Charter School Facilities Program
Prop 2 Filing Round
Staff Summary Report – July 2026
Item No. 6 – Resolution 26-21

Executive Summary

Applicant/Obligor:	**Alpha Public Schools**
Project School:	**Alpha: Blanca Alvarado**
CDS (County – District – School) Code:	**43 69369 0125526**
School Address:	**1601 Cunningham Avenue, San Jose, CA 95122**
Type of Project:	**Rehabilitation**
Type of Apportionment:	**Preliminary/Advance Apportionment**
County:	**Santa Clara**
District in which Project is Located:	**Alum Rock Union Elementary School District**
Charter Authorizer:	**Alum Rock Union Elementary School District**
Total OPSC Project Cost:	**$9,165,582.98**
State Apportionment (50% Project Cost):	**$4,582,791.49**
Total CSFP Financed Amount:	**$4,582,791.49**
Length of CSFP Funding Agreement:	**30 years**
Assumed Interest Rate:	**3.00%**
Estimated Annual CSFP Payment:	**$233,811**
First Year of Occupancy of New Project:	**FY 2032**

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Alpha Public Schools (APS), on behalf of Alpha: Blanca Alvarado (School or ABA) is financially sound for Charter School Facilities Program (Program or CSFP) Preliminary/Advance Apportionment. This determination, as it relates to Preliminary/Advance Apportionment, shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this period. This recommendation is contingent upon ABA electing to have its CSFP payments intercepted at the state-level, under Sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. 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.

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

Criteria	Comments
Demographic Information	In FY 2025-26, ABA has a total enrollment of 523 students in grades TK-8; the average daily attendance (ADA) rate was 92.0%, and the Unduplicated Pupil Percentage (UPP) of ADA was 92.4%.
Debt Service Coverage	APS debt service coverage from adjusted net income on this CSFP loan is projected to average 162.5% over the first three years that payments are due.
Eligibility Criteria	ABA has met all eligibility criteria: (1) ABA commenced operations in 2012; (2) ABA's charter is in place through June 2030; and (3) Alum Rock Union Elementary School District (ARUESD) has confirmed that as of February 24, 2026, ABA 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	ABA students' performance consistently exceeded that of peers in their local district during the period examined, based on California standardized testing (CAASPP).

Legal Status Questionnaire: ABA'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: ABA's proposed rehabilitation project is at its current site at 1601 Cunningham Avenue, San Jose, CA 95122. The site is the former Slonaker Elementary school site and is owned by the Alum Rock Union Elementary School District (ARUESD). Most of the campus has not been updated since 1999. The project will rehabilitate 8 permanent classrooms (grades TK-6) and 4 portable classrooms (2 for grades TK-6, 2 for grades 7-8). The project will also include site work to enhance the campus. ABA is estimating full occupancy in fall of 2032.

School Organizational Information: Alpha Public Schools is a network of four public charter schools founded by a group of East San Jose parents committed to ensuring the children of their community receive an excellent education. APS' education prepares students in grades TK-12 for success in college and career. Alpha: Blanca Alvarado, APS' first school, is named after trailblazing community advocate Blanca Alvarado.

FY 2025-26 ABA Board of Directors

Name	Position	Term Expiration
Peter MacDonald	Chair	June 30, 2028
Jennifer Wallner	Director	June 30, 2026
Silvia Mahan	Director	June 30, 2026
Adam Hendricks	Director	June 30, 2028
Alicia Santillan	Director	June 30, 2027

Cindy Wang	Director	June 30, 2028
Janine Ramirez	Director	June 30, 2027
Mario Rosas	Director	June 30, 2026
Ines Valenzuela	Director	June 30, 2027
Rohit Nayak	Director	June 30, 2027
Mary Anna Cazarez (Parent Rep)	Director	June 30, 2026
Noreen Guevara (Parent Rep)	Director	June 30, 2027
Rosa Benitez (Parent Rep)	Director	June 30, 2027
Michael White (Parent Rep)	Director	June 30, 2027

School Academic Performance: The following tables represent the recent academic performance of ABA; a similar local school, Voices College-Bound Language Academy at Mount Pleasant (VCBLAMP), and ARUESD. 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
ABA	**36.94%**	**29.68%**	**25.90%**	**21.52%**
VCBLAMP	24.86%	17.81%	11.72%	18.62%
ARUESD	28.13%	25.92%	27.88%	28.59%

Mathematics Achievement

	FY22	FY23	FY24	FY25
ABA	**25.11%**	**21.80%**	**23.30%**	**21.03%**
VCBLAMP	11.23%	13.56%	7.87%	15.75%
ARUESD	18.85%	20.05%	20.39%	20.66%

Enrollment Trends and Projections: The tables below present enrollment and average daily attendance information for ABA from FY 2022-23 through FY 2031. ABA administration anticipates occupying the proposed project facility by the start of FY 2032. The assumptions made in the projected years are considered reasonable by staff and consistent based on historical data.

APS Student Enrollment and Average Daily Attendance

Year (FY)	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enrollment	1,894	1,914	1,899	1,851	1,853	1,844	1,836	1,843	1,849
ADA (%)	89.9%	91.2%	91.8%	94.0%	95.3%	95.3%	95.3%	95.3%	95.3%

ABA Student Enrollment and Average Daily Attendance

Year (FY)	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enrollment	468	475	500	523	524	541	554	554	554
ADA (%)	91.67%	92.18%	87.15%	92.04%	88.26%	88.26%	88.26%	88.26%	88.26%

Financial Analysis

Financial Data Sources: This financial analysis is based on the consideration and review of the following for APS: (1) audited financial statements for FY 2022-23 through FY 2024-25; and (2) budget projections for FYs 2025-26 through 2034-35 along with assumptions.

Assumptions: Staff's financial analysis of APS is based upon the following assumptions: (1) occupancy of the project facilities in FY 2031-32; (2) the repayment of APS' CSFP matching share loan in the amount of $4,582,791.49 at 3.0% interest commencing in FY 2032-33; (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 APS' 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	Projected FY 2032	Projected FY 2033	Projected FY 2034	Projected FY 2035	AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL																
Enrollment	1,816	1,894	1,914	1,899	1,851	1,853	1,844	1,836	1,843	1,849	1,840	1,848	1,851	1,851	1,856	
Average Daily Attendance (ADA)	1,705	1,702	1,746	1,744	1,740	1,766	1,757	1,750	1,757	1,762	1,730	1,737	1,740	1,740	1,741	
Average Daily Attendance (%)	93.9%	89.9%	91.2%	91.8%	94.0%	95.3%	95.3%	95.3%	95.3%	95.3%	94.0%	94.0%	94.0%	94.0%	93.8%	< 94.0%
FTE Teachers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
LCFF Sources/ADA	$ 12,073	$ 13,599	$ 14,980	$ 15,344	$ 14,686	$ 14,458	$ 14,888	$ 15,416	$ 15,983	$ 16,548	$ 17,312	$ 17,847	$ 18,385	$ 18,936	$ 15,747	
% Change		12.6%	10.2%	2.4%	-4.3%	-1.6%	3.0%	3.5%	3.7%	3.5%	4.6%	3.1%	3.0%	3.0%	3.6%	
Operating Revenues/ADA	$ 18,615	$ 21,127	$ 21,953	$ 24,064	$ 22,049	$ 20,893	$ 21,154	$ 21,700	$ 21,987	$ 22,339	$ 23,188	$ 23,862	$ 24,549	$ 25,261	$ 22,339	
% Change		13.5%	3.9%	9.6%	-8.4%	-5.2%	1.2%	2.6%	1.3%	1.6%	3.8%	2.9%	2.9%	2.9%	2.5%	
Operating Expenses plus CSFP Loan/ADA	$ 16,795	$ 19,580	$ 21,878	$ 22,189	$ 22,349	$ 21,595	$ 21,267	$ 21,694	$ 22,123	$ 22,401	$ 23,130	$ 23,855	$ 24,441	$ 25,124	$ 22,030	
% Change		16.6%	11.7%	1.4%	0.7%	-3.4%	-1.5%	2.0%	2.0%	1.3%	3.3%	3.1%	2.5%	2.8%	3.3%	
Free Cash Flow/ADA	$ 1,821	$ 1,548	$ 75	$ 1,875	$ (299)	$ (703)	$ (114)	$ 6	$ (136)	$ (61)	$ 58	$ 6	$ 108	$ 138	$ 309	< 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**	**Projected FY 2032**	**Projected FY 2033**	**Projected FY 2034**	**Projected FY 2035**	**AVERAGE**	**THRESHOLD LEVEL**
DEBT SERVICE COVERAGE																
Total Operating Revenues	$ 31,741,030	$35,964,243	$ 38,334,030	$ 41,965,992	$ 38,365,630	$ 36,886,174	$37,170,304	$37,972,040	$38,621,327	$39,369,487	$ 40,114,501	$41,447,819	$42,715,292	$43,954,536		
Total Operating Expenses	28,636,364	33,330,009	38,202,527	38,696,707	38,886,722	38,126,584	37,370,349	37,960,816	38,860,428	39,477,849	40,014,818	41,202,974	42,293,807	43,481,276		
Total Other Sources/Uses	-	-	-	-	272,593	1,017,063	-	-	-	-	-	-	-	-		
Net Income Available for CSFP Loan Payment	$ 3,104,666	$ 2,634,234	$ 131,503	$ 3,269,285	$ (248,499)	$ (223,347)	$ (200,045)	$ 11,224	$ (239,101)	$ (108,362)	$ 99,683	$ 244,845	$ 421,485	$ 473,260		
Add Back Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Add Back Depreciation	-	-	-	-	18,424	18,424	-	-	-	-	-	-	-	-		
Adjusted Net Income Available for CSFP Loan Payment	$ 3,104,666	$ 2,634,234	$ 131,503	$ 3,269,285	$ (230,075)	$ (204,923)	$ (200,045)	$ 11,224	$ (239,101)	$ (108,362)	$ 99,683	$ 244,845	$ 421,485	$ 473,260		
CSFP Loan Payments	-	-	-	-	-	-	-	-	-	-	-	233,811	233,811	233,811		
Free Cash Flow	$ 3,104,666	$ 2,634,234	$ 131,503	$ 3,269,285	$ (230,075)	$ (204,923)	$ (200,045)	$ 11,224	$ (239,101)	$ (108,362)	$ 99,683	$ 11,034	$ 187,674	$ 239,449	$ 621,875	< 0
DSC from Adj. Net Income												104.7%	180.3%	202.4%	162.5%	< 110.0%
DSC from LCFF Sources subject to CSFA Intercept												10582.1%	10919.6%	11247.2%	10916.3%	
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%	0.0%	0.6%	0.5%	0.5%	0.5%	> 15.0%
FUNDRAISING																
Fundraising for Operations	$ -	$ -	$ -	$ -	$ 680,730	$ 530,000	$ 543,250	$ 556,831	$ 570,752	$ 585,021	$ 599,646	$ 614,638	$ 630,003	$ 645,754	$ 425,473	
Fundraising/Oper. Revenues	0.0%	0.0%	0.0%	0.0%	1.8%	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.1%	> 15.0%
DSC without Fundraising												-158.2%	-89.2%	-73.8%	-107.0%	%
% of Fundraising Required for 100% DSC								98.0%			83.4%	98.2%	70.2%	62.9%	82.5%	> 50.0%
LIQUIDITY																
Current Assets	$ 19,291,068	$27,854,720	$ 20,345,894	$ 19,361,368												
Current Liabilities	1,712,979	8,182,309	7,397,399	6,257,224												
Net Working Capital	$ 17,578,089	$19,672,411	$ 12,948,495	$ 13,104,144												
Net Working Capital/Oper. Expenses	61.4%	59.0%	33.9%	33.9%											47.0%	< 5.0%
Unrestricted Cash & Cash Equivalents	$ 14,950,024	$18,351,871	$ 16,821,351	$ 15,737,440												
Unrest. Cash & CE/Oper. Expenses (Days)	191	201	161	148												
Unrest. Cash & CE/All Expenses (Days)	191	201	161	148											175	< 90

Benchmark Summary:

- Enrollment – Average ADA rate is 93.8%, slightly below threshold but still reasonable.
- Free Cash Flow and/or per ADA – APS operates with positive cash flow, averaging $309 per student.
- Debt Service Coverage from Adj. Net Income – Estimated average debt service coverage is 162.50%.
- CSFP Lease Payment relative to Operational Revenues: Representing an estimated 0.5% of annual operating revenues, projected CSFP lease payments are unlikely to create any financial hardship.

- Net Working Capital relative to Operating Expenses – APS liquidity metrics are strong with a ratio of Net Working Capital to Operating Expenses of 47% and 175 days of Unrestricted Cash on-hand.

Staff Recommendation: Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Alpha Public Schools (APS), on behalf of Alpha: Blanca Alvarado (School or ABA) is financially sound for Charter School Facilities Program (Program or CSFP) Preliminary/Advance Apportionment. This determination, as it relates to Preliminary/Advance Apportionment, shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this period. This recommendation is contingent upon ABA electing to have its CSFP payments intercepted at the state-level, under Sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. 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.