

## MEMORANDUM

Staff Summary No. 10

**Date:** August 10, 2016

**To:** Members, California School Finance Authority

**From:** Katrina M. Johantgen, Executive Director

**Re:** Resolution No. 16-24 Approving Amendments to the Regulations for the State Charter School Revolving Loan Fund Program and Authorizing the Rulemaking Process

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Pursuant to AB 86 (Chapter 48, Statutes of 2013), the administration of the Charter School Revolving Loan Fund Program (Program) was transferred to the California School Finance Authority (Authority) commencing with the 2013-14 fiscal year. The Program provides for loan funds of up to \$250,000 to new charter schools. Pursuant to Education Code, Section 41365(h), on January 8, 2014, the Authority approved the emergency regulations that became effective on February 3, 2014 for a period of 180 days (expiration date of August 5, 2014). On July 11, 2014, the Authority approved permanent regulations that became effective on March 10, 2015.

Authority staff identified recommended amendments to the permanent regulations, identified by single underlines and strikeouts in the revised regulations attached as Exhibit A, as well as a copy of the amended application form (RLF-16, revised August 10, 2016) attached as Exhibit B. The originally approved application instructions are intended to be removed from the overall regulations for the following reasons: the instructions were considered overly redundant for purposes of informing the public and the Authority determined that it is more efficient to inform the public on its website through Frequently Asked Questions. Attached as Exhibit C is a crossed out copy of the omitted application instructions. The Authority will be requesting approval of these amendments so that these amendments can become part of the permanent regulations upon the Office of Administrative Law's approval. These amendments include the following:

### Section 10170.17. Definitions

- Addition of new subdivision (a), which clarifies the definition of "Affiliated Organization". This change is necessary to provide consistency and clarity of language and ensure that all applicants are aware that if a school defaults on their loan and is unable to repay the loan, the affiliated organization will be responsible for repayment of the loan.
- Modification of original subdivision (b), now subdivision (c) which revises the application form number to make consistent with other Authority program forms.

- Addition of new subdivision (i), which clarifies the definition of “Free or Reduced-Price Meal” or “FRPM”. This change is necessary to provide consistency and clarity of language, and to clarify the data used to find priority when the program is oversubscribed.
- Addition of new subdivision (l), which clarifies the definition of “New Charter School”. This change is necessary to distinguish schools that have not yet commenced operations from existing schools in order to establish priority for program loans.

#### Section 10170.18. Eligible Applicant

- Modification of subdivision (c) to ensure that a new charter school shall submit evidence that its charter petition has been submitted to a chartering authority for approval and that it anticipated beginning operations in the following fiscal year. This change is necessary to provide explicit guidance regarding eligibility for charter schools, making sure that new schools open in the calendar year they receive program funds. This eligibility criterion ensures protection of program funds from schools that could receive funds, but do not open.
- Modification of subdivision (d) to ensure that an applicant demonstrates that it is an incorporated charter school by providing Articles of Incorporation. This change is necessary to clarify how the Authority reviews and confirms that an applicant is an incorporated charter.
- Addition of new subdivision (h) originally located in Section 10170.19. (e)(4) and Section 10170.21.(c), to ensure that a charter school will not receive more than \$250,000 in Program loans over the lifetime of their charter. This change is necessary because the information is related more to eligibility criteria.
- Modification of original subdivision (h), now subdivision (i), to include that not only charter schools, but affiliated organizations, if applicable, must be in compliance with all programs administered by the Authority. This change is necessary to further protect program funds from noncompliant affiliated organizations.

#### Section 10170.19. Application Content and Submission

- Omission of language in the introductory paragraph because the relevant information is relocated to subdivisions (b) and (c).
- Relocation of original subdivision (e)(2) to subdivision (a), sets forth that the application will be available on the Authority’s website no later than December of each year. This relocation is necessary to provide clarity to the process description within the regulations, with the listing of all required support documents under a new subdivision (c).
- Omission of specific language under subdivision (a) relating to required submission of loan amount, Articles of Incorporation, and the school’s legal status. This omission is necessary as the requirement to submit Articles of Incorporation is captured under new subdivision (c) and the loan amount and legal status are captured within the Application form itself, therefore reducing redundancy.

- Relocation of original subdivision (e)(3) to a new subdivision (b), which sets forth the application submission requirements relating to submission of a printed Application form and the submission deadline. In addition, this new subdivision (b) sets forth a new requirement that a copy of the Application form and supporting documentation required at new subdivision (c) must be submitted via flash drive or CD-ROM and that, upon implementation of an online application system, an Applicant must submit documentation through that system. The relocation of subdivision (e)(3) is necessary to provide clarity to the overall application review process within the regulations.
- Addition of a new subdivision (c) (replacing original subdivision (d)), which sets forth the listing of the specific documents that must be submitted as part of the Application, and which provides for the following modifications: (c)(1) - consolidation of requirement for submission of Articles of Incorporation for an independent charter with requirement to submit memorandum of understanding/operational agreement with chartering authority for a dependent charter (moved from original (d)(7)); (c)(3) – modification setting forth that the current charter petition should be provided rather than charter agreement, and addition of “evidence supporting charter approval and term” to the requirement to submit charter petition. These changes are necessary to clarify specific documentation that is to accompany the application.
- Omission of original subdivisions (b) and (c) because the related submission requirements are incorporated into the listing of submission requirements as set forth in new subdivision (c).
- Modification of original subdivision (d)(2), now subdivision (c)(5) which sets forth that an adopted budget, if available should be provided. This change is necessary because not all new charters have had a budget adopted.
- Modification of original subdivision (d)(3), now subdivision (c)(6) which sets forth that multi-year year budget projections for at least the five fiscal years beyond the first fiscal year for which the applicant is applying should be provided. This change is necessary as the financial soundness review for applicants normally involves review of five projected years rather than four.
- Modification of original subdivision (d)(4), now subdivision (c)(7) which sets forth that the most recent business plan and/or strategic plan for at least the next five academic years should be provided. This change is necessary as the financial soundness review normally involves the review of five projected years.
- Modification of original subdivision (d)(9), now subdivision (c)(11) which sets forth that targeted student population and demographics should be provided, and omits reference to student year-to-year retention rates. This change is necessary as targeted student population and demographics is significant to the application review, and year-to-year retention rates are not normally available for applicants.
- Omission of subdivisions (e)(1-4) due to subdivisions (2-4) being incorporated into other subdivisions, and subdivision (e)(1) being omitted as it relates to the 2013-14 academic year only.
- Modification of original subdivision (e)(5), new subdivision (d), which clarifies that an affiliated organization must provide a separate application for each

school that has a separate CDS Code. This change is necessary to clarify that “organizations” means “affiliated” organizations.

#### Section 10170.20. Application Review and Evaluation/Underwriting Criteria

- Modification of subdivision (c) which sets forth that if funds are left over after new charter schools are awarded, consideration for a program loan will be given to existing charter schools that have not had their charter’s renewed. Reference to representation by regions within this subdivision is omitted, as the application of regions for purposes of setting priority among applicants is clarified at subdivision (d)(1). This change is necessary to clarify to the applicant how program awards are prioritized.
- Modification of subdivision (d) which sets forth that if there are insufficient funds available during an application cycle, the process described in subdivisions (d)(1-2) will be followed, omitting specific language. This change, as well as the addition of new subdivisions (d)(1-2) are necessary to accurately describe the Program procedure to establish priority in the event of oversubscription
- Addition of new subdivision (d)(1-2), which first sets forth that priority will be established among new charter schools based on highest FRPM within Regions ensuring equal representation among regions pursuant to Sections 10170.17(n)-(q) and secondly priority will be established among existing charter schools based on highest FRPM within regions ensuring equal representation among regions pursuant to new Sections 10170.17(o)-(r). These changes are necessary to clarify to the applicant how program awards are prioritized when the program is oversubscribed.
- Addition of new subdivision (e), which sets forth that pursuant to subdivision (d), in the event that the charter school’s FRPM data is not available, the Authority shall award loans based on the FRPM of the school’s projected elementary school attendance area. This change is necessary to clarify to the applicant how program awards are prioritized if a school does not have FRPM data.

#### Section 10170.21. Loan Amount and Repayment Terms.

- Addition of new subdivision (b)(1), which sets forth that the loan term of a new charter school will not exceed the length of the school’s approved charter term. This change is necessary to help protect program funds from schools that may close at the end of their charter with several loan repayment years left.
- Omission of subdivision (c) which is incorporated into new Section 10170.18.(h).
- Addition of new subdivision (c), which sets forth loan payments shall begin the fiscal year following the fiscal year in which the school is disbursed the loan from the Authority, as determined by the Authority’s accounting office. This change is necessary to clarify to the applicant when loan repayment begins.

#### Section 10170.22. Loan Agreements.

- Modification of subdivision (e)(2), clarifying that if a school closes or fails to open, the charter school will be invoiced for the loan balance. This change is necessary to clarify that not only if a school fails to open, but if it ever closes, it will be responsible for the repayment of the entire loan balance.
- Modification of subdivision (g), which sets forth that in the event the charter school is unable to repay the loan and the charter school is operated by an affiliated organization or chartering authority, the Authority will require the affiliated organization or chartering authority to repay the loan. This change is necessary to help further protect program funds from default schools.

**Recommendation:** Staff recommends that the Board adopt Resolution 16-24 approving the amended permanent regulations for the administration of the Charter School Revolving Loan Fund Program. If approved, the Executive Director will include the resolution demonstrating board approval with the rulemaking file.

# Exhibit A

## TEXT OF REGULATIONS

### CALIFORNIA CODE OF REGULATIONS Title 4, Division 15, Article 1.6 Charter School Revolving Loan Fund Program

#### Section 10170.16. Purpose.

This Article implements the California School Finance Authority's administration of the Charter School Revolving Loan Fund Program (Education Code section 41365) which provides loans for eCharter sSchools.

Note: Authority cited: Section 41365, Education Code.  
Reference: Sections 41365 and 41366.5, Education Code.

#### Section 10170.17. Definitions.

For the purposes of this article, the following words and phrases shall have the meaning as described below:

- (a) "Affiliated Organization" shall mean a legal entity that assumes financial, legal, and operational responsibility for a Charter School(s), including but not limited to, a school district, parent companies and charter management organizations
- ~~(a)~~(b) "Applicant" shall mean the Charter School or Chartering Authority applying on behalf of a Charter School for a loan under this article.
- ~~(b)~~(c) "Application" shall mean a completed Charter School Revolving Loan Fund Program Application (CSFA 44RLF-01; ~~dated~~ revised July August 24 10, 2014 2016), incorporated herein by reference, as defined and developed by the Authority, and all other documents required to be submitted to the Authority.
- ~~(e)~~(d) "Authority" shall mean the California School Finance Authority.
- ~~(d)~~(e) "CDS Code" shall mean the County-District-School identifier assigned to all California eCharter sSchools.
- ~~(e)~~(f) "Charter School" shall mean a school established and operating pursuant to the Charter Schools Act of 1992 (Education Code Section 47600, et seq.)
- ~~(f)~~(g) "Charter School Revolving Loan Fund" shall mean the designated fund within the State Treasury established pursuant to Education Code section 41365 for the purpose of disbursing Program loans to Charter Schools.
- ~~(g)~~(h) "Chartering Authority" shall mean the school district, county board of education, or State Board of Education that approved a Charter School's petition to become a Charter School pursuant to Education Code section 47605.
- (i) "Free or Reduced-Price Meal" or "FRPM" shall mean the percentage of enrolled students in grades Kindergarten through 12th grade or students ages 5 through 17, whichever is greater, eligible for Free or Reduced-Price Meals, as reported by the California Department of Education and certified through the annual Fall 1 data submission to the California Longitudinal Pupil Achievement Data System for the same fiscal year within which the Applicant applies.
- ~~(h)~~(j) "Incorporated Charter School" shall mean a eCharter sSchool operated by a corporate entity, such as a non-profit corporation, limited liability corporation, or partnership.

- (k) “Loan Recipient” shall mean the Charter School or Chartering Authority that has applied on behalf of a Charter School for which the Authority has approved and issued a loan through the Program.
- (l) “New Charter School” shall mean a Charter School planning to begin operations in the fiscal year following the fiscal year in which an Application has been submitted.
- (m) “Pooled Money Investment Account” shall mean the designated account within the State that is managed by the State Treasurer’s Office and governed by the Pooled Money Investment Board to invest taxpayers’ money and manage the State’s cash flow. The yield on the Account is used to set the interest rate on an approved loan at the time that the loan proceeds are disbursed to Charter Schools.
- (n) “Program” shall mean the Charter School Revolving Loan Fund Program.
- (o) “Region One” shall consist of the following counties: Alpine, Amador, Butte, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba.
- (p) “Region Two” shall consist of the following counties: Alameda, Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, Monterey, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Stanislaus, Tulare, and Tuolumne.
- (q) “Region Three” shall consist of the following counties: Los Angeles, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura.
- (r) “Region Four” shall consist of the following counties: Imperial, Orange, Riverside, and San Diego.

Note: Authority cited: Section 41365, Education Code.  
Reference: Sections 41365 and 41366.5, Education Code.

### **Section 10170.18. Eligible Applicant.**

An Applicant shall be eligible to apply for a loan if the following conditions are met:

- (a) The Application is submitted by a Charter School or by a Chartering Authority.
- (b) The Charter School is established pursuant to Education Code section 47600 et seq.
- (c) An approved charter has been awarded, is in place, and is current at the time of Application; ~~or~~ In the case of a first year Charter School, the Applicant shall submit evidence that its a charter petition has been submitted for approval to the to a Chartering Authority for approval and that evidence, such as a copy of the charter petition, is submitted that the school it anticipates beginning operations in the following fiscal year for which an Application is submitted.
- (d) If the Applicant is a Charter School applying on its own behalf, the Charter School shall be an Incorporated Charter School as demonstrated by articles of incorporation.
- (e) The Charter School is not a conversion from an existing public school.
- (f) The Charter School has not had its charter renewed as of the date of submission of its Application.
- (g) The Charter School has no material legal issues.
- (h) A Charter School may receive multiple loans. In no instance may a Charter School receive more than \$250,000 in Program loans over the lifetime of the Charter School.
- (i) The Charter School and/or Affiliated Organization, if applicable, is are in compliance with all ~~other~~ programs administered by the Authority.

- ~~(j)~~(i) The Charter School is in good standing with its chartering authorizer and in compliance with the terms of its charter.
- ~~(j)~~(k) The Authority shall determine whether the Application is complete. If the Authority determines that additional information is needed, the Authority shall notify the Applicant and request such information. If the Applicant fails to provide the information as requested, the Applicant shall be ineligible for a Program loan.

Note: Authority cited: Section 41365, Education Code.  
 Reference: Sections 41365 and 41366.5, Education Code.

**Section 10170.19. Application Content and Submission.**

~~Completed Applications and all attachments shall be submitted in duplicate to the Authority and shall include all of the following items:~~

- ~~(a) The Application (CSFA 14RLF-01; dated revised July August 24 10, 2014 2016); will be made available on the Authority's website no later than December of each year. The Application shall include identifying information and other information required by the Authority, including information regarding the Applicant, loan amount requested, copy of the Articles of Incorporation, and the Charter School's legal status.~~
- ~~(b) One printed Application (CSFA RLF-01; revised August 10, 2016) with original signatures and one CD-ROM or flash drive with a copy of the completed and signed Application along with the additional required documents as set forth in the Application must be received by the Authority, during regular business hours prior to the final filing date and time. Applications shall be delivered to the Authority by mail or hand-delivery. The Authority will not accept emailed or faxed Applications. Applications received after the final filing date and time will not be accepted for review. Upon the development of an online Application system, an Applicant will submit an Application and all supporting documents via the online Application system.~~
- ~~(c) Each completed Application shall include, but not be limited to the following documents:~~
  - ~~(1) Articles of Incorporation for an incorporated charter or operational agreement or memorandum of understanding between the Charter School and the Chartering Authority for a dependent charter;~~
  - ~~(2) Description of how an award of loan funds will be used;~~
  - ~~(3) Copy of current charter agreement petition and verification evidence supporting charter approval and term; of the expiration date.~~
  - ~~(b) Supporting Charter School financial information, including:~~
    - ~~(1)(4) Audited financial statements, if available;~~
    - ~~(2)(5) An adopted budget, if available, for the first fiscal year for which the Applicant is applying;~~
    - ~~(3)(6) Multi-year budget projections for at least the four five fiscal years beyond the first fiscal year for which the Applicant is applying, including written budget assumptions;~~
    - ~~(4)(7) Most recent business plan and/or strategic plan for at least the next four five academic years;~~

- ~~(5)(8)~~ List of the eCharter sSchool's board of directors including their occupations, cities of residence, and terms of office;
  - ~~(6)(9)~~ Resumes of key staff members (e.g., Chief Executive Officer, President, Operations Manager, Chief Financial Officer, Principal, etc.) of the eCharter sSchool.
  - ~~(7)~~ Operational agreement or memorandum of understanding between the charter school and the chartering authority, if applicable;
  - ~~(8)(10)~~ Historical, current, and projected enrollment and attendance, by grade level, for the next five years;
  - ~~(9)(11)~~ Targeted student population and demographics ~~student year-to-year retention rates for all years of operation of the charter school~~;
  - ~~(10)(12)~~ A listing of historical, current, and anticipated future funding through private contributions;
  - ~~(11)(13)~~ List the total amounts, annual amounts, interest rates, and maturity dates of all existing and anticipated short- and long-term debt obligations of the aApplicant or eCharter sSchool; and
  - ~~(12)(14)~~ List and copy of all material contracts, including, but not limited to, management, support services, transportation contracts, and any such anticipated contracts involving use of space or equipment ~~to be financed with Program funds~~.
- ~~(e)~~ Applications for loan funds will be available as described below.
- ~~(1)~~ For the 2013-14 school year, Applications will be accepted until 5:00 p.m. on February 24, 2014.
  - ~~(2)~~ For subsequent funding rounds, beginning with the 2014-15 school year, information regarding the Application will be made available on the Authority's website no later than December of each year.
  - ~~(3)~~ One printed Application with original signatures (and one duplicate Application) must be received by the Authority, during regular business hours prior to the final filing date and time. Applications shall be delivered to the Authority by mail or hand-delivery. The Authority will not accept emailed or faxed Applications. Applications received after the final filing date and time will not be accepted for review.
  - ~~(4)~~ A Charter School may receive multiple loans. In no instance may a Charter School receive more than \$250,000 in Program loans over the lifetime of the Charter School.
- ~~(5)(d)~~ An Affiliated Organizations operating more than one Charter School, as identified by separate CDS eCodes, must submit a separate Application for each Charter School with a separate CDS eCode for which a loan award is sought.

Note: Authority cited: Section 41365, Education Code.  
Reference: Sections 41365 and 41366.5, Education Code

### **Section 10170.20. Application Review and Evaluation/Underwriting Criteria**

- (a) The Authority will evaluate and determine Program loans based on the following:
  - (1) The Applicant meets all Eligibility Criteria under Section 10170.18;
  - (2) The Applicants demonstrates the ability to repay the loan; and

- (3) The Applicant demonstrates that use of loan funds will be strictly for supporting the operations and financing of the Charter School consistent with the intent of the charter pursuant to Education Code Section 47605.
- (b) In addition, the Authority may consider the following criteria as it relates to the Application:
- (1) Soundness of the Charter School's business plan, and the expertise of key management at the Charter School;
  - (2) Availability to the Charter School of other sources of funds;
  - (3) Impact of receipt of Program funds received on the Charter School's receipt of other private and public financing;
  - (4) Compliance with other ~~p~~Programs under the Authority, if the ~~e~~Charter ~~s~~School or its affiliate received an award under another ~~p~~Program;
  - (5) Good standing in repayment of a prior Program loan, if the ~~e~~Charter ~~s~~School or its affiliate received a previous Program loan; and
  - (6) In the Authority's evaluation of supporting financial information submitted pursuant to Section 10170.19(d), the Authority shall consider the reasonableness of projected financial performance and corresponding assumptions based on current and historical performance and ~~e~~Charter ~~s~~School's business and/or strategic plans. The Authority may consider current and historical performance, including cash flow, major revenues, degree of reliance on loans and fundraising, enrollment trends, student performance data, projected average daily attendance, expenses, and debt service coverage, if applicable.
- (c) ~~Priority shall be given to n~~New Charter Schools for start-up costs. If additional funds are available after New Charter Schools have been deemed eligible, consideration for a Program loan will be given to existing Charter Schools that have not had their charter's renewed, that are fairly representative of Region One, Region Two, Region Three and Region Four of the State.
- (d) ~~If there are insufficient funds available during an Application cycle, the Authority shall establish priority as follows: following the first priority of funding for new Charter Schools in the various regions of the State, the Authority shall award loans based on the percentage of students eligible for free or reduced price meals in the attendance area for the grade-level equivalent district-operated school. The Authority will rely on free and reduced price meal data as reported by the California Department of Education.~~
- (1) Firstly, if applicable, establish priority among New Charter Schools based on highest FRPM within Regions ensuring equal representation among Regions pursuant to Sections 10170.17(n)-(g);
  - (2) Establish priority among existing Charter Schools based on highest FRPM within Regions ensuring equal representation among Regions pursuant to Sections 10170.17(n)-(g).
- (e) Pursuant to subdivision (d), in the event that the Charter School's FRPM data is not available, the Authority shall award loans based on the FRPM of the school's projected elementary school attendance area.

Note: Authority cited: Section 41365, Education Code.  
 Reference: Sections 41365 and 41366.5, Education Code.

### **Section 10170.21. Loan Amount and Repayment Terms.**

- (a) The Authority shall establish a loan amount and repayment period, for an approved loan, which shall be memorialized in a written Loan Agreement and subject to an interest rate equal to the interest rate earned in the Pooled Money Investment Account as of the date of loan disbursement.
- (b) The Authority shall consider the term of the charter as well as the amount of the loan in establishing the repayment period.
  - (1) In the case of a New Charter School, the loan term will not exceed the length of the school's approved charter term.
- ~~(c) In no instance shall a Program loan, or combination of Program loans for a Charter School, exceed \$250,000.~~
- ~~(c) Loan payments shall begin the fiscal year following the fiscal year in which the school was disbursed the loan from the Authority, as determined by the Authority's accounting office.~~
- (d) The repayment amount for each fiscal year following the issuance of the loan shall be based on equal annual payments, including principal and interest, over the number of years determined by the Authority.
- (e) In no event shall the repayment period on a Program loan exceed five years.

Note: Authority cited: Section 41365, Education Code.  
Reference: Sections 41365 and 41366.5, Education Code.

### **Section 10170.22. Loan Agreements.**

- (a) Prior to the issuance of each loan award, the Authority shall require each Loan Recipient to agree to terms and conditions set forth in a written Loan Agreement, which shall specify the loan amount, repayment period, covenants, and requirements in the event of inability to make payments or default.
- (b) The Loan Agreement requires each Loan Recipient to have a valid CDS eCode.
- (c) The Loan Agreement shall require each Loan Recipient to agree to each of the following:
  - (1) Having its loan payments intercepted and offset at the state level, pursuant to Sections 41365(f) of the Education Code;
  - (2) Defending, indemnifying and holding harmless the Authority and the State, and all officers, trustees, agents, and employees of the same, from and against any and all claims, losses, costs, damages, or liability of any kind or nature, whether direct or indirect, arising from or relating to the Program;
  - (3) Complying with any audit provisions as may be required by the Authority, State Controller, or the Bureau of State Audits;
  - (4) Maintaining a valid charter and operating a Charter School continuously throughout the term of the loan. The Authority reserves the right to contact the Chartering Authority directly seeking written verification that the Loan Recipient is in good standing and in compliance with the terms of its charter;

- (5) Notifying the Authority, within 30 days, of any material changes to its financial condition or that of the Charter School that occur between the time of Application and the end of the loan period;
  - (6) Ensuring that the expenditure of all loan funds is consistent with the intent of the Program and solely for the purpose of supporting the operations and financing of the Charter School; and
  - (7) Notifying the Authority within 30 days of a Loan Recipient's determination that all or a portion of loan funds are no longer needed for their intended use, as identified in the Application, and providing remittance to the Authority of all such funds that have already been disbursed.
  - (8) Such other terms and conditions as agreed upon by the Authority and the Charter School.
- (d) The Loan Agreement shall include a loan repayment and offset schedule.
  - (e) In the case of insufficient funds to make the annual payment during a fiscal year, any available funds will be offset as scheduled and any deficit / amount owed will be added to the next scheduled apportionment offset in the same fiscal year.
    - (1) If the total of insufficient funds is not offset by the end of the fiscal year, then the deficit / amount owed will be invoiced to the Charter School and will be repaid within 60 days.
    - (2) If a Charter School closes or fails to open within the next fiscal year after receiving their loan disbursement, the Charter School will be invoiced for the full loan amount and must be repaid within 60 days, unless granted an extension.
  - (f) The Authority shall set up accounts receivable for any Charter School that is past due on loan repayment or that has defaulted on repayment of a Loan.
  - (g) In the event the Charter School is unable to repay the loan and the Charter School is operated by an ~~educational management organization, charter management organization, Affiliated Organization~~ or eChartering a Authority in the case of a dependent charter, the Authority shall require the ~~educational management organization, charter management organization, Affiliated Organization~~ or eChartering a Authority to make annual payments or repay the total outstanding loan amount on behalf of the Charter School.

Note: Authority cited: Section 41365, Education Code.  
 Reference: Sections 41365 and 41366.5, Education Code.

**Section 10170.23. Internal Controls, Audits and Conflicts of Interest.**

- (a) The State may conduct or require periodic audits to ensure Loan Recipients are using funds consistent with the requirements and the terms of the Program, the related financing pProgram, if applicable, and this Article as approved. Loan Recipients shall retain all documentation and financial data necessary to substantiate the purposes for which the financing funds were spent for a period of five years after repayment of the loan.
- (b) Loan Recipients may be required to routinely verify continued eligibility.
- (c) The Authority reserves the right to conduct site visits to any eCharter sSchool facility or project applying for or receiving a loan pursuant to this Article.

Note: Authority cited: Section 41365, Education Code.

Reference: Sections 41365 and 41366.5, Education Code.

**Section 10170.24. Funding Contingency.**

- (a) Funding for this Program in each Fiscal Year is contingent upon the availability of funds in the Charter School Revolving Loan Fund.

Note: Authority cited: Section 41365, Education Code.

Reference: Sections 41365 and 41366.5, Education Code.

DRAFT

# Exhibit B

**California School Finance Authority**  
**Charter School Revolving Loan Fund Program Application**  
(Pursuant to California Education Code Sections 41365-41367 and  
California Code of Regulations, Title 4, Sections 10170.16-10170.24)

**Instructions:** Whether the charter school is in operations or in its planning year, please provide an answer for each.  
Please provide Additional Information, sections 2, 3, & 4 of the application by CD-ROM or flash drive.

<b>Please Select One:</b>	
<input type="checkbox"/> <b>Option A:</b> Application is submitted by charter school that is incorporated	
<b>Corporation Name</b> (Please provide)	
<input type="checkbox"/> <b>Option B:</b> Application is submitted by a Chartering Authority on Behalf of a Charter School	

<b>Loan Request Information</b>			
<b>Loan Amount Requested</b> <i>(maximum \$250,000 per Charter School)</i>		<b>Loan Repayment Period Requested</b> <i>(1 to 5 years)</i>	

<b>Charter School Information</b>	
Charter School Name	
Charter Number	
CDS Code	
Affiliated Organization (If Applicable)	
Chartering Authority	
Contact Name and Title	
Contact Email Address	
Contact Phone Number	
Mailing Location: Street Address	
Mailing Location: City, State, Zip Code	
Physical Location: Street Address	
Physical Location: City, State, Zip Code	
Date of Charter Approval	
Approved Charter Term (mm/dd/yyyy to mm/dd/yyyy)	
Opening Date of School	
Elementary School Attendance Area (Projected if unknown)	

**California School Finance Authority**  
**Charter School Revolving Loan Fund Program Application**  
(Continued)

***Additional Information Required***

1. Charter School Questions:

- a. Is the school in operations? Yes  No
- b. If the school is not currently in operations, has the school submitted their petition to a chartering authority?  
Yes  No  N/A
- c. Is the school a conversion? Yes  No
- d. Has the school's charter been renewed? Yes  No
- e. Previously, has the school received a loan through the Program? Yes  No   
If Yes, when was the loan awarded?  
\_\_\_\_\_  
If Yes, how much was the loan award?  
\_\_\_\_\_
- f. If the school is operated by an affiliated organization, does the affiliate have other schools that were previously awarded? Yes  No   
If Yes, please provide a list of school names, award dates, and award amounts.  
\_\_\_\_\_
- g. Please list all CSFA programs in which the school has been an applicant. (If applicable).  
\_\_\_\_\_
- h. What kind of school is the charter? Classroom Based  Non-Classroom Based  Hybrid

2. Written Request:

Please describe the financial needs of the charter school, justifying the loan and a brief description of the intended uses of the loan proceeds.

3. Operational Documentation:

- a. For Option A: Articles of Incorporation of the Charter School as approved by the California Secretary of State.  
b. For Option B: Agreement or memorandum of understanding between charter school and chartering authority.  
c. Legal Status Questionnaire (See Attachment A).  
d. Most recent business plan and/or strategic plan for at least the next five academic years. (Please note if the business plan is in the charter petition).  
e. Listing of applicant's board of directors including their occupations, cities of residence, and terms of office.  
f. Resumes of charter school key staff members (e.g. CEO, President, Operations Manager, CFO, Principal, etc.)  
g. Enrollment and attendance for the current year (if in operations) and at least the five academic years beyond the year for which the applicant is applying (Total of 5 years; 6 years for schools already in operations).  
h. Targeted student population/demographics, including but not limited to % FRPM and % English learners.  
i. Listing of all material contracts such as management, support services, transportation, and any anticipated contracts involving use of space or equipment; including: name of contractor, service, term, and annual amount.  
j. A valid current charter between the applicant and its authorizer, along with verification of charter approval and charter term (OR) a charter petition with documentation confirming the submission for approval.

4. Financial Documentation:

- a. Audited financial statements (if available).  
b. Excel budget projections for the current year (if in operations) and at least the five fiscal years beyond the fiscal year for which the applicant is applying. (5 years total, 6 years for schools already in operations) & assumptions.  
c. Listing and verification of other sources of funding (ie. private contributions, fundraising, grants, etc.).  
d. Listing and verification of the total amounts, annual amounts, interest rates, and maturity dates of all existing and anticipated short- and long-term debt obligations.  
e. Describe the impact the receipt of the loan will have on the charter school's operations and receipt of other public or private financing.  
f. Describe any plans for creative uses of the funds, such as loan guarantees or types of credit enhancements.

**California School Finance Authority  
Charter School Revolving Loan Fund Program Application  
(Continued)**

<b>Option A Certification</b>	
<p><b>Incorporated charter school is applying for and guarantees repayment of loan:</b>                      The undersigned hereby request(s) a loan from the Charter School Revolving Loan Fund in accordance with Education Code sections 41365-41367. I hereby certify to the best of my knowledge and belief, that the above information and supporting documents are true and correct and that any loan funds received as a result of this application will be used in accordance with Education Code Section 41365, all other applicable state and federal laws and regulations, general legal assurances, and instructions for the loan application. By signing this document the incorporated charter school that is requesting the loan is assuring the repayment of the loan in full, even in the event of closure of the charter school or the charter school's inability to make annual repayments.</p>	
<b>School Name</b>	
<b>Signature of Authorized Charter School Representative</b>	
<b>Printed Name</b>	
<b>Title</b>	
<b>Date</b>	

<b>Option B Certification</b>	
<p><b>Chartering authority is applying for and guarantees repayment of loan:</b>                      The undersigned hereby request(s) a loan from the Charter School Revolving Loan Fund in accordance with Education Code sections 41365-41367. I hereby certify to the best of my knowledge and belief, that the above information and supporting documents are true and correct and that any loan funds received as a result of this application will be used in accordance with Education Code Section 41365, all other applicable state and federal laws and regulations, general legal assurances, and instructions for the loan application. By signing this document the chartering authority that is requesting the loan is assuring the repayment of the loan in full, even in the event of closure of the charter school or the chartering authority's inability to make annual repayments.</p>	
<b>School Name</b>	
<b>Signature of Authorized Chartering Authority Representative</b>	
<b>Printed Name</b>	
<b>Title</b>	
<b>Date</b>	

**California School Finance Authority  
Charter School Revolving Loan Fund Program Application  
(Continued)**

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Attachment A

**LEGAL STATUS QUESTIONNAIRE**

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Response: \_\_\_\_\_

2. Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

Response: \_\_\_\_\_

*Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome.*

Signatures on behalf of [*print or type school name*]: \_\_\_\_\_

I/We attest that we have provided full disclosure *as indicated* in response to items #1 and #2 above.

\_\_\_\_\_  
Signature of Principal, CEO, or Lead Administrator

\_\_\_\_\_  
Date

Print or Type Name: \_\_\_\_\_

\_\_\_\_\_  
Signature of President or Chair of Governing Board

\_\_\_\_\_  
Date

Print or Type Name: \_\_\_\_\_

**California School Finance Authority**  
**Charter School Revolving Loan Fund Program Application**  
(Pursuant to California Education Code Sections 41365-41367 and  
California Code of Regulations, Title 4, Sections 10170.16-10170.24)

<b>Please Select One:</b>
<input type="checkbox"/> <b>Option A:</b> Application is submitted by charter school that is incorporated
<input type="checkbox"/> <b>Option B:</b> Application is submitted by a Chartering Authority on Behalf of a Charter School

<b>Loan Request Information</b>			
Loan Amount Requested <i>(maximum \$250,000 per Charter School)</i>		Loan Repayment Period Requested <i>(1 to 5 years)</i>	

<b>Applicant Information (Charter School or Chartering Authority)</b>	
Applicant Name	
Contact Name and Title	
Contact Mailing Address, City, State and Zip Code	
Contact Email Address	
Contact Phone Number	

<b>Charter School Information</b>	
Charter School Name	
Charter School CDS Code	
Charter School Number	
Grade Range	
Charter School Funding Model <i>(Local or Direct)</i>	
Chartering Authority	
Charter School Principal	
Charter School Physical Address	
City, State, Zip Code	
Date of Charter Approval	
Date of Charter Expiration	
Current Average Daily Attendance (%)	
Students Eligible for Free or Reduced Price Meals (%)	
Date Charter Began Operations	
Number of Students Currently Enrolled	
Estimated Average Daily Attendance	
English Learners (%)	

**California School Finance Authority**  
**Charter School Revolving Loan Fund Program Application**  
(Continued)

***Additional Documents Required (All Applicants):***

1. Written Request for the loan that describes:

- a. The financial needs of the charter school, including a brief description of the charter school's business plan.
- b. The impact the receipt of the loan will have on the operations of the charter school.
- c. The impact the receipt of the loan will have on the charter school's receipt of other public or private financing.
- d. Availability of other sources of funding to the charter school.
- e. Any plans for creative uses of the funds, such as loan guarantees or other types of credit enhancements.

2. Financial Documentation:

- a. Audited financial statements (if available).
- b. Adopted budget for the first fiscal year applicant is applying for the loan.
- c. Budget projections for at least the five fiscal years beyond the fiscal year for which the applicant is applying.
- d. Monthly cash flow statement identifying timing and receipt of all revenues and expenditures included in the budget.
- e. Listing of historical, current, and anticipated future funding through private contributions.
- f. Listing of the total amounts, annual amounts, interest rates, and maturity dates of all existing and anticipated short- and long-term debt obligations, along with any payment schedules.
- g. Business plan or strategic plan for at least the next four academic years.

3. Operational Documentation:

- a. Articles of Incorporation of the Charter School as approved by the California Secretary of State.
- b. Legal Status Questionnaire (See Attachment A)
- c. Most recent business plan and/or strategic plan for at least the next four academic years.
- d. Listing of applicant's board of directors including their occupations, cities of residence, and terms of office.
- e. Resumes of charter school key staff members (e.g. CEO, President, Operations Manager, CFO, Principal, etc.)
- f. Historical, current, and projected enrollment and attendance for the next five academic years by grade level.
- g. Targeted student population and student year-to-year retention rates for all of operation of the charter school.
- h. Listing and copy of all material contracts such as management, support services, transportation, and any anticipated contracts involving use of space or equipment to be financed with CSRL funds.
- i. A valid current charter between the applicant and its authorizer with expiration date (or) a charter petition with documentation confirming the submission for approval.

4. Operational Questions:

- a. Is the charter school a conversion? Yes  No
- b. Does the charter school have a renewed charter? Yes  No
- c. Is the charter school under a charter management organization (CMO) or an education management organization (EMO)? Yes  No
- d. If the charter school is under a CMO or EMO, did the CMO or EMO previously apply for another loan(s) on behalf of another charter school(s)? Yes  No  If Yes was marked, please provide a list of school names.

**For Option B – Chartering Authority Applicants Only:**

- a. Operational agreement or memorandum of understanding between charter school and chartering authority.

**California School Finance Authority  
Charter School Revolving Loan Fund Program Application  
(Continued)**

Submit Complete Application and Supporting Documentation to:  
California School Finance Authority  
Charter School Revolving Fund Loan Program  
915 Capitol Mall, Suite 101  
Sacramento, CA 95814

ORIGINAL

**California School Finance Authority  
Charter School Revolving Loan Fund Program Application  
(Continued)**

<b>Option A Certification</b>	
<p><b>Incorporated charter school is applying for and guarantees repayment of loan:</b>                      The undersigned hereby request(s) a loan from the Charter School Revolving Loan Fund in accordance with Education Code sections 41365-41367. I hereby certify to the best of my knowledge and belief, that the above information and supporting documents are true and correct and that any loan funds received as a result of this application will be used in accordance with Education Code Section 41365, all other applicable state and federal laws and regulations, general legal assurances, and instructions for the loan application. By signing this document the incorporated charter school that is requesting the loan is assuring the repayment of the loan in full, even in the event of closure of the charter school or the charter school's inability to make annual repayments.</p>	
<b>Signature of Authorized Charter School Representative</b>	
<b>Printed Name</b>	
<b>Title</b>	
<b>Date</b>	

<b>Option B Certification</b>	
<p><b>Chartering authority is applying for and guarantees repayment of loan:</b>                      The undersigned hereby request(s) a loan from the Charter School Revolving Loan Fund in accordance with Education Code sections 41365-41367. I hereby certify to the best of my knowledge and belief, that the above information and supporting documents are true and correct and that any loan funds received as a result of this application will be used in accordance with Education Code Section 41365, all other applicable state and federal laws and regulations, general legal assurances, and instructions for the loan application. By signing this document the chartering authority that is requesting the loan is assuring the repayment of the loan in full, even in the event of closure of the charter school or the chartering authority's inability to make annual repayments.</p>	
<b>Signature of Authorized Chartering Authority Representative</b>	
<b>Printed Name</b>	
<b>Title</b>	
<b>Date</b>	

**California School Finance Authority  
Charter School Revolving Loan Fund Program Application  
(Continued)**

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Attachment A

**LEGAL STATUS QUESTIONNAIRE**

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Response: \_\_\_\_\_

2. Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

Response: \_\_\_\_\_

*Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome.*

Signatures on behalf of [*print or type school name*]: \_\_\_\_\_

I/We attest that we have provided full disclosure *as indicated* in response to items #1 and #2 above.

\_\_\_\_\_  
Signature of Principal, CEO, or Lead Administrator

\_\_\_\_\_  
Date

Print or Type Name: \_\_\_\_\_

\_\_\_\_\_  
Signature of President or Chair of Governing Board

\_\_\_\_\_  
Date

Print or Type Name: \_\_\_\_\_

# Exhibit C

**California School Finance Authority**  
**Charter School Revolving Loan Fund Program Application**  
(Pursuant to California Education Code Sections 41365-41367 and  
California Code of Regulations, Title 4, Sections 10170.16-10170.24)

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## Application Instructions

The Charter School Revolving Loan Fund (CSRLF), established in California Education Code Sections 41365-41367, provides low-interest loans of up to \$250,000 to new charter schools. Since July 1, 2013, the CSRLF program is now administered by the California School Finance Authority (CSFA). For information on the program, visit the CSRLF website at: <http://www.treasurer.ca.gov/csfa/csrlf/index.asp>.

This document provides instructions for applicants on how to complete the CSRLF application. The application and instructions are available on the CSRLF website.



Applications received after the final filing date and time will not be accepted for review. Applicants should refer to and must comply with CSRLF Regulations.

### **Submission of Application**

The completed application and required documents must be hand-delivered or mailed to CSFA at the following address:

 California School Finance Authority  
Charter School Revolving Fund Loan Program  
915 Capitol Mall, Room 101  
Sacramento, CA 95814

The application package must contain:



1. One (1) hard copy Application with original signature; **and**
2. One (1) CD-ROM or flash drive with:
  - ✓ One (1) complete copy of the Application
  - ✓ One (1) set of all required documents as listed on the Application under section “*Additional Documents Required (All Applicants)*”

*☞ All files on the CD-ROM or flash drive should be submitted in unprotected PDF, Word, or Excel format.*



The Application must be signed by an authorized representative (e.g. the Principal, CEO, or Lead Administrator) of the charter school or chartering authority as applicable.

**California School Finance Authority**  
**Charter School Revolving Loan Fund Program Application**  
(Continued)

**Instructions for Charter School Revolving Loan Fund Application**

<b>Loan Request Information Section</b>	
<b>Field:</b>	<b>Information Required:</b>
<ul style="list-style-type: none"> <li>▪ Loan Amount Requested <i>(maximum \$250,000 per Charter School)</i></li> </ul>	<ul style="list-style-type: none"> <li>• Indicate the dollar amount of CSRLF funding requested.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Loan Repayment Period Requested <i>(1 to 5 years)</i></li> </ul>	<ul style="list-style-type: none"> <li>• Indicate the number of years the loan will be repaid—through the offset of the school’s allocation through the state apportionment process.</li> </ul>
<b>Applicant Information Section</b>	
<b>Field:</b>	<b>Information Required:</b>
<ul style="list-style-type: none"> <li>▪ Applicant Name</li> </ul>	<ul style="list-style-type: none"> <li>• Name of charter school or chartering authority.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Contact Name and Title</li> </ul>	<ul style="list-style-type: none"> <li>• Name, title, and contact information of charter school or chartering authority representative CSFA can contact with questions about the application.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Contact Mailing Address, City, State and Zip Code</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Contact Email Address</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Contact Phone Number</li> </ul>	
<b>Charter School Information Section</b>	
<b>Field:</b>	<b>Information Required:</b>
<ul style="list-style-type: none"> <li>▪ Charter School Name</li> </ul>	<ul style="list-style-type: none"> <li>• Official name of charter school as registered with the CDE.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Charter School CDS Code</li> </ul>	<ul style="list-style-type: none"> <li>• 14-digit code assigned to charter schools authorized by the State Board of Education in the following format: xx-xxxxx-xxxxxxx.  ☞ The first two digits identify the county code, the next five digits identify the authorizing local education agency, and the last seven digits identify the school code.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Charter School Number</li> </ul>	<ul style="list-style-type: none"> <li>• Number assigned to charter schools authorized by the State Board of Education.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Grade Range</li> </ul>	<ul style="list-style-type: none"> <li>• Grades the charter school is authorized to teach.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Charter School Funding Model (Local or Direct)</li> </ul>	<ul style="list-style-type: none"> <li>• Indicate the school’s funding model: local or direct.  ☞ A locally funded or “dependent” charter receives its funding through its authorizing local education agency.  ☞ A direct funded or “independent” charter receives its funding from the treasurer’s office in the county in which it is located.</li> </ul>

**California School Finance Authority**  
**Charter School Revolving Loan Fund Program Application**  
(Continued)

<b>Charter School Information Section (continued)</b>	
<b>Field:</b>	<b>Information Required:</b>
<ul style="list-style-type: none"> <li>▪ Chartering Authority</li> </ul>	<ul style="list-style-type: none"> <li>• Name of charter school's chartering authority, if applicable.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Charter School Principal</li> </ul>	<ul style="list-style-type: none"> <li>• Name of charter school's principal.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Charter School Physical Address</li> </ul>	<ul style="list-style-type: none"> <li>• Physical address of the charter school (<b>no</b> PO Box or mailing address).</li> </ul>
<ul style="list-style-type: none"> <li>▪ City, State, Zip Code</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Date of Charter Approval</li> </ul>	<ul style="list-style-type: none"> <li>• Date the charter was approved by the school's authorizing Local Educational Agency (LEA).  ☞ LEA could be the School District, County Board of Education, or State Board of Education.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Date of Charter Expiration</li> </ul>	<ul style="list-style-type: none"> <li>• Date the charter expires.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Current Average Daily Attendance (%)</li> </ul>	<ul style="list-style-type: none"> <li>• If applicable, average daily attendance (ADA) by students at time of submitting this application.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Students Eligible for Free or Reduced Price Meals (%)</li> </ul>	<ul style="list-style-type: none"> <li>• If applicable, number of students eligible for free or reduced price meals divided by total number of students at time of submitting this application (e.g. 15 eligible students ÷ 40 total students = 37.5%).</li> </ul>
<ul style="list-style-type: none"> <li>▪ Date Charter Began Operations</li> </ul>	<ul style="list-style-type: none"> <li>• Date charter opened with first day of instruction.  ☞ If not yet in operation, provide planned date of charter operations.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Number of Students Currently Enrolled</li> </ul>	<ul style="list-style-type: none"> <li>• If applicable, total number of students enrolled at time of submitting this application.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Estimated Average Daily Attendance</li> </ul>	<ul style="list-style-type: none"> <li>• Expected average daily attendance over the life of the loan repayment period.  ☞ Briefly explain how average daily attendance was estimated. Assumptions should contain sufficient detail to allow CSFA to determine reasonableness of attendance figures (e.g. Assumes Student 1 attends 140 days of the 150 days of school taught: 140 days attended ÷ 150 days of taught = 0.93 ADA)</li> </ul>
<ul style="list-style-type: none"> <li>▪ English Learners (%)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of English Learners Students divided by Total Number of Students (e.g. 10 English learners ÷ 40 total students = 25%)  ☞ See the Definition of "English Learner" by the CDE at:  <a href="http://www.cde.ca.gov/ds/sd/cb/glossary.asp#e1">http://www.cde.ca.gov/ds/sd/cb/glossary.asp#e1</a></li> </ul>
<b>Additional Documents Required Section</b>	
<b>Field:</b>	<b>Information Required:</b>
<ul style="list-style-type: none"> <li>1. Written Request</li> </ul>	<ul style="list-style-type: none"> <li>• Using a letter format, summarize the financial needs of the charter school and how CSRLF funding will impact the school's operations.   Provide a brief description of the school's business plan and intentions for creative uses of the funds (e.g. loan guarantees).   Describe what effect receipt of CSRLF funding will have on the school's other public or private financing, and whether other funding sources are available to the school.</li> </ul>

**California School Finance Authority  
Charter School Revolving Loan Fund Program Application  
(Continued)**

Additional Documents Required Section (continued)	
Field:	Information Required:
2. Financial Documentation	<p><b>a. Audited Financial Statements:</b></p> <ul style="list-style-type: none"> <li>☞ If available, provide audited financial statements.</li> <li>☞ Typical financial statements include assets, liabilities, and equity on the Statement of Financial Position (also known as a balance sheet); income, expenses, and fund balance changes on the Statement of Revenues, Expenditures, and Changes in Net Assets (also known as an income statement); and operating, investing, and financing activities on the Statement of Cash Flows.</li> </ul> <p><b>b. Adopted Budget &amp; Budget Projections:</b></p> <p>Provide an <u>adopted budget</u> for the first fiscal year applicant is applying for the loan and provide <u>budget projections</u> for at least the five fiscal years beyond the fiscal year for which the applicant is applying.</p> <p>Briefly explain how budget assumptions were made and describe the calculations/basis behind each budget line item. Assumptions should contain sufficient detail to allow CSFA to determine reasonableness of budget figures (e.g. teacher salary expenditures are calculated using number of teachers multiplied by average salary amount for teachers given the estimated ADA of the charter school).</p> <ul style="list-style-type: none"> <li>☞ Typical budgets and budget projections include assumptions for revenues and expenditures over a defined period of time such as fiscal year(s), calendar year(s), etc.</li> <li>☞ Budget expenditures may be based on costs for salaries and wages for teachers and administrative support; books and supplies; services and other operational expenses such as rentals, leases, furniture and fixtures, repairs, communications, insurance, dues and memberships, and conferences.</li> <li>☞ Budget revenue sources may include state revenues (allocations, lottery, special education, other grants); federal revenues (public charter school grant program (PCSGP), child nutrition, special education local plan area (SELPA)); and local revenues (general purpose entitlement in lieu of property tax, start-up capital, fundraising, private foundations/grants).</li> </ul> <p><b>c. Private Funding:</b></p> <p>Provide information on private funding for past years (if applicable), current year, and anticipated future private funding.</p> <p><b>d. Debt:</b></p> <p>Provide a listing of all existing and anticipated short- and long-term debt obligations including loans, lines of credits, etc. Include the total amounts, annual amounts, interest rates, and maturity dates, along with any payment schedules.</p>

**California School Finance Authority  
Charter School Revolving Loan Fund Program Application  
(Continued)**

Additional Documents Required Section (continued)	
Field:	Information Required:
3. Operational Documentation	<ul style="list-style-type: none"> <li> <p>• <b>Articles of Incorporation:</b> Provide the charter school's Articles of Incorporation with accompanying letter from the California Secretary of State (SOS) confirming the charter school's incorporation status. ☞ Additional information on corporations and articles of incorporation is available at the SOS website: <a href="http://www.sos.ca.gov/business/be/forms.htm">http://www.sos.ca.gov/business/be/forms.htm</a></p> </li> <li> <p>• <b>Legal Status Questionnaire (LSQ):</b> Instructions for the LSQ are on the form itself. The form is attached to the application as Attachment A.</p> </li> <li> <p>• <b>Business Plan/Strategic Plan:</b> A charter school's business or strategic plan for at least the next four academic years may describe the school's mission, short and long term goals and how it intends to achieve those goals. It may contain marketing strategies, cost and financing options, and budgets.</p> </li> <li> <p>• <b>List of Board of Directors:</b> Provide a list of charter schools' board of directors, including the name, occupation, city of residence (no full addresses), and terms of office.</p> </li> <li> <p>• <b>Resumes of Key Staff:</b> For each key staff member such as the CEO, President, Operations Manager, CFO, Principal, Lead Administrator, etc., provide a resume of qualifications.</p> </li> <li> <p>• <b>Enrollment Data:</b> Provide student enrollment and average daily attendance information for past years (if applicable), current year (if applicable), and projections for the next five academic years—grouped by grade level. ☞ For projected enrollment data, briefly explain how enrollment projections were determined. Projections should contain sufficient detail to allow CSFA to assess reasonableness of enrollment data (e.g. enrollment data is based on school's capacity with first year enrollment at 5 percent below capacity, second year enrollment at capacity, etc.).</p> </li> <li> <p>• <b>Student Population:</b> Provide the targeted student population and retention rates for all years the school has been in operation (if applicable).</p> </li> <li> <p>• <b>Contracts:</b> Provide a listing of all <i>current</i> contracts between the charter school and outside vendors or consultants. Indicate the contracts' value and effective dates. Provide a listing of all <i>future</i> contracts the charter school anticipates to enter into when CSRLF funds are received. Include expected contract values.</p> </li> </ul>

**California School Finance Authority**  
**Charter School Revolving Loan Fund Program Application**  
(Continued)

	<ul style="list-style-type: none"> <li>• <b>Charter:</b> Provide a valid current charter between the applicant and its authorizer. The charter should indicate the school's charter expiration date. If the school is not yet in operations and has not yet been approved by its authorizer, a charter petition with documentation confirming the submission for approval will be accepted.</li> </ul>
4. Operational Questions	<ul style="list-style-type: none"> <li>• Is the charter school a conversion? Mark either Yes or No.</li> <li>• Does the charter school have a renewed charter? Mark either Yes or No.</li> <li>• Is the charter school under a charter management organization (CMO) or an education management organization (EMO)? Mark either Yes or No.</li> <li>• If the charter school is under a CMO or EMO, did the CMO or EMO previously apply for another loan(s) on behalf of another charter school(s)? Mark either Yes or No. If Yes was marked, please provide an attached list of school names and their CDS codes.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Chartering Authority Applicants Only</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Agreement or Memorandum of Understanding:</b> Formal written agreement between the charter school and chartering authority defining each entity's roles and responsibilities.</li> </ul>