

**Minutes
CALIFORNIA SCHOOL FINANCE AUTHORITY**

**Meeting of the Board
Friday, April 18, 2008
3:00 p.m.
915 Capitol Mall, Room 587
Sacramento, California 95814**

Deputy State Treasurer Patricia Wynne, serving as chair, called the meeting to order.

Roll Call

Members Present: Patricia Wynne, designated alternate for Bill Lockyer, State Treasurer
Kathleen Moore, designated alternate for Jack O'Connell, Superintendent
of Public Instruction
Jeannie Oropeza, designated alternate for Michael Genest, Director of
Finance

Staff Present: Katrina Johantgen, Executive Director

With a quorum present, Patricia Wynne, Chair, called the meeting to order.

Approval of Minutes

The minutes of the March 24, 2008 Authority meeting were adopted as submitted.

Executive Director's Report

State Charter School Facilities Incentive Grant: Ms. Johantgen advised the members that the application period for the fourth funding round is underway and that applications are due by Thursday, April 24. Already, about 30 applications have been received. As in past years, the award of funds to subgrantees will be made prior to the end of this fiscal year, on June 30, 2008.

Working Capitol Program: The members were provided an update on the working capital program. Ms. Johantgen advised that she has been working with a few larger charter management organizations that are very interested in this option for meeting their cash flow needs through the Authority's working capital program. Ms. Johantgen expects to bring an item forward to the members for discussion and action in the next couple of months.

Item 4 – Financially Sound Determinations for the Charter School Facilities Program Under Proposition 1D.

Ms. Johantgen provided an update on the status of the Charter School Facilities Program (Program), and then introduced Juan Mireles and Barbara Kampmeinert, two staff members from the Office of Public School Construction. Mr. Mireles and Ms. Kampmeinert provided the members with an overview of the methodology used by OPSC to generate project costs and the areas where the Program allows flexibility and discretion in reducing project costs. OPSC stated that they work closely with applicants requesting cost reductions and that any

adjustments to the scope of the project or the estimated costs were at the request of the applicants and were determined to be in categories allowable by law.

Ms. Johantgen presented the members with an overview of the information contained in the staff reports. As at the last meeting, it was recognized that some applicants may plan to immediately submit a request for an Advance Apportionment, therefore, staff's recommendation for those applicant's that are determined to be financially sound will be for purposes of both the Preliminary and the Advance Apportionments. Further, the determination as it relates to an Advance Apportionment will be in place for six months and assumes no financial, operational, or legal material finding during that time period. Ms. Johantgen advised that this will allow applicants that receive a Preliminary Apportionment and are able to verify there have not been any material changes or any other issues, the opportunity to immediately request and receive an Advance Apportionment without having to be presented at another Authority board meeting. In six months, a new school year will be starting and the schools will have updated information to report, and staff will resume bringing all updated reports to the members for a determination that the schools have maintained their financial soundness prior to any request for an Advance Apportionment.

The reports for the following charter schools were presented to the members for action.

1. Ánimo College Preparatory Charter High #1
2. Ánimo College Preparatory Charter High #4
3. Ánimo College Preparatory Charter High #7
4. Ánimo College Preparatory Charter High #8
5. Ánimo College Preparatory Charter High #9
6. Ánimo College Preparatory Charter High #10
7. Ánimo College Preparatory Charter High #11
8. Ánimo College Preparatory Charter High #12
9. Ánimo Jackie Robinson Charter High School
10. Ánimo Watts #1 Charter High School aka Ánimo Jefferson Charter High #5
aka Ánimo Locke Tech
11. Ánimo Watts #2 Charter High School aka Ánimo Jefferson Charter High #6
12. Ánimo Justice Charter High School
13. Ánimo Leadership Charter High School
14. Ánimo Pat Brown Charter High School
15. Ánimo Ralph Bunche Charter High School
16. Ánimo South Los Angeles Charter High School
17. Ánimo Venice Charter High School
18. Chico Country Day School
19. College Ready Academy High 10
20. College Ready Academy High 5
21. College Ready Academy High 7
22. College Ready Academy High 8
23. College Ready Academy High 9
24. Helix High School
25. Oakland Unity High School
26. Twin Rivers Charter School
27. Yuba River Charter School

A brief summary of each applicant school was provided including eligibility criteria, demographic information, projected debt service coverage and other financial factors, and student performance.

In response to a question regarding Helix High School and the lump sum payment to fund its 50 percent local matching share, staff advised of the expected verification by Grossmont Union High School District (GUHSD) confirming its pledge to contribute the lump sum payment through Proposition H general obligation bond proceeds. The members agreed to delay taking action on Helix High School until confirmation is received from GUHSD confirming their pledge to contribute the \$32 million of Prop H funds on behalf of Helix High School's local matching share under the Program. Additionally, members had questions regarding the high cost of renovating Helix High School.

In response to the members' questions at the March 24, 2008 meeting concerning the adjustment in project costs for Oakland Unity High School, staff from OPSC provided background information regarding the proposed project. Ms. Kampmeiner provided information regarding the school's expectations of anticipated costs toward urban development and multilevel construction. OPSC's estimated project costs are based on the base grant amounts plus projected site acquisition costs.

Ms. Johantgen confirmed Helix High School will be held over to another meeting, and recommended the members find the remaining 26 of the 27 schools presented for determination be found financially sound (excluding Helix High School) for purposes of the Preliminary Apportionment and for the Advance Apportionment for a period of six months pending verification of any material changes to the information provided in the reports.

It was moved, seconded and passed to approve Resolution 08-04, determining that the 26 applicant charter schools listed on Exhibit A of Resolution 08-04 (excluding Helix High School) be found financially sound for purposes of Preliminary and Advance Apportionments, but not for purposes of Final Apportionment under the Program. This determination as it relates to an Advance Apportionment is in place for six months and assumes no financial, operational, or legal material findings within this time period.

There being no other public comments or any other business to conduct, the meeting was adjourned.

Respectfully submitted,

Katrina Johantgen
Executive Director