

## RESOLUTION NO. 15-38

### APPROVAL OF FINANCIAL SOUNDNESS DETERMINATIONS FOR THE CHARTER SCHOOL FACILITIES PROGRAM FOR PRELIMINARY / ADVANCE APPORTIONMENT FOR KIPP PRIZE PREPARATORY ACADEMY

December 9, 2015

**WHEREAS**, the Charter School Facilities Program (Program) was established (Statutes of 2002) for the purpose of providing charter schools with funding to construct new facilities and modernize old facilities; and

**WHEREAS**, modeled after the State's School Facilities Program, the Program funds 50 percent of facilities project costs as a grant from the State, and 50 percent as a local match, which the charter school is responsible for repaying to the State; and

**WHEREAS**, the California School Finance Authority (Authority) and the State Allocation Board (Board), staffed by the Office of Public School Construction, are jointly designated to administer this per-pupil facilities aid Program, and the Authority is authorized by Education Code section 17078.57 to determine whether applicants to the Program are financially sound for purposes of the Program at the time of Preliminary, Advance, and Final Apportionment; and

**WHEREAS**, approximately \$89.874 million in rescinded Program funds became available in 2013 and the Board opened a subsequent funding round (2014 Funding Round), and Authority reviewed the top-ranked eligible applications and made determinations of financial soundness at its November 20, 2015 meeting; and

**WHEREAS**, approximately \$30 million in additional rescinded Program funds became available in February 2015 for the 2014 Funding Round; and

**WHEREAS**, only \$513,511 in rescinded Program funds for the 2014 Funding Round remained as of July 24, 2015; and

**WHEREAS**, KIPP Prize Preparatory Academy (KIPP Prize) was next in rank order to receive an award and has elected to accept the remaining balance of program funds of \$513,511; and

**WHEREAS**, the Authority has reviewed KIPP Prize's preliminary application and updated financial information through the methodology established pursuant to Education Code 17078.57, recommending that KIPP Prize is determined to be financially sound for purposes of Preliminary and Advance Apportionment, but not for purposes of Final Apportionment under the Program's 2014 Funding Round; and

**WHEREAS**, this determination as it relates to financial soundness for purposes of a Preliminary and / or an Advance Apportionment, is in place for six months and assumes no financial, operational, or legal material findings within this time period.

**NOW, THEREFORE, BE IT RESOLVED** by the California School Finance Authority as follows:

**Section 1.** The Authority approves the determination of financial soundness for KIPP Prize for the purposes of the Charter School Facilities Program Preliminary and Advance Apportionments, but not for purposes of Final Apportionment. This determination as it relates to the Preliminary and Advance Apportionments is in place for six months and assumes no financial, operational, or legal material findings within this time period.

**Section 2.** The Executive Director of the Authority is hereby authorized, for and on behalf of the Authority, to notify the State Allocation Board and the Office of Public School Construction and provide documentation regarding its determinations of financial soundness for KIPP Prize..

**Section 3.** This resolution shall take effect immediately upon its approval.

Date of Adoption: December 9, 2015