

**Charter School Facilities Program
2022 Filing Round
Staff Summary Report – May 2025
Item# 4 Resolution 25-09**

Applicant/Obligor:	Education for Change
Project School:	Cox Academy
CDS (County – District – School) Code:	01-10017-6001788
School Address:	9860 Sunnyside Street, Oakland, CA 94603
Type of Project:	Rehabilitation
Type of Apportionment:	Final Apportionment
County:	Alameda
District in which Project is Located:	Alameda County Office of Education
Charter Authorizer:	Alameda County Office of Education
Total OPSC Project Cost:	\$25,538,414
State Apportionment (50% Project Cost):	\$12,769,207
Total CSFP Financed Amount:	\$12,769,207
Length of CSFP Funding Agreement:	30 Years
Assumed Interest Rate:	3.00%
Estimated Annual CSFP Payment:	\$651,475
First Year of Occupancy of New Project:	2027-28

Staff recommends that the California School Finance Authority (CSFA) Board determine that Education for Change (EFC) is financially sound for the purposes of Charter School Facilities Program (CSFP) Final Apportionment for Cox Academy (CA) located in Alameda County and operated by EFC. This determination, as it relates to Final Apportionment, is in place for twelve months and assumes no financial, operational, or legal material findings within this period. This recommendation is contingent upon CA electing to have its CSFP payments intercepted at the state-level, pursuant to Sections 17199.4. Staff recommends that the CSFA Board direct staff to notify the Office of Public School Construction and the State Allocation Board regarding this determination.

As this determination is for Final Apportionment, EFC, on behalf of CA, will not return to the CSFA board for further consideration. Staff will monitor CA's project to ensure the school occupies its CSFP facility and payments commence pursuant to Program regulations.

Application Highlights: Below staff highlighted key criteria evaluated when conducting the financial soundness review for EFC. Detailed information is contained in the body of the report.

Criteria	Comments
Demographic Information	In 2024-25, Education for Change had a total enrollment of 2,690 students in grades TK through 12; the average daily attendance (ADA) rate was 95.1%, and the Unduplicated Pupil Percentage (UPP) of ADA was 96.5%.
Debt Service Coverage	Debt service coverage from adjusted net income related to EFC's operations is projected to average 152% over the first two years that payments are due.
Eligibility Criteria	CA has met all eligibility criteria: (1) CA commenced operations in August 2005; (2) CA's charter is in place through June 2028; (3) CA is in good standing with its chartering authority and in compliance with the terms of its charter as March 2025.
Student Performance	CA's student performance exceeds adjacent peer schools in the local district for the period examined, based on California standardized testing (CAASPP).

Program Eligibility: Alameda County Office of Education confirmed that as of March 17, 2025, CA is compliant with the terms of its Charter Agreement and there are no pending or outstanding Notices of Violation or Intent to Revoke.

Legal Status Questionnaire: Staff reviewed EFC's responses to the questions contained in the Legal Status portion of the application. No information was disclosed that would lead staff to question the financial or legal integrity of this applicant.

Project Description: The scope of proposed project consists of increasing the footprint of one campus building, reconfiguring the floor plans of two other buildings, and upgrading building equipment. The net result will be an increase of one kindergarten classroom and a reduction of one general education classroom. Six ageing portable classrooms will be removed and three new classrooms will be constructed as an addition to an existing building. This work comprises 40,511 square feet, including 2,088 square feet of restroom space.

School Organizational Information: EFC is a charter management organization overseeing a portfolio of six schools in Oakland, California. According to information provided by EFC, each of its schools have unique programming and grade configurations but share resources and best practices to ensure they are positioned to most effectively serve and instruct students. Ninety percent of students enrolled in EFC qualify for free and reduced lunch; many are academically behind when entering EFC schools.

The subject school for the proposed CSFP funding is CA, one of EFC's six schools serving TK to 5th grade students. CA provides instruction in core content areas and is focused on critical thinking, problem solving and application of learning. The academy has a commitment to ensuring every student graduate's college ready.

Larrissa Adam is the CEO and Superintendent of Schools of EFC, and Omar Currie is the Principal of CA. EFC is governed by a volunteer board of directors, comprised of educational leaders, engaged parents, and committed community members. The board is responsible for ensuring the organization is meeting its charter terms, shaping the strategic focus of EFC, and that their schools are performing, equitable, and responsive to the needs of students and their families.

2024-25 EFC Board of Directors: This EFC board information is current as of May 2025. The term shown does not indicate how long each member has served on the board, only the period of their present term.

Name	Role(s)	Term
Eva Camp	Board Chair, Exec. Committee Chair, Student Outcomes Committee	2022-2025
Nick Driver	Board Member	2022-2025
Damon Grant	Board Member, Student Outcomes Committee	2024-2027
Mike Barr	Board Member, Finance Committee Chair	2023-2026
Lauren Weston	Board Member, Finance Committee	2023-2026
Chris Campbell	Board Member, Finance Committee	2023-2027
Erika Cisneros	Board Member	2023-2026
Sonia Urzua	Board Member	2023-2026
Niloy Gangopadhyay	Board Member	2023-2026
Stephish Ycoy-Walton	Parent Board Member	2024-2025
Kimberly Ovalle	Parent Board Member	2024-2025

School Academic Performance: The following tables represent recent academic performance of CA; and a similar nearby elementary school, Brookfield Elementary, located two miles from CA. Results for Oakland Unified School District are included as well. The results are referenced from the California Department of Education’s CAASPP Smarter Balanced testing data. The percentages represent students who met or exceeded performance standards.

English Language Arts Achievement

Educating Entity	FY22	FY23	FY24
Cox Academy	21%	17%	23%
Brookfield Elementary	21%	12%	11%
Oakland Unified	35%	33%	33%

Mathematics Achievement

Educating Entity	FY22	FY23	FY24
Cox Academy	15%	23%	29%
Brookfield Elementary	10%	7%	7%
Oakland Unified	26%	25%	26%

Enrollment Trends and Projections: The table below presents enrollment and average daily attendance information for EFC from FY 2021-22 through FY 2029-30. The assumptions made in the projected years are considered reasonable by staff and consistent based on historical data.

EFC Student Enrollment and Average Daily Attendance

Year (FY)	2022	2023	2024	2025	2026	2027	2028	2029	2030
Enrollment	2,643	2,670	2,557	2,690	2,677	2,678	2,650	2,649	2,649
ADA (%)	92%	94%	94%	95%	95%	95%	95%	95%	95%

Financial Analysis

Financial Data Sources: CSFA undertook this financial analysis of EFC based on the review of: (1) audited financial statements for FY 2021-22 through 2023-24; (2) budget projections for FY 2025-26 through 2029-30 along with assumptions.

Assumptions: Staff’s financial analysis of EFC is based upon the following assumptions: (1) occupancy of the project facilities in FY 2027-28; (2) the repayment of CA’s CSFP matching share loan in the amount of \$12,769,207 at 3% interest commencing in FY 2029-30; (3) EFC enrollment and ADA projections as provided above under Enrollment Trends and Projections.

Long-Term Liabilities: EFC has an \$8,093,210 CSFP loan for Lazear Charter Academy and a \$12,661,061 CSFP loan for Achieve Academy, two schools in the charter network. Payments for Lazear started in 2022 and will begin for Achieve in October 2025. Staff’s analysis demonstrates that EFC can support all three CSFP financial obligations.

In 2022, EFC obtained a \$9,500,000 loan from the Banc of California at an annual interest rate of 4.75% with partially amortized payments. This loan matures in November 2027, at which time a balloon payment of \$9,194,856 is due (remaining balance). EFC has stated their intention to refinance the loan, preferably with BOC, as a long-term loan. CSFA has modeled combined debt service projections based on refinancing this loan on a 20 year fully amortized term at 8% interest.

As the obligor of these CSFP leases, EFC is required to notify the CSFA before taking on additional debt exceeding certain thresholds outlined in regulations and program agreements.

Benchmark Summary and Analysis: The following table and summary listing sets forth the results of staff analysis regarding EFC’s financial soundness.

CSFA Charter School Facilities Program

School:>> **Cox Academy** CDS Code:>> **01 10017 6001788** District:>> **Alameda County Office of Education**
 Obligor:>> **Education for Change (EFC)** Open Date:>> **07/01/1980** County:>> **Alameda**

OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE METRICS

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL											
Enrollment	2,634	2,643	2,670	2,690	2,677	2,678	2,650	2,649	2,649		
Average Daily Attendance (ADA)	2,385	2,442	2,501	2,557	2,537	2,540	2,515	2,515	2,517		
Average Daily Attendance (%)	90.5%	92.4%	93.7%	95.1%	94.8%	94.8%	94.9%	94.9%	95.0%	94.0%	< 94.0%
FTE Teachers	209	226	231	226	222	218	217	213	213	219	
Pupil-Teacher Ratio	12.6	11.7	11.6	11.9	12.1	12.3	12.2	12.4	12.5	12.1	> 25.0
LCFF Sources/ADA	\$ 11,716	\$ 13,289	\$ 14,501	\$ 14,863	\$ 15,245	\$ 15,803	\$ 16,360	\$ 16,941	\$ 17,340	\$ 15,117	
% Change		13.4%	9.1%	2.5%	2.6%	3.7%	3.5%	3.6%	2.4%	5.1%	
Operating Revenues/ADA	\$ 23,726	\$ 22,958	\$ 29,578	\$ 23,316	\$ 23,646	\$ 23,822	\$ 23,777	\$ 23,904	\$ 24,231	\$ 24,329	
% Change		-3.2%	28.8%	-21.2%	1.4%	0.7%	-0.2%	0.5%	1.4%	1.0%	
Operating Expenses plus CSFP Lease/ADA	\$ 20,090	\$ 22,095	\$ 24,497	\$ 23,538	\$ 23,691	\$ 23,512	\$ 23,756	\$ 24,094	\$ 24,367	\$ 23,293	
% Change		10.0%	10.9%	-3.9%	0.6%	-0.8%	1.0%	1.4%	1.1%	2.6%	
Free Cash Flow/ADA	\$ 3,636	\$ 862	\$ 5,081	\$ (222)	\$ (45)	\$ 310	\$ 21	\$ (189)	\$ (135)	\$ 1,035	< 0
DEBT SERVICE COVERAGE											
Total Operating Revenues	\$ 56,586,488	\$ 56,063,208	\$ 73,974,571	\$ 59,618,948	\$ 59,990,098	\$ 60,507,515	\$ 59,798,935	\$ 60,119,694	\$ 60,989,815		
Total Operating Expenses	47,532,007	53,575,627	60,884,748	59,805,630	59,155,846	58,774,056	58,798,683	58,997,485	59,732,067		
Total Other Sources/Uses	-	-	-	-	-	-	-	-	-		
Net Income Available for CSFP Lease Payment	9,054,481	2,487,581	13,089,823	(186,682)	834,252	1,733,459	1,000,252	1,122,209	1,257,748		
Add Back Capital Outlay	-	-	-	660,644	660,664	1,241,061	1,241,061	1,241,061	1,241,061		
Add Back Depreciation	593,813	1,244,620	1,543,993	-	-	-	-	-	-		
Adjusted Net Income Available for CSFP Lease Pymt.	9,648,294	3,732,201	14,633,816	473,962	1,494,916	2,974,520	2,241,313	2,363,270	2,498,809		
CSFP Lease Payments	381,520	381,520	381,520	381,520	947,250	947,250	947,250	1,598,725	1,598,725		
Free Cash Flow	\$ 9,266,774	\$ 3,350,681	\$ 14,252,296	\$ 92,442	\$ 547,666	\$ 2,027,270	\$ 1,294,063	\$ 764,545	\$ 900,084	\$ 3,610,647	< 0
DSC from Adj. Net Income	2528.9%	978.2%	3835.7%	124.2%	157.8%	314.0%	236.6%	147.8%	156.3%	942.2%	< 110.0%
DSC from LCFF Sources subject to CSFA Intercept	5446.3%	6536.7%	7398.1%	7848.5%	3231.9%	3386.6%	3492.6%	2160.8%	2225.7%	4636.4%	> 15.0%
CSFP Lease Payment/Oper. Revenues	0.7%	0.7%	0.5%	0.6%	1.6%	1.6%	1.6%	2.7%	2.6%	1.4%	> 15.0%
FUNDRAISING											
Fundraising for Operations	\$ 4,393,386	\$ 2,508,523	\$ 2,808,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,078,910	
Fundraising/Oper. Revenues	7.8%	4.5%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	> 15.0%
DSC without Fundraising	1377.4%	320.7%	3099.6%	124.2%	157.8%	314.0%	236.6%	147.8%	156.3%	659.4%	< 100.0%
% of Fundraising Required for 100% DSC	-110.9%	-33.6%	-407.5%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	> 50.0%
LIQUIDITY											
Current Assets	\$ 10,075,234	\$ 23,898,720	\$ 30,048,909								
Current Liabilities	15,703,039	19,569,098	20,718,717								
Net Working Capital	\$ (5,627,805)	\$ 4,329,622	\$ 9,330,192								
Net Working Capital/Oper. Expenses	-11.8%	8.1%	15.3%							3.9%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$ 1,118,304	\$ 12,642,931	\$ 18,215,943								
Unrest. Cash & CE/Oper. Expenses (Days)	9	86	109								
Unrest. Cash & CE/All Expenses (Days)	9	86	109							68	< 90

Benchmark Summary:

- Enrollment – Projected average ADA rate for EFC consistently exceeds the 94.0% threshold. Historical average ADA rate has been improving annually by two percent in the preceding three years.
- Free Cash Flow and/or per ADA – EFC operates with historically positive cash flow. When payments begin on the second CSFP lease in fiscal year 2029 this metric is projected to break even. The projections prepared by EFC have been found by staff to be conservative when compared to historical financials for the period examined.
- Debt Service Coverage from Adjusted Net Income in FY 2029 is estimated at 147.8%, average debt service coverage is well above the threshold of 100%. In repayment years Free Cash Flow and Net Working Capital are acceptable, though lower than years for which historical data is available.
- CSFP Payments relative to Operational Revenues – EFC is presently making payments on an existing CSFP rehabilitation and new construction project at Lazear Charter Academy. This CSFP payment represents an average of 0.6% of operational revenue since 2022. EFC will begin making payments on a second CSFP financing for Achieve Academy in FY 2026. The two CSFP payments will then constitute 1.6% of EFC's operational revenue. When payments begin for the third proposed CSFP funding in fiscal year 2029, the portion of operating revenue allocated to CSFP payments will increase to 2.7%. EFC's ratio of CSFP payments to operational revenues over the projected period is, based on the staff's review, and is not projected to result in difficulty servicing additional debt obligations.
- Banc of California loan repayment – As noted previously, EFC is repaying a BOC loan taken out to facilitate the rehabilitation of the facility housing Latitude High School. The present annual debt service of this loan is \$654,482 per year and is projected in 2028 to, based on a possible unfavorable market, be refinanced at \$847,303 per year for 20 years. CSFA's analysis contemplates this loan and stress tested the refinancing of the loan.
- Net Working Capital relative to Operating Expenses – EFC's liquidity metrics are positive with a ratio of Net Working Capital to Operational Expenses of 15.3% in fiscal year 2024 and a historical average of 3.9% from 2021 through 2024.
- Operating Days of Unrestricted Cash and Equivalents relative to all Expenses – EFC averaged 68 operating days from 2021 to 2024.

Staff Recommendation: Staff recommends that the CSFA Board determine that Education for Change is financially sound for the purposes of CSFP Final Apportionment for Cox Academy located in Alameda County. This determination, as it relates to Final Apportionment, is in place for twelve months and assumes no financial, operational, or legal material findings within this period. This recommendation is contingent upon Cox Academy electing to have its CSFP payments intercepted at the state-level, pursuant to Sections 17199.4. Staff recommends that the CSFA Board direct staff to notify the Office of Public School Construction and the State Allocation Board regarding this determination of financial soundness.