

**U.S. Department of Education Grant Application for
State Charter School Facilities Incentive Grants
ED Abstract Form**

Organization Name: California School Finance Authority
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First Year Grant Amount: \$7,720,749
Second Year Grant Amount: \$10,782,000
Third Year Grant Amount: \$10,000,000
Fourth Year Grant Amount: \$10,000,000
Fifth Year Grant Amount: \$10,000,000

California has been at the forefront of reforms that seek to provide charter schools with the operational and financial tools necessary to meet the intent of California's Charter School Act of 1992. This statute set out to improve pupil learning, spur the use of innovative teaching methods, provide parents and pupils with expanded choices, hold charter schools accountable for meeting measurable pupil outcomes, provide schools with a method to change from rule-based to performance-based accountability systems, and encourage competition within the public school system to stimulate continual improvements in all schools. California has used several approaches to assist approximately 450 charter schools to more readily obtain facilities.

- Proposition 39, which took effect in 2003, requires school districts to provide charter students with facilities that are reasonably comparable to regular public schools.
- California enacted a lease aid program for charter schools in 2001 that reimburses charter schools for the lesser of \$750 per student or 75 percent of the lease costs incurred. This program targets schools serving exceptionally high proportions of economically disadvantaged students.
- California established a charter school revolving loan fund in 2001 that provides loans of up to \$250,000 to charter schools in their first five years at a rate that is three to five percentage points below the rates they can obtain from private lenders.
- California adopted its Charter School Facilities Program (CSFP) in 2002 and expanded this program in March of 2004 as part of Proposition 55. This \$400 million per-pupil facilities aid program funds one-half of the project costs as a grant. Consequently, charter schools are only obligated to pay one-half of their project costs.

California will use its Federal grant to expand CSFP, which was only able to serve one quarter of its applicants in 2003.