupancy of the proposed project by August 2013; (2) projected ADA rates of 94% through 2015-16; 3) the 50% local matching share will be met with a combination of a 30-year long-term lease and a \$450,000 lump sum payment; (4) funding rates for general purpose block grants of \$5,278 and \$6,142 for grades 7-8 and grades 9-12, respectively, beginning in 2010-11 (per 2010-11 2nd Interim Budget Report); (5) cost of living adjustments (COLAs) on General Purpose Block Grant Rates of 2.37% (minus \$330 per ADA) for 2011-12, 1.8% (minus \$330 per ADA) for 2012-13, 2.3% for 2013-14, 2.7% for 2014-15, and 2.8% for 2015-16; and (6) the school is not expected to have any long-term liabilities outside of the anticipated CSFP lease repayment, having repaid the balance of its loans from the Roseland Elementary School District during 2012-13. Staff notes that the assumed COLAs to the general purpose block grant rates for 2011-12 and 2012-13, after subtracting out \$330 per ADA, represent a reduction of between 3.0% and 4.5% for each of these years. For these years, the COLA assumptions are considerably more conservative than normally requested of applicants

and, as such, give additional support to the strength of the debt service coverage levels set forth below.

Long-Term Liabilities – As of June 30, 2010, Roseland had outstanding long-term liabilities of \$219,153. These debt obligations took the form of three loans obtained from the Roseland Elementary School District for purposes of facilities and leasehold improvements. Details regarding these liabilities are provided below.

During 2004-05, Roseland obtained a \$253,428 loan with interest at 3.0% per annum from the Roseland Elementary School District to help with leasehold improvement costs of the high school facility. In 2005-06, the school borrowed \$414,008 from the district for facility improvements and subsequently an additional \$181,717 to help with additional leasehold improvement costs. The three loans from the Roseland Elementary School District are expected to be repaid in three annual installments, which include interest, as follows: \$130,175 in 2010-11; \$126,575 in 2011-12; and \$102,128 in 2012-13. Roseland reported that it does not have any material contracts in excess of 5% of the school's gross revenues.

Performance/Change in Net Assets: Roseland recorded net increases in fund balances of \$286,907, \$691,280, and \$22,397 from 2007-08 to 2009-10, respectively, with ending fund balances of \$891,989, \$1,583,269, and \$853,539, respectively. For the current 2010-11 budget year, Roseland projects net revenues of \$29,924 and an ending fund balance of \$883,463, which include debt service expenses of \$130,757 and an inter-fund transfer-in of \$201,124 to cover a one-time scholarship expense. Roseland's projections for 2011-12 and 2012-13 indicate net deficits of \$27,688 and \$159,916, respectively, resulting in ending fund balances of \$855,775, and \$635,859, respectively. It is noteworthy that Roseland's 2010-11 2nd Interim Budget Report reflects assets held for leasehold improvements in the amount of \$395,876 and an undesignated fund balance of \$845,309, signifying Roseland's designation of funds to pay off its long-term debt obligation to the District and its having substantial additional funds to cover unanticipated expenses. Roseland's projections for 2013-14 (first year of project occupancy) to 2015-16 indicate net revenues of \$210,857, \$477,543, and \$473,499, respectively.

Debt Service Coverage: Roseland's financial projections indicate the organization will be able to afford the projected annual CSFP payments. Debt service coverage ratios for CSFP are calculated using net revenues available after payment of debt service on any existing and projected indebtedness, with any expenses for capital outlay and depreciation added back as net revenues. Assuming a 3.0% interest rate, \$450,000 lump sum payment, 30-year repayment period for the remainder of the matching share, and total anticipated project costs of \$13,920,182, Roseland's annual CSFP payment would be \$332,140 beginning in 2014-15. Roseland's projected net revenues available for the first two years of CSFP payment, 2014-15 and 2015-16, are \$485,530 and \$481,466, respectively, which would provide corresponding debt service coverage ratios of 146.2% and 145.0%, respectively. The CSFP payment also would represent, on average, 6.0% of projected revenues in 2014-15 and 2015-16, which is within the targeted maximum range of 10-15%.

Staff notes that, in recommending the Authority's prior financial soundness determination for preliminary apportionment on May 12, 2010, Staff requested that the Roseland Elementary School District serve as co-borrower for the CSFP obligation, given Roseland's small margin of debt service coverage over 100% at that time. At that time, Roseland Elementary School

District held an investment grade rating of “A” from Standard & Poor’s and could provide additional security to the CSFP lease payment. Because Roseland’s current financial projections reflect an improved level of debt service coverage, Staff is not currently requesting that the District serve as a co-borrower. However, Staff still encourages the District to serve as a co-borrower, if at all possible, to further bolster Roseland’s ability to meet its debt service obligation.

Liquidity: Liquidity measured in terms of net working capital (NWC) is calculated by subtracting current liabilities from current assets. Roseland’s NWC for 2008-09 and 2009-10 was \$1,414,619 or 31.3% of total expenses, and \$1,428,943 or 28.6% of total expenses, respectively. Both of these meet the targeted NWC of 5.0% or more of total expenses.

Strengths Weaknesses, and Mitigants:

- + Roseland’s projected debt service coverage is 146.2% and 145.0% for the first two years of CSFP payments, 2014-15 and 2015-16.
- + Roseland has demonstrated consistent enrollment growth since it began operations in 2003-04 with growth from 186 students in 2003-04 to 680 students for the current 2010-11 school year.
- + Net Working Capital, at 28.6% of total expenses in 2009-10, exceeds staff’s minimum level of 5.0%.
- +/- Roseland met all AYP criteria and its API growth targets for 2006-07 and 2008-09, but did not meet either for 2007-08 and 2009-10. Based on its API base scores for 2009-10, Roseland achieved statewide and similar schools rankings of 6 and 10, respectively.

Staff Recommendation: Staff recommends that the California School Finance Authority Board determine that Roseland Charter School is financially sound for purposes of the Charter School Facilities Program Preliminary and Advance Apportionments. This determination of financial soundness is contingent upon Roseland’s execution of an Implementation Agreement with CSFA, the State Controller’s Office and CDE, at the appropriate time, whereby CSFA will intercept Roseland’s state-aid portion of its General Purpose Block Grant at regular intervals to satisfy the payment requirements of its CSFP obligations. This determination is also contingent upon Roseland providing documented evidence of having established designated funds in the amount of \$450,000 for purposes of making a lump-sum payment towards the CSFP loan amount. This determination as it relates to an Advance Apportionment is in place for six months and assumes no financial, operational, or legal material findings within this time period. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction and the State Allocation Board regarding this determination.