

RESOLUTION NO. 20-23

APPROVAL OF FINANCIAL SOUNDNESS DETERMINATIONS FOR NORD COUNTRY SCHOOL LOCATED IN BUTTE COUNTY FINAL APPORTIONMENT THROUGH THE CHARTER SCHOOL FACILITIES PROGRAM

July 30, 2020

WHEREAS, the Charter School Facilities Program (Program) was established (Statutes of 2002) for the purpose of providing charter schools with funding to construct new facilities and modernize old facilities; and

WHEREAS, modeled after the State's School Facilities Program, the Program funds 50 percent of facilities project costs as a grant from the State, and 50 percent as a local match, which the charter school is responsible for repaying to the State; and

WHEREAS, the California School Finance Authority (Authority) and the State Allocation Board (Board), staffed by the Office of Public School Construction, are jointly designated to administer this per-pupil facilities aid Program, and the Authority is authorized by Education Code section 17078.57 to determine whether applicants to the Program are financially sound for purposes of the Program at the time of Preliminary, Advance, and Final Apportionment; and

WHEREAS, approximately \$89.874 million in rescinded Program funds became available in 2013 and the Board opened a subsequent funding round (2014 Funding Round), and Authority reviewed the top-ranked eligible applications and made determinations of financial soundness at its November 20, 2015 meeting; and

WHEREAS, approximately \$30 million in additional rescinded Program funds became available in February 2015 for the 2014 Funding Round; and

WHEREAS, Nord Country School (Nord) was found financially sound for Preliminary Apportionment for \$2,726,940 for New Construction and \$1,772,532 for Rehabilitation at the Authority's April 15, 2015 board meeting; and

WHEREAS, subsequent to the Authority's determination of financial soundness for Preliminary Apportionment, Nord entered into a private loan in the amount of \$295,000 for purposes of advancing its CSFP project implementation, and revised its project scope, resulting in total project costs of \$996,700 for New Construction and \$554,040 for Rehabilitation; and

WHEREAS, Authority staff determined that Nord's engagement in private financing represented a material change to Nord's financial status, and hence that Nord required an additional financial soundness review for Preliminary Apportionment under the revised project costs; and

WHEREAS, the Authority reviewed Nord's preliminary application and updated financial information through the methodology established pursuant to Education Code 17078.57, and on February 10, 2016, the Board determined that Nord was financially sound for purposes of Preliminary and Advance Apportionment, but not for purposes of Final Apportionment under the Program's 2014 Funding Round;

WHEREAS, the Authority staff has reviewed Nord's financial information through the methodology established pursuant to Education Code 17078.57, and is recommending that Nord be found financially sound for purposes of Final Apportionment with a total project costs of \$802,332 as determined by the Office of Public School Construction; and

WHEREAS, this determination as it relates to financial soundness for purposes of a Final Apportionment, is in place for twelve months and assumes no financial, operational, or legal material findings within this time period.

NOW, THEREFORE, BE IT RESOLVED by the California School Finance Authority as follows:

Section 1. The Authority approves the determination of financial soundness for Nord for the purposes of the Charter School Facilities Program Final Apportionment. This determination as it relates to the Final Apportionment is in place for six months and assumes no financial, operational, or legal material findings within this time period.

Section 2. The Executive Director of the Authority is hereby authorized, for and on behalf of the Authority, to notify the State Allocation Board and the Office of Public School Construction and provide documentation regarding its determinations of financial soundness for Nord.

Section 3. This resolution shall take effect immediately upon its approval.

Date of Adoption: July 30, 2020

CERTIFICATE OF THE EXECUTIVE DIRECTOR
(Attesting to Action of the Authority)
Sacramento, California

I, Katrina Johantgen, Executive Director of the California School Finance Authority, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 20-23 of the California School Finance Authority Approving the Financial Soundness Determination for a Final Apportionment under the Charter School Facilities Program for Nord Country School, located in Butte County adopted at a meeting of the California School Finance Authority held at 915 Capitol Mall, Conference Room 110 (Large), Sacramento, California 95814, on July 30, 2020, for which meeting all of the members of said Authority had due notice; and that at the meeting the staff recommendation was adopted by the following votes:

AYES:

NOES:

ABSTAINS:

ABSENT:

I further certify that the original minutes of said meeting and a copy of the original Resolution adopted at said meeting are on file in the California School Finance Authority office; and that the Resolution has not been amended, modified, or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the California School Finance Authority hereto.

(seal)

July 30, 2020

Katrina Johantgen, Executive Director