

# CALIFORNIA SCHOOL FINANCE AUTHORITY

## Meeting of the Board

Wednesday, December 13, 2017  
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  
Jacqueline Wong-Hernandez, designee for Michael Cohen, Director of Finance  
Nick Schweizer, designee for Tom Torlakson, Superintendent of Public Instruction

Staff Present: Katrina Johantgen, Executive Director  
Dana Brazelton, Manager  
Laura Martinez, Manager  
Jodie Jones, Program Analyst  
Anne Osborne, Program Analyst  
Nicolaus Seppi, Office Technician

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

Item 2: Approval of Minutes: The minutes from the November 20, 2017 Authority Board meeting were presented to the Board and approved unanimously by roll call.

### Item 3: Executive Director's Report

Charter School Facility Grant Program (SB740): The Authority is pro-rating the initial apportionments for the 2017-18 awardees and has sent information to all schools. The Authority also posted a public notice to their website to explain program oversubscription and award proration.

Charter School Revolving Loan Fund Program: The Authority will launch an online application for the Program on its website. It was the last program to convert to an online application.

Conduit Bond Program: In anticipation of changes to the bond market as a result of the tax reform bill, the Authority is looking to price and close four financings before the end of the year.

Charter School Facilities Program (CSFP): The Authority is continuing its financial reviews of Proposition 51 schools, and is planning to move its January meeting to the third Wednesday to accommodate additional CSFP school reviews.

State Charter School Facilities Incentive Grants Program: The Authority is preparing to launch Round 14.

Charter School Facilities Credit Enhancement Grant Program: The Authority will be launching the PANACEA program, with regulations expected to be sent to the Board for approval in February or March. The Authority is seeking modifications to the grant award so a portion of the funding can be used to enhance bank loans.

Item 4: Resolution No. 17-34 – Adopting Proposed Regulations for the State Charter School Facility Grant Program and Authorizing the Regular Rulemaking Process

Ms. Johantgen introduced the item to the Board, explaining that it is a conversion of emergency rulemaking to permanent rulemaking, and that staff recommends approval. Ms. Johantgen then invited Anne Osborne to speak about the Regulations.

Ms. Osborne began by asking if the Board had any questions, then discussed the changes:

- 10170.2 – Modified the application language to include the online application
- 10170.3(d)(4) and 10170.3(d)(5) – Removed due to obsolete language
- 10170.5 – Updated language to include the online application process
- 10170.6 – Updated language to include the online application process

Additionally, Ms. Osborne explained the following changes to the application form 740-01:

- Question #2 was modified; the schools previously had to confirm their Free and Reduced Price (FRPM) eligibility, but now the Authority confirms it directly with the California Department of Education (CDE).
- Question #3 was updated for schools to specify that they are in compliance with the preference of admissions requirement for their local elementary schools as stated in section 10170.3(d)(2).
- Question #4 was added to determine eligibility for district-dependent and non-district dependent school sites, in accordance with section 10170.4(e).

The Authority does not expect any public comment on these regulations, as there were no comments for the Emergency Regulations, and the additional changes are minor. The Authority anticipates that the Notice will be posted on December 29 and the comment period will close on February 12, with final approval anticipated on April 1.

Ms. Wong-Hernandez 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. 17-35 – Approving Financially Sound Determinations for the Charter School Facilities Program (CSFP) Applications Received under the Proposition 51 Funding Round

Ms. Johantgen introduced the item and recommended approval of financial soundness determinations for Blue Oak Academy, EJE Elementary, MIT Academy High School, MIT Academy Middle School, Sycamore Valley Academy, and Urban Montessori Charter. Caliber Beta Academy, which was also on the agenda, will come to the Board in January.

Ms. Johantgen started by providing a history of the program for the Board, and explained how schools are able to use the available funding, as well as the criteria for how those funding determinations are made by the Office of Public School Construction (OPSC). After the financial soundness reviews are approved, the Authority will notify OPSC, who will then determine which school projects receive funding. She also explained the rules and requirements entities must follow while being in the Program and how the Authority measures their financial soundness. Ms. Johantgen confirmed for the Board that the charter school match is paid through the State-level intercept.

The Board thanked the Authority staff for their analysis and clarified some questions regarding covered expenditures.

Mr. Schweizer made a motion to approve the list of schools with the exception of Caliber Beta Academy, and Ms. Wong-Hernandez 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