

MEMORANDUM

Staff Summary No. 8

Date: August 17, 2018

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Consideration of Appeal Regarding the Charter School Facility Grant Program

Background: In 2013-14, the administration of the Charter School Facility Grant Program (Program) was transferred from the California Department of Education (CDE) to the California School Finance Authority (Authority). Since 2013-14, the Authority has received late applications following each funding round's application deadline. Therefore, on August 10, 2016, the Board approved a policy memo regarding late application submission for the Program. The memo recommended that late applications be accepted when both of the following conditions are met: 1) all other programmatic requirements have been met; and 2) ***there is funding capacity under the Program.***

Issue: All California charter schools on file with CDE are notified via-email and through the Authority listserv of the deadline for application submission. Program regulations, section 10175.5 (a) states the "Application deadline shall be 5:00 p.m. on the date five weeks from the date the application is made available by the Authority." The application was made available April 30, 2018 and was due on June 4, 2018 at 5:00 p.m. For the 2018-19 funding round, the Authority received 438 applications by the regulatory deadline of June 4, 2018. *The four late applications received were from: Voices College-Bound Language Academies at Morgan Hill and Mt. Pleasant (Voices), Grove Charter (Grove), and Peak to Peak Mountain Charter (PPMC).*

At this time the Authority does not have sufficient data to determine if there is funding capacity in the Program for the 2018-19 funding round. The Authority has yet to receive applications for First Year Charter Schools due October 15. The Authority has not reviewed end of the year invoices cost due to the Authority by July 15, 2019. For these reasons the Authority is unable to accept these late applicants.

On June 14, 2018, a representative of Voices contacted the Authority requesting clarification on the 2018-19 Application deadline. Staff confirmed the June 4, 2018 deadline, and informed the school representative that the Authority would not be accepting late applications in 2018-19 given that the Program may be oversubscribed. On June 14, 2018, the Authority received a letter of appeal and Program applications for Voices College-Bound Language Academy at Morgan Hill; and Voices College-Bound Language Academy at Mt. Pleasant (Voices). Authority staff reviewed Voices' appeal and determined them ineligible. A summary of the school's appeal are listed below:

- Voices opened applications for Morgan Hill and Mt. Pleasant the Application on May 24, 2018.

- According to the Authorities records, both Applications were last updated on June 4th at 11:27 a.m.
- Voices did not receive a confirmation email, and on June 5, 2018 contacted the Authority. The applicant was unable to upload the Legal Status Questionnaire and the Charter School Certification attachments.
- Voices cited technical issues as the reason for not completing the application.

This school participated in the Program during the 2015-16, 2016-17 and 2017-18 funding rounds.

On June 14, 2018, a representative of Grove contacted the Authority requesting clarification on the 2018-19 Application deadline. Staff confirmed the June 4, 2018 deadline, and informed the school representative that the Authority would not be accepting late applications in 2018-19 given that the Program may to be oversubscribed. On June 14, 2018, the Authority received a letter of appeal from the Grove. Authority staff reviewed the Grove's appeal and determined them ineligible. A summary of the school's appeal are listed below:

- Grove was unaware that the school could submit an application without a completed lease agreement.
- Grove received the new lease agreement on June 8, 2018.

This school participated in the Program during the 2016-17 and 2017-18 funding rounds.

On June 6, 2018, a representative of PPMC contacted the Authority requesting clarification on the 2018-19 Application deadline. Staff confirmed the June 4, 2018 deadline, and informed the school representative that the Authority would not be accepting late applications in 2018-19 given that the Program may be oversubscribed. On June 6, 2018, the Authority received a letter of appeal from PPMC. Authority staff reviewed PPMC's appeal and determined them ineligible. A summary of the school's appeal are listed below:

- PPMC stated the school started an application on May 1, 2018 and was unable to complete due to a problem with connectivity.
- PPMC received an email on May 29, 2018 that the application was due on June 4, 2018, the applicant was unable to complete.

This school participated in the Program during the 2013-14, 2014-15, 2015-16 2016-17 and 2017-18 funding rounds.

While all four schools appear to meet other programmatic requirements, the Authority is unable to determine if the 2018-19 funding round is currently oversubscribed. In accordance with Education Code Section 47614.5 (b), if the Program is oversubscribed the Authority will have to disburse available funds on a pro-rata basis. Due to this provision, the funds needed to award the four schools will reduce other applicant's awards.

Recommendation: Staff recommends during the True-up review process, staff will determine the funds needed to fully award all timely 2018-19 Program Applications eligible for an award. If there is not enough funding to fully award the timely applications then these four late applicants will be found ineligible for grant funds through the 2018-19 funding round of the Program. If funding is available to fully award each of the late applicants and all

other requirements are met, each school will receive their full award. If funding is available to partially award each of the late applicants then their awards will be pro-rated in accordance with regulations section 10170.9(f). As these late applicants have already appealed their late submissions before the Board, this decision is considered final and is not subject to an additional appeal.

Attachments:

- Voices College Bound - Morgan Hill Appeal
- Voices College Bound - Mt. Pleasant Appeal
- Grove Charter Appeal
- Peak to Peak Mountain Charter Appeal