

**Charter School Facilities Program  
 Proposition 51 Funding Round  
 Staff Summary Report – December 2022  
 Item 7 Resolution 22-55**

<b>Applicant/Obligor:</b>	Aspire Public Schools
<b>Project School:</b>	Aspire Berkley Maynard Academy
<b>CDS (County – District – School) Code:</b>	01-61259-0109819
<b>School Address/Proposed Site:</b>	6200 San Pablo Avenue Oakland, CA 94608
<b>Type of Project:</b>	Rehabilitation
<b>Type of Apportionment:</b>	Final
<b>County:</b>	Alameda
<b>District in which Project is Located:</b>	Oakland Unified
<b>Charter Authorizer:</b>	Oakland Unified
<b>Total OPSC Project Cost:</b>	\$9,888,000
<b>State Apportionment (50% Project Cost):</b>	\$4,944,000
<b>Total CSFP Financed Amount:</b>	\$4,944,000
<b>Length of CSFP Funding Agreement:</b>	30 years
<b>Assumed Interest Rate:</b>	2%
<b>Estimated Annual CSFP Payment:</b>	\$220,749
<b>Projected Occupancy of New Project:</b>	October 2023

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Aspire Public Schools (APS) on behalf of Aspire Berkley Maynard Academy (School or ABMA) is financially sound for the purposes of Charter School Facilities Program (Program or CSFP) Final Apportionment. This determination, as it relates to Final Apportionment, shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this time period. This recommendation is contingent upon APS electing to have its CSFP payments intercepted at the state-level, pursuant to Sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) regarding this determination.

**Application Highlights:** Below staff highlighted key criteria evaluated when conducting the financial soundness review for APS. Detailed information is contained in the body of the report:

<b>Criteria</b>	<b>Comments</b>
Demographic Information	In 2020-21 ABMA had a total enrollment of 561 students in grades K-8, with an average daily attendance (ADA) rate of 96.7% and Unduplicated Pupil Percentage of ADA of 76.9%.
Debt Service Coverage	APS's debt service coverage from adjusted net income, including outstanding CSFP loans (Antonio Maria Lugo, Ollin Univ. Prep, Rosa Parks), is projected to average 790% over the first three years that payments are due.
Eligibility Criteria	ABMA has met all eligibility criteria: (1) ABMA commenced operations in 2005; (2) ABMA's charter was last renewed by Oakland Unified through June 2025 - Assembly Bill 130 [Approved by Governor on July 09, 2021] extends the terms of all charter schools whose terms expire on or between January 1, 2022, and June 30, 2025, inclusive, by two years.; (3) ABMA is in good standing with its chartering authority and in compliance with the terms of its charter.
Student Performance	ABMA students consistently perform as well or better on average than demographic peers in their local district based on California standardized testing (CAASPP).

**Program Eligibility:** Oakland Unified School District confirmed as of November 2, 2022, ABMA is in compliance with the terms of its Charter Agreement, has no pending or outstanding Notices of Violation, and has no unresolved or outstanding Notices of Intent to Revoke.

**Legal Status Questionnaire:** Staff reviewed the applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed that would lead staff to question the financial or legal integrity of this applicant.

**Project Description:** The Aspire Berkley Maynard Academy (BMA) project proposes accessibility and safety improvements at the existing site, in addition to replacing three existing portable buildings totaling 2,880 square feet. Improvements scheduled are accessible path of travel, renovation of existing restrooms, replacement of select windows in auditorium, classroom door hardware, handrails, replacing play area and parking lot asphalt, fire alarm upgrade, replacement of multi-com system and new domestic hot water system. The existing building totals 51,605 square feet and includes 24 classrooms included in the rehabilitation project. Portable buildings to be demolished total 3,575 square feet (no classrooms). Replacement portable buildings total 2,880 square feet (no classrooms). Total project square footage is 54,485. Total classroom count is 24.

**School Organizational Information:** Aspire Public Schools was founded in 1998 by experienced educators and entrepreneurs to enrich students' lives and to contribute to innovation in local public school systems. Aspire Public Schools currently operates 36 community-based schools serving over 15,000 students in California. Aspire Public Schools is a California non-profit public benefit corporation with 501(c)(3) tax-exempt status. The Charter School will be governed by the Aspire Public Schools Board of Directors in

accordance with its adopted bylaws. The Board of Directors is responsible for establishing broad policies that affect all Aspire charter schools, including the Charter School.

Jay Stack is the current ABMA Principal. Staff reviewed the credentials of school administrators and board members, and determined that collectively and individually, the management team demonstrates the required experience and educational background to effectively oversee the operations of ABMA.

**Aspire Public Schools Board of Trustees 2022-2023**

Name	Position	Term Ends
Beth Hunkapiller	Board Chair	June 2025
Kay Hong	Board Member	June 2023
Nisa Frank	Board Member	June 2024
Carol Ornelas	Board Member	January 2024
Anthony Barkett	Board Member	January 2024
Ay'Anna Moody	Board Member	June 2024
Lorea Martinez	Board Member	June 2025
Julissa Arce	Board Member	June 2025
Christina Laster	Board Member	June 2025

**ABMA Academic Performance:** The following tables represent the recent academic performance of ABMA; a similar local K-8 school, Anna Yates Elementary; and Oakland Unified School District (OUSD). Results are provided through the California Department of Education’s CAASPP Smarter Balanced testing data. Percentages represent students who met or exceeded performance standards.

*\*2019–20 results are not available due to the suspension of testing as a result of the novel coronavirus disease 2019 (COVID-19).*

*\*\*2020-2021 testing participation varied due to factors surrounding the novel coronavirus (COVID-19) pandemic.*

**English Language Arts Achievement**

	FY17	FY18	FY19	FY22
ABMA	39%	45%	45%	31%
Anna Yates	23%	27%	36%	33%
OUSD	32%	33%	33%	35%

**Mathematics Achievement**

	FY17	FY18	FY19	FY22
ABMA	22%	32%	37%	16%
Anna Yates	23%	20%	23%	15%
OUSD	26%	27%	27%	26%

**Enrollment Trends and Projections:** The table below presents enrollment and ADA information for APS and ABMA from fiscal year (FY) 2019 through FY 2027. The assumptions made in the projected years are considered reasonable by staff and consistent based on historical data.

**ABMA Student Enrollment and Average Daily Attendance**

Year (FY)	2019	2020	2021	2022	2023	2024	2025	2026	2027
ABMA Enrollment	587	577	561	546	528	540	555	569	569
ABMA ADA (%)	94.1	94	96.7	94.5	92.8	94.6	94.8	94.7	94.7
APS Enrollment	15373	15784	15576	15369	15160	15368	15579	15735	15845
APS ADA (%)	92.4	94	93.6	88.9	90.8	91.6	92.4	92.8	93.6

**Financial Analysis**

**Financial Data Sources:** This financial analysis is based on the consideration and review of the following for APS: (1) audited and unaudited financial statements for FYs 2018-19 through 2021-22; (2) adopted budget for FY 2022-23; and (3) budget projections for FYs 2023-24 through 2026-27 along with assumptions.

**Assumptions:** Staff’s financial analysis of APS is based upon the following assumptions: (1) occupancy of the new facility in October 2023; (2) the repayment of APS’s CSFP matching share loan in the amount of \$4,944,000 at 2% interest commencing in FY 2024-25 concurrent with other pre-existing CSFP loan agreements; (3) school enrollment and ADA projections as provided above under Enrollment Trends and Projections.

**Long-Term Liabilities:** Staff do not foresee any significant long-term liabilities. Additionally, applicants are required to notify the Authority before taking on additional debt that exceeds certain thresholds.

**Benchmark Summary and Analysis:** The following table and summary listing sets forth the results of staff’s analysis regarding APS’s financial soundness. Where a threshold has been established based on industry standards or practice, the listing indicates whether or not the threshold was met.

OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE METRICS											
	Actual FY 2019	Actual FY 2020	Actual FY 2021	Unaudited FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	AVERAGE	THRESHOLD LEVEL
<b>OPERATIONAL &amp; FINANCIAL</b>											
Enrollment	15,373	15,784	15,576	15,369	15,160	15,368	15,579	15,735	15,845		
Average Daily Attendance (ADA)	14,466	14,837	14,797	14,292	14,054	14,661	14,878	15,027	15,132		
Average Daily Attendance (%)	94.1%	94.0%	95.0%	93.0%	92.7%	95.4%	95.5%	95.5%	95.5%	94.5%	< 94.0%
FTE Teachers	803	810	808	804	794	802	808	816	806		
Pupil-Teacher Ratio	19.1	19.5	19.3	19.1	19.1	19.2	19.3	19.4	19.4	19.3	> 25.0
LCFF Sources/ADA	\$ 9,010	\$ 9,982	\$ 8,663	\$ 11,507	\$ 12,905	\$ 13,225	\$ 13,479	\$ 13,748	\$ 14,023	\$ 11,838	
% Change		10.8%	-13.2%	32.8%	12.1%	2.5%	1.9%	2.0%	2.0%	6.4%	
Operating Revenues/ADA	\$ 12,153	\$ 12,786	\$ 12,391	\$ 18,205	\$ 21,167	\$ 19,478	\$ 19,360	\$ 20,076	\$ 20,840	\$ 17,384	
% Change		5.2%	-3.1%	46.9%	16.3%	-8.0%	-0.6%	3.7%	3.8%	8.0%	
Operating Expenses plus CSFP Lease/ADA	\$ 16,237	\$ 16,093	\$ 14,649	\$ 17,665	\$ 21,425	\$ 19,709	\$ 19,719	\$ 20,365	\$ 21,082	\$ 18,549	
% Change		-0.9%	-9.0%	20.6%	21.3%	-8.0%	0.1%	3.3%	3.5%	3.9%	
Free Cash Flow/ADA	\$ (4,084)	\$ (3,307)	\$ (2,258)	\$ 539	\$ (258)	\$ (230)	\$ (359)	\$ (288)	\$ (242)	\$ (1,165)	< 0
<b>DEBT SERVICE COVERAGE</b>											
Total Operating Revenues	\$ 175,806,580	\$ 189,714,021	\$ 183,352,548	\$ 260,183,053	\$ 297,482,611	\$ 285,573,630	\$ 288,042,167	\$ 301,688,479	\$ 315,356,918		
Total Operating Expenses	233,831,568	237,717,733	215,699,067	251,416,430	300,044,000	287,894,440	292,101,384	304,743,412	317,736,430		
Total Other Sources/Uses	51,710,487	42,977,310	53,043,505	-	12,400,000	1,800,000	-	-	-		
Net Income Available for CSFP Lease Payment	(6,314,501)	(5,026,402)	20,696,986	8,766,623	9,838,610	(520,810)	(4,059,218)	(3,054,933)	(2,379,512)		
Add Back Capital Outlay	-	-	-	-	-	-	1,500,000	1,500,000	1,500,000		
Add Back Depreciation	-	-	-	7,862,421	8,700,000	10,300,000	10,100,000	10,100,000	10,100,000		
Adjusted Net Income Available for CSFP Lease Pymt.	(6,314,501)	(5,026,402)	20,696,986	16,629,044	18,538,610	9,779,190	7,540,782	8,545,067	9,220,488		
CSFP Lease Payments	1,058,217	1,058,217	1,058,217	1,058,217	1,058,217	1,058,217	1,278,966	1,278,966	1,278,966		
Free Cash Flow	\$ (7,372,718)	\$ (6,084,619)	\$ 19,638,769	\$ 15,570,827	\$ 17,480,393	\$ 8,720,973	\$ 6,261,816	\$ 7,266,101	\$ 7,941,522	\$ 7,713,674	< 0
DSC from Adj. Net Income	-596.7%	-475.0%	1955.8%	1571.4%	1751.9%	924.1%	589.6%	668.1%	720.9%	790.0%	< 110.0%
DSC from LCFF Sources subject to CSFA Intercept	9381.8%	10764.9%	8344.2%	12139.9%	13538.6%	14474.8%	12386.8%	12761.0%	13107.3%	11877.7%	< 100.0%
CSFP Lease Payment/Oper. Revenues	0.6%	0.6%	0.6%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	> 15.0%
<b>FUNDRAISING</b>											
Fundraising for Operations	\$ 3,096,633	\$ 5,112,087	\$ 2,509,938	\$ 3,532,608	\$ 3,213,000	\$ 1,100,000	\$ 1,122,000	\$ 1,144,440	\$ 1,167,329	\$ 2,444,226	
Fundraising/Oper. Revenues	1.8%	2.7%	1.4%	1.4%	1.1%	0.4%	0.4%	0.4%	0.4%	1.1%	> 15.0%
DSC without Fundraising	-889.3%	-958.1%	1718.7%	1237.6%	1448.2%	820.2%	501.9%	578.6%	629.7%	565.3%	< 100.0%
% of Fundraising Required for 100% DSC	338.1%	219.0%	-682.4%							-41.8%	> 50.0%
<b>LIQUIDITY</b>											
Current Assets	\$ 80,203,021	\$ 74,777,502	\$ 155,192,705								
Current Liabilities	26,832,228	27,858,066	50,685,323								
Net Working Capital	\$ 53,370,793	\$ 46,919,436	\$ 104,507,382								
Net Working Capital/Oper. Expenses	22.8%	19.7%	48.5%							30.3%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$ 37,422,237	\$ 26,111,502	\$ 34,034,990								
Unrest. Cash & CE/Oper. Expenses (Days)	58	40	58								
Unrest. Cash & CE/All Expenses (Days)	58	40	57							52	< 90

**Benchmark Summary:**

- Enrollment – Average ADA rates across APS schools exceeds the 94% threshold over the period reviewed.
- Full-time equivalent (FTE) Teachers – Pupil-teacher ratio consistently resides well below the maximum target of 25.
- Free Cash Flow and/or per ADA – While APS demonstrates net positive cash flow on average, as one of the largest charter management organizations in the state, the organization’s Free Cash Flow/ADA calculates negative and below the threshold before depreciation and/or capital outlay are considered.
- Debt Service Coverage from Adj. Net Income – Staff finds estimated 790% average debt service coverage exceeds required threshold and projection factors used are reasonable.
- CSP Lease Payment relative to Operational Revenues: Representing an estimated 0.5% of annual operating revenues, estimated CSFP lease payment(s) are well under the 15% threshold—unlikely to create a hardship for the APS organization.
- Fundraising: Historically APS fundraising provides approximately 1.8% of operational revenues. Even with projections conservatively assuming 0.4% future fundraising revenues, debt service coverage remains in excess of 560% on average.
- Net Working Capital relative to Operating Expenses – APS Net Working Capital relative to Operational Expenses exceeds the threshold with over 30%. With 52 days on hand, Unrestricted Cash and Equivalents on hand relative to Operating Expenses

are below the ideal target of 90 days, but staff find this reasonable given all other factors involved.

**Staff Recommendation:** Staff recommends that the California School Finance Authority (CSFA) Board determine that Aspire Public Schools (APS) on behalf of Aspire Berkley Maynard Academy is financially sound for the purposes of Charter School Facilities Program (CSFP) Final Apportionment. This determination, as it relates to Final Apportionment, is in place for twelve months and assumes no financial, operational, or legal material findings within this time period. This recommendation is contingent upon APS electing to have its CSFP payments intercepted at the state-level, pursuant to Sections 17199.4. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction and the State Allocation Board regarding this determination.