

Minutes
CALIFORNIA SCHOOL FINANCE AUTHORITY

Meeting of the Board
Tuesday March 18, 2004
2:00 P.M.

915 Capitol Mall, Room 587
Sacramento, California 95814

1. Roll Call

Deputy State Treasurer Barbara Lloyd, serving as chairperson, called the meeting to order.

Members

Present: Barbara Lloyd for Phil Angelides, State Treasurer
Bob Campbell for Donna Arduin, Director of Finance
Duwayne Brooks for Jack O'Connell, Superintendent of Public Instruction

Staff: Katrina Johantgen, Acting Executive Director

2. Approval of Minutes

The minutes of February 24, 2004 were adopted as submitted.

3. Executive Director's Report

Katrina Johantgen stated that Proposition 55 passed on March 2nd, and that \$300 million in charter school facility program funding would be allocated in 2004. CSFA and the Office of Public School Construction (OPSC) have begun preparing for the next round of funding, and have planned four road shows to take place in April – one in Sacramento, one in Fresno, Los Angeles and San Diego. OPSC and CSFA will accept program applications from April 1st through July 29th. Depending on how many applications are submitted, recommendations regarding applicants' financial soundness will be brought to the board in October or November of this year.

CSFA is currently in the process of obtaining financial and legal advisory services, and have currently selected two firms to provide financial advisory services to CSFA. CSFA also has retained legal services to assist in the development of lease and guarantee agreements.

4. Resolution 04-02 to Approve Emergency Regulations for CSFP

Ms. Johantgen stated that at the February 24th CSFA meeting the board approved the distribution of draft program regulations for public comment, which were due no later than March 10th. CSFA staff received two substantive public comments – one from Department of Finance and one from the OPSC. The first comment relates to those applicants whose charters are set to expire in twelve months or less from application submission. Accordingly, CSFA incorporated new language that states CSFA reserves the right to request any additional and specific information regarding charter renewal, including obtaining information directly from the applicant's chartering authority.

Ms. Johantgen continued with a change to the section related to a significant contributor to a project (Section 10160(c)). New clarifying language was added that states if an applicant is receiving a contribution from a third party, the applicant needs to provide information regarding the use of the contribution – whether it is being used to cover project costs in excess of program funding or whether the contribution is being used to meet the applicant's local matching share. Conforming language was added to Section 10161(c) regarding when a contributor is entitled to a security interest in a project.

Mr. Brooks had a comment on the resolution, for the record, and requested that if there were any changes made to meet the approval of the Office of Administrative Law, that the board be notified. Mr. Brooks comment was included in the motion. Ms. Lloyd made a motion for approval of Resolution 04-02 with the addition of any changes required by OAL, that the board be notified. Mr. Brooks seconded, and a vote was taken and the Resolution was approved unanimously.

Without any public comment, Ms. Lloyd adjourned the meeting.