

MEMORANDUM

Date: June 13, 2018

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 18-09 Approving Determination of Old Adobe Charter Elementary's Financial Soundness for Purposes of a Final Apportionment under the Charter School Facilities Program

Consideration of Resolution No. 18-09, approving that Old Adobe Charter Elementary (OACE) has maintained a financially sound status for purposes of a Final Apportionment under the Proposition 51 funding round of the Charter School Facilities Program (Program).

Background: At its February 14, 2018 board meeting, the California School Finance Authority (Authority) found Old Adobe Union School District (OAUSD), on behalf of OACE, financially sound for a Preliminary and Advance Apportionment, but not for Final Apportionment, under Proposition 51 in the amount of \$353,865. This amount has since been revised to \$285,810.

Recent Request for Final Apportionment: OACE has recently applied for release of funds for Final Apportionment in the amount of \$285,810. OACE operates as a district-dependent charter school governed by OAUSD. Given that it has been less than twelve months since the Authority's findings regarding the financial soundness for Preliminary Apportionment, and that no material financial or operational changes have occurred since then relative to OACE and OAUSD, staff is recommending that OAUSD, on behalf of OACE, be found financially sound for final apportionment. Additionally, staff verified that, as of May 16, 2018, OACE has maintained its good standing with its authorizers and is in compliance with the terms of its charter with OAUSD.

Below are the highlights from the Staff Report presented at the February 14, 2018 Board meeting. Please note that projected debt service coverage has been recalculated with the revised project costs from OPSC.

Criteria	Comments
<i>Old Adobe Union School District Information</i>	
Demographic Information	<ol style="list-style-type: none">1. Old Adobe Union School District is comprised of the following mix of races/ethnicities: 45.8% Caucasian; 42.8% Hispanic or Latino; 4% Two or More Races; 3.2% Asian; 1.3% African American; 1.2% None Reported; Filipino 0.8%; Pacific Island 0.5%; and 0.4% American Indian.2. In 2016-17, Old Adobe School District had a total enrollment of 1992 students in grades K - 6 (the ADA rate was 84.5%).

Debt Service Coverage	The district is providing its matching share through General Obligation (GO) bond proceeds.
Other Financial Factors	<ul style="list-style-type: none"> • Old Adobe Union School District's building fund (which receives GO bond proceeds) had a balance of \$2,794,891 at the end of FY 2016-17. • The District has already completed and funded the project.
<i>Old Adobe Elementary Charter Information</i>	
Eligibility Criteria	Old Adobe Elementary Charter has met all eligibility criteria: (1) Old Adobe Elementary Charter began operation in 2012; (2) Old Adobe Elementary Charter's most recent charter was approved on July 1, 2017 and is in place through June 30, 2022; (3) Old Adobe Elementary Charter is in good standing with its chartering authority, and in compliance with the terms of its charter.
Student Performance	Old Adobe Elementary Charter has performed better than its comparable local schools and the district in English Language Arts and Mathematics.

Recommendation: Staff recommends that the California School Finance Authority Board determine that Old Adobe Union School District, on behalf of Old Adobe Charter Elementary, is financially sound for the purposes of the Charter School Facilities Program Final Apportionment, and approve Resolution 18-09. Staff recommends that the Authority Board direct staff to notify the Office of Public School Construction regarding this determination.