

RESOLUTION NO. 19-10

APPROVAL OF FINANCIAL SOUNDNESS DETERMINATION FOR LAZEAR CHARTER ACADEMY LOCATED IN ALAMEDA COUNTY FOR A FINAL APPORTIONMENT THROUGH THE CHARTER SCHOOL FACILITIES PROGRAM

April 10, 2019

WHEREAS, the California School Finance Authority (Authority) is authorized by Education Code section 17078.57 to determine whether applicants to the Charter School Facilities Program (Program) are financially sound for purposes of the Program at the time of Preliminary, Advance, and Final Apportionment; and

WHEREAS, Education for Change, on behalf of Lazear Charter Academy, was determined by the Authority to be financially sound for purposes of a Preliminary Apportionment in November 2014 and Advance Apportionment in May 2016 for the 2014 funding round rehabilitation project; and

WHEREAS, the State Allocation Board (Board), through the funding methodology established pursuant to Education Code section 17078.56, awarded Education for Change a Preliminary Apportionment of \$12,221,618 for the 2014 funding round rehabilitation project; and

WHEREAS, an Advance Apportionment amount for the 2014 funding round rehabilitation project as determined by Office of Public School Construction (OPSC) is \$1,222,161.80 for design; and

WHEREAS, Education for Change was determined by the Authority to be financially sound for purposes of a Preliminary and Advance Apportionment in January 2018 for the Proposition 51 rehabilitation and new construction projects; and

WHEREAS, the Board, through the funding methodology established pursuant to Education Code section 17078.56, awarded Education for Change a Preliminary Apportionment of \$5,068,092 for the Proposition 51 rehabilitation and new construction projects; and

WHEREAS, Lazear Charter Academy's final total project cost as determined by OPSC is now \$17,033,988 for all three projects; and

WHEREAS, Education for Change is requesting the release of funds for Final Apportionment in an amount of \$17,033,988 (minus previously advanced funds); and

WHEREAS, Education for Change will fulfill its local matching share obligation, which is \$8,516,994 through a 30-year agreement with the State; and

WHEREAS, the Authority is required by section 10154 of Program regulations to conduct a review of Education for Change's financial soundness at the time of a Final Apportionment request and determine whether Education for Change has maintained a financially sound status; and

WHEREAS, this determination of financial soundness is contingent upon there being no material legal, financial, or operational changes between the date of this resolution and Education for Change's receipt of Final Apportionment; and

WHEREAS, this determination of financial soundness will still be considered valid and current if the actual project cost provided by OPSC is altered within 10% of the amount used by the Authority to make this determination.

NOW, THEREFORE, BE IT RESOLVED by the California School Finance Authority as follows:

Section 1. Education for Change has maintained its financial soundness for purposes of the Program, specifically with regard to its request for a Final Apportionment.

Section 2. Education for Change is fulfilling its local matching share obligation through a 30-year CSFP loan obligation in an amount not to exceed \$8,516,994 that will be intercepted by the State Controller's Office.

Section 3. This determination as it relates to Final Apportionment is in place for twelve months and assumes no financial, operational, or legal material findings within this time period.

Section 4. The Executive Director of the Authority, and the Chair of the Authority or his or her designee, is hereby authorized, for and on behalf of the Authority, to notify the Board, and provide supporting documentation, that Education for Change has maintained its financial soundness for purposes of the Program and for its request for a Final Apportionment.

Section 5. The Executive Director of the Authority, and the Chair of the Authority or his or her designee, is hereby authorized, for and on behalf of the Authority, to execute the Program agreements between the State and Education for Change, and the District as necessary prior to Final release of funds.

Section 6. This resolution shall take effect immediately upon its approval.

PASSED AND ADOPTED by the California School Finance Authority.

Date of Adoption: April 10, 2019