

MEMORANDUM

Staff Summary No. 4

Date: July 24, 2014

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Consideration of Appeal on Behalf of American Indian Public Charter, American Indian Public High, and Community Outreach Academy Regarding the Charter School Facility Grant Program

Background: On April 10, 2014, all California charter schools were notified via-email by the California School Finance Authority (CSFA) of the May 12, 2014 deadline for application submission for the 2014-15 funding round under the State Charter School Facility Grant Program (Program). At previous CSFA board meetings, members have voted to overturn staff's finding of ineligibility for late applications. As funds were available and the Program undersubscribed, members asked staff to review and fund late applications.

CSFA received 4 additional late applications for the 2014-15 funding round of the Program, since the CSFA board meeting of June 11, 2014 (bringing the total late applications from 8 to 12 for this funding round). All late applicants were notified that their applications were not eligible for this Program funding round. All four applicants are appealing staff's finding of ineligibility. Summaries of the applications / appeals follow:

1. On Friday, June 13, 2014, CSFA received 2 late applications and an appeal letter from Ms. Jean Martinez, Board Vice-Chair for American Indian Public and American Indian Public High. The appeal submitted by Ms. Martinez notes that their staff believed that the schools were ineligible for the Program as they are involved in a unique revocation dispute with Oakland Unified School District and therefore an application was not submitted. However, it was later brought to their attention by their back office provider that despite their current legal actions an application can be submitted but any disputes/legal actions must be disclosed in the application. The appeal also notes if the appeal is granted the funds will help their "schools put more local control funding formula funds into the classroom, instead of on building rent expense." (See Attached Letter).
2. On June 16, 2014, CSFA received an application from Eel River Charter School. The school contends that our e-mail notice, and additional notice from the California Charter Schools Association, was not adequate notice regarding the filing deadline. The school is appealing based on Section 10170.5(g) that states, "the Authority may waive procedural defects in the submission of an Application, such as an Application filed past the deadline."

3. On Monday, June 23, 2014, CSFA received a late application along with an appeal for Community Outreach Academy. The appeal submitted notes that the school was under the impression that the deadline was much later as in past years, and was confused an e-mail they received about the Program with a different program call the Charter School Facilities Program. They state the funding source provides over \$800,000 a year in much needed assistance to a school with a student population of 90% free and reduced and English language learners. "Without these funds we would not be able to balance our budget and provide the level of instruction these student need to become successful citizens." (See Attached Letter).

Recommendation: Staff is recommending that the board deny the appeal by the Schools. Program regulations clearly state the submission deadline. There were several schools that missed the submission deadline and those schools were deemed ineligible for program consideration. Whereas we are empathetic to the financial ramifications this denial may have on the schools, we cannot violate Program regulations or make exemptions for some schools. Furthermore, the Authority received a total of 311 applications by the May 12th deadline.