

CALIFORNIA SCHOOL FINANCE AUTHORITY

Meeting of the Board

Wednesday, March 13, 2019
11:00 a.m.

915 Capitol Mall, Room 587
Sacramento, California 95814

Deputy State Treasurer Audrey Noda, serving as Chair, called the meeting to order.

Roll Call

Members Present: Audrey Noda, designee for Fiona Ma, CPA, California State Treasurer
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction
Jeff Bell, designee for Keely Martin Bosler, Director of Finance

Staff Present: Katrina Johantgen, Executive Director
Laura Martinez, Manager
Kristen Schunk, Program Analyst
Nicolaus Seppi, Office Technician

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

Item 2: Approval of Minutes: The Board reviewed minutes from the February 5, 2019 Authority Board meeting. Ms. Noda and Mr. Mireles voted to approve the Minutes, with Mr. Bell not voting.

Item 3: Executive Director's Report: Ms. Johantgen started by introducing Ravinder Kapoor to the Board as the Authority's new legal counsel. She added that the Charter School Facility Grant Program (SB740) has disbursed 50% of the "other costs" awards for 2017-18 to provide immediate cash flow, due to a delay with some appraisals, and the Authority has disbursed nearly \$73.3 million in 2018-19 awards. The Authority has received thirty Revolving Loan Fund (RLF) applications (22 priority one schools and 8 priority two schools) for the 2018-19 funding round with \$8 million in funding available. For Conduit Bonds, the KIPP Bay Area loan closed and the Alta Public school deal approved in September hopes to price and close in April. The Authority also released its annual Bond report to the website. The report is included in board packets for members' information. Staff is finalizing agreements for the Charter School Facility Program, and is working to streamline the monthly intercept process and provide bridge funding to schools. The State Charter School Facilities Incentive Grant Program Funding Round 15 is opening, with an informational webinar on March 20, 2019. For the Credit Enhancement program, the Authority will have a monitoring call with federal representatives in the coming weeks. Lastly, Authority staff is working with Assemblymember Gloria's office on AB 1674 to expand the Authority's mandate to include preschools and housing projects for students and teachers.

Ms. Johantgen discussed the status of FISCAL implementation and how its impacting school awards, as well as how Authority staff is helping schools with required documents and provide communication with State agencies working on the project.

Item 4: Resolution 19-07 – Financial Soundness Determination for Tracy Learning Center, on behalf of Millennium Charter, for the Charter School Facilities Program (CFDA#84.282D)

Ms. Johantgen introduced the item and explained that the Board previously approved this item four months ago, but that due to increasing project costs from additional State grant funding, the Board will need to reauthorize the approval. She stated that staff recommends approval of the item.

Ms. Noda confirmed with Ms. Johantgen that items do not normally return to the Board after recent financial soundness determinations, but that staff cannot raise an award after the Board's approval. Ms. Johantgen also explained the steps the Authority takes after the Board approves a financial soundness determination and the funding available to the school.

Mr. Bell made a motion to approve the resolution and Mr. Mireles seconded. After a call for public comment, the Board approved the resolution unanimously by roll call.

Item 5: Resolution 19-09 – Approval of a Two-Year Extension for Children's Community Charter under the State Charter School Facilities Incentive Grants Program

Ms. Johantgen introduced the item and provided the Board with details about the grant. She added that the three-year federal grant requires the recipient to spend down one third of the award annually. Children's Community Charter lost its facility in Paradise during the Camp Fire. The grant for the school expires in 2019, so the Authority will amend the grant agreement to extend the award to 2021 when the school anticipates moving back to Paradise, and will require the school to maintain grant eligibility. Authority staff will be able to work through additional changes regarding project scope, and the school may ask for additional extensions if necessary. The Authority is currently reviewing the possibility of the school using the funds in the Chico area, where it is currently located.

Mr. Mireles made a motion to approve the resolution and Mr. Bell seconded. After a call for public comment, the Board approved the resolution unanimously by roll call.

Item 6 – Adjournment

Ms. Johantgen discussed the next Board meeting, indicating there would likely be multiple appeals and financings to consider. Ms. Noda voiced Treasurer Ma's and the Authority's support for SB 126 – the charter transparency bill. There being no public comments or other business to conduct, the Board adjourned the meeting.

Respectfully submitted,

Katrina Johantgen