

California School Finance Authority (CSFA)
Charter School Revolving Loan Fund
Program (CSRLF) Webinar



February 9, 2017

10:00-11:00 a.m.

- For technical issues, contact GoToWebinar (GoToMeeting) at 1-800-263-6317 or <http://support.citrixonline.com/gotomeeting/>
- Live captioning is available at www.streamtext.net/text.aspx?event=CDIAC

Introductions

CSFA Presenters:

Katrina Johantgen – Executive Director

Kristen Schunk – Lead Analyst

Steven Theuring – Analyst



csrlf@treasurer.ca.gov

Agenda

- Overview
- Eligibility
- Funding Round Updates
- Application Overview
- Application Submission
- Review Process
- Funding Process
- Future Plans
- Contact Info



Overview

- ❑ Effective July 1, 2013, CSFA began oversight of the program.
- ❑ CSRLF is a state-funded loan program that provides low-interest loans of up to \$250,000 to new charter schools.
- ❑ CSFA has awarded **\$29.3 million** to **119 charters**.
- ❑ Pooled Money Investment Account (PMIA) average annual yield for 2015-16 was 0.434%.



Overview

❑ Loan Uses-

- ❖ Expenses a brand new charter school may incur, such as, teacher salaries, curriculum, furniture, etc.



Eligibility

*Charter School Revolving Loan Fund
Program Regulations:
Section 10170.18. (a)-(k)*

- ❑ Charter School or a Chartering Authority
- ❑ Established pursuant to Education Code
- ❑ Charter approval



Eligibility

- ❑ Articles of Incorporation (if independent)
- ❑ Not a conversion
- ❑ Has not had its charter renewed
- ❑ No material legal issues



Eligibility

- ❑ Has not received \$250,000
- ❑ In compliance with all CSFA programs
- ❑ In good standing with its charter authorizer
- ❑ Application must be complete



Funding Round Updates



- ❑ 2015-16 - Awarded \$7 million to 29 schools
- ❑ Priority of funds go to new charters
- ❑ 2016-17 - Approximately \$8 million available to award 32 schools

Application Overview

- ❑ Loan application & FAQ's are available on CSFA's website at <http://www.treasurer.ca.gov/csfa/csrlf/index.asp>
- ❑ 7 pieces of the application



Application Overview

1.) Page 1, the actual application

- ❖ Provide an answer for each box.
- ❖ Please provide your best projection if you are unsure of the answer.

California School Finance Authority Charter School Revolving Loan Fund Program Application (Pursuant to California Education Code Sections 41365-41367 and California Code of Regulations, Title 4, Sections 10170.16-10170.24)	
Instructions: Whether the charter school is in operation or in its planning year, please provide an answer for each. Please provide Additional Information, sections 2, 3, & 4 of the application by CD-ROM or flash drive.	
Please Select One:	
<input type="checkbox"/> Option A: Application is submitted by charter school that is incorporated	
Corporation Name (Please provide)	
<input type="checkbox"/> Option B: Application is submitted by a Chartering Authority on Behalf of a Charter School	
Loan Request Information	
Loan Amount Requested (maximum \$250,000 per Charter School)	Loan Repayment Period Requested (1 to 5 years)
Charter School Information	
Charter School Name	
Charter Number	
CDS Code	
Affiliated Organization (If Applicable)	
Chartering Authority	
Contact Name and Title	
Contact Email Address	
Contact Phone Number	
Mailing Location: Street Address	
Mailing Location: City, State, Zip Code	
Physical Location: Street Address	
Physical Location: City, State, Zip Code	
Date of Charter Approval	
Approved Charter Term (mm/dd/yyyy to mm/dd/yyyy)	
Opening Date of School	
Elementary School Attendance Area (Projected if unknown)	
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Application Overview

2.) Page 2, Charter School Questions

- ❖ Check an answer for each box.
- ❖ If you need more space to answer a question, please provide on a separate document.

California School Finance Authority
Charter School Revolving Loan Fund Program Application
(Continued)

Additional Information Required	
<input checked="" type="checkbox"/> 1. Charter School Questions:	<p>a. Is the school in operation? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>b. If the school is not currently in operation, has the school submitted their petition to a chartering authority? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>c. Is the school a conversion? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>d. Has the school's charter been renewed? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>e. Previously, has the school received a loan through the Program? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, when was the loan awarded? _____ If Yes, how much was the loan award? _____</p> <p>f. If the school is operated by an affiliated organization, does the affiliate have other schools that were previously awarded? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> If Yes, please provide a list of school names, award dates, and award amounts. _____</p> <p>g. Please list all CSFA programs in which the school has been an applicant. (If applicable). _____</p> <p>h. What kind of school is the charter? Classroom Based <input type="checkbox"/> Non-Classroom Based <input type="checkbox"/> Hybrid <input type="checkbox"/></p>
<input type="checkbox"/> 2. Written Request:	Please describe the financial needs of the charter school, justifying the loan and a brief description of the intended uses of the loan proceeds.
<input type="checkbox"/> 3. Operational Documentation:	<p>a. For Option A: Articles of Incorporation of the Charter School as approved by the California Secretary of State.</p> <p>b. For Option B: Agreement or memorandum of understanding between charter school and chartering authority.</p> <p>c. Legal Status Questionnaire (See Attachment A).</p> <p>d. Most recent business plan and/or strategic plan for at least the next five academic years. (Please note if the business plan is in the charter petition).</p> <p>e. Listing of applicant's board of directors including their occupations, cities of residence, and terms of office.</p> <p>f. Resumes of charter school key staff members (e.g. CEO, President, Operations Manager, CFO, Principal, etc.)</p> <p>g. Enrollment and attendance for the current year (if in operation) and at least the five academic years beyond the year for which the applicant is applying (Total of 5 years; 5 years for schools already in operation).</p> <p>h. Targeted student population/demographics, including but not limited to % FRPM and % English learners.</p> <p>i. Listing of all material contracts such as management, support services, transportation, and any anticipated contracts involving use of space or equipment; including: name of contractor, service, term, and annual amount.</p> <p>j. A valid current charter between the applicant and its authorizer, along with verification of charter approval and charter term (OR) a charter petition with documentation confirming the submission for approval.</p>
<input type="checkbox"/> 4. Financial Documentation:	<p>a. Audited financial statements (if available).</p> <p>b. Excel budget projections for the current year (if in operation) and at least the five fiscal years beyond the fiscal year for which the applicant is applying. (5 years total, 6 years for schools already in operation) & assumptions.</p> <p>c. Listing and verification of other sources of funding (ie. private contributions, fundraising, grants, etc.).</p> <p>d. Listing and verification of the total amounts, annual amounts, interest rates, and maturity dates of all existing and anticipated short- and long-term debt obligations.</p> <p>e. Describe the impact the receipt of the loan will have on the charter school's operation and receipt of other public or private financing.</p> <p>f. Describe any plans for creative uses of the funds, such as loan guarantees or types of credit enhancements.</p>

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Application Overview

3.) Page 2, Written Request

- ❖ Describe the Charter School's financial need and the planned uses for the loan proceeds.
- ❖ This description should be submitted as a Word or PDF (text readable) document.

California School Finance Authority
Charter School Revolving Loan Fund Program Application
(Continued)

Additional Information Required

1. **Charter School Questions:**

a. Is the school in operation? Yes No

b. If the school is not currently in operation, has the school submitted their petition to a chartering authority?
Yes No N/A

c. Is the school a conversion? Yes No

d. Has the school's charter been renewed? Yes No

e. Previously, has the school received a loan through the Program? Yes No
If Yes, when was the loan awarded? _____
If Yes, how much was the loan award? _____

f. If the school is operated by an affiliated organization, does the affiliate have other schools that were previously awarded?
Yes No N/A
If Yes, please provide a list of school names, award dates, and award amounts. _____

g. Please list all CSFA programs in which the school has been an applicant. (If applicable). _____

h. What kind of school is the charter? Classroom Based Non-Classroom Based Hybrid

2. **Written Request:**
Please describe the financial needs of the charter school, justifying the loan and a brief description of the intended uses of the loan proceeds.

3. **Operational Documentation:**

a. For Option A: Articles of Incorporation of the Charter School as approved by the California Secretary of State.
b. For Option B: Agreement or memorandum of understanding between charter school and chartering authority.
c. Legal Status Questionnaire (See Attachment A).
d. Most recent business plan and/or strategic plan for at least the next five academic years. (Please note if the business plan is in the charter petition).
e. Listing of applicant's board of directors including their occupations, cities of residence, and terms of office.
f. Resumes of charter school key staff members (e.g. CEO, President, Operations Manager, CFO, Principal, etc.)
g. Enrollment and attendance for the current year (if in operation) and at least the five academic years beyond the year for which the applicant is applying (Total of 5 years; 6 years for schools already in operation).
h. Targeted student population/demographics, including but not limited to % FRPM and % English learners.
i. Listing of all material contracts such as management, support services, transportation, and any anticipated contracts involving use of space or equipment; including: name of contractor, service, term, and annual amount.
j. A valid current charter between the applicant and its authorizer, along with verification of charter approval and charter term (OR) a charter petition with documentation confirming the submission for approval.

4. **Financial Documentation:**

a. Audited financial statements (if available).
b. Excel budget projections for the current year (if in operation) and at least the five fiscal years beyond the fiscal year for which the applicant is applying. (5 years total, 6 years for schools already in operation) & assumptions.
c. Listing and verification of other sources of funding (ie. private contributions, fundraising, grants, etc.).
d. Listing and verification of the total amounts, annual amounts, interest rates, and maturity dates of all existing and anticipated short- and long-term debt obligations.
e. Describe the impact the receipt of the loan will have on the charter school's operation and receipt of other public or private financing.
f. Describe any plans for creative uses of the funds, such as loan guarantees or types of credit enhancements.

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Application Overview

4.) Page 2, Operational

Documentation

- ❖ Provide each item a. through j.
- ❖ Items should be submitted as a Word PDF (text readable) document.

	# of Classes/ Class Size/ Total Enrollment	2016-17	2017-18	2018-19	2019-20	2020-21
9	Total Enrollment	125	125	125	125	125
10	Total Enrollment	0	125	125	125	125
11	Total Enrollment	0	0	110	110	110
12	Total Enrollment	0	0	0	100	100
Total Enrollment, 9 - 12		125	250	360	460	460
Average Attendance Rate, 9 - 12		94%	94%	94%	94%	94%
Total ADA, 9 - 12		117.50	235.00	338.40	432.40	432.40

California School Finance Authority Charter School Revolving Loan Fund Program Application (Continued)

Additional Information Required

1. **Charter School Questions:**
- a. Is the school in operation? Yes No
- b. If the school is not currently in operation, has the school submitted their petition to a chartering authority?
Yes No N/A
- c. Is the school a conversion? Yes No
- d. Has the school's charter been renewed? Yes No
- e. Previously, has the school received a loan through the Program? Yes No
If Yes, when was the loan awarded? _____
If Yes, how much was the loan award? _____
- f. If the school is operated by an affiliated organization, does the affiliate have other schools that were previously awarded?
Yes No N/A
If Yes, please provide a list of school names, award dates, and award amounts. _____
- g. Please list all CSFA programs in which the school has been an applicant. (If applicable). _____
- h. What kind of school is the charter? Classroom Based Non-Classroom Based Hybrid
2. **Written Request:**
Please describe the financial needs of the charter school, justifying the loan and a brief description of the intended uses of the loan proceeds.
3. **Operational Documentation:**
- a. For Option A: Articles of Incorporation of the Charter School as approved by the California Secretary of State.
b. For Option B: Agreement or memorandum of understanding between charter school and chartering authority.
c. Legal Status Questionnaire (See Attachment A).
d. Most recent business plan and/or strategic plan for at least the next five academic years. (Please note if the business plan is in the charter petition).
e. Listing of applicant's board of directors including their occupations, cities of residence, and terms of office.
f. Resumes of charter school key staff members (e.g. CEO, President, Operations Manager, CFO, Principal, etc.)
g. Enrollment and attendance for the current year (if in operation) and at least the five academic years beyond the year for which the applicant is applying (Total of 5 years; 6 years for schools already in operation).
h. Targeted student population/demographics, including but not limited to % FRPM and % English learners.
i. Listing of all material contracts such as management, support services, transportation, and any anticipated contracts involving use of space or equipment; including: name of contractor, service, term, and annual amount.
j. A valid current charter between the applicant and its authorizer, along with verification of charter approval and charter term (OR) a charter petition with documentation confirming the submission for approval.
4. **Financial Documentation:**
- a. Audited financial statements (if available).
b. Excel budget projections for the current year (if in operation) and at least the five fiscal years beyond the fiscal year for which the applicant is applying. (5 years total, 6 years for schools already in operation) & assumptions.
c. Listing and verification of other sources of funding (ie. private contributions, fundraising, grants, etc.).
d. Listing and verification of the total amounts, annual amounts, interest rates, and maturity dates of all existing and anticipated short- and long-term debt obligations.
e. Describe the impact the receipt of the loan will have on the charter school's operation and receipt of other public or private financing.
f. Describe any plans for creative uses of the funds, such as loan guarantees or types of credit enhancements.

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Application Overview

5.) Page 2, Financial Documentation

- ❖ Provide each item a. through f.
- ❖ Items should be submitted as Word or PDF (text readable) documents, except b. The budget projections should be provided in Excel.

California School Finance Authority
Charter School Revolving Loan Fund Program Application
(Continued)

Additional Information Required	
<input type="checkbox"/>	1. Charter School Questions: a. Is the school in operation? Yes <input type="checkbox"/> No <input type="checkbox"/> b. If the school is not currently in operation, has the school submitted their petition to a chartering authority? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> c. Is the school a conversion? Yes <input type="checkbox"/> No <input type="checkbox"/> d. Has the school's charter been renewed? Yes <input type="checkbox"/> No <input type="checkbox"/> e. Previously, has the school received a loan through the Program? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, when was the loan awarded? _____ If Yes, how much was the loan award? _____ f. If the school is operated by an affiliated organization, does the affiliate have other schools that were previously awarded? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> If Yes, please provide a list of school names, award dates, and award amounts. _____ g. Please list all CSFA programs in which the school has been an applicant. (If applicable). _____ h. What kind of school is the charter? Classroom Based <input type="checkbox"/> Non-Classroom Based <input type="checkbox"/> Hybrid <input type="checkbox"/>
<input type="checkbox"/>	2. Written Request: Please describe the financial needs of the charter school, justifying the loan and a brief description of the intended uses of the loan proceeds.
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<input type="checkbox"/>	4. Financial Documentation: a. Audited financial statements (if available). b. Excel budget projections for the current year (if in operation) and at least the five fiscal years beyond the fiscal year for which the applicant is applying. (5 years total, 6 years for schools already in operation) & assumptions. c. Listing and verification of other sources of funding (ie. private contributions, fundraising, grants, etc.). d. Listing and verification of the total amounts, annual amounts, interest rates, and maturity dates of all existing and anticipated short- and long-term debt obligations. e. Describe the impact the receipt of the loan will have on the charter school's operation and receipt of other public or private financing. f. Describe any plans for creative uses of the funds, such as loan guarantees or types of credit enhancements.

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Application Overview

5.) CONTINUED:

- ❖ Item b.
Excel
Budget.

	Actual FY2016-17 2017	Projected FY2017-18 2018	Projected FY2018-19 2019	Projected FY2019-20 2020	Projected FY2020-21 2021	Projected FY2021-22 2022
REVENUES						
State Revenue:						
Revenue Limit Sources (8010-8099)						
Other State Revenues (8300-8599)						
Sub-Total State Revenues	-	-	-	-	-	-
Federal Revenues (8100-8299)						
Local Revenues (8600-8799)						
Other Sources:						
Interfund Transfers In (8910-8929)						
Other Financing Sources (8930-8979)						
Contributions (8980-8999)						
Sub-Total Other Sources	-	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES						
Certificated Personnel Salaries (1000-1999)						
Non-Certificated Personnel Salaries (2000-2999)						
Employee Benefits (3000-3999)						
Books and Supplies (4000-4999)						
<i>Operating Services exclusive of facilities & equipment leases (5000-5999)</i>						
Facilities Rent (5610)						
Equipment Lease (5620)						
Capital Outlay (6000-6500)						
Other Outgo (7000-7299)						
Indirect/Direct Support Costs (7300-7399)						
Debt Service-Interest (7438)						
Debt Service-Principal (7439)						
Depreciation (6900)						
Other Uses:						
Interfund Transfers Out (7600-7629)						
Other Financing Uses (7630-7699)						
Sub-Total Other Uses	-	-	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Application Overview

6.) Page 3, Signed Application Certification

- ❖ Applicant should sign which ever option (A OR B) is appropriate for their school
- ❖ An authorized signatory from the school should sign
- ❖ Please submit a “wet” signature copy

California School Finance Authority
Charter School Revolving Loan Fund Program Application
(Continued)

Option A Certification

Incorporated charter school is applying for and guarantees repayment of loan:

The undersigned hereby request(s) a loan from the Charter School Revolving Loan Fund in accordance with Education Code sections 41365-41367. I hereby certify to the best of my knowledge and belief, that the above information and supporting documents are true and correct and that any loan funds received as a result of this application will be used in accordance with Education Code Section 41365, all other applicable state and federal laws and regulations, general legal assurances, and instructions for the loan application. By signing this document the incorporated charter school that is requesting the loan is assuring the repayment of the loan in full, even in the event of closure of the charter school or the charter school's inability to make annual repayments.

School Name	
Signature of Authorized Charter School Representative	
Printed Name	
Title	
Date	

Option B Certification

Chartering authority is applying for and guarantees repayment of loan:

The undersigned hereby request(s) a loan from the Charter School Revolving Loan Fund in accordance with Education Code sections 41365-41367. I hereby certify to the best of my knowledge and belief, that the above information and supporting documents are true and correct and that any loan funds received as a result of this application will be used in accordance with Education Code Section 41365, all other applicable state and federal laws and regulations, general legal assurances, and instructions for the loan application. By signing this document the chartering authority that is requesting the loan is assuring the repayment of the loan in full, even in the event of closure of the charter school or the chartering authority's inability to make annual repayments.

School Name	
Signature of Authorized Chartering Authority Representative	
Printed Name	
Title	
Date	

Application Overview

7.) Page 4, Signed Legal Status Questionnaire

- ❖ Please fill out entire document.
- ❖ If more space is needed for your response, please provide it on a separate document.
- ❖ Please submit a "wet" signature copy

California School Finance Authority
Charter School Revolving Loan Fund Program Application
(Continued)

Attachment A

LEGAL STATUS QUESTIONNAIRE

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Response: _____

2. Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

Response: _____

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome.

Signatures on behalf of [print or type school name]: _____

I/We attest that we have provided full disclosure as indicated in response to items #1 and #2 above.

Signature of Principal, CEO, or Lead Administrator _____	Date _____
Print or Type Name: _____	
Signature of President or Chair of Governing Board _____	Date _____
Print or Type Name: _____	

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Application Submission

- The school should submit:
 - A) one hard copy application with original signature
 - B) one copy of the signed application and copies of all supporting documents on a CD-ROM or flash drive



Application Submission

- ❑ Deadline is **Friday, February 24th** by **5PM**.
- ❑ Submit to either the Sacramento OR Los Angeles Office.

- **Sacramento Office:**

915 Capitol Mall, Suite 516

Sacramento, CA 95814

- **Los Angeles Office:**

300 S Spring Street, Suite 8500

Los Angeles, CA 90013



Review Process

- ❑ Notice of received application
- ❑ Priority 1 school review (Schools opening in Fall 2017)
- ❑ If funds are still available after Priority 1 approvals, Priority 2 schools will be reviewed (Schools already in operation)



Funding Process



- 1.) Loan Recommendations go to CSFA Board for approval (Between May and August)
- 2.) Schools are to execute CSFA loan agreement & governing board resolution
- 3.) CSFA initiates loan disbursement process
- 4.) School receives loan proceeds (Within 4-6 weeks)

Future Plans

- 2017-18 Funding Round
 - ❖ Launch of the online application in December 2017



Contact Information

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Kristen.Schunk2@treasurer.ca.gov

Steven Theuring, Analyst

(916) 651-7713

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CSRLF Review Staff

Kristen Schunk (Sac)

Steven Theuring (Sac)

Robert Biegler (LA)

Ryan Storey (LA)

csrlf@treasurer.ca.gov