

# MEMORANDUM

## Staff Summary No. 8

**Date:** June 10, 2026

**To:** Members of the California School Finance Authority

**From:** Katrina M. Johantgen, Executive Director

**Re:** Regulations for the State Charter School Facilities Incentive Grants Program (ALN #84.282D) and Authorizing the Regular Rulemaking Process

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**Background:** In July 2024, the California School Finance Authority (Authority) applied for a grant award through the federally-funded State Charter School Facilities Incentives Grant Program (Program) (ALN #84.282D). The Authority was awarded a \$30 million grant award in Fall 2024. Per the Authority's application to the US Department of Education (USDOE), the Authority will hold three funding rounds of the Program beginning in the 2025-26 school year. Based on implementation of the Program regulations under the 2025-26 funding round, the Authority is bringing regulation changes and updates to the application and selection process as well as updates to federal law.

**Issue:** The Authority is requesting approval of these revisions to properly and effectively administer the Program based on experiences from the initial funding round in 2025-26. Upon board approval, the changes will become part of the permanent regulations once approved by the Office of Administrative Law (OAL). Timely approval of the regulation changes is necessary to implement the 2026-27 funding round. A summary of the revisions from each section within the proposed regulations is highlighted below:

1. **Section 10175. Purpose.** "ALN" replaces "CFDA" as "ALN" is the new program acronym used by USDOE and stands for Assistance Listing Number.
2. **Section 10176. Definitions.** (a) change "educational management organization" "charter management organization" as typically used term for management organizations.
3. **Section 10176. Definitions.** (b) "ALN" replaces "CFDA" as "ALN" is the new acronym used by USDOE
4. **Section 10176. Definitions.** Remove ADA definition as it is no longer relevant to the Program.
5. **Section 10176. Definitions.** (c) added BABAA definition as accordance with Build America, Buy America Act is a requirement per USDOE.
6. **Section 10176. Definitions.** (d) added California Department of Education definition.
7. **Section 10176. Definitions.** (e) removed CALPADS definition as reports are defined within 10182.
8. **Section 10176. Definitions.** (f) removed CBEDS Report definition as reports are defined within 10182.
9. **Section 10176. Definitions.** (g) removed "or the State board of Education" from definition as they are no longer authorize charter schools.

10. **Section 10176. Definitions.** (l) removed “Enrollment” definition as unnecessary as a specific definition outside it’s generally accept meaning for the Program.
11. **Section 10176. Definitions.** (m) removed “FRPM” definition as it is only mentioned in defined within 10182.
12. **Section 10176. Definitions.** (k) updated definition of “Locale Code” to reflect its use in the Program.
13. **Section 10176. Definitions.** (p) removed “Low Income” definition as repetitive with FRPM which is defined in 10182.
14. **Section 10176. Definitions.** (q) removed “NCES” definition as it is only mentioned in a definition for Locale Code.
15. **Section 10176. Definitions.** (r) removed “New Construction Eligibility” definition as eligibility is defined in 10177 and 10178.
16. **Section 10176. Definitions.** (m) “ALN” replaces “CFDA” as “ALN” is the new acronym used by USDOE.
17. **Section 10176. Definitions.** (m) added “as administered by the US Department of Education” to clarify.
18. **Section 10176. Definitions.** (v) removed “Smarter Balanced Assessment System” definition as references to academic measures will be more general and defined in 10182.
19. **Section 10177. Eligible Applicant** (a) added “petition” to “approved charter petition” for clarity.
20. **Section 10177. Eligible Applicant** (b) changes to good standing to Authorizer Certification including addition of subsections and subparagraphs. Introduces Charter Authorizer Certification - Form CSFA 05-26 (Attached as 8C).
21. **Section 10177. Eligible Applicant** (c) removed “CDS Code” from requirement as an applicant’s CDS code could change due to State Board no longer authorizing charter schools.
22. **Section 10177. Eligible Applicant** (f) removed the 80% of instructional time is classroom based and changed to “provides “Classroom Based Instruction” as per definitions. This requires the determination to be made by CDE, not CSFA.
23. **Section 10177. Eligible Applicant** (j) replaced “educational management organization” with “charter management organization” and “EMO” with “CMO” as typically used term for management organizations.
24. **Section 10178. Eligible Costs** (a)(1) replace “base rent” with “rent or lease costs” for clarity.
25. **Section 10178. Eligible Costs** (a)(1)(A) deleted due to new subsection (b).
26. **Section 10178. Eligible Costs** (a)(2) added “within grant period.” for clarity.
27. **Section 10178. Eligible Costs** (a)(2)(A) deleted due to new subsection (b).
28. **Section 10178. Eligible Costs** New (b) added new language regarding not being eligible if using 740 funds for same school site or address to better prevent duplicated reimbursements.
29. **Section 10178. Eligible Costs** Original (b)-(f) re-lettered.

30. **Section 10179. Maximum Grant.** (a)(1) changed language on enrollment to “most recent” and certified by CDE for clarity.
31. **Section 10179. Eligible Costs** (b)(1) changed language on enrollment to “most recent” and certified by CDE for clarity.
32. **Section 10179. Eligible Costs** (c) removed “at its sole discretion” regarding the reduction in grant awards to reflect changes in subgrantee circumstances.
33. **Section 10180. Application Submission** (a) removed hard copy requirement for application as there is only an online application.
34. **Section 10180. Application Submission** (b) added not to exceed time (14 days) for cleaning up applications to better align with funding timelines.
35. **Section 10180. Application Submission** (b) added the words “for grant funds” for clarity.
36. **Section 10180. Application Submission** (c) changed date for application period to be announced by May 31st of each year to align with data availability.
37. **Section 10180. Application Submission** (c) changed earliest deadline to first week of September to align with data availability
38. **Section 10180. Application Submission** (c) changed time frame for grant award determinations from August 31st to “upon approval of the CSFA Board.” to better align with funding timelines.
39. **Section 10181. Content of Application** (a) Updated to add certification form and title Application Agreement and Certification. (Attached as 7B).
40. **Section 10181. Content of Application** (f) Updated to include LSQ form number.
41. **Section 10181. Content of Application** (h) Added calendar for day type reference.
42. **Section 10182 Evaluation Criteria** Edited for clarity.
43. **Section 10182 Evaluation Criteria** (a) Edited for clarity.
44. **Section 10182 Evaluation Criteria** (b) Edited for clarity.
45. **Section 10182 Evaluation Criteria** (c) Edited for clarity and to state the source used.
46. **Section 10182 Evaluation Criteria** (d) Edited for clarity.
47. **Section 10182 Evaluation Criteria** (e) Amended to update the measure to remove the scale and make the measure a “pass/fail” criterion and edited for clarity.
48. **Section 10182 Evaluation Criteria** (f) Added and amended from March 2025 proposed amendment for clarity.
49. **Section 10183 Award Methodology** (a) Amended to diversify the awarding process and allow an awardee in all locale codes.
50. **Section 10183 Award Methodology** (b) Amended to clarify and update the tie-breaking process.
51. **Section 10184 Approval of Grant and Notification of Subgrantee** Change to notification timeline after board approval to better align with funding timelines.
52. **Section 10185 Obligation and Expenditure of Grant Funds** (a) Added calendar for day type reference.

53. **Section 10185 Obligation and Expenditure of Grant Funds** (f) Change timeline for subgrantee response and level of action for outstanding issues to better align with funding timelines.
54. **Section 10185 Obligation and Expenditure of Grant Funds** (g) removed to eliminate ability to increase awards beyond approved amounts.
55. **Section 10187. Grant Agreements** (g) Removed as it is located in 10188.
56. **Section 10187. Grant Agreements** (h) Added calendar for day type reference.
57. **Section 10187. Grant Agreements** (i) Removed as enrollment is from CDE and should be taken on by the Authority to ensure accuracy.
58. **Section 10187. Grant Agreements** (h) Added timeframe and calendar for day type reference to better align with funding timelines.
59. **Section 10188. Release of Funds** (b) New section made of requirements provided in the subsections of original (b), new (c).
60. **Section 10188. Release of Funds** (c) Subsections making up new (b) were removed
61. **Section 10188. Release of Funds** (c)(3) and (c)(3)(A)(1) Added more specific requirements for schools purchasing a facility(s) or land with grant funds.

**Proposed Regulations Key:** A draft of the Program's proposed regulations is included behind this summary in the board packet. Crossed red text (e.g., ~~EXAMPLE~~) are proposed removals and underlined blue text (e.g., EXAMPLE) are proposed additions.

**Recommendation:** Authority staff recommends the Board adopt Resolution 26-18, approving proposed amendments to the regulations for the State Charter School Facilities Incentives 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.