

**Charter School Facilities Program
 Proposition 51 Funding Round
 Staff Summary Report – June 2023
 Item 6 - Resolution 23-24**

Applicant/Obligor:	San Diego Unified
Project School:	Gompers Preparatory Academy
CDS (County – District – School) Code:	37-68338-0119610
School Address/Proposed Site:	1005 47th Street, San Diego, CA 92102
Type of Project:	Rehabilitation
Type of Apportionment:	Final
County:	San Diego
District in which Project is Located:	San Diego Unified
Charter Authorizer:	San Diego Unified
Total OPSC Project Cost:	\$64,160,154
State Apportionment (50% Project Cost):	\$32,080,077
Local Matching Share Lump Sum:	\$32,080,077
Total CSFP Financed Amount:	\$0
First Year of Occupancy of New Project:	FY2025-2026

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that San Diego Unified (District or SDUSD) on behalf of Gompers Preparatory Academy (School or GPA) 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 SDUSD fulfilling the Program local matching share requirement by providing a lump sum in the amount of \$32,080,077, 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 GPA. Detailed information is contained in the body of the report:

Criteria	Comments
Demographic Information	In 2021-22, GPA had a total enrollment of 1,287 students across grades K-12; the average daily attendance (ADA) rate was 89.8%, and the Unduplicated Pupil Percentage (UPP) of ADA was 96.5%.
Origin of Lump Sum	SDUSD will satisfy the local matching share requirement by drawing from local school bond proceeds. SDUSD has certified that over \$22 million has already been invested into the project, with an additional contract for \$30 million awarded on February 28, 2023. This amount exceeds and satisfies the local match requirement.
Eligibility Criteria	GPA has met all eligibility criteria: (1) GPA commenced operations in 2009; (2) GPA’s charter is in place through June 30, 2024; (3) GPA is in good standing with its chartering authority, and in compliance with the terms of its charter.
Student Performance	GPA students consistently perform comparably to demographic peers in their local district based on California standardized testing (CAASPP).

Program Eligibility: SDUSD has confirmed that as of March 10, 2023, GPA 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 project will update and upgrade the facilities located at 1005 47th St., San Diego 92102. Major elements of the project include: HVAC systems for bungalow type classrooms; HVAC systems for permanent structures; construction of a new gymnasium; whole-site modernization and construction of a new classroom building. The final phase of the project is expected to be complete around December of 2025.

School Organizational Information: GPA is governed by their Board of Directors which has the legal and fiduciary responsibility for operation and management of the School. The membership of the Board of Directors shall include no less than 12 members comprised of three academic school representatives, three members of the greater community, three parents/guardians of GPA students, 3 members from representing UCSD, and the director of GPA. GPA’s current Superintendent, Director CEO is Mr. Vincent M. Riveroll.

Staff have reviewed the credentials of key board members and administrative staff and determined all have the proper background and experience to govern and effectively oversee the operations of GPA. The 2022-23 GPA Board includes the following individuals:

2022-23 Gompers Preparatory Academy Board of Directors

Name	Position	Term
Peter Chodzko	Member (Academic)	2022-2025
Jeremy Hurlbert	Member (Academic)	2022-2025
Viridiana Word	Member (Academic)	2022-2025
Jacque Nevels	Member (Community)	2020-2023
Cecil Steppe	President (Community)	2021-2024
(Vacant)	Member (Community)	2022-2025
Mari Cruz Avalos	Member (Parent)	2020-2023
Michelle Evans	Member (Parent)	2022-2025
Myeisha Lobbins	Member (Parent)	2022-2025
Rafael Hernandez	Member (UCSD)	2022-2025
Bud Mehan	Member (UCSD)	2021-2024
Mica Pollock	Member (UCSD)	2021-2024
Vincent M. Riveroll	Secretary (GPA Director)	2022-2025
Michael Rodrigues	Business Leader	2022-2025
Anne Spitzberg	Public Safety Officer	2021-2024

School Academic Performance: The following tables represent the recent academic performance of GPA; a similar local P-5 school, Chollas/Mead Elementary; a similar local middle school, Millennial Tech Middle; a similar local high school, Lincoln High; and the SDUSD. Results are provided through CDE’s CAASPP Smarter Balanced testing data. Percentages represent students who met or exceeded performance standards. Staff would note that the schools compared below all demonstrate substantially higher UPP than the SDUSD average.

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

***In order to protect student privacy, data is suppressed because 10 or fewer students tested.*

English Language Arts Achievement

	FY17	FY18	FY19	FY20	FY21	FY22
GPA	37%	38%	41%	*	**	34%
Local P-5	37%	41%	45%	*	**	42%
Local Middle	24%	26%	23%	*	**	28%
Local High	27%	12%	36%	*	**	19%
District	56%	56%	57%	*	**	53%

Mathematics Achievement

	FY17	FY18	FY19	FY20	FY21	FY22
GPA	22%	26%	29%	*	**	11%
Local P-5	33%	44%	46%	*	**	26%
Local Middle	13%	13%	11%	*	**	14%

Local High	11%	7%	9%	*	**	4%
District	46%	47%	48%	*	**	41%

Enrollment Trends and Projections: The table below presents enrollment and average daily attendance information for GPA from FY 2020 through FY 2028. The assumptions made in the projected years are considered reasonable by staff and consistent based on historical data.

GPA Student Enrollment and Average Daily Attendance

Year (FY)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Enrollment	1358	1337	1287	1262	1300	1350	1400	1400	1400
ADA (%)	95.5	97	89.8	91.8	93	94	94.9	94.9	94.9

Financial Analysis: When evaluating a project wherein the local matching share will be satisfied by a lump sum, rather than evaluating debt service coverage (as in the case of a state loan), staff seek to determine: 1) whether the school is being managed in a responsible and sustainable manner; and 2) the origin and availability of funds set aside for the local matching share.

Financial Data Sources: This financial analysis is based on the consideration and review of the following for GPA: (1) audited financial statements for FYs 2019-20 through 2021-22; (2) approved budget for FY 2022-23; and (3) projections for FYs 2023-24 through 2027-28 along with assumptions.

Assumptions: Staff’s financial analysis of GPA is based upon the following assumptions: (1) provision of the local matching share by SDUSD as a lump sum in the amount of \$32,080,077; (2) 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 GPA’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 2020	Actual FY 2021	Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL											
Enrollment	1,358	1,337	1,287	1,262	1,300	1,350	1,400	1,400	1,400		
Average Daily Attendance (ADA)	1,297	1,297	1,156	1,159	1,209	1,269	1,329	1,329	1,329		
Average Daily Attendance (%)	95.5%	97.0%	89.8%	91.8%	93.0%	94.0%	94.9%	94.9%	94.9%	94.0%	< 94.0%
FTE Teachers	67	66	64	64	64	67	67	67	67	66	
Pupil-Teacher Ratio	20.3	20.3	20.1	19.7	20.3	20.1	20.9	20.9	20.9	20.4	> 25.0
LCFF Sources/ADA	\$ 10,457	\$ 10,396	\$ 11,810	\$ 12,922	\$ 13,366	\$ 13,245	\$ 13,347	\$ 13,773	\$ 14,049	\$ 12,596	
% Change		-0.6%	13.6%	9.4%	3.4%	-0.9%	0.8%	3.2%	2.0%	3.9%	
Operating Revenues/ADA	\$ 12,476	\$ 13,774	\$ 17,789	\$ 18,169	\$ 18,772	\$ 16,706	\$ 15,830	\$ 16,257	\$ 16,534	\$ 16,256	
% Change		10.4%	29.1%	2.1%	3.3%	-11.0%	-5.2%	2.7%	1.7%	4.1%	
Operating Expenses plus CSFP Lease/ADA	\$ 12,396	\$ 12,308	\$ 15,353	\$ 18,631	\$ 18,220	\$ 16,647	\$ 15,774	\$ 16,222	\$ 16,507	\$ 15,784	
% Change		-0.7%	24.7%	21.4%	-2.2%	-8.6%	-5.2%	2.8%	1.8%	4.2%	
Free Cash Flow/ADA	\$ 80	\$ 1,466	\$ 2,436	\$ (462)	\$ 552	\$ 59	\$ 55	\$ 35	\$ 27	\$ 472	< 0
DEBT SERVICE COVERAGE											
Total Operating Revenues	\$ 16,180,792	\$ 17,864,107	\$ 20,556,252	\$ 21,059,302	\$ 22,695,655	\$ 21,200,387	\$ 21,031,155	\$ 21,599,468	\$ 21,966,517		
Total Operating Expenses	16,077,312	15,962,393	17,741,452	21,595,169	22,027,986	21,125,328	20,957,493	21,552,569	21,930,846		
Total Other Sources/Uses	-	-	-	-	-	-	-	-	-		
Net Income Available for CSFP Lease Payment	103,480	1,901,714	2,814,800	(535,867)	667,669	75,059	73,662	46,899	35,671		
Add Back Capital Outlay	-	-	-	401,337	565,939	486,123	464,958	379,046	257,515		
Add Back Depreciation	-	-	-	-	-	-	-	-	-		
Adjusted Net Income Available for CSFP Lease Pymt.	103,480	1,901,714	2,814,800	(134,530)	1,233,608	561,182	538,620	425,945	293,186		
CSFP Lease Payments	-	-	-	-	-	-	-	-	-		
Free Cash Flow	\$ 103,480	\$ 1,901,714	\$ 2,814,800	\$ (134,530)	\$ 1,233,608	\$ 561,182	\$ 538,620	\$ 425,945	\$ 293,186	\$ 859,778	< 0
FUNDRAISING											
Fundraising for Operations	\$ 25,748	\$ 24,597	\$ 153,504	\$ 10,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 301,539	
Fundraising/Oper. Revenues	0.2%	0.1%	0.7%	0.0%	2.2%	2.4%	2.4%	2.3%	2.3%	1.4%	> 15.0%
LIQUIDITY											
Current Assets	\$ 7,989,585	\$ 10,577,911	\$ 11,342,702								
Current Liabilities	1,301,700	2,193,570	2,796,328								
Net Working Capital	\$ 6,687,885	\$ 8,384,341	\$ 8,546,374								
Net Working Capital/Oper. Expenses	41.6%	52.5%	48.2%							47.4%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$ 6,110,240	\$ 7,681,650	\$ 8,497,890								
Unrest. Cash & CE/Oper. Expenses (Days)	139	176	175								
Unrest. Cash & CE/All Expenses (Days)	139	176	175							163	< 90

Benchmark Summary:

- Enrollment – ADA meets target average threshold of 94% despite temporary decline during pandemic years consistent with state-wide trends.
- FTE Teachers – Pupil-teacher ratio consistently resides below maximum target of 25.
- Free Cash Flow and/or per ADA – School operates with historically positive cash flow.
- Fundraising – While projections did include relatively aggressive fundraising, targets represent less than 1.5% of overall operating revenues.
- Liquidity – GPA liquidity metrics are strong. Official audits reflect over 47% ratio of net working capital to operational expenses, and 163 days of operating expenses sustainable by unrestricted cash and equivalents.
- SDUSD has certified that over \$22 million has already been invested into the project, with an additional contract for \$30 million awarded on February 28, 2023. This amount exceeds and satisfies the local match requirement.

Staff Recommendation: Staff recommends that the California School Finance Authority (CSFA) Board determine that San Diego Unified (SDUSD) on behalf of Gompers Preparatory Academy (GPA) is financially sound for the purposes of this 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 SDUSD fulfilling the Program local matching share requirement by providing a lump sum in the amount of \$32,080,077, 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.