

Minutes
CALIFORNIA SCHOOL FINANCE AUTHORITY

Meeting of the Board
Tuesday, May 27, 2008
2:00 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
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 22, 2008 Authority meeting were adopted as submitted.

Executive Director’s Report

Ms. Johantgen thanked the members for meeting again today to complete the financial soundness determinations required prior to the award of Preliminary Apportionments under the Proposition 1D funding round of the Charter School Facilities Program. Ms. Johantgen provided an overview of the process and the many factors contributing to the adjustments in project costs and the time involved in completing the initial determinations for all Program applicants.

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

Reports for the following applications were presented to the members for approval of staff’s findings.

1. Bay Area Technology School
2. Bert Corona Charter School
3. Camino Nuevo Charter High
4. Eagles Peak-Inland Empire (Wathen Aviation)
5. Fairmont Charter School
6. Ivy Academia
7. Language Academy of Sacramento
8. Lennox Math Science Technology Academy

9. Lighthouse Community Charters
10. Mare Island Technology Academy High School
11. Monseñor Oscar Romero Charter Middle School
12. Paradise Charter Middle School
13. San Jose Edison Academy
14. Santa Rosa Charter School for the Arts (New Construction)
15. Santa Rosa Charter School for the Arts (Rehabilitation)

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

Ms. Johantgen advised the members that applications had been received from both Mare Island Technology Academy Middle School and Mare Island Technology Academy High School, but staff determined that the organization's financial position did not provide sufficient support for a finding of financial soundness for both projects. Staff had spoken with representatives for the umbrella organization, Mare Island Technology Academy, who requested a higher priority be given to the high school project and requested the middle school project be withdrawn from consideration. Ms. Johantgen confirmed that the resulting adjustment to the organization's projected debt service coverage and other financial factors was accepted and staff recommended the high school be found financially sound for purposes of the Program, as described on Exhibit A of the resolution.

It was moved, seconded, and passed to approve Resolution No. 08-10, determining that the members adopt staff's recommendations for each of the eleven applicant charter schools as described on Exhibit A of Resolution No. 08-10, excluding Language Academy of Sacramento, Bay Area Technology School, Monseñor Oscar Romero Charter Middle School, and Eagles Peak-Inland Empire (Wathen Aviation).

Dr. Ellerbee recused himself from all discussion and/or action related to the application and report for Language Academy of Sacramento.

With a quorum still present, it was moved, seconded, and passed to accept staff's recommendation of financial soundness for Language Academy of Sacramento, as described in Exhibit A of Resolution No. 08-10, determining that the applicant charter school be found financially sound for purposes of Preliminary and Advance Apportionments, but not for purposes of Final Apportionment under the Program.

The Board agreed to recess from 3:30 p.m. to 4:30 p.m. The Board also agreed to defer Agenda Items 4 and 5 to a subsequent meeting.

After the Board reconvened, Ms. Johantgen provided members with reports for the remaining applications for financial soundness determinations, including eligibility criteria, demographic

information, projected debt service coverage and other financial factors, and student performance.

Matt Avsaroglu and Oscar Yildiz were present for the meeting and spoke to the members on behalf Bay Area Technology School describing the goals and purposes of the charter school.

Ms Johantgen provided an update to the members concerning an adjustment to the project costs for Santa Rosa Charter School for the Arts (Rehabilitation) resulting in a reduction. The reduced project costs would not impact the school's report and staff's recommendation of financial soundness that had been adopted at a prior meeting and the adjustment to the project costs was provided for information purposes only.

Staff had worked with representatives from Eagles Peak-Inland Empire (Wathen Aviation) prior to the board meeting. A few last-minute disclosures regarding Eagles Peak-Inland Empire financial position rendered it impossible for staff to finalize its analysis of the school's financial soundness. Staff requested that members reconvene the following day after staff had time to integrate the newly disclosed information into its analysis. Members did not concur with staff's recommendation on Eagles Peak-Inland Empire, and moved to vote on Resolution 08-10.

It was moved, seconded, and passed to approve Resolution No. 08-10 with regard to the determinations for the remaining three schools, Bay Area Technology School, Monseñor Oscar Romero Charter Middle School, and Eagles Peak-Inland Empire (Wathen Aviation), as described on Exhibit A of Resolution No. 08-10.

Comments:

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

Respectfully submitted,

Katrina Johantgen
Executive Director