Charter School Facilities Program
Prop 2 Filing Round
Staff Summary Report – July 2026
Item No. 4 – Resolution 26-19

<u>Executive Summary</u>

Applicant/Obligor:	**Sacramento City Unified School District**
Project School:	**Bowling Green Elementary**
CDS (County – District – School) Code:	**34 67439 6033799**
School Address:	**4211 Turnbridge Drive, Sacramento, CA 95823**
Type of Project:	**Rehabilitation**
Type of Apportionment:	**Preliminary**
County:	**Sacramento**
District in which Project is Located:	**Sacramento City Unified**
Charter Authorizer:	**Sacramento City Unified**
Total OPSC Project Cost:	**$36,779,516**
State Apportionment (50% Project Cost):	**$18,389,758**
Total Lump Sum Matching Share:	**$18,389,758**
First Year of Occupancy of New Project:	**2026**

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Sacramento City Unified School District (District or SCUSD) on behalf of Bowling Green Elementary (School or BGE) is financially sound for the Charter School Facilities Program (Program or CSFP) Preliminary Apportionment. This determination, as it relates to Preliminary 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.

<u>Application Highlights</u>: Below staff highlighted key criteria evaluated when conducting the financial soundness review for BGE. Detailed information is contained in the body of the report:

Criteria	Comments
Demographic Information	In FY 26, BGE had a total enrollment of 626 students in grades K-6; the average daily attendance (ADA) rate was 94.4%, and the Unduplicated Pupil Percentage (UPP) of ADA was 89.8%.
Lump Sum	SCUSD will satisfy the local matching share requirement by drawing from their General Obligation monies, Fund 21, which has sufficient funds to cover the project. As of July 7, 2026, the project has been 96% invoiced to date and is nearing completion.
Eligibility Criteria	BGE has met all eligibility criteria: (1) BGE commenced operations in 1980; (2) BGE's charter is in place through June 2031; (3) SCUSD has confirmed that as of May 7, 2026, BGE 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	BGE serves a high-need demographic in Sacramento, particularly a significant number of Emergent Bilingual and English Learner students. Scores are notably lower than state and district averages, reflecting broader statewide trends where achievement gaps persist for disadvantaged subgroups.

Legal Status Questionnaire: BGE's response to the Authority's Legal Status Questionnaire stated the borrower, charter school management organization, and all related parties have no knowledge of any civil, criminal, or regulatory proceedings, investigations, or actions as described in the Legal Status Questionnaire that would require disclosure.

Project Description: The rehabilitation project scope included a total of 43 permanent and portable classrooms as well as support facilities. BGE rehabilitated 70,543 square feet of other area and 5,361 square feet of restroom facilities for a total of 75,904 square feet. The completed project scope included ADA upgrades; roofing; HVAC upgrades; finishes such as painting, signage, and exterior facade improvements; blacktop improvements; flooring; security improvements; landscaping; new windows, and parking lot improvements. The project has already begun, has been invoiced 96%, and is estimated for completion with full occupancy in fall of 2026.

School Organizational Information: BGE is the 18th charter school in the State of California. The staff have gone through numerous adaptations including changes in program, curriculum and departmental structure. BGE consists of two distinct small learning communities (SLCs): the Ken McCoy Academy for Excellence and the Chacón Language and Science Academy (CLASA), working in tandem to serve the needs of their changing population. Both SLCs operate under one charter, and each has its own administrator, governance structure, budget, and educational program. To ensure efficient interaction between the two, a Joint Leadership Committee (JLC) meets regularly to oversee common concerns and programs.

2025-26 SCUSD Board of Directors

Name	Position
Tara Jeane	President
Taylor Kayatta	Vice President

April K. Ybarra	Vice President
Jasjit Singh	Member
Jose M. Navarro	Member
Chinua Rhodes	Member
Michael Benjamin	Member
Owen Nagica	Student Member

School Academic Performance: The following tables represent the recent academic performance of BGE, two similar local schools - Elder Creek Elementary (ECE) and Pacific Elementary (PE) - and Sacramento City Unified School District (SCUSD). 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
BGE	**25.35%**	**31.92%**	**25.13%**	**28.67%**
ECE	31.70%	28.60%	32.57%	32.23%
PE	8.57%	7.23%	8.24%	14.03%
SCUSD	38.19%	38.20%	38.95%	40.53%

Mathematics Achievement

	FY22	FY23	FY24	FY25
BGE	**19.28%**	**23.95%**	**21.45%**	**28.16%**
ECE	26.84%	28.18%	30.54%	30.99%
PE	5.97%	5.53%	7.70%	9.17%
SCUSD	26.93%	28.67%	29.38%	31.47%

BGE serves a high percentage of Emergent Bilingual and English Learner students and operates a Two-Way Bilingual Immersion program. Students enrolled in bilingual programs demonstrate lower standardized test performance in early grades as they develop proficiency in two languages, with stronger academic gains typically emerging in later grades. As BGE serves students through 6th grade, the school has limited ability to capture and demonstrate these longer-term outcomes. BGE has taken several steps to improve academic outcomes such as hiring two Reading Intervention Teachers, strengthening its Multi-Tiered System of Supports, and partnering with the County's Differentiated Assistance Team to identify and address areas of academic need.

Enrollment Trends and Projections: The tables below present actual and projected enrollment and average daily attendance data for BGE from FY 2022-23 through FY 2030-31. BGE administration anticipates occupying the proposed project facility by the start of 2026-27 academic year. The assumptions made over the projected years are considered reasonable by staff and consistent with historical data.

BGE Student Enrollment and Average Daily Attendance

Year (FY)	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enrollment	728	703	685	626	647	642	632	622	613
ADA	92.0%	93.8%	92.6%	94.4%	95.0%	95.0%	95.0%	95.0%	95.0%

BGE’s enrollment decline reflects broader enrollment trends across SCUSD. Contributing factors include lower-than-anticipated birth rates, districtwide enrollment process changes which have created enrollment challenges, and BGE’s delayed implementation of TK. The projected enrollment increase in FY 2027 is primarily attributable to the addition of the school’s TK program.

Financial Analysis

Despite having its local match satisfied by SCUSD, staff conducted an analysis of BGE to ensure ongoing financial and operational solvency of the school once the project is complete.

Financial Data Sources: This financial analysis is based on the consideration and review of the following for BGE: (1) unaudited financial statements for FY 2022-23 through FY 2024-25 and (2) budget projections for FYs 2025-26 through 2030-31 along with assumptions.

Assumptions: Staff’s financial analysis of BGE is based upon the following assumptions: (1) occupancy of the project facilities in FY 2027; (2) the provision of BGE’s local matching share by SCUSD as a lump sum in the amount of $18,389,758; and (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 BGE'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 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	Projected FY 2031	AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL	Revenues & Expenditures only for Unrestricted Portion of School's General Fund											
Enrollment	757	728	703	685	626	654	649	639	629	620	669	
Average Daily Attendance (ADA)	715	670	660	634	591	621	616	607	597	589	630	
Average Daily Attendance (%)	94.5%	92.0%	93.8%	92.6%	94.4%	95.0%	95.0%	95.0%	95.0%	95.0%	94.2%	< 94.0%
Retention Rate	0.0%	85.6%	88.3%	86.4%	86.8%	86.8%	86.8%	86.8%	86.8%	86.8%	78.1%	< 80.0%
FTE Teachers	31	27	26	25	23	24	24	24	23	23	25	
Pupil-Teacher Ratio	24.4	27.0	27.0	27.4	27.2	27.3	27.0	26.6	27.3	27.0	26.8	> 25.0
LCFF Sources/ADA	$ 11,601	$ 13,389	$ 14,035	$ 13,800	$ 14,109	$ 14,330	$ 14,676	$ 15,034	$ 15,400	$ 15,775	$ 14,215	
% Change		15.4%	4.8%	-1.7%	2.2%	1.6%	2.4%	2.4%	2.4%	2.4%	3.6%	
Operating Revenues/ADA	$ 11,601	$ 13,389	$ 14,035	$ 13,800	$ 14,109	$ 14,330	$ 14,676	$ 15,034	$ 15,400	$ 15,775	$ 14,215	
% Change		15.4%	4.8%	-1.7%	2.2%	1.6%	2.4%	2.4%	2.4%	2.4%	3.6%	
Operating Expenses plus CSFP Loan/ADA	$ 10,256	$ 11,668	$ 15,244	$ 16,365	$ 15,888	$ 15,849	$ 16,503	$ 17,257	$ 18,126	$ 18,993	$ 15,615	
% Change		13.8%	30.6%	7.4%	-2.9%	-0.2%	4.1%	4.6%	5.0%	4.8%	7.5%	
Free Cash Flow/ADA	$ 1,345	$ 1,721	$ (1,208)	$ (2,565)	$ (1,780)	$ (1,519)	$ (1,826)	$ (2,223)	$ (2,725)	$ (3,218)	$ (1,400)	< 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	Projected FY 2031	AVERAGE	THRESHOLD LEVEL
DEBT SERVICE COVERAGE												
Total Operating Revenues	$ 8,296,334	$ 8,970,260	$ 9,258,803	$ 8,755,801	$ 8,334,463	$ 8,900,550	$ 9,046,116	$ 9,123,837	$ 9,200,026	$ 9,289,189		
Total Operating Expenses	7,334,481	7,817,505	10,056,008	10,383,053	9,385,939	9,844,164	10,171,882	10,472,978	10,828,047	11,184,020		
Total Other Sources/Uses	-	-	-	-	-	-	-	-	-	-		
Net Income Available for CSFP Loan Payment	$ 961,853	$ 1,152,755	$ (797,205)	$ (1,627,252)	$ (1,051,476)	$ (943,614)	$ (1,125,766)	$ (1,349,141)	$ (1,628,021)	$ (1,894,831)		
Add Back Capital Outlay	-	6,902	7,675	-	-	-	-	-	-	-		
Add Back Depreciation	-	-	-	-	-	-	-	-	-	-		
Adjusted Net Income Available for CSFP Loan Payment	$ 961,853	$ 1,159,657	$ (789,530)	$ (1,627,252)	$ (1,051,476)	$ (943,614)	$ (1,125,766)	$ (1,349,141)	$ (1,628,021)	$ (1,894,831)		
CSFP Loan Payments	-	-	-	-	-	-	-	-	-	-		
Free Cash Flow	$ 961,853	$ 1,159,657	$ (789,530)	$ (1,627,252)	$ (1,051,476)	$ (943,614)	$ (1,125,766)	$ (1,349,141)	$ (1,628,021)	$ (1,894,831)	$ (828,812)	< 0
DSC from Adj. Net Income											#DIV/0!	< 110.0%
DSC from LCFF Sources subject to CSFA Intercept											#DIV/0!	
CSFP Loan Payments/Oper. Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	#DIV/0!	> 15.0%
FUNDRAISING												
Fundraising for Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Fundraising/Oper. Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	> 15.0%
DSC without Fundraising											#DIV/0!	< 100.0%
% of Fundraising Required for 100% DSC												> 50.0%
LIQUIDITY												
Current Assets	$ -	$ -	$ -	$ -								
Current Liabilities	-	-	-	-								
Net Working Capital	$ -	$ -	$ -	$ -								
Net Working Capital/Oper. Expenses	0.0%	0.0%	0.0%	0.0%							0.0%	< 5.0%
Unrestricted Cash & Cash Equivalents	$ -	$ -	$ -	$ -								
Unrest. Cash & CE/Oper. Expenses (Days)	0	0	0	0								
Unrest. Cash & CE/All Expenses (Days)	0	0	0	0							0	< 90

__Benchmark Summary:__

- Enrollment – Average ADA rate exceeds the threshold at 94.2%.
- Free Cash Flow and/or per ADA – BGE is projecting negative cash flow, averaging ($1,400) per student.
- SCUSD provided a formal letter of certification from the Assistant Superintendent to substantiate the payment of funds for the satisfaction of the local matching share via lump sum.

__Strengths, Weaknesses, and Mitigants:__

+ The required local matching share is being provided through SCUSD's General Obligation Bond Proceeds (Fund 21).

+ The rehabilitation project is approximately 96% invoiced and nearing completion which substantially reduces construction, schedule, and cost-overrun risk. Fund 21 has sufficient funds identified to satisfy the remaining expenses, as confirmed by the district's Assistant Superintendent.

+ BGE has operated since 1980—converting to a charter school in 1993, maintains a charter through FY 2031, and has no outstanding notices of violation or revocation concerns.

– Enrollment is projected to decline from 626 students in FY 2026 to approximately 620 students by FY 2031.

– The school projects negative free cash flow on both a per-ADA basis and overall, indicating ongoing operational and/or financial challenges.

± BGE is a district-dependent charter, its financial position is closely tied to SCUSD, which is experiencing ongoing fiscal pressures and budgetary challenges. As a district-dependent charter school, BGE is unable to declare independent bankruptcy and will continue to operate should SCUSD fall into receivership.

± As CSFP-funded facilities are held in trust to the state's public education system. If BGE closed, a successor charter school would be able to occupy the facility.

Staff Recommendation: Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Sacramento City Unified School District (District or SCUSD), on behalf of Bowling Green Elementary (School or BGE), is financially sound for a Charter School Facilities Program (Program or CSFP) Preliminary Apportionment. This determination, as it relates to Preliminary 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.