

CALIFORNIA SCHOOL FINANCE AUTHORITY

Meeting of the Board

Wednesday, March 23, 2011

11:00 a.m.

**915 Capitol Mall, Room 587
Sacramento, California 95814**

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

Roll Call

Members Present: Tricia Wynne, designated alternate for Bill Lockyer, State Treasurer
Kathleen Moore, designated alternate for Tom Torlakson,
Superintendent of Public Instruction
Miriam Ingenito, designated alternate for Ana J. Matosantos, Director of
Finance

Staff Present: Katrina Johantgen, Executive Director

The Chair declared a quorum present.

Approval of Minutes

The minutes of the February 9, 2011 Authority meeting were adopted as submitted.

Executive Director's Report

Ms. Johantgen reported to the members that 158 applications were received for the seventh round of the State Charter School Facilities Incentive Grants Program. There will be \$10 million available for award to the seventh round awardees. CSFA staff is reviewing Round 6 balances for any rescinded funds to add to the Round 7 pool where it is anticipated that an additional two million of rescinded funds could be available.

Of the 158 applications received, six of those were submitted late and are ineligible. Currently CSFA staff is in the process of reviewing the applications to confirm program eligibility and to identify any deficiencies in the documents received with the applications.

Information is being provided by the California Department of Education (CDE) and is relied upon for assigning preference points in the following categories; student performance, overcrowding, free and reduced price meals (low income), and enrollment. Ms. Johantgen stated that staff is on track to present the funding determinations at the June CSFA meeting.

Ms. Johantgen introduced Steven Theuring, CSFA Analyst, who reported on the various fund balances within CSFA.

Resolution 11-04 – Approving Financially Sound Determinations for the Charter School Facilities Program (CSFP) Applications Received for the December 2010 Lottery for Advanced (and/or Final) Apportionments as Listed in Exhibit A.

Ms. Johantgen advised the members that Resolution No. 11-04 is a continuation of last month's Resolution No. 11-01. Five projects are being presented at this meeting, leaving nine projects for the April board meeting

Ms. Johantgen reported on the projects and highlighted information supporting Staff's recommendations to approve those schools financially sound pursuant to Resolution No. 11-04 as related to Accelerated Charter Elementary School, Chico Country Day School, Futures High School (Rehab), Futures High School (New Construction), and Higher Learning Academy.

It was moved, seconded, and passed unanimously to adopt Resolution No. 11-04, finding the five schools listed above to be financially sound for purposes of Advance Apportionments, but not for purposes of Final Apportionment, under the Program.

Resolution 11-05 – Approving Financially Sound Determinations for the Charter School Facilities Program (CSFP) Applications Received for the February 2011 Lottery for Advanced (and/or Final) Apportionments as Listed in Exhibit B.

Ms. Johantgen reported on the projects and highlighted information supporting Staff's recommendation to approve Resolution No. 11-05 as related to Aspire Antonia Maria Lugo Academy, Aspire Clarendon (Aspire Junior Collegiate Academy) and Stella Middle Academy.

It was moved, seconded, and passed unanimously to adopt Resolution No. 11-05. finding the three schools listed above to be financially sound for purposes of Advance Apportionments, but not for purposes of Final Apportionment, under the Program.

Resolution 11-06 – Approving Financially Sound Determinations for the Charter School Facilities Program Applications for Preliminary and/or Advance Apportionments for Ocean Charter School located in Los Angeles, CA.

This item was held over for a future board meeting.

Resolution 11-07 – Approving Financially Sound Determinations for the Charter School Facilities Program Applications for Final Apportionments for Vaughn Next Century Learning Center (Vaughn Elementary Language Academy campus) located in Pacoima, CA

Ms. Johantgen reported on highlights and gave information regarding the Vaughn Next Century Learning Center. Vaughn is seeking \$14 million for final apportionment of its Vaughn Elementary Language Academy project awarded under Proposition 55.

It was moved, seconded, and passed unanimously to adopt Resolution No. 11-07, finding Vaughn Next Century Learning Center to be financially sound for purposes of a Final Apportionment.

Resolution 11-08 – Approving the Memorandum of Understanding and Agreed Upon Procedures among the Controller of the State of California, California Department of Education, and the California School Finance Authority Related to the Intercept of Charter School Funds Pursuant to Education Code 17199.4.

This item was held over for a future board meeting.

Resolution 11-09 – Authorizing the Allocation of Qualified School Construction Bond Borrowing Authority to the West Contra Costa Unified School District on behalf of Leadership Public (Charter) Schools located in Contra Costa County, California in an Amount not to exceed \$21,000,000.

The members were provided a description of the WCCUSD project, including the full reconstruction of the school facilities for Leadership Public Schools - Richmond (LPS Richmond) and Gompers (Samuel) Continuation School. Only the LPS Richmond portion of the project will be funded using QSCB (Qualified School Construction Bond) proceeds allocated by the Authority, which will include the full reconstruction of the building designated for LPS Richmond, site preparation and interim housing costs for the LPS Richmond program, a pro-rata share of gymnasium construction costs, and pro-rata shares of soft costs, demolition, and site work.

WCCUSD expects that plans will be submitted to DSA for approval in April 2011, DSA approval will likely be in October, and construction will begin in November 2011. Students are scheduled to return to the reconstructed campus in the fall of 2012.

Staff reported on the District's past financial and legal issues related to prior debt issued by the District. Attending the board meeting were representatives of the West Contra Costa Unified School District, including: Sherry Gamba, Associate Superintendent, WCCUSD; Charles Ramsey, School Board President, WCCUSD; Madeline Kronenberg, Board Clerk, WCCUSD; Jeff Barrata, Piper Jaffrey; and Dave Olsen, KPMG Public Finance

Mr. Charles Ramsey spoke on behalf of the West Contra Costa Unified School District and expressed the board's thanks and gratitude regarding approval of this funding.

After some discussion, the expiration date for issuance of these bonds was amended to November 30, 2011. This is an extension of the initial date of August 1, 2011. Ms. Johantgen recommended the Board members adopt the resolution approving the allocation of \$21 million of QSCB borrowing authority to West Contra Costa Unified School District.

It was moved, seconded, and passed unanimously to adopt Resolution No. 11-09 with the amended expiration date of November 30, 2011.

Resolution 11-10 – Authorizing the Allocation of Qualified School Construction Bond Borrowing Authority to the New Jerusalem Elementary School District on behalf of New

Jerusalem Elementary (K-8) located in San Joaquin County, California in an Amount not to exceed \$5,100,000 and Rescinding Previous Allocation to Same

The members were advised that New Jerusalem Elementary School District had received approval for a QSCBs allocation for \$6.12 million at the Authority's February 9, 2011 meeting. That allocation has been rescinded and the district is now seeking a reduced allocation of \$5.1 million in borrowing authority.

Ms. Johantgen advised the members that this item is rescinding and re-allocating \$5.1 million in borrowing authority, reduced from the original \$6.12 million.

Staff recommended the Board members adopt Resolution 11-10 approving the allocation in an amount not to exceed \$5.1 million of QSCB borrowing authority to New Jerusalem Elementary School District.

It was moved, seconded, and passed unanimously to adopt Resolution No. 11-10.

Resolution 11-11 – Authorizing the Issuance of Lease Revenue Bonds in an Amount Not to Exceed \$5,100,000 to Finance Educational Facilities for New Jerusalem Elementary School District located in San Joaquin County, California

Ms. Johantgen commented that Resolution No. 11-11 pertains to the issuance of Lease Revenue bonds. She reported that the New Jerusalem financing received an A+ credit rating from Standard and Poor's, and also added that the California Attorney General's office has approved all bond documents. The district, located in San Joaquin County, California, operates three schools.

Ms. Johantgen recommended the Board members adopt the resolution approving the issuance of \$5.1 million.

It was moved, seconded, and passed unanimously to adopt Resolution No. 11-11.

Lastly, Ms. Johantgen reported to the members of positive comments and feedback she has received regarding Steven Theuring's performance and decorum while working with CSFA applicants. Ms. Johantgen thanked and commended all CSFA staff for their hard work and dedication.

Public Comment

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

Respectfully submitted,

Katrina Johantgen
Executive Director