



**CALIFORNIA SCHOOL FINANCE AUTHORITY  
901 P STREET, THIRD FLOOR, SUITE B  
SACRAMENTO, CA 95814**

**Title 4, Division 15, Article 1.5,  
CALIFORNIA CODE OF REGULATIONS  
Charter School Facility Grant Program**

**INITIAL STATEMENT OF REASONS**

**INTRODUCTION**

The California School Finance Authority (Authority) is organized and operated pursuant to the California School Finance Authority Act under sections 17170 through 17199.5 of the Education Code.

Pursuant to Education Code, Section 47614.5, the State Legislature directed the Authority to commence administration of the Charter School Facility Grant Program (Program) beginning with the 2013-14 fiscal year and to adopt regulations to implement the statute.

**PROBLEM STATEMENT**

Sections 47614.5 of the Education Code endow the Authority with the general power to adopt regulations, as a power reasonably necessary to carry out the powers and responsibilities to administer the Program effectively. The proposed Regulations are meant to provide additional clarity as well assist with the Authority's administration.

**ANTICIPATED BENEFITS**

The proposed regulations provide specificity and guidance for applicant charter schools to permit an informed decision concerning Program participation. By setting forth Program requirements and expectations, the proposed regulations reduce the potential for confusion or misinterpretation or misapplication of the rules and increase the likelihood of Program success. Additionally, by setting out clear program goals and requirements, these regulations provide transparency concerning the administration of a government program.

**SPECIFIC PURPOSE OF, AND RATIONALE FOR, EACH PROPOSED AMENDMENT**

1. **Section 10170.5, subdivision (a)(1)** – These changes add “by 9:00 a.m. on April 10.”, “August 31st.” and “and deadlines”. Also, the removal of “in the month of” and “the date five weeks from the date the Application is made available by the Authority”. This change was establishing static dates for the initial application to provide consistency as well greater transparency for potential Applicants. The August deadline date was chosen based on feedback from stakeholders. The August 31 date allows for school staff to return from summer breaks, as well. For understandable reasons, this period for communication with school is limited. This date avoids that concern.
2. **Section 10170.5, subdivision (a)(4)** - Add “If any of the dates listed in 10170.5(a)(1) & (2) fall on a Saturday or Sunday or a holiday listed in Education Code Section 45203, the new date will be the following business day.” This change was to ensure the opening and/or closing dates were held on business days where staff can assist with issues or concerns.

3. **Section 10170.6, subdivision (e)** – Remove “July 15” as the deadline for other facility related cost submission and replace with “August 31”. This date was chosen based on feedback from stakeholders. The August 31 date allows for school staff to return from summer breaks as well. For understandable reasons, this period for communication with school is limited. This date avoids that concern.

### **TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDIES, REPORTS, OR DOCUMENTS**

The Authority did not rely on any technical, theoretical, and/or empirical studies, reports, or documents in proposing the regulations.

### **ECONOMIC IMPACT ASSESSMENT**

The proposed regulations are unlikely to have an impact on the creation or elimination of jobs within the State of California. In addition, the Authority is unaware of any reason enhancing conduit financings would result in the elimination of jobs. Furthermore, the proposed regulations are unlikely to have an impact on the creation of new businesses or the elimination of existing businesses within the State of California.

Moreover, the proposed regulations will have no benefit to worker safety or the state’s environment as a result of this rulemaking. The purpose of the program and proposed regulations is to set forth administrative criteria and requirements for administering this grant program. As the intent of the program is to enhance financings related to charter school facilities, the Program and its proposed regulations have the potential to directly benefit the welfare of students and their related communities.

### **REASONABLE ALTERNATIVES AND THE AUTHORITY’S REASONS FOR REJECTING THOSE ALTERNATIVES**

There is no reasonable alternative as these are the establishing regulations for the Program.

### **DUPLICATION OR CONFLICTS WITH FEDERAL REGULATIONS**

The proposed regulatory action does not contain any regulations that are identical to or in conflict with any corresponding federal regulation.

### **REGULATIONS MANDATED BY FEDERAL LAW**

Not applicable.