

**Charter School Facilities Program
2022 Filing Round
Staff Summary Report – October 29, 2026
Item 5 – Resolution 26-32**

Executive Summary

Applicant/Obligor:	San Diego Unified School District
Project School:	San Diego Academy of Excellence
CDS (County – District – School) Code:	37683386119598
School Address:	2716 Marcy Ave. San Diego, CA 92113
Type of Project:	Rehabilitation
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:	\$12,860,508.00
State Apportionment (50% Project Cost):	\$6,430,254.00
Total Lump Sum Amount:	\$6,430,254.00
First Year of Occupancy of New Project:	Currently occupied

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that San Diego Unified School District (District or SDUSD), on behalf of San Diego Academy of Excellence (SDAE) 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 material financial, operational, or legal 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: The table below highlights key criteria evaluated when conducting the financial soundness review for SDAE. Detailed information is contained in the body of the report:

Criteria	Comments
Demographic Information	In FY 2026, SDAE has a total enrollment of 274 students in grades TK-8; the average daily attendance (ADA) rate was 93.4%, and the Unduplicated Pupil Percentage (UPP) of ADA 90.8%.
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 SDAE.
Eligibility Criteria	SDAE has met all eligibility criteria: (1) SDAE commenced operations in 2001; (2) SDAE's charter is in place through June 2027; and (3) SDUSD has confirmed that as of September 3, 2026, SDAE 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	SDAE student performance is lower than the average of all tested students in SDUSD based on California standardized testing (CAASPP) due to a high minority, English Learner and socio-economically challenged student demographic.

Legal Status Questionnaire: SDAE'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 existing facility and site at SDAE were constructed in 1970. The project updated the campus by removing eleven (11) portable classrooms, two (2) portable restrooms, and a modular administration building to make way for permanent structures. New construction includes two (2) traditional two-story classroom buildings, a traditional single-story administration building, and a permanent modular food service facility built on a concrete foundation. Additionally, the project delivered campus-wide site upgrades, including renovated playground areas, new play structures, a lunch shelter, and modernized ADA paths of travel. All work was successfully executed in three phases, allowing the school to remain fully operational throughout construction.

School Organizational Information: San Diego Neighborhood of Schools (SDNS), formerly King-Chavez Neighborhood of Schools, is a family of five free public charter schools, serving students from TK through 12th grade. In FY 2026-27, King-Chavez Academy of Excellence began doing business as San Diego Academy of Excellence, in-line with its parent organization. SDAE 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 SDNS, 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 SDNS and, by extension, SDAE.

FY 2026-27 SDAE Board of Directors

Name	Position	Term Expiration
Jackie Ho	President	June 2027
David Massey	Treasurer/Secretary	June 2027
Dr Tim Wolf	Board Member	June 2027
Dave Cieslak	Board Member	June 2028
Judith Garcia	Parent Board Member	June 2027

School Academic Performance: The following tables represent the recent academic performance of SDAE; 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. Lower-than-average CAASPP outcomes are tied to a student profile navigating socio-educational barriers. State and district records reveal a student body with demographic vulnerabilities, featuring a 97.5% to 98% Hispanic/Latino minority enrollment alongside language barriers where nearly half of students are actively classified as English Language Learners. Compounding these linguistic shifts, the campus operates under a severe concentration of poverty, with 93% to 94% of students designated as socioeconomically disadvantaged.

Beyond these poverty metrics, specialized educational factors further drive the campus's performance gaps relative to a diversified district baseline. Sister campuses in the school's network report that Students with Disabilities (SWD) can comprise up to 22.8% of enrollment, a subgroup that typically requires individual intervention to navigate computer-adaptive testing models. To address these challenges, the school is utilizing a Community School model and an intensive Dual Language Immersion program that provides instruction 50% in Spanish and 50% in English for grades TK–5.

SDAE has made mathematics a key improvement focus and implemented a coordinated strategy to strengthen instruction. The school participates in the California Math Curriculum and Instruction Network to align with the new state math framework, involves all staff in setting measurable goals, and administers benchmark assessments three times per year. Through a Multi-Tiered System of Supports and a dedicated math lead, students receive targeted help, while the Principal and Instructional Coach conduct regular classroom observations to reinforce strong math routines and instructional practices.

English Language Arts Achievement

	FY22	FY23	FY24	FY25
SDAE	33.34%	31.04%	31.13%	25.97%
Perkins K-8	20.08%	18.11%	17.74%	21.78%
SDUSD	53.13%	53.76%	54.22%	56.17%

Mathematics Achievement

	FY22	FY23	FY24	FY25
SDAE	12.88%	15.52%	19.73%	16.24%
Perkins K-8	13.94%	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 SDAE from FY 2023-24 through FY 2031-32. SDAE administration began occupying the project facility in the beginning of FY 2026-27 school year. The assumptions made in the projected years are considered reasonable by staff and consistent with historical data.

SDAE Student Enrollment and Average Daily Attendance

Year (FY)	2024	2025	2026	2027	2028	2029	2030	2031	2032
Enrollment	245	237	274	266	296	303	306	310	314
ADA (%)	93.5%	94.1%	93.4%	92.9%	94.0%	94.0%	94.0%	94.0%	94.0%

Financial Analysis

Financial Data Sources: This financial analysis is based on the consideration and review of the following for SDAE: (1) audited financial statements for FY 2023-24 through 2024-25; (2) unaudited actuals for FY 2025-26; (3) budget projections for FYs 2026-27 through 2031-32 along with assumptions.

Assumptions: Staff's financial analysis of SDAE is based upon the following assumptions: (1) occupancy of the project facilities in FY 2026-27; (2) the provision of SDAE's local matching share by SDUSD as a lump sum in the amount of \$6,430,254; (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 SDAE's financial soundness. Where a threshold has

been established based on industry standards or practice, the listing indicates whether the threshold was met.

OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE M											
	Actual FY 2024	Actual FY 2025	Actual FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031	Projected FY 2032		
										AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL											
Enrollment	245	237	274	266	296	303	306	310	314	283	
Average Daily Attendance (ADA)	229	223	256	247	278	285	288	291	295	266	
Average Daily Attendance (%)	93.5%	94.1%	93.4%	92.9%	94.0%	94.0%	94.0%	94.0%	94.0%	93.8%	< 94.0%
Retention Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	< 80.0%
LCFF Sources/ADA	\$ 13,608	\$ 13,225	\$ 13,619	\$ 14,455	\$ 14,756	\$ 15,193	\$ 15,672	\$ 16,166	\$ 16,168	\$ 14,762	
% Change		-2.8%	3.0%	6.1%	2.1%	3.0%	3.2%	3.2%	0.0%	2.2%	
Operating Revenues/ADA	\$ 25,417	\$ 22,738	\$ 25,260	\$ 23,727	\$ 22,080	\$ 22,425	\$ 21,859	\$ 22,275	\$ 22,140	\$ 23,102	
% Change		-10.5%	11.1%	-6.1%	-6.9%	1.6%	-2.5%	1.9%	-0.6%	-1.5%	
Operating Expenses plus CSFP Loan/ADA	\$ 25,333	\$ 24,869	\$ 25,216	\$ 23,648	\$ 21,973	\$ 22,280	\$ 21,745	\$ 22,175	\$ 22,013	\$ 23,250	
% Change		-1.8%	1.4%	-6.2%	-7.1%	1.4%	-2.4%	2.0%	-0.7%	-1.7%	
Free Cash Flow/ADA	\$ 84	\$ (2,132)	\$ 44	\$ 79	\$ 107	\$ 145	\$ 114	\$ 100	\$ 127	\$ (148)	< 0
	Actual FY 2024	Actual FY 2025	Actual FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031	Projected FY 2032	AVERAGE	THRESHOLD LEVEL
Free Cash Flow	\$ 19,217	\$ (475,331)	\$ 142,476	\$ 150,730	\$ 121,118	\$ 132,573	\$ 124,067	\$ 104,133	\$ 97,543	\$ 46,281	< 0
FUNDRAISING											
Fundraising for Operations	\$ 7,570	\$ 8,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,831	
Fundraising/Oper. Revenues	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	> 15.0%
LIQUIDITY											
Current Assets	\$ 5,173,996	\$ 5,547,232	\$ 6,120,746								
Current Liabilities	3,147,259	3,941,163	4,182,477								
Net Working Capital	\$ 2,026,737	\$ 1,606,069	\$ 1,938,269								
Net Working Capital/Oper. Expenses	34.9%	29.0%	30.0%							31.3%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$ 4,758,940	\$ 5,058,589	\$ 5,255,100								
Unrest. Cash & CE/Oper. Expenses (Days)	299	333	297							310	< 90
Unrest. Cash & CE/All Expenses (Days)	299	333	297								

Benchmark Summary:

- Enrollment – Average ADA rate is slightly under the benchmark threshold at 93.8% but still considered reasonable.
- Free Cash Flow and/or per ADA – While the average is considered low, SDAE 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, SDAE is forecasting growth in enrollment with their dual language program and the completion of the modernization facility projects.
- Net Working Capital relative to Operating Expenses – SDAE liquidity metrics are strong with a ratio of Net Working Capital to Operational Expenses slightly over 31%, and 310 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 SDAE's project.

Staff Recommendation: Staff recommends that the California School Finance Authority (CSFA) Board determine that SDUSD, on behalf of SDAE, is financially sound for the purposes of Charter School Facilities Program (CSFP) Final Apportionment. This determination, as it relates to Final Apportionment, is in place for twelve months and assumes no material financial, operational, or legal findings within this time period. 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.