

0985 California School Finance Authority

Created in 1985, the California School Finance Authority (CSFA) oversees the statewide system for the sale of revenue bonds to reconstruct, remodel or replace existing school buildings, and to acquire new school sites and buildings to be made available to public school districts, charter schools, and community colleges, and to provide access to financing for working capital and capital improvements. CSFA consists of the following three members: the State Treasurer who serves as chair, the Superintendent of Public Instruction, and the Director of Finance.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
20 Charter School Facilities Program	3.3	4.9	4.9	\$10,239	\$10,859	\$10,873
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	3.3	4.9	4.9	\$10,239	\$10,859	\$10,873
FUNDING				2006-07*	2007-08*	2008-09*
0890 Federal Trust Fund				\$9,789	\$9,850	\$9,850
6040 Charter School Facilities Account, 2002 State School Facilities Fund				450	-	-
9734 2004 Charter School Facilities Account, 2004 State School Facilities Fund				-	580	594
9735 2006 Charter School Facilities Account, 2006 State School Facilities Fund				-	429	429
TOTALS, EXPENDITURES, ALL FUNDS				\$10,239	\$10,859	\$10,873

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Education Code Sections 17170-17199.5 and 17078.52-17078.66.

DETAILED BUDGET ADJUSTMENTS

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Baseline Adjustment Descriptions						
• Various Baseline Adjustments	\$-	\$14	-	\$-	\$28	-
Totals, Baseline Adjustments	\$-	\$14	-	\$-	\$28	-
TOTALS, BUDGET ADJUSTMENTS	\$-	\$14	-	\$-	\$28	-

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - SMART BONDS PROGRAM

Chapter 1438, Statutes of 1985, as amended by Chapter 598, Statutes of 1987, established the California School Finance Authority (CSFA) and authorized the issuance of \$400 million in 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, acquisition of portable/relocatable buildings, and to provide working capital. Effective January 1, 1997, Chapter 1071, Statutes of 1996, authorized the issuance of an additional \$400 million in revenue bonds per fiscal year for school districts and county offices of education that agreed to guarantee payment of the bonds with Proposition 98 funds. The total outstanding amount may not exceed \$4 billion at any one time. Pursuant to Chapter 741, Statutes of 1998, effective January 1, 1999, the \$400 million annual issuance cap was eliminated. Based on program amendments effective January 1, 2007, Chapter 325, Statutes of 2006 (AB 2717), CSFA is initiating financing opportunities for 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 Schools Facilities Program, that provides funding for the new construction or renovation of charter school facilities. CSFA and the Office of Public School Construction jointly administer the program. The Charter School Facilities Program through the Kindergarten-University Public Education Facilities Bond Acts of 2002, 2004, and 2006, was funded \$100 million in bond proceeds from Proposition 47, \$300 million from Proposition 55, and \$500 million from Proposition 1D. To date, 34 schools have been awarded funding through the program's first two funding rounds. For the third funding round, 92 Program applications for projects totaling over \$1.5 billion have been received and are being reviewed for eligibility.

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

* Dollars in thousands, except in Salary Range.

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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 to provide California charter schools with assistance for facilities costs. The \$50 million federal grant is being allocated over a five-year period (through 2009) to eligible charter schools. 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. Eligible charter schools must, at a minimum, be in good standing with their chartering authority, provide site-based instruction, and have completed at least one school year of instructional operations. Additional requirements are listed in the program regulations.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2006-07*	2007-08*	2008-09*
PROGRAM REQUIREMENTS				
20	CHARTER SCHOOL FACILITIES PROGRAM			
State Operations:				
0890	Federal Trust Fund	\$64	\$125	\$125
6040	Charter School Facilities Account, 2002 State School Facilities Fund	450	-	-
9734	2004 Charter School Facilities Account, 2004 State School Facilities Fund	-	580	594
9735	2006 Charter School Facilities Account, 2006 State School Facilities Fund	-	429	429
Totals, State Operations		\$514	\$1,134	\$1,148
Local Assistance:				
0890	Federal Trust Fund	\$9,725	\$9,725	\$9,725
Totals, Local Assistance		\$9,725	\$9,725	\$9,725
TOTALS, EXPENDITURES				
State Operations		514	1,134	1,148
Local Assistance		9,725	9,725	9,725
Totals, Expenditures		\$10,239	\$10,859	\$10,873

EXPENDITURES BY CATEGORY (Summary By Object)

	1 State Operations			2 Local Assistance		
	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	3.3	5.0	5.0	\$244	\$324	\$331
Total Adjustments	-	-	-	-	11	11
Estimated Salary Savings	-	-0.1	-0.1	-	-6	-6
Net Totals, Salaries and Wages	3.3	4.9	4.9	\$244	\$329	\$336
Staff Benefits	-	-	-	79	112	110
Totals, Personal Services	3.3	4.9	4.9	\$323	\$441	\$446
OPERATING EXPENSES AND EQUIPMENT						
				\$191	\$693	\$702
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$514	\$1,134	\$1,148
2 Local Assistance						
Federal Grant Program				\$9,725	\$9,725	\$9,725
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)				\$9,725	\$9,725	\$9,725

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DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
0890 Federal Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$125	\$125	\$125
Budget Adjustment	<u>-61</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$64	\$125	\$125
6040 Charter School Facilities Account, 2002 State School Facilities Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$547	\$-	\$-
Allocation for employee compensation	14	-	-
Adjustment per Section 3.60	<u>2</u>	<u>-</u>	<u>-</u>
Totals Available	\$563	\$-	\$-
Unexpended balance, estimated savings	<u>-113</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$450	\$-	\$-
9734 2004 Charter School Facilities Account, 2004 State School Facilities Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$-	\$566	\$594
Allocation for employee compensation	-	15	-
Adjustment per Section 3.60	<u>-</u>	<u>-1</u>	<u>-</u>
TOTALS, EXPENDITURES	\$-	\$580	\$594
9735 2006 Charter School Facilities Account, 2006 State School Facilities Fund			
APPROPRIATIONS			
001 Budget Act appropriation	<u>\$-</u>	<u>\$429</u>	<u>\$429</u>
TOTALS, EXPENDITURES	\$-	\$429	\$429
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$514	\$1,134	\$1,148
2 LOCAL ASSISTANCE	2006-07*	2007-08*	2008-09*
0890 Federal Trust Fund			
APPROPRIATIONS			
101 Budget Act appropriation	<u>\$9,725</u>	<u>\$9,725</u>	<u>\$9,725</u>
TOTALS, EXPENDITURES	\$9,725	\$9,725	\$9,725
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$9,725	\$9,725	\$9,725
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$10,239	\$10,859	\$10,873

CHANGES IN AUTHORIZED POSITIONS

	<u>Positions</u>			<u>Expenditures</u>		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Totals, Authorized Positions	3.3	5.0	5.0	\$244	\$324	\$331
Salary Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
Total Adjustments	-	-	-	\$-	\$11	\$11
TOTALS, SALARIES AND WAGES	3.3	5.0	5.0	\$244	\$335	\$342

* Dollars in thousands, except in Salary Range.