

Date: July 8, 2015

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 15-16 Approving Awards and Authorizing the Disbursement of Funds Under the Eleventh Funding Round of the State Charter School Facilities Incentive Grants Program (CFDA #84.282D)

Resolution 15-16 grants approval of the award of grant funds to the top ranking applications in line for a grant award; the Executive Director to take the steps necessary to execute the grant agreements and disburse the grant funds; and make awards to alternate applications as applicable, in the event program funds become available. The eleventh funding round applicants, and potential awardees and alternates, are shown in Exhibit A attached hereto.

Background: On behalf of the State of California, in 2004, the California School Finance Authority (Authority) received a \$49.25 million grant from the U.S. Department of Education for a State Charter School Facilities Incentives Grant Program (Federal Program). In 2009, the Authority was awarded a second grant in the amount of approximately \$48.5 million for the Federal Program. In 2014, the Authority applied for and was awarded a third grant in the amount of \$50 million for the Federal Program.

The Authority received \$11 million for the 14-15 fiscal year, and will award an additional \$3 million in unused program funds, for a total of approximately \$14 million in funding available for Round 11. Applications for the eleventh funding round of the Federal Program were due to the Authority no later than May 1, 2015, and the Authority received 105 applications.

Process: Per federal requirements, the federal program is intended to “supplement rather than supplant” state funding. As the administrator of both the Federal Program and state-funded Charter School Facility Grant Program (SB740) since July 2013, CSFA staff reviewed all applications to determine program eligibility and comply with this federal requirement. Out of the 105 schools that applied to the Federal Program under Round 11, 62 schools also applied to the State Charter School Facility Grant Program (SB740) for the 2015-16 fiscal year, and 45 of those applicants are eligible for both programs. Moreover, in order to determine preliminary awards under SB 740 and further evaluate whether State funds will need to be supplemented with federal program funds, staff needs to review 2014-15 Average Daily Attendance Data (ADA), which was made available on June 29, 2015. Staff is expected to complete its review of the 2014-15 ADA data by July 21, 2015 in order to determine which schools will preliminarily qualify to have federal grant funds supplement SB 740 funds and which schools will be deemed ineligible for federal grant funds under Round 11.

The Federal Program is intended to provide financial assistance to California charter schools based on demonstrated need. Although, the Authority typically uses a 150-point scale to award points, due to the adoption of the Common Core State Standards and the reporting waiver for Adequately Yearly Progress (AYP) and Academic Performance Index

(API) data that California received from the U.S. Department of Education, Authority staff used the following 110-point scale to award points: 1) Zero to 60 points based on the number of low-income students served by the school (as measured by the number of students eligible for free or reduced price meals); 2) Zero or 10 points based on the degree of overcrowding where the school is located within a specified number of miles (three miles for city schools or 10 miles for suburban school or 15 miles for rural schools) of a traditional public school identified as overcrowded under the Overcrowding Relief Grant or the Critically Overcrowded School programs); 3) Zero or 20 points based on the non-profit status of the school or the entity operating the school;; and 4) Zero or 20 points for first time award competitive priority based on whether the applicant charter school has received an award under the 2004 or 2009 Grants (rounds 1-10).

Authority staff relied on the same data sources to assign points under this funding round as it has in previous rounds. The California Department of Education (CDE) provided low income information based on how many students served by the charter school are eligible for free or reduced price meals and overcrowding information by identifying public schools meeting the criteria for funding under the Overcrowding Relief Grant or the Critically Overcrowded School programs.

The website for the National Center for Education Statistics (NCES) was relied upon for determining the locale code of city/urban, suburban, or town/rural in which the charter schools applying for funding are located, applicants were charged with providing staff with documentation demonstrating the charter school is a non-profit entity or operated by a non-profit entity. When available, staff relies on student performance data from CDE, and location information from the NCES to assign preference points in the school choice category. The following steps were taken to process Federal Program applications:

1. Program Eligibility: Staff evaluated applications for Federal Program eligibility and completeness. If applicants were deemed ineligible for participation, letters were sent which explained our rationale. If information was missing from the application packet, applicants were given a deadline for submitting required information.
2. Charter School Facility Grant Program Eligibility: Per requirements that federal funds supplement and not supplant State funds, staff evaluates if applicants were eligible for (and applied to) the State Program. If an applicant is eligible for, and applied to, both the federal and state program, applicants must be funded out of the State Program rather than the Federal Program, unless there are differences in the types of costs applied for under the two programs. Authority staff recently received 2014-15 data for Average Daily Attendance from the California Department of Education in order to identify any supplemental awards for those applicants that applied to both the Federal Grant and the Charter School Facility Grant Program, and whose ADA calculation award may be lower than 75% of its total annual facilities costs. Also, as the 2015-16 budget trailer bill lowered the state program's funding eligibility from 60% to 55%, staff recently moved additional schools that are between 60% and 55% FRPM from the incentive grant list to the state pool for funding consideration.
3. Low-Income Preference Points: In order to assign low-income preference points, staff received from CDE free and reduced price meal data for each applicant. The data measured the number of students at the school in the 2014-15 school year that

were eligible for free or reduced price meals, and calculated the percentage of the students attending the school who qualified for free/reduced meal programs. *The school does not necessarily need to have a lunch program in order to file this information with CDE, as this data also is used to measure the number of low-income students being served by the school.*

4. Overcrowding Preference Points: CDE identified public schools eligible for funding under the Overcrowding Relief Grant and the Critically Overcrowded School programs. Additionally, using Google maps as the resource, staff searched for overcrowded public schools located within a specified number of miles (three miles for city/urban schools or 10 miles for suburban school or 15 miles for town/rural schools) of the applicant charter schools to identify whether the applicant charter schools were eligible for 10 overcrowded points.
5. Non-Profit Points: Applicant charter schools that demonstrated they, or their operator, are organized and operated as a 501(c)(3) or as a nonprofit California public benefit corporation, were awarded 20 preference points in this category. Documentation from the U.S. Treasury Department or the California Secretary of State is required to receive 20 points in this category. The name of the organization on the non-profit documentation must match the name of the applicant charter school or governing organization.
6. First-Time Award Competitive Priority: If an applicant charter school has not received an award previously, the applicant was awarded an additional 20 points. Staff reviewed the list of all prior Federal Program awardees to assign preference points in this category.
7. Compliance With Charter Terms and Good Standing with Authorizer: To ensure that applicants were in compliance with the terms of their charters, and in good standing with their chartering entities at the time of application submission, as required in the Federal Program regulations, Authority staff sent out letters to chartering entities requesting verification of charter compliance and good standing.
8. Notification of Preliminary Point Assignment: Notification will be provided to applicants regarding their eligibility as well as their preliminary preference point assignments.

Award Methodology: Pursuant to Section 10183 of the regulations, the Authority shall rank the applications based on the total points received, with the highest score ranking first. In the event that more than one application has the same overall score, the application with the highest points in the low-income category will receive a higher ranking. If more than one application has the same overall score as well as the same low-income points, the application with the highest points in the overcrowded school district category will receive a higher ranking. If application of the tiebreaker described above results in more than one application still having the same ranking, applications with the earliest mailing date will be given preference.

For each funding round, the Authority will make an initial award for each application, taking into account the ranking of all applications, the total amount of funds requested and the total amount of funds available. In the event total funds requested exceed total funds available, the Authority shall allocate funds beginning with the application scoring the highest ranking, and then proceed with the next highest rank until all available funds have been awarded. If

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any Federal Program funds become available at a later date, the next highest ranked applicant or alternate will be offered a grant award.

Applicants will be notified of grant award recommendations following the board meeting. At such time, awardees have a number of things conditions that will need to be complied with prior to actual disbursements commencing. For example, schools will need to demonstrate that they are actively registered with the federal award database, SAM; certify eligible costs; submit a resolution that the school's governing board will adhere to the terms and conditions of the grant; etc. Once all conditions are satisfied, disbursements will commence in September 2015.

Recommendation: Staff recommends members of the California School Finance Authority adopt Resolution 15-16 approving staff's funding recommendations contained in Exhibit A of Resolution 15-16. Approval of Resolution 15-16 also authorizes the Executive Director to execute the grant agreements on behalf of the Authority, as well as make awards to alternates on the award recommendation list.

Exhibit A

State Charter School Facilities Incentive Grants Program – Eleventh Round Applicants

Name of Charter School	CDS Code	Purpose
Acacia Elementary Charter School	39-68627-0128553	Purchase, design, renovation construction
Acacia Middle Charter School	39-68627-0128546	Purchase, design, renovation construction
Academic Performance Excellence Academy (APEX Academy)	19-64733-0117077	Lease
Academy of Science and Engineering	19-64733-0126185	Purchase, design, Renovation
ACE Empower Academy	43-10439-0116814	Purchase, design, renovation construction
Achieve Academy	01-61259-0111476	Purchase, design, renovation construction
Adelante Charter School of Santa Barbara	42-76786-6118202	Purchase, design, Renovation
Alliance Collins Family College-Ready High School	19-64733-0108936	Lease
Alliance Environmental Science and Technology High School	19-64733-0117606	Lease
Alliance Gertz-Ressler/Richard Merkin 6-12 Complex	19-64733-0106864	Lease
Alliance Helath Services Academy High School	19-64733-0117598	Lease
Alliance Judy Ivie Burton Technology Academy High School	19-64733-0108894	Lease
Alliance Marc and Eva Stern Math and Science School	19-64733-0111658	Lease
Alliance Ouchi-O'Donovan 6-12 Complex	19-64733-0111641	Lease
Alliance Patti & Peter Neuwirth Leadership Academy	19-64733-0111492	Lease
American Indian Public Charter School	01-61259-6113807	Lease
American Indian Public Charter School II	01-61259-0114363	Lease
American Indian Public High School	01-61259-0111856	Lease
Animo Inglewood Charter High School	19-64634-1996586	Lease
Animo James B. Taylor Charter Middle School	19-64733-0124008	Lease
Animo Pat Brown Charter High School	19-64733-0106849	Lease
Animo Ralph Bunche Charter High School	19-64733-0111575	Lease
Animo South Los Angeles Charter High School	19-64733-0102434	Lease
Animo Watts College Preparatory Academy	19-64733-0111625	Lease
Apple Academy Charter Public	19-64733-0126078	Lease
ASA Charter School	36-67876-0107730	Lease
ASCEND	01-61259-6118608	Lease
Aspire Alexander Twilight College Preparatory Academy	34-67447-0120469	Lease

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Name of Charter School	CDS Code	Purpose
Aspire Apex Academy	39-68676-0121541	Purchase, design, renovation construction
Aspire Centennial College Preparatory Academy	19-64733-0126797	Lease
Aspire Port City	39-68676-0114876	Lease
Aspire River Oaks	39-68585-6118921	Lease
Aspire Summit Charter Academy	50-71043-0112292	Lease
Aspire University Charter School	50-71290-0118125	Lease
Bay Area Technology	01-61259-0106906	Lease
Center for Advanced Learning	19-64733-0115139	Purchase, design, Renovation
Central City Value High School	19-64733-0100800	Lease
Cielo Vista Charter School	33-67173-6032411	Purchase, design, Renovation
Citizens of the World 2	19-64733-0126177	Lease
Citizens of the World 3	19-64733-0126193	Lease
City Charter Middle School	19-64733-0126102	Lease
Civicorps Academy	01-61259-0115386	Lease
Coleman Tech Charter High School	37-68338-0122788	Lease
Community School for Creative Education	01-10017-0123968	Lease
Cornerstone Academy Preparatory School	43-69450-0121483	Lease
Cox Academy	01-10017-6001788	Purchase, design, renovation construction
Crown Preparatory Academy	19-64733-0121848	Lease
Downtown Value School	19-64733-6119903	Lease
e3 Civic High	37-68338-0127647	Lease
East Oakland Leadership Academy	01-61259-0100123	Lease
Fortune School	34-10348-0124651	Purchase, design, renovation construction
Gateway International	34-67447-0128124	Lease
Grace Hopper STEM Academy	19-64634-0128991	Lease
Hardy Brown College Prep	36-67876-0122317	Purchase, design, renovation construction
Hawthorne Math & Science Academy	19-64592-0100354	Lease
High Tech Elementary Chula Vista	37-76471-0114678	Lease
High Tech Elementary North County	37-76471-0127605	Lease
High Tech High Chula Vista	37-76471-0114678	Lease
High Tech Middle Chula Vista	37-76471-0123042	Lease
KIPP Bridge Charter School	01-61259-0115014	Lease
KIPP Empower Academy	19-64733-0125641	Lease
KIPP Iluminar Academy	19-64733-0127670	Lease
KIPP Los Angeles College Preparatory	19-64733-0100867	Lease
KIPP Raices Academy	19-64733-0117903	Lease
KIPP Sol Academy	19-64733-0125641	Lease
Larchmont Charter	19-64733-0108928	Lease

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Name of Charter School	CDS Code	Purpose
Laurel Tree Charter School	12-62687-0124263	Lease
Lazear Charter Academy	01-10017-6002000	Purchase, design, renovation construction
Learning Without Limits	01-61259-0115592	Lease
Learning Works	19-64881-0118075	Lease
Lifeline Education Charter School	19-76497-0115725	Purchase, design, Renovation
Magnolia Science Academy - 2	19-64733-0115212	Lease
Magnolia Science Academy 5	19-64733-0117630	Lease
Magnolia Science Academy - 4	19-64733-0117622	Lease
Natomas Charter School	34-75283-3430659	Purchase, design, renovation construction
NEA Community Learning Center	01-61119-0119222	Purchase, design, renovation construction
Nevada City School of the Arts	29-10298-0114330	Purchase, design, renovation construction
Newcastle Charter School	31-66852-0109827	Purchase, design, renovation construction
Oakland Charter Academy	01-61259-6111660	Lease
Orange County Educational Arts Academy	30-66670-0109066	Lease
Orange County School of the Arts	30-66670-3030723	Lease
Pacific View Charter School	12-62927-1230150	Purchase, design, renovation construction
Peak to Peak Mountain Charter	15-63628-0128504	Lease
Redwood Preparatory Charter School	12-76802-0124164	Purchase, design, renovation construction
Richmond Charter Academy	07-61796-0126805	Purchase, design, renovation construction
Rowland Heights Charter Academy	19-73452-0129031	Lease
Silver Oak High School Public Montessori Charter	01-61192-0127944	Lease
TEAM Charter School	39-68676-0124958	Lease
Today's Fresh Start	19-76737-0102020	Purchase, design, Renovation
Unchartered Shores Academy	08-10082-0114116	Lease
Valley Charter Elementary School	19-64733-0122754	Lease
Valley Charter Middle School	19-64733-0122838	Lease
View Park Preparatory Accelerated Charter Elementary School	19-64733-6117048	Lease
View Park Preparatory Accelerated Charter High School	19-64733-0101196	Lease
Willits Charter School	23-65623-2330363	Lease
Woodward Leadership Academy	36-67876-0126714	Lease