

CHARTER AUGMENTION GRANT PROGRAM
FREQUENTLY ASKED QUESTIONS
AS OF JANUARY 6, 2012

Question #1

If our maximum apportionment for CSFP is anticipated to be less than the preliminary apportionment, which figure should we utilize when determining our gap in financing and augmentation grant need?

Answer #1

If you have calculated that your final apportionment will be less than the preliminary apportionment, utilize the anticipated final apportionment when calculating the augmentation grant need and include an explanation for the difference between the preliminary and anticipated final apportionment.

Please note that the District expects the charter to maximize their CSFP apportionment. The augmentation grant amount awarded will be subject to verification of the final amount apportioned by CSFP and will be adjusted accordingly.

Questions #2

What costs can be included in the overall budget (i.e. built in technology, furniture or other infrastructure)?

Answer #2

The budget should include all costs necessary to construct and operate the school (please see Exhibit B – Project Budget).

Question #3

*What is the status for our local district on Prop 39 and playground space?
What is the information for them on overcrowding and playground space?*

Answer #3

This determination will be made upon evaluation of the proposals. District staff is not able to respond to individual requests for this determination prior to submittal.

Questions #4

For exhibit C, the 5 year proforma, can we provide our own spreadsheet or do we have to input it in your pdf file?

Answer #4

Word and Excel files of the attachments have been uploaded to the website. Please use these files. Do not provide your own spreadsheets.

Question #5

In the guidelines on P3 it specifies 2 bound copies and 1 unbound copy of the grant applications. Yet, on P5, Section IV, it requests 3 bound copies and 1 unbound. Can you please clarify for us?

Answer #5

Please provide three (3) bound copies and one (1) unbound copy of all required materials.

Question #6

In our case, 100% of the project costs are coming from Prop 55, but we would need close to 35% to complete the “bridge” financing. I think the language in the grant app stating that LAUSD will award charters that have a “gap in financing” is making us wonder if we may still be eligible.

Answer #6

The Charter Augmentation Grant Program is intended to augment funds for charters who do not have sufficient funds to build their project. For example, if the total project costs are \$20M and only \$15M have been secured; the District would augment the project by providing the “gap” - \$5M. Grant funds will be provided upon proof that all other funding has been received, which terms shall be negotiated, and a schedule of values validates the need for the funds.

This Program is not intended to provide a “loan” or “bridge” financing to charters who experience a delay in receiving otherwise committed funds.

Question #7

Please can you also clarify if the Charter School is to articulate a reply to the bonus point section? Or does the district allocate those points based on their own data regarding Prop 39 demand areas and areas with schools with less than optimal playground space?

Additionally, if we have not yet identified our definite parcel of land, would you like us to give the approximate vicinity so that you may determine if these points may be awarded or not.

Answer #7

The District will determine the points utilizing the District’s data. The charter should provide the District with the location of the proposed project in order for the District to conduct its analysis.

The award of the Bonus Points is based on identification of a site. If a site has yet to be identified, then the Bonus Points cannot be calculated and, therefore, none will be awarded.

Question #8

While our site acquisition funding is not enough, our design/construction budget allocation is slightly more than required. I read someone else's question regarding entirely spending out the 1D funding. I just wanted to clarify that we will be entirely spending out the portion allocated for site acquisition, the portion for which we are applying, but may not entirely spend out the portion allocated for construction. Does the district see this as problematic in viewing our application for an augmentation grant?

Answer #8

It is the District's understanding that the State will fund up to the full amount of the preliminary apportionment regardless of the initial amounts allocated for site acquisition and construction costs. Please check with CSFP for further information.

The augmentation grant is to be provided on the "back end". These funds will be disbursed upon proof that all other funding has been received. Therefore, the augmentation grant cannot be used to purchase property.

Question #9

My charter is a conversion charter occupying an existing District campus. Does that mean we have to move students off of conversion campus in order to comply with the waiver of Prop 39?

Answer #9

You would not be required to move students off of the conversion campus as conversion charters are subject to Sole Occupant Agreements (SOA). However, the augmentation grant requires that "the charter must be in compliance with all applicable laws and regulations and District Charter Policies" and that "the charter shall be in good standing with LAUSD as of the date of the augmentation request and must remain in such standing through execution of the documents." These requirements include all necessary agreements, including facilities agreements. Therefore, we will require an executed SOA for your proposal to be considered for the augmentation grant.

Question #10

We have a Construction Cost Summary that was prepared back in Aug. 5, 2009 but it doesn't include some of the items on Exhibit B. Should we just do our best to estimate? Or is there a formula?

Answer #10

There is no formula to assist with the completion of Exhibit B. The Charter should consult with appropriate professionals as needed to fully complete Exhibit B and provide an accurate and up to date estimate for their project.

Question #11

Under funding sources, we have the LAUSD CSFP Grant and Prop 55 Award. Due to redistribution of Prop 55 funds available, we will be eligible for a larger amount than originally awarded. Should I use the original amount or the estimated amount?

Answer #11

If you anticipate that your final apportionment will be more than the preliminary apportionment, utilize the anticipated final apportionment when calculating the augmentation grant need and include an explanation for the difference between the preliminary and anticipated final apportionment. (The augmentation grant will not be increased in the future should you fail to receive the anticipated larger award amount.)

Please note the first bullet of Section III. Project Requirements, which states that projects currently receiving District Bond funds are not eligible.

Question #12

We have already prepared a detailed cost estimate. Can we attach appendices for such things? i.e. Relevant experience of team members (See e.g., section D5, C3/cost estimate)

Answer #12

In order for the District to be able to compare proposals, please utilize the provided District exhibits and/or answer the questions as requested. Additional appendices may be provided at your discretion and for reference only as the District will rely upon the requested materials (i.e., exhibits provided by the District and numbered questions) to evaluate the proposal.

Question #13

What are the names of the members of the review/selection panel?

Answer #13

This is a confidential process, therefore the names of the reviewers/selection panel members are not disclosed to ensure they are not subjected to any undue pressure during the evaluation process.

Question #14

What level of detail is being requested on the following sections: Ex B, D.1.

Answer #14

Provide any and all information you feel necessary to appropriately answer the question and convey to the reviewers/selection panel members your team's ability to effectively complete the project.

Question #15

Are pictures of personnel or projects allowed?

Answer #15

Yes, though they are not required and will not be evaluated.

Question #16

Does the 5% reserve figure refer to 5% of the operating budget?

Answer #16

The 5% reserve figure refers to 5% of the expenditures for any given year. For example, if your total expenditures in 2012 are estimated to be \$1,000,000, then we would expect a minimum reserve of \$50,000.

Question #17

What is the timeline on receipt of funding if the application is approved?

Answer #17

The District estimates it will take approximately three-four (3-4) months from the date a proposal is submitted to evaluate it and take it to the Board for approval. Disbursement of funds will vary for each project as the terms for disbursement will be negotiated between the charter and the District. However, funds will only be provided upon proof that all other funding has been received and a schedule of values validates the need for the funds.

Question #18

For Exhibit B:

- a. Does item 3.2 refer to the dollar amount of current or future change orders to the design contract;
- b. Does 4.3 refer to fees associated with utility connections such as water, gas, electrical etc;
- c. Please clarify what is meant by hazard insurance. Liability, auto, builders risk etc.

Answer #18

- a. **Item 3.2 refers to the total dollar amount of change orders that would be included in the project budget – current and future/contingency.**
- b. **Item 4.3 refers to all fees that may be paid to the utility provider in order to provide service to the project, including utility connections, design of service, relocation of existing utilities, etc.**
- c. **Per District requirements, Commercial Automobile Liability Insurance, Worker's Compensation Insurance and Employer's Liability Insurance, Commercial General Liability Insurance and Builders Risk shall be provided. All insurance shall be accounted for in Item 4.6 and/or Item 5.2. It is up to the charter to determine under which category they wish to allocate each form of insurance. Please make a note in the "Notes/Uses" column stating where each form of insurance is included.**