

MEMORANDUM

Date: September 9, 2015 **Staff Summary No. 6**

To: Members, California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Re: Resolution No. 15-27 Approving New Regulations for the Charter School Facility 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) was transferred to the California School Finance Authority (Authority) commencing with the 2013-14 fiscal year. The Program provides assistance with facilities rent and lease costs for pupils in charter schools and requires the Authority to allocate facilities grants to eligible charter schools. At its July 2013 board meeting, the Authority board adopted regulations.

Since the transfer of the program and adoption of regulations in July 2013, AB 948 was passed, expanding Program eligibility in any year in which additional funds remain by reducing the Free or Reduced-Price Meal Eligibility (FRPM) threshold one percentage point at a time, but in no case below sixty percent (60%). Along with the changes required by implementation of AB 948, Authority staff and counsel are proposing the following changes and the adoption of emergency regulations that are intended to clarify certain provisions in the existing regulations. At its March 2015 board meeting, the Authority board adopted regulations.

In June 2015, AB 93 was passed which expanded eligibility in any year in which additional funds remain by reducing the Free or Reduced-Price Meal Eligibility (FRPM) threshold from sixty percent (60%) to fifty-five percent (55%). Along with the changes required by implementation of AB 93, Authority staff and counsel are proposing the following changes and the adoption of emergency regulations that are intended to clarify certain provisions in the existing regulations.

Section 10170.3 Eligible Applicant

The amended Section expands the eligibility for charter schools to participate in the Program, pursuant to AB93. In addition, the Authority added an additional funding round for schools becoming eligible under AB 93. The Authority shall apportion the available funds on a pro rata basis in the event the program is oversubscribed.

The changes to this Section are necessary to provide explicit guidance regarding eligibility for charter schools, ensure eligibility based on a charter school's compliance with other CSFA programs, where applicable, and ensure that all eligibility requirements are current and relevant.

Section 10170.5 Application Submission

The amended Section added an additional funding round for schools becoming eligible under AB 93. The changes are necessary to provide guidance to the charter school community regarding the expansion of the program, and provide information about applying for funding under the new funding round.

Recommendation: Staff recommends that the members adopt Resolution 15-27 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.