

MEMORANDUM

Staff Summary No. 7

Date: August 12, 2015

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Approving the Charter School Facilities Credit Enhancement Grant Program Award for Rocketship Education in the amount Not-to-Exceed \$135,000

Background: The California School Finance Authority (Authority) received a grant award in 2010 under the U.S. Department of Education's Credit Enhancement for Charter Schools Facilities Program (CFDA # 84.354A), which, for purposes of the Authority's implementation has been entitled the "Charter School Facilities Enhancement Grant Program" (Program). This federal grant, authorized under Title V, Part B, Subpart 2 of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001, provides \$8,300,000 for the purpose of funding primary debt service reserves for the financing of acquisition, renovation, or construction of charter school facilities, or the refinancing of existing charter school facility debt utilized for such purposes.

Issue: On November 5, 2014, the Authority received an application for Program funds from Rocketship Education. Authority staff evaluated Rocketship Education's application and found the school to be eligible for an award of all remaining grant funds – see Exhibit A of this summary. At its January 14, 2015 meeting, the Board adopted Resolution No. 15-01 and awarded Rocketship Education an award amount not-to-exceed \$135,000.

The award of grant funds expired six months after the award was approved (July 14, 2015), therefore Rocketship Education submitted a new application, and is requesting a grant at this time. Staff has evaluated Rocketship Education's application submitted on July 14, 2015 and has found the school eligible for an award of all remaining grant funds.

As of the date of this summary, the balance in the Program fund is \$133,549. Staff will grant all remaining program funds to Rocketship Education. The grant funds will be used to fund a portion of the debt service reserve for the financing that closed on August 7, 2015.

Recommendation: Staff recommends that the Board adopt Resolution No. 15-24, awarding Rocketship Education an award amount not-to-exceed \$135,000.