

CALIFORNIA SCHOOL FINANCE AUTHORITY

Meeting of the Board

Wednesday, February 10, 2016
11:00 a.m.

915 Capitol Mall, Room 587
Sacramento, California 95814

Deputy State Treasurer Vincent P. Brown, serving as Chair, called the meeting to order.

Roll Call

Members Present: Vincent P. Brown, designee for John Chiang, State Treasurer
Nick Schweizer, designee for Tom Torlakson, Superintendent of Public Instruction
Eraina Ortega, designee for Michael Cohen, Director of Finance

Staff Present: Katrina Johantgen, Executive Director
Laura Martinez, Manager
Ian Davis, Program Analyst
Kristen Schunk, Program Analyst
Jodie Jones, Program Analyst
Anne Osborne, Program Analyst
David Weinberg, Program Analyst (participated via phone line)
Nicolaus Seppi, Office Technician

Chairperson Brown declared a quorum present after rollcall, after which Katrina Johantgen welcomed those on the phone lines to the Board meeting.

Approval of Minutes: The minutes from the January 13, 2016 Authority Board meeting were presented to the Board and approved unanimously by roll call.

Executive Director's Report

Charter School Facility Grant Program: Ms. Johantgen told the Board the Authority has finished initial disbursements for the 2015-16 funding round and will have the second disbursements finished by March 1st.

Charter School Revolving Loan Fund Program: Ms. Johantgen told the Board that the program is open and applications are due February 24th. The Authority anticipates oversubscription with only \$8 million in the program.

Conduit Bond Program: Ms. Johantgen told the Board that the Authority has issued \$555 million since 2010 and will continue to track bond deals post approval through its monthly reporting.

Charter School Facilities Program: Ms. Johantgen noted program statistics for the members, and noted that an approval is on the agenda today for Nord Country School.

State Charter School Facilities Incentive Grants Program: Ms. Johantgen told the Board that the Authority is anticipating a large amount of funds available for Round 12.

Charter School Facilities Credit Enhancement Grant Program: Ms. Johantgen told the Board that the Authority is tracking interest for the program, and continues to inquiry if additional funds are available at the federal level.

Administrative and Legislative Update: Ms. Johantgen told the Board that two spring letters were submitted to the Department of Finance; one for an additional Incentive Grants position and dedicated Office Technician, and one for an additional SB 740 position. The Authority is also tracking charter school related bills, including the General Obligation (GO) proposal for school facilities which could fund for the CSFP program.

Item 4: Resolution No. 16-04 – Authorizing the Issuance of School Facility Revenue Bonds in an Amount Not to Exceed \$3,300,000 to Refinance the Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing And/Or Equipping of Educational Facilities Located in San Diego County, California for HTH Learning

Ms. Johantgen told the Board that this bond deal is a private placement of \$3.3 million in debt from High Tech High (HTH) to City National Bank at a rate of approximately 3.6%. Marc Bauer from Orrick, Herrington and Sutcliffe told the Board that it is a refunding of HTH's 2011 Qualified School Construction Bonds, and that the refinancing will save HTH \$238,000 annually.

Ms. Ortega made a motion to approve and Mr. Schweizer seconded. After a call for public comment, the resolution was approved unanimously by rollcall.

Item 5: Resolution No. 16-05 – Approval of Financial Soundness Determination for Nord Country School located in Butte County for a Preliminary/Advance Apportionment through the Charter School Facilities Program

Ms. Johantgen told the Board that the school was found sound in 2015, but needs to be renewed due to the six-month limit adopted in 2011. Ms. Johantgen noted for the Board that project costs have dropped dramatically this year and that the project still met financial and operational criteria and confirmed the purpose was to expand a grade level.

Mr. Schweizer made a motion to approve and Ms. Ortega seconded. After a call for public comment, the resolution was approved unanimously by rollcall.

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

Respectfully submitted,

Katrina Johantgen