



**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**

**NOTICE OF PROPOSED RULEMAKING ACTION**

NOTICE IS HEREBY GIVEN that the California School Finance Authority (Authority), organized pursuant to Sections 17170 through 17199.6 of the Education Code, proposes to amend the regulations described below after considering all comments, objections, and recommendations regarding the proposed action. Any person interested may present written statements or arguments relevant to the proposed action to the attention of the Contact Person as listed in this Notice no later than Friday, July 22, 2024. The Authority Board, upon its own motion or at the request of any interested party, may thereafter adopt the proposal substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person(s) designated in this Notice as the Contact Person and will be mailed to those persons who submit statements related to this proposal or who have requested notification of any changes to the proposal.

**Proposed Regulatory Action**

The Authority proposes to amendments to Sections 10170.5 and 10170.6 of Title 4 of the California Code of Regulations (Regulations) as permanent regulations. The Regulations implement the Authority's responsibilities related to the Charter School Facility Grant Program (Program).

**Authority and Reference**

Authority: Section 47614.5 of the Education Code. Section 47614.5(m) allows the Authority to adopt regulations in order to administer the Program.

Reference: Sections 47614.5 of Education Code.

**Informative Digest/Policy Statement Overview**

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 Program with the 2013-14 fiscal year and to adopt regulations to implement the statute. Effective July 1, 2013, the Authority initiated its administration of the Program, and pursuant to Section 47614.5(m), a Certificate of Compliance was approved on August 6, 2014 (OAL Regulatory Action #2014-0625-01C).

In order to be eligible for Program grant funds, Applicants are required to meet minimum eligibility requirements, which include, but are not limited to, the following: (1) applications are submitted

by or on behalf of a Charter School; (2) a current charter has been awarded and is in place at the time of the application submission, or in the case of a first year charter, there is evidence that a charter petition has been submitted for approval to the Chartering Authority; and (3) either fifty-five percent (55%) or more of the student enrollment at the charter school site must be eligible for free or reduced-price meals (FRPM); or the charter school site for which grant funds are requested must be physically located in the local attendance area of a public elementary school that has fifty-five percent (55%) or more of its students eligible for FRPM.

The anticipated benefits of the proposed regulations are the increased general welfare of students and their related communities as these grant funds subsidize facility related costs that would typically be paid out of general funding.

The proposed regulations set forth Authority's policies and procedures for administering the Program as it related to application and submission dates.

### **Summary of Proposed Regulations**

1. **Section 10170.5, subdivision (a)(1)** – These changes add “by 9:00 a.m. on April 10.,” “August 31.” 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.

### **Citations for Proposed Regulations Mandated by Federal Laws or Regulations**

Not applicable.

### **Other Matters Prescribed by Statutes Applicable to the Specific State Agency or to any Specific Regulation or Class of Regulations**

No other matters prescribed by statute are applicable to the Authority or to any specific regulation or class of regulations pursuant to Section 11346.5(a) (4) of the California Government Code pertaining to the proposed regulations or the Authority.

## **Mandate on Local Agencies or School Districts**

The Authority has determined the proposed regulations do not impose a mandate on local agencies or school districts.

## **Evaluation of Inconsistency and Incompatibility**

The Authority performed a search in the California Code of Regulations and the proposed regulations are neither inconsistent nor incompatible with existing regulation.

## **Fiscal Impact**

The Authority has determined that the Regulations do not impose any additional cost or savings to any state agency, any costs to any local agency or school district requiring reimbursement under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, any other non-discretionary cost or savings to any local agency, or any cost or savings in federal funding to the State.

On an annual basis, the State Legislature will issue appropriations for purposes of the Program grant funds based on availability of funding and demand for the Program. There will be no cost or savings to any State Agency pursuant to Government Code Sections 11346.1(b) or 11346.5(a)(6).

## **Initial Determination Regarding any Significant, Statewide Adverse Economic Impact Directly Affecting Business**

The Authority has made an initial determination that the proposed regulations will not have any significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

## **Effect on Small Businesses**

The Authority has determined that the adoption of the proposed regulations will not affect small business. The Program is a voluntary grant program available to charter schools to assist in the costs of charter school facilities.

## **Results of Economic Impact Analysis**

### *Assessment of Effect on Jobs and Business Expansion, Elimination or Creation*

Adoption of these regulations will not create or eliminate jobs within California, nor create new businesses or eliminate existing businesses within California. The proposed regulations could likely impact the expansion of businesses currently doing business within the State of California. The purpose of the proposed regulations is to set forth administrative criteria and requirements for administering a Grant program that will disburse funds to existing charter schools in need across the State of California for per pupil facilities funding.

### *Assessment of Effect to the Health and Welfare of California Residents, Worker Safety, and the*

### State's Environment

The purpose of the program and proposed regulations is to set forth administrative criteria and requirements for administering this grant program. The Authority do not expect any anticipated benefits to worker safety or the State's environment. However, while each funding is different, funding for facilities may allow schools to free up assets potentially allowing actions resulting in improved worker safety. Additionally, there may be a positive effect on the welfare of some California residents. As the intent of the program is to enhance financings related to charter school facilities, the Charter FinE Program and its proposed regulations have the potential to directly benefit the welfare of students and their related communities.

### **Cost Impact on Housing**

The proposed regulations will not have any effect on housing costs.

### **Reasonable Alternatives**

In accordance with Government Code section 11346.5(a)(13), the Authority must determine that no reasonable alternative to the regulations considered by the Authority or that has otherwise been identified and brought to the attention of the Authority, would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the regulations, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. The Authority invites interested persons to present statements with respect to alternatives to the proposed regulations during the written comment period.

### **Agency Contact Person(s)**

Written comments, inquiries, and any questions regarding the substance of the proposed regulations shall be submitted or directed to:

Katrina Johantgen, Executive Director,

California School Finance Authority at:

300 S. Spring Street, Suite 8500

Los Angeles, CA 90013

(213) 620-4608

or

901 P Street, Third Floor, Suite B

Sacramento, CA 95814

(916) 651-7710

or

[kjohantgen@treasurer.ca.gov](mailto:kjohantgen@treasurer.ca.gov)

or

[csfa@treasurer.ca.gov](mailto:csfa@treasurer.ca.gov)

The following person is designated as a backup Contact Person for inquiries only regarding the proposed regulations:

Ryan Storey

300 S. Spring Street, Suite 8500

Los Angeles, CA 90013

(213) 620-6360

or

[rstorey@treasurer.ca.gov](mailto:rstorey@treasurer.ca.gov)

### **Written Comment Period**

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulations to the Authority. The written comment period on the regulations will end on Friday, July 22, 2024. All comments to be considered by the Authority must be submitted in writing to the Agency Contact Person identified in this Notice by that time. In the event that changes are made to the proposed regulations during the written comment period, the Authority will also accept additional written comments limited to any changed or modified regulations for 15 calendar days after the date on which such regulations, as changed or modified, are made available to the public pursuant to Title 1, Chapter 1, Section 44 of the California Code of Regulations. Such additional written comments should be addressed to the Agency Contact Person identified in this Notice.

### **Availability of Initial Statement of Reasons, Rulemaking File and Express Terms of Proposed Regulations**

The Authority has established a rulemaking file for this regulatory action, which contains those items required by law. The file is available for inspection at the Authority's office at 901 P Street, Third Floor, Suite B, Sacramento, California, during normal business hours. As of the date this Notice is published in the Notice Register, the rulemaking file consists of this Notice, the Initial Statement of Reasons, and the proposed text of the Regulations. Copies of these items are available upon request, from the Agency Contact Person designated in this Notice. The Sacramento address will also be the location for inspection of the rulemaking file and any other public records, including reports, documentation and other materials related to this proposed regulatory action. In addition, the rulemaking file, including the Initial Statement of Reasons and the proposed text, may be viewed on the Authority's Web site at [www.treasurer.ca.gov/csfa](http://www.treasurer.ca.gov/csfa).

## **Public Hearing**

No public hearing regarding the proposed regulations has been scheduled. Anyone wishing a public hearing must submit a request in writing, pursuant to Section 11346.8 of the Government Code, to the Authority at least 15 days before the end of the written comment period. Such request should be addressed to the Agency Contact Person identified in this Notice and should specify the regulations for which the hearing is being requested.

## **15-Day Availability of Changed or Modified Text**

After the written comment period ends and following a public hearing, if any is requested, the Authority may adopt the proposed regulations substantially as described in this Notice, without further notice. If the Authority makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public (including through the Authority's website described above) for at least fifteen (15) calendar days before the Authority adopts the proposed regulations, as modified. Inquiries about and requests for written copies of any changed or modified regulations should be addressed to the Agency Contact Person identified in this Notice.

## **Availability of Final Statement of Reasons**

The Authority is required to prepare a Final Statement of Reasons pursuant to Government Code section 11346.9. Once the Authority has prepared a Final Statement of Reasons, a copy will be made available to anyone who requests a copy and will be available on the Authority's website described above. Written requests for copies should be addressed to the Agency Contact Person identified in this Notice.