

**Minutes
CALIFORNIA SCHOOL FINANCE AUTHORITY**

**Meeting of the Board
Tuesday, May 6, 2008
1: 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
Anne Sheehan, 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 April 18, 2008 Authority meeting were adopted as submitted.

Executive Director's Report

State Charter School Facilities Incentive Grant: Ms. Johantgen informed the members that 117 applications had been received for the \$9.8 million for the fourth funding round. CSFA staff is currently checking applicants' eligibility. Awarding of funds to subgrantees is scheduled for June 30, 2008. CSFA to provide updates during the month of May.

Working Capitol Program: The members were advised that they had been provided an update on the working capital program at the previous Authority Meeting (April 18, 2008). Ms. Johantgen updated the members that she is continuing to work with charters on the Working Capitol Program and has a meeting scheduled with Fitch next week toward getting the program rated for the actual structure versus the individual borrowers.

Item 4 – Charter School Facilities Program Under Proposition 1D – Determination of Financial Soundness

Ms. Johantgen presented the members with an overview of the information contained in the reports for the applications being presented for a determination of financial soundness. Ms. Johantgen explained that one of the reports being presented for action was for a preliminary apportionment under Proposition 1D and also an advance apportionment under Proposition 55. Therefore, the recommendation, as reflected in the resolution, will address action by the members for the two separate funding rounds.

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

Helix High School
HTH Cross - Border
HTH Design Build
HTH Entrepreneur
HTH K-8 Chula Vista
HTH K-8 Quarry Falls
KIPP King Collegiate High (Rehabilitation)
KIPP King Collegiate High (New Construction)
Ánimo Los Angeles Charter High (Oscar de la Hoya)
Santa Ynez Valley Charter (New Construction)
Santa Ynez Valley Charter (Rehabilitation)

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

Ms. Johantgen advised verification has been received from Grossmont Union High School District confirming its pledge to contribute a lump sum payment through Prop H general obligation bond proceeds to cover Helix High School's 50 percent local matching share.

Ms. Moore expressed concern on behalf of the California Department of Education (CDE) regarding the reduction in project costs for some of the applicant's from what had originally been requested in the initial application. The CDE is concerned that the reduction in costs at the front end could result in a reduction in educational site adequacy. Ms. Moore feels the State Allocation Board will need to be aware of these reductions and the potential impact on the projects.

Ms. Johantgen noted that Exhibit A to the resolution is amended to include the KIPP Collegiate projects, and recommended the members find the 11 schools (10 Prop 1D projects and 1 Prop 55 project) presented be found financially sound for purposes of the Preliminary Apportionment, Advance, and/or Final Apportionment as provided.

It was moved, seconded and passed to approve Resolution No. 08-05, as amended, determining that the 10 (Prop 1D) charter schools listed on Exhibit A, and also Oscar De La Hoya Ánimo Charter High School (Prop 55 and Prop 1D), be found financially sound for purposes of Preliminary, Advance, and/or Final Apportionment, as specifically provided in each respective report.

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

Respectfully submitted,

Katrina Johantgen
Executive Director