

MEMORANDUM

Date: November 13, 2013 Staff Summary No. 4

To: Members, California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Re: Resolution No. 13-47 Approving New Regulations for the Charter School Facilities Credit Enhancement Grant Program and Authorizing the Emergency Rulemaking Process

Pursuant to AB 86 (Chapter 48, Statutes of 2013), the administration of the Charter School Facility Grant Program (Program) has been transferred to the California School Finance Authority (Authority) commencing with the 2013-14 fiscal year. The grant program provides assistance with facilities rent and lease costs for pupils in charter schools and will require the Authority to allocate facilities grants to eligible charter schools. At its July 2013 board meeting, the Authority board adopted emergency regulations. Since that time, Authority staff processed over 320 applications and awarded approximately \$29 million to nearly 300 schools by our October 15, 2013 deadline.

Since the transfer of the program and adoption of regulations in July, Authority staff and counsel are proposing the following three changes to the emergency regulations that are intended to clarify certain provisions in the existing regulations as well as provide greater access to funds under the program:

- 1) A provision was added to the Eligible Costs section, 10170.4, that will allow charter schools to maximize their grant awards for all permissible facility-related expenses;
- 2) A provision was added that allows the Authority to waive procedural defects in the submission of an Application; and
- 3) Language was amended in the conflict of interest section, 10170.14, based on feedback from charter school stakeholders. This provision related to conflicts of interest will be effective for the 2014-15 funding round under this program. However, staff and Authority counsel want the charter school community to have adequate time to cure any issues that could lead to a school being found ineligible due to a conflict of interest.

Staff recommends that the Board adopt Resolution 13-47 approving the proposed regulations for the administration of the Charter School Facility Grant Program. If approved, the Executive Director will initiate the emergency rulemaking file for processing by the Office of Administrative Law, and will distribute the proposed changes to interested parties in accordance with the emergency rulemaking process.