

## 0985 California School Finance Authority

The California School Finance Authority (CSFA), created in 1985, provides facilities and working capital financing to school districts, community college districts, county offices of education, and charter schools. CSFA consists of the following three members: the State Treasurer who serves as chair, the Superintendent of Public Instruction, and the Director of the Department of Finance. CSFA has offices in Los Angeles and Sacramento.

### 3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
20 Charter School Facilities Program	6.4	6.0	6.0	\$734	\$1,152	\$1,153
30 State Charter School Facilities Incentive Grants Program	-	-	-	17,475	20,140	20,148
40 Charter School Facility Grant Program	-	1.0	3.0	-	92,135	92,301
50 Charter School Revolving Loan Program	-	1.0	1.0	-	12,563	12,489
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>6.4</b>	<b>8.0</b>	<b>10.0</b>	<b>\$18,209</b>	<b>\$125,990</b>	<b>\$126,091</b>
<b>FUNDING</b>				<b>2012-13*</b>	<b>2013-14*</b>	<b>2014-15*</b>
0001 General Fund				\$-	\$281	\$373
0001 General Fund, Proposition 98				-	92,031	92,031
0526 California School Finance Authority Fund				167	100	100
0606 Charter School Revolving Loan Fund				-	12,386	12,386
0890 Federal Trust Fund				17,475	20,140	20,148
6044 2004 State School Facilities Fund				439	623	624
6057 2006 State School Facilities Fund				128	429	429
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$18,209</b>	<b>\$125,990</b>	<b>\$126,091</b>

The California School Finance Authority Fund (0526) is not subject to Budget Act appropriation. This budget display is for informational purposes only. The informational budget presented here reflects the department's best estimate of the budgets for 2013-14 and 2014-15.

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Education Code Sections 17170-17199.5 and 17078.52-17078.66.

### DETAILED BUDGET ADJUSTMENTS

	2013-14*			2014-15*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Other Workload Budget Adjustments</b>						
• Employee Compensation Adjustments	\$-	\$10	-	\$-	\$11	-
• Retirement Rate Adjustment	1	3	-	1	3	-
• SWCAP Adjustment (Federal Fund Cost Recovery)	-	-	-	-	8	-
• Remove One-Time Funding for Charter School Programs Transfer	-	-	-	-75	-	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$1</b>	<b>\$13</b>	<b>-</b>	<b>-\$74</b>	<b>\$22</b>	<b>-</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$1</b>	<b>\$13</b>	<b>-</b>	<b>-\$74</b>	<b>\$22</b>	<b>-</b>
<b>Policy Adjustments</b>						
• Increase Charter School Program Resources	\$-	\$-	-	\$167	\$-	2.0
<b>Totals, Policy Adjustments</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$167</b>	<b>\$-</b>	<b>2.0</b>
<b>Totals, Budget Adjustments</b>	<b>\$1</b>	<b>\$13</b>	<b>-</b>	<b>\$93</b>	<b>\$22</b>	<b>2.0</b>

\* Dollars in thousands, except in Salary Range.

## 0985 California School Finance Authority - Continued

### PROGRAM DESCRIPTIONS

#### 10 - SMART BONDS PROGRAM

Chapter 1438, Statutes of 1985, as amended by Chapter 598, Statutes of 1987, established CSFA and authorized the issuance revenue bonds or other debt instruments. The proceeds from the sale of the bonds were available for loans to school and community college districts to assist with the acquisition of equipment and new school sites, construction of new facilities, reconstruction of existing facilities, capital improvements, and to provide working capital. Chapter 325, Statutes of 2006 (AB 2717), allows CSFA to issue debt on behalf of California charter schools for capital improvements and working capital needs.

#### 20 - CHARTER SCHOOL FACILITIES PROGRAM

Chapter 935, Statutes of 2002, as amended by Chapter 587, Statutes of 2003, created the Charter School Facilities Program (CSFP), which provides funding for the new construction, renovation or rehabilitation of charter school facilities. CSFA and the Office of Public School Construction jointly administer the program. CSFP was funded through the Kindergarten-University Public Education Facilities Bond Acts of 2002, 2004, and 2006, for a total of \$900 million.

The program provides a 50% state subsidy for the charter school facilities project costs, with the balance of the project costs being repaid (to the state) by the charter school in the form of a long-term lease. Recipient charter schools must provide site-based instruction, be deemed financially sound by CSFA, and meet other program eligibility requirements.

#### 30 - STATE CHARTER SCHOOL FACILITIES INCENTIVE GRANTS PROGRAM

In 2004, CSFA was awarded a grant under the United States Department of Education's State Charter School Facilities Incentive Grants Program (CFDA 84.282D) to provide California charter schools with assistance for facilities costs. Grant funds are used toward a charter school's cost of rent, lease, mortgage or debt service payments for existing or new facilities or toward the costs of acquiring land and constructing or renovating a facility. Grants are awarded to charter schools based on preference points allotted for the percentage of low-income students; percentage overcrowded; not-for-profit status; and demonstrated student performance.

CSFA implemented a program change in regulations to award preference points for charter schools providing better educational opportunities than surrounding traditional public schools. First time recipients are also given preference as compared to past recipients.

#### CHARTER SCHOOL FACILITIES CREDIT ENHANCEMENT GRANT PROGRAM

In 2010, CSFA was awarded a grant of \$8.3 million by the Charter School Facilities Credit Enhancement Grant Program (CFDA 84.354A) authorized under Title V, Part B, Subpart 2 of the Elementary and Secondary Education Act, to enhance credit for charter schools and enable them to access non-federal funds that will address the costs of renovating, acquiring, and constructing school facilities. The grant funds will act as a reserve against any shortfalls in debt service on bonds that are issued by CSFA.

#### QUALIFIED SCHOOL CONSTRUCTION BONDS (QSCBs)

The American Recovery and Reinvestment Act of 2009 (ARRA) provided funding for new construction or renovation of school facilities through the use of Qualified School Construction Bonds (QSCBs). Approximately \$141 million was reserved for use by charter schools through the allocation and/or issuance of conduit revenue bonds by CSFA.

#### 40 - CHARTER SCHOOL FACILITY GRANT PROGRAM

The Charter School Facility Grant Program provides assistance with rent and lease costs for charter schools that meet specific eligibility criteria. This program targets schools and communities with significant populations of economically disadvantaged students. Eligible charter schools are provided up to \$750 per unit of eligible average daily attendance, not to exceed 75 percent of the total annual facilities rent or lease costs.

#### 50 - CHARTER SCHOOL REVOLVING LOAN PROGRAM

New non-conversion charter schools may receive low-interest loans from the Charter School Revolving Loan Program to use for start-up costs. The program provides loans of up to \$250,000 to be paid back over a time period not to exceed five years. The interest collected is deposited into the Charter School Security Fund and may be used to replenish the Charter School Revolving Loan Fund and offset any loan defaults.

### DETAILED EXPENDITURES BY PROGRAM

		2012-13*	2013-14*	2014-15*
<b>PROGRAM REQUIREMENTS</b>				
<b>20</b>	<b>CHARTER SCHOOL FACILITIES PROGRAM</b>			
	<b>State Operations:</b>			
0526	California School Finance Authority Fund	\$167	\$100	\$100

\* Dollars in thousands, except in Salary Range.

**0985 California School Finance Authority - Continued**

		<u>2012-13*</u>	<u>2013-14*</u>	<u>2014-15*</u>
6044	2004 State School Facilities Fund	439	623	624
6057	2006 State School Facilities Fund	128	429	429
	<b>Totals, State Operations</b>	<b>\$734</b>	<b>\$1,152</b>	<b>\$1,153</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>30</b>	<b>STATE CHARTER SCHOOL FACILITIES INCENTIVE GRANTS PROGRAM</b>			
	<b>State Operations:</b>			
0890	Federal Trust Fund	\$130	\$140	\$148
	<b>Totals, State Operations</b>	<b>\$130</b>	<b>\$140</b>	<b>\$148</b>
	<b>Local Assistance:</b>			
0890	Federal Trust Fund	\$17,345	\$20,000	\$20,000
	<b>Totals, Local Assistance</b>	<b>\$17,345</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>40</b>	<b>CHARTER SCHOOL FACILITY GRANT PROGRAM</b>			
	<b>State Operations:</b>			
0001	General Fund	\$-	\$104	\$270
	<b>Totals, State Operations</b>	<b>\$-</b>	<b>\$104</b>	<b>\$270</b>
	<b>Local Assistance:</b>			
0001	General Fund	\$-	\$92,031	\$92,031
	<b>Totals, Local Assistance</b>	<b>\$-</b>	<b>\$92,031</b>	<b>\$92,031</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>50</b>	<b>CHARTER SCHOOL REVOLVING LOAN PROGRAM</b>			
	<b>State Operations:</b>			
0001	General Fund	\$-	\$177	\$103
	<b>Totals, State Operations</b>	<b>\$-</b>	<b>\$177</b>	<b>\$103</b>
	<b>Local Assistance:</b>			
0606	Charter School Revolving Loan Fund	\$-	\$12,386	\$12,386
	<b>Totals, Local Assistance</b>	<b>\$-</b>	<b>\$12,386</b>	<b>\$12,386</b>
<b>TOTALS, EXPENDITURES</b>				
	State Operations	864	1,573	1,674
	Local Assistance	17,345	124,417	124,417
	<b>Totals, Expenditures</b>	<b>\$18,209</b>	<b>\$125,990</b>	<b>\$126,091</b>

**EXPENDITURES BY CATEGORY**

	1 State Operations	Positions			Expenditures		
		2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
<b>PERSONAL SERVICES</b>							
	Authorized Positions (Equals Sch. 7A)	6.4	8.0	8.0	\$402	\$517	\$527
	Total Adjustments	-	-	2.0	-	7	97
	<b>Net Totals, Salaries and Wages</b>	<b>6.4</b>	<b>8.0</b>	<b>10.0</b>	<b>\$402</b>	<b>\$524</b>	<b>\$624</b>
	Staff Benefits	-	-	-	168	219	261
	<b>Totals, Personal Services</b>	<b>6.4</b>	<b>8.0</b>	<b>10.0</b>	<b>\$570</b>	<b>\$743</b>	<b>\$885</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>							
					\$294	\$830	\$789
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>					<b>\$864</b>	<b>\$1,573</b>	<b>\$1,674</b>

\* Dollars in thousands, except in Salary Range.

## 0985 California School Finance Authority - Continued

### 2 Local Assistance

	Expenditures		
	2012-13*	2013-14*	2014-15*
Federal Grant Program	\$17,345	\$20,000	\$20,000
Charter School Facility Grant Program	-	92,031	92,031
Charter School Revolving Loan Program	-	12,386	12,386
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$17,345</b>	<b>\$124,417</b>	<b>\$124,417</b>

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2012-13*	2013-14*	2014-15*
<b>0001 General Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$-	\$280	\$373
Adjustment per Section 3.60	-	1	-
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$281</b>	<b>\$373</b>
<b>0526 California School Finance Authority Fund</b>			
APPROPRIATIONS			
Education Code Section 17181	\$167	\$100	\$100
<b>TOTALS, EXPENDITURES</b>	<b>\$167</b>	<b>\$100</b>	<b>\$100</b>
<b>0890 Federal Trust Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$136	\$140	\$148
Budget Adjustment	-6	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$130</b>	<b>\$140</b>	<b>\$148</b>
<b>6044 2004 State School Facilities Fund</b>			
APPROPRIATIONS			
Education Code Section 17078.52(b)(2) (Transfer to 2004 Charter School Facilities Account, 2004 State School Facilities Fund)	\$439	\$623	\$624
<b>TOTALS, EXPENDITURES</b>	<b>\$439</b>	<b>\$623</b>	<b>\$624</b>
<b>6057 2006 State School Facilities Fund</b>			
APPROPRIATIONS			
Education Code Section 17078.52 (b)(3) (Transfer to 2006 Charter School Facilities Account, 2006 State School Facilities Fund)	\$128	\$429	\$429
<b>TOTALS, EXPENDITURES</b>	<b>\$128</b>	<b>\$429</b>	<b>\$429</b>
<b>9734 2004 Charter School Facilities Account, 2004 State School Facilities Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$597	\$610	\$624
Allocation for employee compensation	2	10	-
Adjustment per Section 3.60	9	3	-
Adjustment per Section 3.90	-24	-	-
Technical Adjustment	1	-	-
<b>Totals Available</b>	<b>\$585</b>	<b>\$623</b>	<b>\$624</b>
Unexpended balance, estimated savings	-146	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$439</b>	<b>\$623</b>	<b>\$624</b>
Less funding provided by 2004 State School Facilities Fund	-439	-623	-624
<b>NET TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>9735 2006 Charter School Facilities Account, 2006 State School Facilities Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$429	\$429	\$429
<b>Totals Available</b>	<b>\$429</b>	<b>\$429</b>	<b>\$429</b>
Unexpended balance, estimated savings	-301	-	-

\* Dollars in thousands, except in Salary Range.

**0985 California School Finance Authority - Continued**

<b>1 STATE OPERATIONS</b>	<u>2012-13*</u>	<u>2013-14*</u>	<u>2014-15*</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$128</b>	<b>\$429</b>	<b>\$429</b>
Less funding provided by 2006 State School Facilities Fund	-128	-429	-429
<b>NET TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$864</b>	<b>\$1,573</b>	<b>\$1,674</b>
<b>2 LOCAL ASSISTANCE</b>	<u>2012-13*</u>	<u>2013-14*</u>	<u>2014-15*</u>
<b>0001 General Fund, Proposition 98</b>			
APPROPRIATIONS			
220 Budget Act appropriation	\$-	\$92,031	\$92,031
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$92,031</b>	<b>\$92,031</b>
<b>0606 Charter School Revolving Loan Fund</b>			
APPROPRIATIONS			
Education Code Section 41365	\$-	\$12,386	\$12,386
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$12,386</b>	<b>\$12,386</b>
<b>0890 Federal Trust Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	\$20,000	\$20,000	\$20,000
Budget Adjustment	-2,655	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$17,345</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$17,345</b>	<b>\$124,417</b>	<b>\$124,417</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$18,209</b>	<b>\$125,990</b>	<b>\$126,091</b>

**CHANGES IN AUTHORIZED POSITIONS**

	<u>Positions</u>			<u>Expenditures</u>		
	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2012-13*</u>	<u>2013-14*</u>	<u>2014-15*</u>
Totals, Authorized Positions	6.4	8.0	8.0	\$402	\$517	\$527
Salary Adjustments	-	-	-	-	7	7
<b>Workload and Administrative Adjustments:</b>	<b>Salary Range</b>					
Reductions in Authorized Positions:						
Associate Governmental Program Analyst	-	-	-1.0	4,400-5,508	-	-59
Positions Established:						
Staff Services Manager I	-	-	1.0	5,079-6,311	-	68
Office Technician	-	-	1.0	2,868-3,362	-	36
Staff Services Analyst	-	-	1.0	2,817-4,579	-	45
<b>Totals, Workload &amp; Admin Adjustments</b>	<b>-</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>\$-</b>	<b>\$90</b>
<b>Total Adjustments</b>	<b>-</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>\$7</b>	<b>\$97</b>
<b>TOTALS, SALARIES AND WAGES</b>	<b>6.4</b>	<b>8.0</b>	<b>10.0</b>	<b>\$402</b>	<b>\$524</b>	<b>\$624</b>

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