

MEMORANDUM

Staff Summary No. 7

Date: July 27, 2023
To: Members of the California School Finance Authority
From: Katrina M. Johantgen, Executive Director
Re: Resolution 23-33 - Charter School Facility Grant Program (SB740) Regulatory Items Regarding Program Application Dates (Action Item)

The Charter School Facility Grant Program or SB740 Program (Program) provides annual assistance with facilities rent and lease costs for pupils in California’s charter schools. Since 2013-14, the Authority has made changes to the regulations that guide this Program. The Authority is requesting approval of these most recent revisions based on feedback from stakeholders and to improve Program efficiencies. Upon board approval, the changes will become part of the program regulations once approved by the Office of Administrative Law.

These proposed amendments to the regulations add specific dates regarding late applications and the procedure related to their possible review and approval.

The Authority intends to submit these proposed regulations through the Regular Rulemaking Action upon the Authority Board’s approval of the following proposed regulations:

Section 10170.5. Application Submission

- (a)(3) Remove the entire sections and replace the establishment of a “late Application”
- (a)(3)(A)-(C) – Establish the thresholds for reviewing late Applications to ensure the prevention of undue harm, limiting awards, and negatively affecting program administration.
- (a)(4) – Add the ability to prorate late Application awards if the remaining funding isn’t sufficient to fully award funds. This process is the same as it is for timely Applications.

Recommendation: Authority staff recommends the Board adopt Resolution 23-33, approving the proposed regulations for the administration of the Charter School Facility Grant Program. If approved, the Executive Director will include the Resolution demonstrating the Board approval with the rulemaking file to the Office of Administrative Law.

**TEXT OF REGULATIONS
CALIFORNIA CODE OF REGULATIONS
Title 4, Division 15, Article 1.5
Charter School Facility Grant Program**

§ 10170.5. Application Submission.

- (a) Application for grant funds shall be made on an online form (CSFA Form 740-01) prescribed by the Authority, and will be available as described below. The Authority will accept Applications during the Application periods described. Applications may not be submitted by email or facsimile.
- (1) The Initial Application period for each grant year shall be made available by the Authority in the month of April. Application deadlines shall be 5:00 p.m. on the date five weeks from the date the Application is made available by the Authority. The Authority shall make Application materials available on the Authority's website and notify the public of the Application release date.
 - (2) The Second Application period for each grant year shall be made available by the Authority on September 10 of each Fiscal Year. The Application deadline shall be 5:00 p.m. on October 15 of each Fiscal Year. The Authority shall make Application materials available on the Authority's website and notify the public of the Application release date. Under the following circumstances, an Application may be submitted during the Second Application Period:
 - (A) A Charter School relocates from a facility that was ineligible for a grant award to a facility that is eligible, and the Application includes a description of the change in facility circumstances; or
 - (B) A First Year Charter School.
 - (3) ~~Late Applications and late Facility Invoice Expenditure Reports are ineligible for Program funds and are not eligible for the appeal process described in Section 10170.10.~~ Applications submitted after the respective closing date of a funding round will be considered late. A late Application may be considered for eligibility determination and possible funding if the following conditions have been met:
 - (A) Every eligible Grantee's facility reimbursable rent and lease costs, which was submitted prior to the closing date of the Application, have been fully funded prior to other facility related cost funding.
 - (B) The late application was submitted prior to the close of the fiscal year associated with the associated funding round.
 - (C) Every appeal related to the associated funding round must first have been fully resolved.
 - (4) If insufficient funds remain available to fully reimburse facility rent and lease costs associated with late Applications after the conditions in Section 10170.5(a)(3)(A) - (C), the award shall be based solely on rent and lease costs as described in Section 10170.4(a)(1), (a)(3) and (a)(4). The Authority shall determine the pro rata share to which each late Application is awarded by calculating the percentage of the remaining appropriation as compared to the funds needed to fully award every late Application rent and lease costs as determined to be eligible. This percentage shall be applied to and shall serve as the Grantee's pro rata share.
- (b) The Authority's review and evaluation of an Application for purposes of calculating the Estimated Annual Entitlement shall be based on the information contained in and submitted with the Application, and supporting information obtained directly from other state and local agencies.

- (c) Organizations operating more than one Charter School, as identified by separate County District School (CDS) codes, must submit a separate Application for each Charter School with a separate CDS code for which a grant award is sought. Organizations operating more than one facility location under the same CDS code must combine all facilities operating under that CDS code in one Application.

Note: Authority cited: Section 47614.5, Education Code. Reference: Section 47614.5, Education Code.