

MEMORANDUM

Staff Summary No. 5

Date: January 27, 2022

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Re: Resolution 22-02 Adoption of Proposed Emergency Regulations for the Charter School Facilities Incentives Grants Program

The California School Finance Authority (Authority) is proposing the following changes to the regulations that guide the federally-funded State Charter School Facilities Incentive Grants Program (Program) (CFDA #84.282D). The Authority is requesting approval of these revisions as the program is sunseting in August 2022 and the Authority will need to ensure funds are distributed timely. Upon board approval, the changes will become part of the emergency regulations once approved by the Office of Administrative Law.

Authority staff will file a Notice of Publication, as required under the Emergency Rulemaking Process, to adopt the proposed changes into amended emergency regulations. The Authority intends to proceed with the Emergency Rulemaking Action and Certificate of Compliance upon the Authority Board's approval of the following proposed amended emergency regulations:

Section 10176. Definitions

(m) – “Good Standing.” Defined to clarify and explain the requirements consistent with other Authority Programs.

(n) – (v) – Each subsection will be amended to the next letter alphabetically.

Section 10177. Eligible Applicant

(b) - Addition of language “that are current Program subgrantees shall” and “Program Applicants must cure any noncompliance within the lesser of 14 days before the board meeting at which grants are to be awarded” to subdivision (b) to clarify the relevant deadlines for current subgrantees and Program Applicants. This addition memorializes current practice and is being added in the interest of transparency and to provide adequate notice to Program Applicants of the applicable deadline. Additionally in subdivision (b), the term “good standing and compliance response letter” is deleted and replaced with “Good Standing Confirmation Form (GSCF) (CSFA Form 1119) to reflect the change in the Authority’s procedure for verifying whether a school is in good standing with its chartering authority and in compliance with the terms of its charter.

Section 10188. Release of Funds.

(a)(1) – Addition of a space between “rent” and “or” to remedy a typographical error.

(a)(1)(E), (a)(2)(E), and (a)(3)(E) - the term “good standing and compliance response letter” is deleted and replaced with “GSCF” to reflect the change in the Authority’s procedure for verifying whether a school is in good standing with its chartering authority and in compliance with the terms of its charter. The Authority is requesting this substantive addition to existing text.

(a)(1)(G) – The addition the phrase “except that in the final year of the Program, 2022, documentation must be received by July 1, 2022, to allow sufficient time for processing” in is necessary to adjust the reporting time frame in the final year of the Program to ensure that funds do not revert to the U.S. Department of Education.

(a)(1)(H)1 – “In the final year of the Program, the failure to meet the July 1, 2022, deadline shall result in the subgrantee being declared ineligible to receive any remaining funds. The forfeited funds will not be disbursed retroactively and will immediately revert back to the Authority.” was added to allow additional time for the Authority to process disbursements of award funds to ensure that no funds revert to the U.S. Department of Education.

(a)(2)(G) – The addition the phrase “except that in the final year of the Program, 2022, documentation must be received by July 1, 2022, to allow sufficient time for processing” in is necessary to adjust the reporting time frame in the final year of the Program to ensure that funds do not revert to the U.S. Department of Education.

(a) (2)(H) – “In the final year of the Program, the failure to meet the July 1, 2022, deadline shall result in the subgrantee being declared ineligible to receive any remaining funds. The forfeited funds will not be disbursed retroactively and will immediately revert back to the Authority.” was added to allow additional time for the Authority to process disbursements of award funds to ensure that no funds revert to the U.S. Department of Education.

Key: A draft of the Program’s proposed regulations is included for your review. Red (e.g., ~~EXAMPLE~~) and blue text with underline (e.g., EXAMPLE) are new proposed additions.

Recommendation: Authority staff recommends the Board adopt Resolution 22-02, approving the amended emergency regulations for the administration of the Charter School Facilities Incentive Grants Program. If approved, the Executive Director will include the Resolution demonstrating the Board approval with the rulemaking file to the Office of Administrative Law.