

MEMORANDUM

Date: March 13, 2019

To: Members of the California School Finance Authority

From: Katrina Johantgen, Executive Director

Subject: **Approval of Financial Soundness Determination for Tracy Learning Center, on behalf of Millennium Charter, located in San Joaquin County for a Final Apportionment through the Charter School Facilities Program (Action Item)**

The Office of Public School Construction (OPSC) informed the California School Finance Authority (Authority) that the final project cost for Millennium Charter High School (Millennium) (CDS: 39-75499-0102392) has increased since the Authority last found Millennium sound for its Final Apportionment in November 2018. This increase is from \$10,094,360 to \$10,587,024, which is an increase of \$492,664 or 4.9% and necessitates an approval from the Authority board.

In April 2015, the Authority found Tracy Learning Center (TLC), on behalf of Millennium, financially sound for a Preliminary Apportionment, and the State Allocation Board (SAB) awarded TLC a Preliminary Apportionment in the amount of \$8,830,426 for both new construction and rehabilitation. In December 2015, the Authority found TLC, on behalf of Millennium, financially sound for Advance Apportionment for design, and the SAB issued an Advance Apportionment of \$441,522 for design. In November 2018, the Authority found TLC, on behalf of Millennium, financially sound for Final Apportionment.

In order to receive a Final Apportionment, applicants must submit a conversion application with OPSC. Millennium's conversion application was received on July 13, 2018. It was reviewed by OPSC and their total project cost was calculated at the 2018 grant amounts which were used by the Authority for the financial soundness determination for Final Apportionment. The Board approved TLC, on behalf of Millennium, at the November 2018 meeting at Staff's recommendation.

On November 8, 2018, OPSC received a request from TLC asking that OPSC to not process their application while they finalized information pertaining to the use of the entire district-owned site. OPSC received a subsequent letter from Millennium on January 7, 2019, requesting OPSC continue processing the application. At this point, the application needed to be recalculated using the 2019 grant amounts. The 2019 grant amounts were approved on January 23, 2019 by the State Allocation Board. The new total project costs were provided to the Authority on January 24, 2019.

As this project's matching share was provided by a lump sum contribution from Tracy Unified School District, staff reviewed the available bond proceeds for the project from the specific fund used in the Authority's original analysis. Staff also received confirmation of these available proceeds from Tracy Unified School District on official district letterhead. This letter is attached.

Recommendation: Staff recommends that the California School Finance Authority Board determine that Tracy Learning Center, on behalf of Millennium Charter, is financially sound for the purposes of a Charter School Facilities Program Final Apportionment and approve Resolution No. 19-07, which supersedes Resolution No. 18-27. Staff recommends that the Authority Board direct staff to notify the Office of Public School Construction and the State Allocation Board regarding this determination.



TRACY
UNIFIED SCHOOL DISTRICT

February 19, 2019

Ms. Katrina Johantgen
Executive Director
California School Finance Authority
304 S. Broadway, Suite 550
Los Angeles, CA 90013

RE: Commitment Letter for Charter School Finance Program-Millennium Charter High School

*"The future belongs
to the educated"*

Dear Ms. Johantgen:

Dr. Brian Stephens
Superintendent
(209) 830-3201
(209) 830-3204 Fax

Please accept this letter as the Tracy Unified School District's confirmation that the district has the additional funds to cover the increased project cost associated with the grant increase on the Tracy Learning Center, Millennium High School Charter projects. The increase is from \$10,094,360 to \$10,587,024, which is an increase of \$492,664 or 4.9%.

Dr. Casey J. Goodall
Associate Superintendent
of Business Services
(209) 830-3230
(209) 830-3259 Fax

The District has already expended the funds on this project (which was substantially complete on February 1, 2019), the matching share came from the Measure B local bond proceeds.

Dr. Sheila Harrison
Assistant Superintendent
of Educational Services:
(209) 830-3202
(209) 830-3209 Fax
& Human Resources:
(209) 830-3260
(209) 830-3264 Fax

Please feel free to contact Bonny Carter at (209) 830-3245 or bcarter@tusd.net, should you require further clarification or have additional questions.

Sincerely,

Dr. Casey J. Goodall
Associate Superintendent for Business Services