

MEMORANDUM

Staff Summary No. 7

Date: January 29, 2026

To: Members of the California School Finance Authority

From: Ryan Storey, Supervisor I

Subject: Consideration of an Appeal of Ineligibility under the Charter School Facility Grant Program Funding Round for Highlands Community Charter School located in Sacramento County

Introduction: The California School Finance Authority (CSFA or Authority) has an established appeal process for Applicants appealing staff determinations under the Charter School Facility Grant Program (Program) based on the following Program regulation (Attachment 1) provisions in Section 10170.10. Notice of Grantee; Appeal Process:

(d) If the Applicant is unsatisfied with Authority staff's final decision, the Applicant shall have 30 calendar days following receipt of notice of the decision to notify the Authority that the Applicant wishes to appeal the matter to the Authority board.

(e) Upon receipt of an appeal notice from an Applicant, the matter will be considered by the Authority board at the next regularly scheduled Authority meeting.

On June 19, 2025, CSFA received notification from Twin Rivers Unified School District (TRUSD) that Highlands Community Charter School (CDS Code: 34-76505-0130757) was not in Good Standing due to a lack of compliance with their petition as well as Notices of Violation through Education Code §47607(g) for 1) violation of the charter petition; 2) violation of law; and 3) fiscal mismanagement.

Background: Highlands Community Charter School (HCCS) opened in the 2014-15 school year. The school has been active in the Program since the 2015-16 funding round. HCCS was found ineligible for the 2024-25 Program Funding Round as it did not receive a Good Standing Confirmation from its Authorizer as required by Program regulations § 10170.3(f). Pursuant to §10170.3(f), applicant schools must be certified to be in "Good Standing" with their charter authorizer. The Authority certifies Good Standing by sending the relevant charter authorizer a Good Standing Confirmation Form (GSCF or CSFA Form 1119).

The authorizer is asked to confirm the following: (1) the applicant is in compliance with the terms of its charter agreement; (2) there are no pending or outstanding Notices of Violation described in Education Code section 47607(g); and (3) there are no pending or outstanding Notices of Intent to Revoke as described in Education Code section 47607(h). Failure to return a GSCF or the return of a blank form is presumed an acknowledgement by the charter authorizer that there are no outstanding compliance, violation, or revocation issues for the school in question.

Pursuant to § 10170.2(q) and the definition of Good Standing, CSFA will rely on information prepared by the Chartering Authority and the submission of a GSCF. The Program's Good Standing requirement is an important tool developed as part of CSFA's best practices to ensure that high-quality schools are accessing program funds.

As the Staff level appeal was rejected based on the notice from TRUSD, HCCS requested that the school's appeal be considered by the Authority Board. Pursuant to Subdivisions (d) and (e) of Section 10170.10 (Notification of Grantee; Appeal Process) of Program regulations, HCCS has appealed Authority staff's final determination of eligibility.

- On June 12, 2025, HCCS's charter authorizer, TRUSD, informed HCCS of a Notice of Violation that would be heard at TRUSD's June 17, 2025, Board meeting. TRUSD declared the applicant to not be in compliance with the terms of its charter agreement as well as providing Notice of Violation and related details. (Attachment 2). A GSCF form stated HCCS was not in Good Standing was submitted on June 19, 2025 (Attachment 3).
- CSFA provided an initial ineligibility notice related to the GSCF on June 19, 2025 (Attachment 4). Following reviews of both items as well as an appeal from HCCS sent on July 18, 2025, (Attachment 5), CSFA issued a response rejecting the appeal on August 15, 2025 (Attachment 6). On September 12, 2025, legal counsel representing HCCS requested a 30-day extension to October 15, 2025, as granted by Program Regulations. CSFA received HCCS's final response on October 14, 2025. (Attachment 8).
- Coinciding with a GSCF request for the 2025-26 SB740 Funding Round, TRUSD confirmed HCCS is still not in Good Standing as of September 21, 2025. (Attachment 7). Due to this, and the fact CSFA did not receive any information, notification or superseding forms, Staff determination was upheld, and the appeal was ultimately rejected at the Staff level. This rejection was sent to HCCS November 14, 2025 (Attachment 9). HCCS requested a Board-level appeal on December 12, 2025. (Attachment 10).

Analysis: The Authority has received two confirmations from TRUSD that HCCS is not in Good Standing and have not received any information, notification or superseding forms to reverse the related ineligibility notification.

Pursuant to Section 10170.10(g), "If an appeal is not able to be resolved by the deadlines provided in Section 10170.10 (b), (d), and (f), the Authority **shall** deny the appeal based on a failure to comply with Program regulations. This decision is considered final and is not subject to an additional appeal."

Absent a superseding GSCF from the Authorizer stating HCCS is in good standing, staff must uphold its determination that HCCS failed to comply with Program regulations.

Recommendation: Staff recommends denial of the appeal on behalf of Highlands Community Charter School (CDS Code: 34-76505-0130757) due to a lack of Good Standing confirmation, and program compliance.

Attachments:

- Attachment 1 – Charter School Facility Grant Program Regulations (4 CCR § 10170)
- Attachment 2 – June 2025 TRUSD Letter w. Notice of Violation
- Attachment 3 – June 2025 GSCF Form
- Attachment 4 – June 2025 Notice of Ineligibility
- Attachment 5 – July 2025 Appeal from HCCS
- Attachment 6 – August 2025 Appeal Response
- Attachment 7 – September 2025 GSCF Form
- Attachment 8 – October 2025 Appeal from HCCS
- Attachment 9 – November 2025 Appeal Response
- Attachment 10 – December 2025 Request for Board level Appeal from HCCS