

MEMORANDUM

Staff Summary No. 8

Date: December 11, 2018

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Re: Resolution No. 18-30 Approving Amendments to the Regulations for the State Charter School Facilities Incentive Grants Program and Authorizing the Rulemaking Process

Background: Since 2004, the California School Finance Authority (Authority) has administered the federally-funded State Charter School Facilities Incentive Grants Program (Program). The competitive grant program uses a preference point matrix to assign points to and rank applicants for funding. From time to time, based on changes to charter school law or policy, the Authority proposes regulatory changes to the Program.

Issue: There have been two changes that necessitate the amendments: 1) new student performance metrics; and 2) the passage of AB 406, which prohibits for-profit charter schools in California. The Authority intends to proceed with the Regular Rulemaking Action and Certificate of Compliance upon the Board's approval of the following proposed amended permanent regulations:

1. **Section 10177 Eligible Applicant:** Addition of a new eligibility criteria that requires applicants to certify that they are not a for-profit charter school or managed by an educational management organization, or charter organization that is organized as a for-profit entity. This change will ensure that charter schools applying for funding are in compliance with the provisions outlined in AB 406.
2. **Section 10182 Evaluation Criteria:** Update language to provide specific criteria to be used when assigning preference points in the school choice category. This change will clearly identify that the applicant charter school's California Assessment of Student Performance and Progress (CAASPP) scores will be compared to CAASPP scores of traditional public schools that serve a minimum of 50 percent of the same grade levels assessed (grades 3 – 8 and 11).

Recommendation: The Authority recommends the Board adopt Resolution 18-30 approving amendments to the State Charter Facilities Incentive Grants Program regulations. If approved, the Executive Director will initiate the rulemaking file for processing by the Office of Administrative Law, and will distribute the proposed changes to interested parties for public comment.