

**Charter School Facilities Program
2022 Filing Round
Staff Summary Report – November 2025
Item #4 Resolution 25-29**

Executive Summary

Applicant/Obligor:	San Diego Unified School District
Project School:	King-Chavez Academy of Excellence
CDS (County – District – School) Code:	37 68338 6119598
School Address:	2716 Marcy Ave, San Diego, CA 92113
Type of Project:	New Construction
Type of Apportionment:	Final Apportionment
County:	San Diego
District in which Project is Located:	San Diego Unified School District
Charter Authorizer:	San Diego Unified School District
Total OPSC Project Cost:	\$10,048,942
State Apportionment (50% Project Cost):	\$5,024,471
Total Lump Sum Matching Share:	\$5,024,471
First Year of Occupancy of New Project:	2026-27

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that San Deigo Unified School District (District or SDUSD) on behalf King-Chavez Academy of Excellence (KCAE), is Financially Sound for 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 period. 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 a review to determine the Applicant to be Financially Sound as related to the project. Detailed information is contained in the body of the report:

Criteria	Comments
Demographic Information	In 2025-26, KCAE has a total enrollment of 273 students in grades TK-8; the average daily attendance (ADA) rate was 94.1%, and the Unduplicated Pupil Percentage (UPP) of ADA was 96.0%.
Matching Share	SDUSD will satisfy the local matching share requirement by drawing from general obligation bond proceeds raised by the passage of Measure YY (2018), which included \$588 million for charter school projects within the boundaries of SDUSD. On September 10, 2019, the SDUSD Board of Education budgeted \$213 million toward charter school projects, of which more than \$38.9 million is reserved for projects at KCAE.
Eligibility Criteria	KCAE has met all eligibility criteria: (1) KCAE commenced operations in 2001; (2) KCAE charter is in place through June 2027; and (3) SDUSD has confirmed that as of November 7, 2025, KCAE is in compliance with the terms of its Charter Agreement and has no pending or outstanding Notices of Violation or Intent to Revoke.
Student Performance	KCAE students consistently perform as well or better than demographic peers in their local district based on California standardized testing (CAASPP).

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 scope of the project includes construction of two new two-story classroom buildings; a new single-story administration building; a new modular food service facility; site improvements to all playground areas and ADA path of travel upgrades through the site. All work will be performed in phases while the school remains in operation on the site. This project will be constructed and occupied in phases. Phase 1 (Building 300) is completed and occupied as of December 2024. Phase 2 (Buildings 100, 200 and 400) are currently scheduled to complete and occupy March 2026. The remaining site work and final completion is currently scheduled for August 2026.

School Organizational Information: King-Chavez Neighborhood of Schools (KCNS) is a family of five free public charter schools, serving students from TK through 12th grade. According to information provided by the school, *each unique school was born out of community need in Barrio Logan, southeast, and downtown San Diego. At King-Chavez schools, educating students involves more than a traditional classroom experience. An unwavering personal investment is made in every student in every school, rooted in a foundation of love.*

KCNS is governed by its corporate Board of Trustees (Board), whose members have a legal fiduciary responsibility for the well-being of the school. The Corporation is managed by its Chief Executive Officer (CEO), with duties and responsibilities as delegated by the Board.

Board members have been selected to represent the community-at-large, the business community, educators, and parents.

Cindy Kelley is the current CEO of KCNS; and Laura May is the current Chief Administrative Officer (CAO). Staff reviewed the credentials of the CEO and CAO and concluded the management team demonstrates the required experience and educational background to effectively oversee the operations of KCNS and, by extension, KCAE.

2025-26 KCAE Board of Directors

Name	Position	Term Expiration
Jackie Ho	Board President	2025-26
Joseph Arnold	Board Secretary & Treasurer	2025-26
Dr. Tim Wolf	Member	2025-26
David Massey	Member	2025-26
Judith Garcia	Parent Representative	2025-26

School Academic Performance: The following tables represent the recent academic performance of KCAE; a similar local school, Perkins K-8; and SDUSD. Results are provided through the California Department of Education's CAASPP Smarter Balanced testing data. Percentages represent students who met or exceeded performance standards.

English Language Arts Achievement

	FY22	FY23	FY24	FY25
KCAE	33.34%	31.04%	31.13%	25.97%
Perkins K-8	21.78%	18.11%	17.74%	21.78%
SDUSD	53.13%	53.76%	54.22%	56.17%

Mathematics Achievement

	FY22	FY23	FY24	FY25
KCAE	12.88%	15.52%	19.73%	16.24%
Perkins K-8	19.83%	20.52%	12.96%	19.83%
SDUSD	41.10%	43.15%	43.89%	45.31%

Enrollment Trends and Projections: The tables below present enrollment and average daily attendance information for KCAE from FY 2023-23 through FY 2029-30. KCAE administration anticipates occupying the proposed project facility within the FY 2025-26. The assumptions made in the projected years are considered reasonable by staff and consistent based on historical data.

KCAE Student Enrollment and Average Daily Attendance

Year (FY)	2023	2024	2025	2026	2027	2028	2029	2030
Enrollment	246	245	237	273	290	307	314	320
ADA (%)	91.5%	93.5%	94.1%	94.1%	94.1%	94.1%	93.9%	94.1%

Financial Analysis

Financial Data Sources: This financial analysis is based on the consideration and review of the following for KCAE: (1) audited financial statements for FYs 2021-22 through 2023-24 (2) budget projections for FYs 2025-26 through 2029-30 along with assumptions.

Assumptions: Staff's financial analysis of KCAE is based upon the following assumptions: (1) final occupancy of the new facilities by August 2026; (2) the provision of KCAE's local matching share by SDUSD as a lump sum in the amount of \$5,024,471.00; (3) school enrollment and ADA projections as provided above under Enrollment Trends and Projections.

Long-Term Liabilities: Based on available data, staff are not aware of any foreseeable long-term liabilities at this time. Additionally, obligors 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 KCAE's financial review. Where a threshold has been established based on industry standards or practice, the listing indicates whether or not the threshold was met.

CSFA Charter School Facilities Program												
	School>>	King Chavez Academy of Excellence				CDS Code>>	07083386319596		District>>	San Diego USD		
	Obligor>>	San Diego USD				Open Date>>	09/04/2001		County>>	San Diego		
OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE M												
		Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL												
Enrollment		255	246	245	237	273	290	307	314	320	276	< 94.0%
Average Daily Attendance (ADA)		240	225	229	223	257	273	289	295	301	259	
Average Daily Attendance (%)		94.1%	91.5%	93.5%	94.1%	94.1%	94.1%	94.1%	93.9%	94.1%	93.7%	
FTE Teachers		16	16	18	25	25	25	25	25	25	22	> 25.0
Pupil-Teacher Ratio		15.9	15.4	13.6	9.5	10.9	11.6	12.3	12.6	12.8	12.7	
LCFF Sources/ADA	\$	10,551	\$ 12,666	\$ 13,608	\$ 13,225	\$ 13,695	\$ 14,138	\$ 14,674	\$ 15,267	\$ 15,720	\$ 13,727	< 0
% Change			20.0%	7.4%	-2.8%	3.6%	3.2%	3.8%	4.0%	3.0%	5.3%	
Operating Revenues/ADA	\$	20,790	\$ 23,628	\$ 25,417	\$ 21,473	\$ 20,907	\$ 20,437	\$ 20,394	\$ 20,747	\$ 20,843	\$ 21,626	
% Change			13.7%	7.6%	-15.5%	-2.6%	-2.2%	-0.2%	1.7%	0.5%	0.4%	< 0
Operating Expenses plus CSFP Loan/ADA	\$	19,802	\$ 23,394	\$ 25,333	\$ 23,604	\$ 20,882	\$ 20,335	\$ 20,129	\$ 20,599	\$ 20,790	\$ 21,652	
% Change			18.1%	8.3%	-6.8%	-11.5%	-2.6%	-1.0%	2.3%	0.9%	1.0%	
Free Cash Flow/ADA	\$	988	\$ 234	\$ 84	\$ (2,132)	\$ 25	\$ 102	\$ 265	\$ 147	\$ 53	\$ (26)	< 0
		Actual FY 2022	Actual FY 2023	Actual FY 2024	Actual FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	AVERAGE	THRESHOLD LEVEL
DEBT SERVICE COVERAGE												
Total Operating Revenues	\$	4,989,637	\$ 5,316,315	\$ 5,820,575	\$ 4,788,379	\$ 5,373,081	\$ 5,579,228	\$ 5,893,962	\$ 6,120,246	\$ 6,273,865	< 0	< 0
Total Operating Expenses		4,752,459	5,263,652	5,801,358	5,263,710	5,366,722	5,551,322	5,817,282	6,076,792	6,257,821		
Total Other Sources/Uses		-	-	-	-	-	-	-	-	-		
Net Income Available for CSFP Loan Payment	\$	237,178	\$ 52,663	\$ 19,217	\$ (475,330)	\$ 6,359	\$ 27,906	\$ 76,680	\$ 43,454	\$ 16,044	< 0	< 0
Add Back Capital Outlay		-	-	-	-	-	-	-	-	-		
Add Back Depreciation		-	-	-	131,390	131,390	131,390	131,390	131,390	131,390		
Adjusted Net Income Available for CSFP Loan Payment	\$	237,178	\$ 52,663	\$ 19,217	\$ (343,940)	\$ 137,749	\$ 159,296	\$ 208,070	\$ 174,844	\$ 147,434	< 0	< 0
CSFP Loan Payments		-	-	-	-	-	-	-	-	-		
Free Cash Flow	\$	237,178	\$ 52,663	\$ 19,217	\$ (343,940)	\$ 137,749	\$ 159,296	\$ 208,070	\$ 174,844	\$ 147,434	\$ 88,057	< 0
LIQUIDITY												
Current Assets	\$	3,885,244	\$ 4,053,347	\$ 5,173,996							< 5.0%	< 5.0%
Current Liabilities		2,053,086	2,146,217	3,147,259								
Net Working Capital	\$	1,832,158	\$ 1,907,130	\$ 2,026,737								
Net Working Capital/Oper. Expenses		38.6%	36.2%	34.9%							36.6%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$	2,598,844	\$ 3,399,302	\$ 4,758,940							245	< 90
Unrest. Cash & CE/Oper. Expenses (Days)		200	236	299								
Unrest. Cash & CE/All Expenses (Days)		200	236	299								

Benchmark Summary:

- Enrollment – Average ADA rate is slightly under the benchmark threshold at 93.7% but still considered reasonable.
- Free Cash Flow and/or per ADA – While the average is considered low, KCAE has noted that FY 2024-25 was the first year without COVID related funding coupled with low enrollment. Enrollment increased ~15% the following year showing a strong rebound. Additionally, KCAE is forecasting growth in enrollment with their dual language program and the completion of a new facility.
- Net Working Capital relative to Operating Expenses – KCAE liquidity metrics are strong with a ratio of Net Working Capital to Operational Expenses slightly over 36%, and 245 days of Unrestricted Cash and Equivalents on hand.
- SDUSD has provided documentation including record of the passage of local Measure YY; district Board of Education meeting minutes; and a formal letter of certification from the Director of Project Management to substantiate the availability of funds for the satisfaction of the local matching share via lump sum for KCAE's project.

Staff Recommendation: Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that San Deigo Unified School District (District or SDUSD) on behalf King-Chavez Academy of Excellence (KCAE), is Financially Sound for 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 period. Staff recommends that the CSFA Board direct staff to notify the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) regarding this determination.