



COLORADO
Department of Education

How to Successfully Use
Charter School Capital Construction (CSCC) Funds &
Plan for
Building Excellent Schools Today (BEST) Grant

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AGENDA

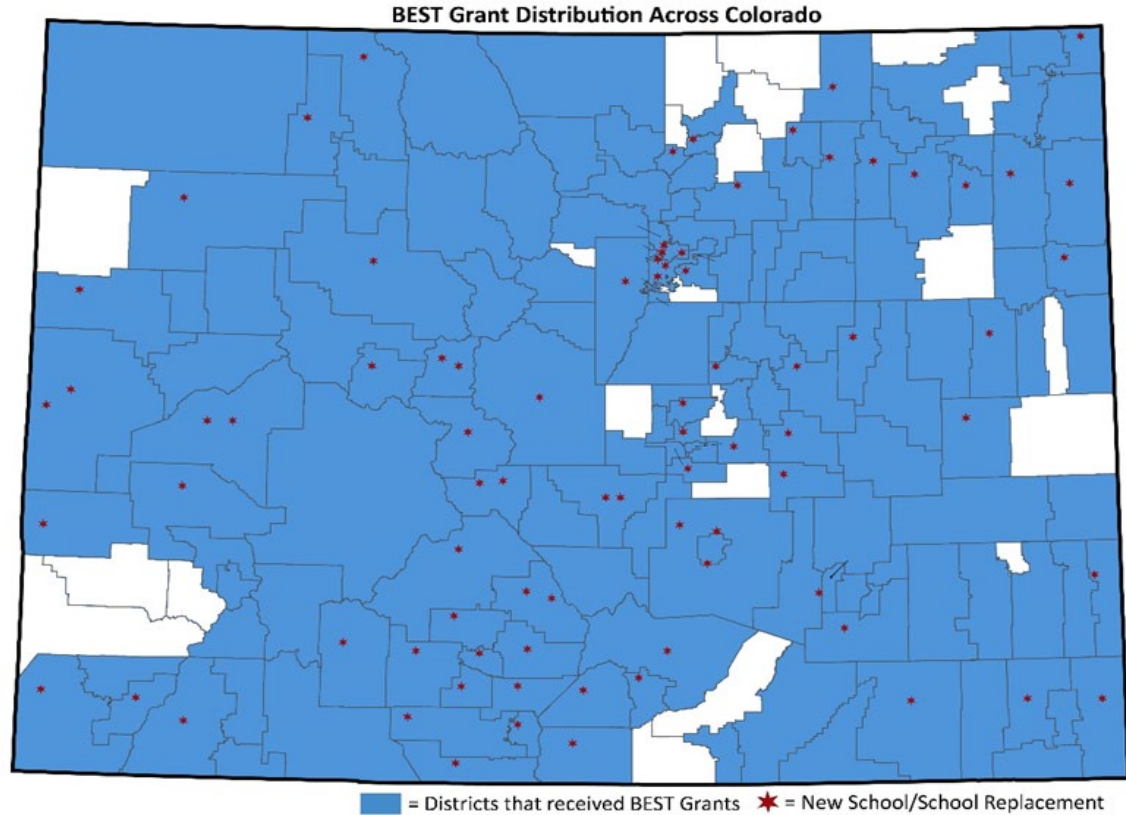
- 1) Overview of the CDE-Capital Construction Unit
- 2) Charter School Capital Construction Program
 - Eligibility
 - Funding Availability
 - Allowable Uses
 - Timeline and Requirements
- 3) Building Excellent Schools Today (BEST) Program
 - Eligibility
 - Funding
 - Planning
 - Timeline
- 4) Next Steps and Resources



- **Building Excellent Schools Today (BEST) Grants**
 - **Cash funds** are typically used to fund smaller projects, such as roofs, boiler replacements, and fire alarms.
 - **Lease-Purchase or COP funds** are typically used to fund larger projects, such as new schools, major renovations, and additions. These grants are financed through Certificates of Participation and repaid with Assistance Fund revenues.
- **Emergency Grants:** available for unanticipated events that threaten health or safety or render all or a significant portion of a public school facility unusable for educational purposes.
- **Other Grants as Assigned:** FY20 Full Day Kindergarten Grants, FY22 Air Quality Improvement Grants
- **Charter School Capital Construction (CSCC) Program:** used for “construction, demolition, remodeling, maintaining, financing, purchasing, or leasing of land, buildings, or facilities...”
 - Funded with a percentage of marijuana excise tax revenue and State Education Fund dollars
- **Facility Insight Assessments** focus on establishing an industry based standard to compare the cost of replacing major systems against replacing an entire facility
- **Professional Resources** for facility needs (master planning, design, maintenance, construction, procurement, etc.)

History of BEST

Since its inception in 2008, BEST has awarded health and safety grants, additions and replacement schools in nearly every Colorado school district, generating over \$3.5 billion in school construction projects

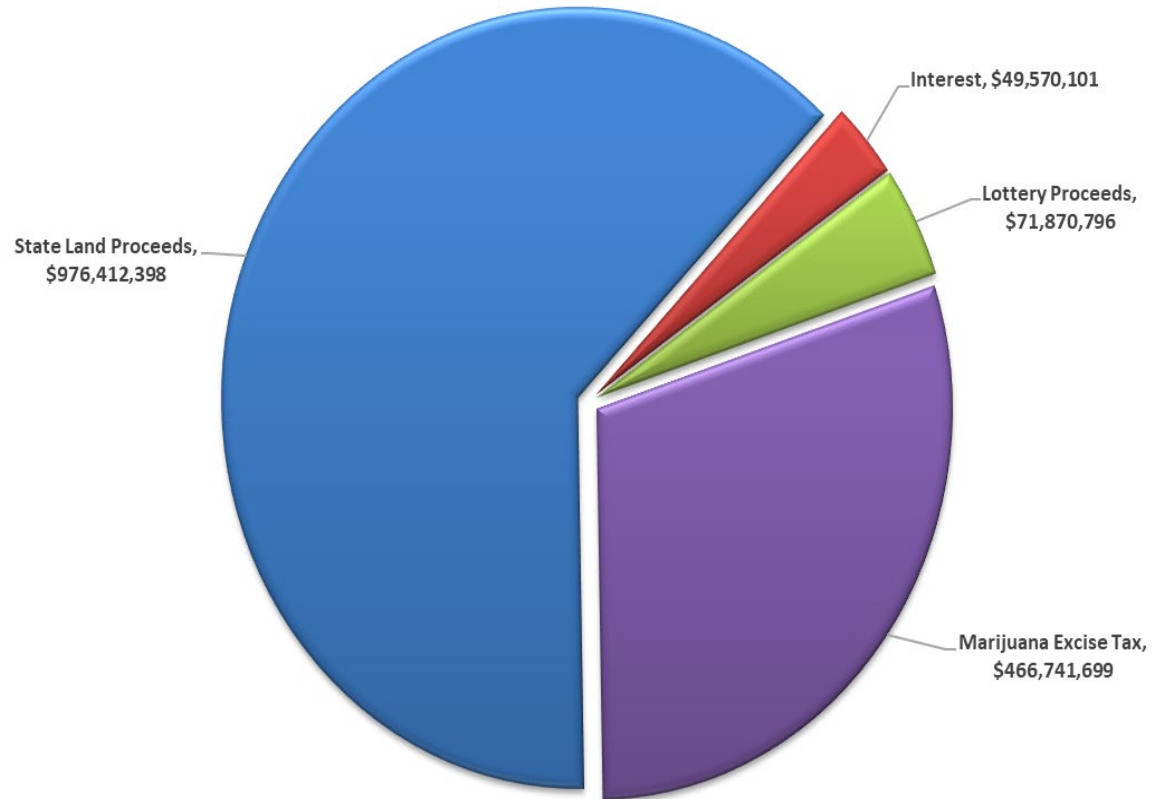


Capital Construction Assistance Fund Revenue Sources Through FY22

Capital Construction Assistance Fund Revenue Sources
Life of Program

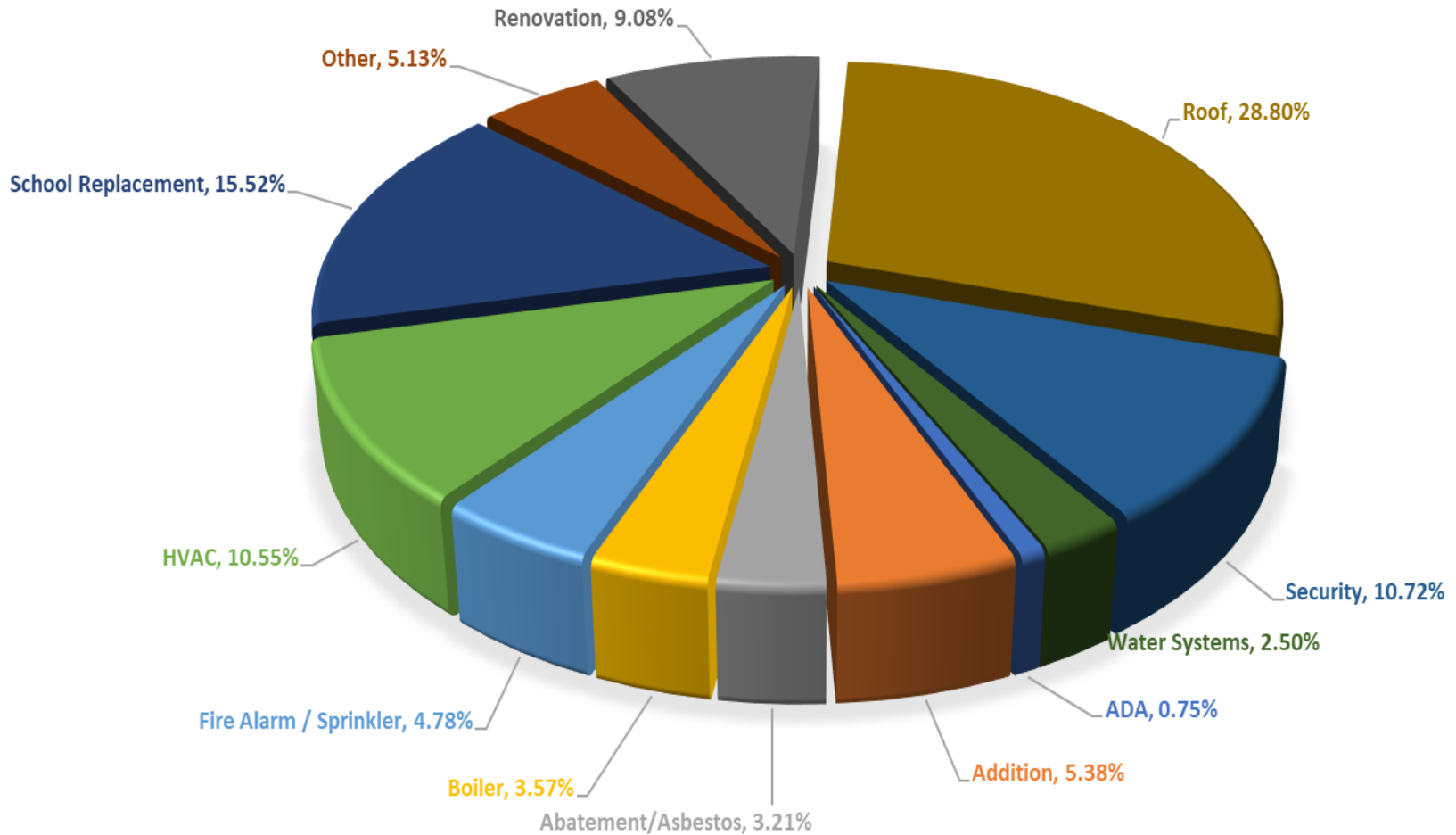
\$1.5 Billion in Total Revenue

- 62% State Land Proceeds
- 30% Marijuana Excise Tax
- 5% Colorado Lottery
- 3% Interest





BEST Projects Funded by Project Type through FY2021-2022



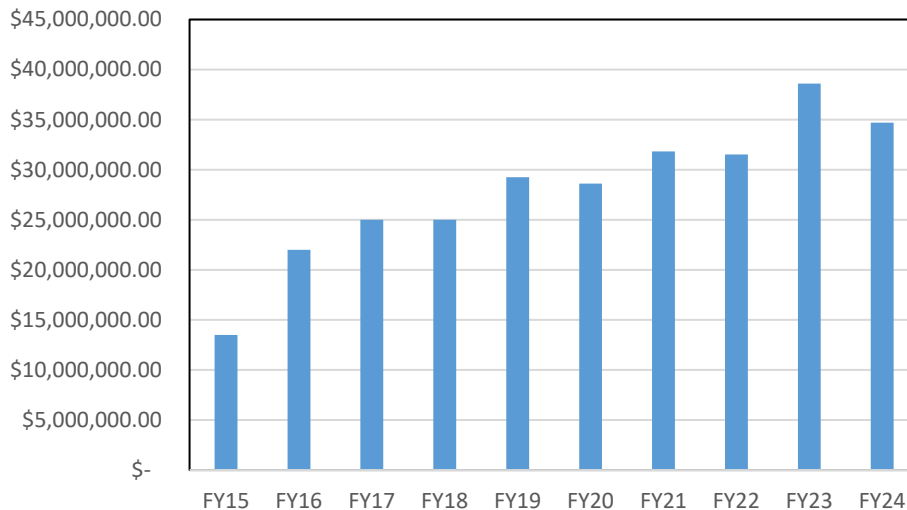


FUNDING

Provides an appropriation from the State Education Fund and a percentage of marijuana excise tax (MJET) proceeds to fund capital construction in Charter Schools and Institute Charter Schools

How much money does your school receive each month, and how do you use it for your school?

CSCC Funding FY15-present



Between FY15 and FY 23, distributed over **\$245 million** to charter schools

Funding per FTE

- FY20 = \$275
- FY21 = \$301
- FY22 = \$297
- FY23 = \$358
- FY24 = TBD

**\$34,712,415 was in the Long Bill for FY23-24, plus an additional \$10,000,000*

Charter School Capital Construction (CSCC) Program



Established in C.R.S. 22-54-124 for the purpose of promoting safe and healthy learning environments.

ONLY Colorado Charter Schools has access to these annual funds!

ELIGIBILITY

- Publicly funded K-12 charter school – *based on CDE October pupil count*
- District-owned and non-district-owned non-district owned facilities
- Leasing a property listed on the state inventory of real property
- Must have capital construction needs
- Complete required annual reports
- Eligible in the first year of operation
- Online schools are **not eligible**:
 - Technically, per statute, “... certified charter school pupil enrollment’ means the total number of pupils who are not online pupils...”

DISTRIBUTION

- Funding is distributed on a monthly basis to the authorizer of all eligible schools that submit an Eligibility Questionnaire(October-Google Form)
- Annual grant distribution= October Count x Final per pupil \$
 - Schools in a **district-owned facility** receive one-half the amount per pupil
 - Schools in a **leased or school-owned facility** receive full funding per pupil





What can we use CSCC funds for?

- **ALLOWABLE USES**

- School Construction
- Maintaining Facilities (*Guide of eligible expenditures on the web*)
- Purchasing Facilities
- Renovations
- Financing
- Leasing Facilities

- Funds **CAN NOT** be used for ongoing operational expenses

- Funds can be carried over year to year to save for future projects

- Capital Renewal Fund



What is considered a *maintaining facilities* expense?

Eligible “maintaining” expenses

- Routine interior/exterior painting
- General building repairs
- Roof patching, broken windows
- HVAC repair or replacement
- Replace door hardware

Ineligible “maintaining” expenses

- Custodial services and supplies
- Pest control services
- Tree trimming, mowing
- Care of trees, shrubbery
- Snow removal
- Other



July


Initial distribution set based on prior year's October counts, Eligibility Questionnaire, and assumed excise revenue



What do I need to do to receive funds?

Complete annual CSCC-01 Expenditures and Eligibility Report

- Due annually on **October 31st**
- Must be completed to remain in good standing and continue to receive funding without pause
- Online Google Form posted on CDE/Capital Construction website
- Keep an eye out on the Scoop, Schools of Choice, and CSI newsletters for reminders!



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CSCC-01 Expenditures and Eligibility

Expenditures and Project Description and Eligibility - **Due October 31st**
This is required annually from all charter schools who wish to receive Charter School Capital Construction funds. Please read each question carefully and provide accurate responses as your funding levels will be determined by information provided.

Questions about the CSCC Program?



Building Excellent Schools Today (BEST) Grant Program

What is Capital Construction?

Per C.R.S 22-43.7-103, “Capital construction” has the same meaning as set forth in section 24-30-1301 (2); except that the term also includes technology, as defined in section 22-43.7-109 (5)(a)(I)(B), and career and technical education capital construction.

Per C.R.S 24-30-1301 (2), “Capital construction” means:

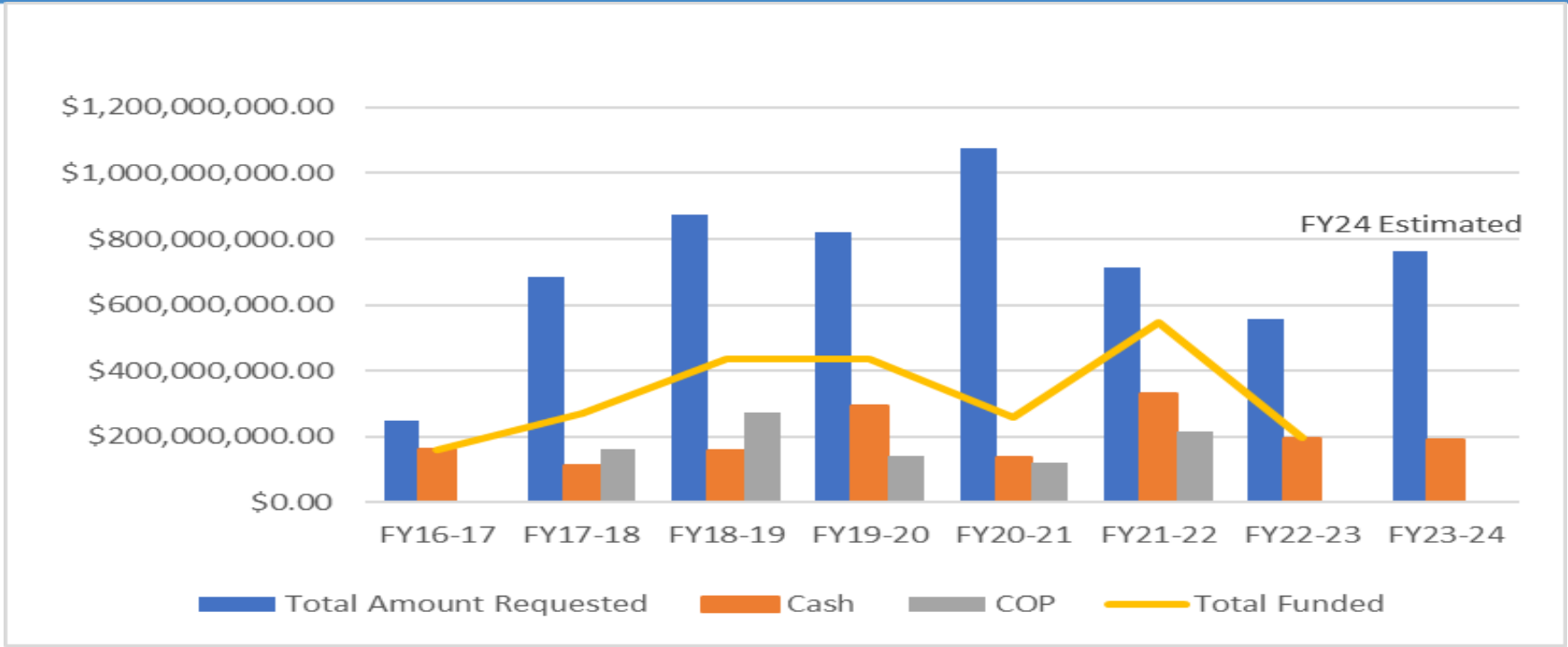
- (a) **Acquisition** of a capital asset or disposition of real property;
- (b) **Construction, demolition, remodeling, or renovation** of real property necessitated by changes in the program, to meet standards required by applicable codes, to correct other conditions hazardous to the health and safety of persons which are not covered by codes, to effect conservation of energy resources, to effect cost savings for staffing, operations, or maintenance of the facility, or to improve appearance;
- (c) **Site improvement or development** of real property;
- (d) **Installation of the fixed or movable equipment** necessary for the operation of new, remodeled, or renovated real property, if the fixed or movable equipment is initially housed in or on the real property upon completion of the new construction, remodeling, or renovation;
- (e) Installation of the fixed or movable equipment necessary for the conduct of programs in or on real property upon completion of the new construction, remodeling, or renovation;
- (f) **Contracting for the services** of architects, engineers, and other consultants to prepare plans, program documents, life-cycle cost studies, energy analyses, and other studies associated with capital construction and to supervise the construction or execution of such capital construction; or
- (g) (Deleted by amendment, L. 2014.)

Building Excellent Schools Today – Overview

- Available to all public school districts, charter schools, institute charter schools, boards of cooperative educational services (BOCES), and the Colorado School for the Deaf and Blind
- Nine member-appointed Capital Construction Assistance Board (CCAB) determines the funding allocation for the annual BEST grants
- Per statute, BEST grants award allocation priorities are based on the following:
 1. **Health, Safety, Security** and Technology
 2. Overcrowding
 3. CTE Programs (HB19-1008)
 4. American Indian Mascots
 5. All other projects
- All applicants are required to provide matching funds based on the district/school determining factors



BEST Grant Funding in FY17 – FY24 Grant Rounds



- BEST averages \$521 million in total project requests each year, with \$236 million in total project cost funded (including the district/charter match %).
- Since FY17, 38% of charter applicants have been awarded funds



Are you eligible to apply?

ELIGIBILITY

- Operate in a school district facility, OR
- Operate in a non-school district facility with a path toward ownership or control of your facility, AND
- Must have been in existence for at **least three years** prior (*after 4th year of October count*) to the date of submission of the BEST grant application.

GOVERNING DOCUMENTS

- Bylaws and Articles of Incorporation for both the school and the building corporation, as applicable
- Reviewed by staff to ensure eligibility requirements are met



Do I have to provide match?

MATCHING FUNDS

- Required by all projects
 - Matches range from 19% to 71%
- Use several factors to weigh the financial capacity of each applicant as equitably as possible; criteria currently include:
 - Ownership of building (district vs. charter)
 - Weighted average of the match for districts of residence or 50% of the state average for Institute Charter
 - Attempts (failed or successful) at other funding opportunities
 - Enrollment as % of district
 - Free and Reduced Lunch %
- CDE calculates annually in December if applying for a BEST grant the following cycle
- If the minimum CDE match cannot be met, a waiver to reduce the match can be submitted

Matching Funds



How are Charter Schools in Colorado Obtaining Capital Funds?

- Grants- BEST(Colorado) and USDA (Federal), Foundations
- CSCC Funds*- Annual and dependable
- Loans- [USDA](#), Bank, CECFA & Owner Carry
- Bonds-
 - District Authorized Charters- Charter Schools may be able to work with authorizing districts to gain bond funding.
 - Private Activity Bonds- Gives opportunities to CSI-authorized charter schools and district-authorized charter schools.
- Community Development Financial Institutions (CDFI)- Non-profit, social lending. Loans are short-term
- Capital Reserves (CR)- Learn and devise a capital savings plan for your school.
** Annual CSCC funds can be saved into a Capital Reserve and used for future building needs.*

What other funding sources have been successful for you?



Considering applying for a BEST grant?

PLANNING – start now!

1st- Reach out to your *Regional Program Manager* – Brandon LaChance

- **Review or schedule your CDE Facility Assessment**, if available
- **Identify resources necessary**
 - Time
 - Personnel
 - Funding – *how much can you afford?*
 - School Finance and Building Committees
 - Meet and plan with your Authorizer for potential support
- **Hire Professionals –**
 - Master Planner (for major projects),
 - Owner's Representative,
 - Mechanical contractors,
 - Roofing Consultants, etc.



Where do I start?

MASTER PLANNING

A master plan is a tool for administration/staff/communities to make educated decisions regarding facilities, whether you have one or multiples.

Master Plans are comprised of two major components:

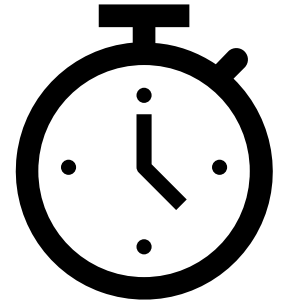
- **Assessment:** A thorough assessment of a school district, charter school, BOCES, or Colorado School for the Deaf and Blind (CSDB) facility inventory including but not limited to:
 - An assessment of all facilities
 - Demographic Information
 - Summary of performance of public school
 - Geographic Area
 - Operations Costs
- **Analysis:** Look at results to identify strengths, weakness and deficiencies that can be improved. Should include a plan to address deficiencies over the next 5 years including but not limited to:
 - Options for solutions to address deficiencies (ie. replacement, renovation, new)
 - Ability to implement the options (ie. funding, resources, etc.)
 - Impact of implementing or not



What makes a successful Charter BEST Grant project?

- Appropriate planning is CRITICAL
- Keep in mind the first priority of BEST – health, safety, and security
 - Roof replacement, HVAC upgrades, secure vestibules, and security cameras are usually strong grants!
- Addressing overcrowding and growth is not a number one priority of BEST
- Identify financial means and opportunities
 - Meeting the CDE minimum match
- Engage with your CDE RPM and hire professionals to support you along the way!





Important Dates & Deadlines:

- **November 30, 2023 – Notice of Intent to Apply Deadline**
 - CDE must collect data from the charter school in order to generate the matching percentage for the school
 - CDE will also schedule a facility assessment, if not complete
- **December 2023** – Updated Match Calculations Available
- **January-February 2024** – Application Open
 - If your charter school submits an application, the school must notify its authorizer.
- **May 2024** – CCAB meeting to recommend project applications for award
- **July 2024**– Award and Contract with successful grant recipients

<https://www.cde.state.co.us/cdefinance/CapConstCharterScIs>



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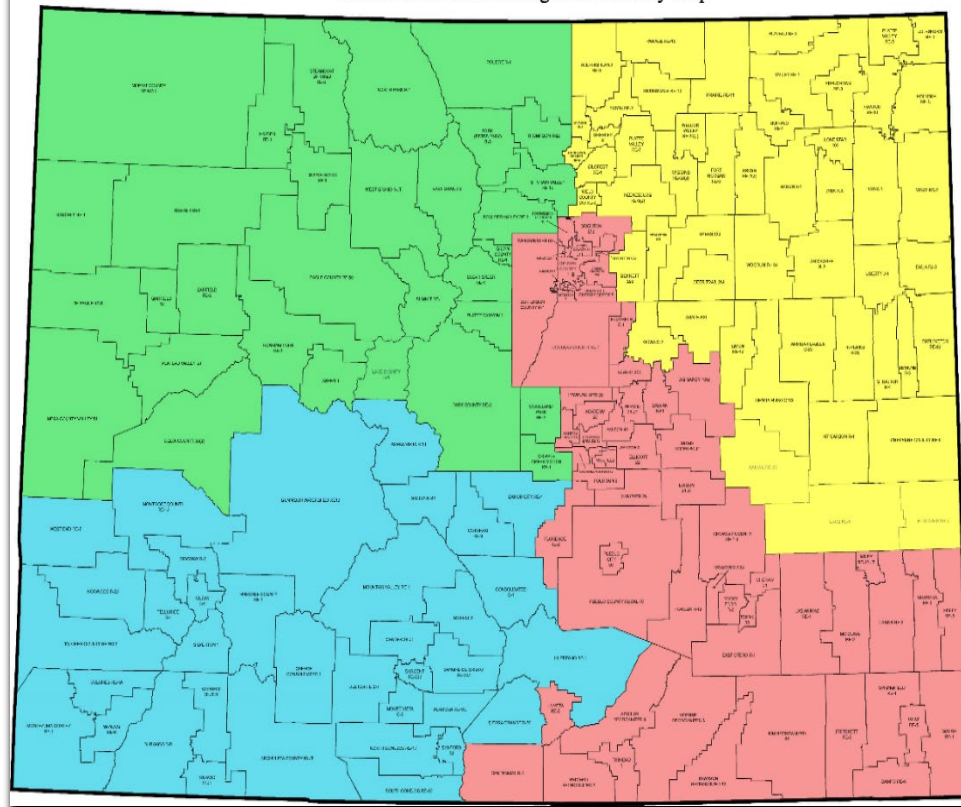
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BEST Division Staff Regional Territory Map



Questions?