

MEMORANDUM

Staff Summary No. 10

Date: December 11, 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: The California School Finance Authority (Authority) typically receives late applications following each funding round's deadline under the Charter School Facility Grant Program (Program). To mitigate the need for appeals to the Authority board regarding late applications, 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 at the staff level when following conditions are met: 1) all other programmatic requirements have been met by the applicant; **and** 2) there is funding available under the Program.

Issue: All California charter schools on file with the California Department of Education 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 first made available April 30, 2018 and was due on June 4, 2018 at 5:00 p.m. Pursuant to Program regulations, section 10170.5 (c), a second application round was made available September 1, 2018 and due October 15, 2018 at 5:00 p.m. This second round is for first year charter schools and charter schools relocating from an ineligible to an eligible facility.

During the 2018-19 Second Application round, the Authority received nine applications by the October 15, 2018 deadline. On October 19, 2018, a late application was received from Learning by Design Charter (LBD). Based on the policy adopted on in August 2016, staff determined that LBD meets all eligibility criteria. However, staff is not able to determine if there is funding capacity in the Program for the 2018-19 funding round, as the Authority is not able to complete its review of the 2018-19 Lease Costs due to new appraisal requirements under the Program. Additionally, the Authority has not reviewed invoice costs due to the Authority by July 15, 2019. For these reasons, staff is not able to accept LBD's late application at the staff level, therefore a board appeal was requested by LBD. Commencing in the 2018-19 funding round, all lease costs were given priority over other invoiced costs. Therefore, all lease costs will be funded to 100%, and all invoice costs prorated should the program be oversubscribed. *A determination regarding late lease cost applications could negatively impact other cost applicants only in the event of oversubscription.*

Circumstances: On October 16, 2018, a representative of ExED, on behalf of LBD, contacted the Authority requesting clarification on the 2018-19 Application deadline. Staff confirmed the October 15, 2018 deadline for new school and schools with new eligible facilities. On October 19, 2018, the Authority received a Program application for LBD and on December 4, 2018 ExED, on behalf of LBD, submitted an appeal to the Board. A summary of the school's appeal is listed below:

- LBD contracted with ExED for back office support for Fiscal year 2018-19.
- According to ExED, prior to the deadline, representatives of LBD proactively followed up with their ExED lead to inquire about the status of the application.
- The school was erroneously told by their ExED lead that the application had been submitted.
- The ExED employee assigned to LBD did not submit the application by the October 15, 2018 deadline.

Recommendation: During the True-up review process for the 2018-19 funding round, the amount of funds needed to fund all timely 2018-19 Program applications will be determined. If there is not enough funding to fully award the timely applications, all 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, each school will receive their full award. If funding is available to partially award each of the late applicants, 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. The table below reflects two schools that previously appealed to the Authority board and must await staff's true up analysis to determine if they will be funded. The amounts listed below are preliminary.

School	Potential Award Amount	Board Determination
Peak to Peak Mountain Charter	\$81,024.08	8/17/18 - Eligible if funding is available
Grove	\$255,276.32	8/17/18 - Eligible if funding is available
Learning by Design	\$85,500.00	Pending

Attachments:

- Letter of appeal from ExEd on behalf of Learning by Design Charter School
- Board approved policy memo regarding late applications dated August 10, 2016