

**Minutes
CALIFORNIA SCHOOL FINANCE AUTHORITY**

**Meeting of the Board
Thursday, May 22, 2008
11:30 a.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
William Ellerbee, 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 May 14, 2008 Authority meeting were adopted as submitted.

Executive Director's Report

State Charter School Facilities Incentive Grant: The members were provided an update of the fourth funding round for the Federal grant. Preference point data for Free and Reduced Price Meals for the 2007-08 school year was recently posted on the California Department of Education's (CDE's) Web site and staff is collecting the data and assigning preference points for each of the eligible applicant charter schools.

Item 4 – Resolution No. 08-07 Approving Financially Sound Determinations for the Charter School Facilities Program Applications Received Under the Proposition 1D Funding Round as Listed in Exhibit A

Ms. Johantgen provided an update on the status of the Charter School Facilities Program (Program), and advised of adjusted project costs for three of the applicant charter schools that had been determined to be financially sound at a previous board meeting. The revised project costs range from an increase of \$40 to a decrease of less than \$12,000. None of the new project costs affect staff's determination of financial soundness for any of the three charter school projects. Ms. Johantgen referred to Exhibit B of Resolution 08-07, which identifies the initial project costs and the revised project costs for the three schools: Leadership High School San Francisco; Grant Community Charter – Higher Learning Academy (K-6); and Grant Community Charter – Higher Learning Academy (7-12).

The reports for the following charter schools were presented to the members for approval of staff's findings.

1. Aspire Clarendon Avenue (Statewide Public Benefit Charter)
2. Aspire Antonio Maria Lugo Academy K-5
3. Aspire Millsmont 6-12
4. Hickman Community Charter Elementary
5. Hickman Community Charter Middle
6. KIPP Academy of Opportunity
7. KIPP Los Angeles College Prep
8. Klamath River Early College of the Redwoods
9. Marysville Charter Academy of the Arts
10. Nevada City School of the Arts
11. Pathways to College Charter School
12. Riverside Preparatory School

Ms. Johantgen presented the members with a summary of the information contained in each report including eligibility criteria, demographic information, projected debt service coverage student performance, and other contributing operational and financial factors.

She also added that the Aspire Millsmont project's cost had been reduced yet the report did not reflect the cost reduction. Ms. Johantgen noted that the report would be revised to reflect the project cost reduction. With this information highlighted, Dr. Ellerbee weighed in regarding the CDE's on-going concern with the reduction of project costs and the impact the reductions could have on project feasibility and the educational program at these projects. On another Aspire-related matter, a board member asked for clarification of the status of Aspire's Statewide Public Benefit Charter. Mr. Greg Geeting spoke on behalf of CDE and confirmed the status of Aspire's Statewide Public Benefit Charter and also addressed the roll of the Board of Education in the charter appeal process in the event a school's chartering authorizer does not renew its charter.

Ms. Johantgen highlighted the circumstances of three applications that did not meet all criteria for the Program based on the information provided. Staff's recommendation, therefore, was to find KIPP Academy of Opportunity, KIPP Los Angeles College Prep, and Klamath River Early College of the Redwoods to not be found financial soundness for purposes of the program.

Staff recommended the board members find nine of the applicants presented to be financially sound, and find three of the applicants do not meet the criteria for being found financially sound as identified in Exhibit A of Resolution No. 08-07. Staff recommended the members approve the revised project costs for three applicants listed on Exhibit B of Resolution No. 08-07 that were previously found to be financially sound for purposes of a Preliminary and Advance Apportionment under the Proposition 1D funding round.

It was moved, seconded, and passed to approve Resolution No. 08-07, for purposes of Preliminary and Advance Apportionments, as specifically provided in each respective report.

The motion was approved unanimously.

Item 5. Resolution No. 08-08 – Approving Determination of Jacoby Creek’s Financial Soundness for Purposes of an Advance and/or Final Apportionment Under the Proposition 55 Funding Round of the Charter School Facilities Program.

This item was withdrawn and will be presented at a future meeting.

Item 6. Resolution No. 08-09 – Resolution of the California School Finance Authority Authorizing the Issuance of Charter School Revenue Bonds to Finance and/or Refinance Educational Facilities for Green Dot Public School (Animo Inglewood Charter High School Project).

This item was withdrawn and will be presented at a future meeting.

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

Respectfully submitted,

Katrina Johantgen
Executive Director