

## RESOLUTION 20-36

### RESOLUTION OF THE CALIFORNIA SCHOOL FINANCE AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACTS FOR ADVISORY AND LEGAL SERVICES TO SUPPORT THE CALIFORNIA SCHOOL FINANCE AUTHORITY K-14 AND CHARTER SCHOOL ASAP PROGRAMS

November 12, 2020

**WHEREAS**, in response to the global COVID-19 pandemic and the economic impact thereof, the State of California is deferring state revenue to K-12 school districts, community colleges, and charter schools; and

**WHEREAS**, Treasurer Fiona Ma, CPA, called on the boards, commission, and authorities within the State Treasurer's Office to craft solutions to assist stakeholders weather the state deferrals and other economic impacts of the pandemic; and

**WHEREAS**, the California School Finance Authority's ("Authority") was created under the California School Finance Authority Act (the "Act"), codified under Education Code section 17170 et seq.; and

**WHEREAS**, the Authority was created to assist participating parties in financing educational facilities as well as working capital; and

**WHEREAS**, working with our colleagues in the State Treasurer's Public Finance Division, the Authority has launched two new working capital programs to meet the needs of K-14 districts and charter schools; and

**WHEREAS**, Section 17179 of the Education Code provides that the Authority is authorized and empowered to do all things generally necessary to carry out its responsibilities under the Act; and

**WHEREAS**, Section 17175 of the Education Code provides that the Authority may, by resolution, delegate to its Executive Director or other official or employee of the Authority any powers and duties that it may deem proper, including the power to enter into contracts on behalf of the Authority; and

**WHEREAS**, pursuant to California Education Code Section 17176 the Attorney General shall be the legal counsel for the Authority, but with the approval of the Attorney General, the Authority may employ such legal counsel as in its judgment is necessary or advisable to enable it to carry out the duties and functions imposed upon it; and

**WHEREAS**, there is a need to execute contracts in order to retain firms to provide legal counsel services.

**WHEREAS**, the contracts will be paid pursuant to the information set forth in Exhibit A to this resolution.

**NOW, THEREFORE, BE IT RESOLVED**, that the Executive Director is hereby authorized to execute Contracts with: 1) Montague DeRose and Associates, LLC; 2) Nixon Peabody LLP; 3) Norton Rose and Fulbright US LLP; and 4) Orrick, Herrington and Sutcliffe LLP.

**Section 1.** This Resolution shall take effect from and after its adoption.

Dated: November 12, 2020

CERTIFICATE OF THE EXECUTIVE DIRECTOR  
(Attesting to Action of the Authority)  
Sacramento, California

I, Katrina Johantgen, Executive Director of the California School Finance Authority, hereby certify that the foregoing is a full, true and correct copy of Resolution No. 20-36 of the California School Finance Authority, Authorizing the Approval of Agreements for Financial and Legal Services to Support the California School Finance Authority K-14 and Charter ASAP Programs: 1) Montague DeRose and Associates, LLC; 2) Nixon Peabody LLP; 3) Norton Rose and Fulbright US LLP; and 4) Orrick, Herrington and Sutcliffe LLP; and that at the meeting such Resolution was adopted by the following votes:

AYES:

NOES:

ABSTAINS:

ABSENT:

I further certify that the original minutes of said meeting and a copy of the original Resolution adopted at said meeting are on file in the California School Finance Authority office; and that the Resolution has not been amended, modified, or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the California School Finance Authority hereto.

(seal)

By: \_\_\_\_\_  
Katrina Johantgen, Executive Director

\_\_\_\_\_, 2020

Firm / Role	Contract Number	Primary Scope of Work	Payment Agreement for K-14 TRAN	Payment Agreement for ASAP
<p>Montague DeRose &amp; Associates, LLC  Municipal Advisor</p>	<p>CSFA 02-20</p>	<p>The firm will be expected to provide the full range of municipal advisory services required in connection with (a) the development of the K-14 Districts TRAN Pool program and the Charter Schools TRAN Pool program (the “Programs”); (b) the successful issuance and delivery of bonds by CSFA for the two programs; and (c) additional services as mutually agreed between the parties.</p>	<p><u>State Credit Structure:</u> The Firm will be paid a variable rate fee schedule, up to a cap, based on the amount borrowed by each K-14 District set forth in Schedule 1.a.<sup>1</sup>, less the amount of \$4,000 to be paid to Eide Bailly for each borrowing assigned to Eide Bailly.</p> <p><u>District Credit Structure:</u> 2) The Firm will be paid a variable rate fee schedule, up to a cap, based on the amount borrowed by each K-14 District set forth in Schedule 2.a.<sup>2</sup>, See less the amount of \$4,000 to be paid to Eide Bailly for each borrowing assigned to Eide Bailly.</p>	<p>The Firm will be paid a fixed fee of \$1,000 per borrower, plus a variable fee of 0.30%, with a fee cap of \$30,000 per borrower.</p>
<p>Nixon Peabody LLP  Disclosure Counsel</p>	<p>CSFA 04-20</p>	<p>The Firm will prepare and maintain, the preliminary and final official statement (Offering Documents) and related certificates including providing a “10b-5” letter on the preliminary official</p>	<p><u>State Credit Structure:</u> For an Offering Document with a total par size up to \$400 million, the Firm will be paid a flat fee of \$75,000. For an Offering Document with a total par</p>	<p>The Firm will be paid a fixed fee of \$1,000 per borrower, plus a variable fee of 0.15%, with a fee cap of \$20,000 per borrower.</p>

<sup>1</sup> See Exhibit A

<sup>2</sup> See Exhibit B

Firm / Role	Contract Number	Primary Scope of Work	Payment Agreement for K-14 TRAN	Payment Agreement for ASAP
		<p>statement and the official statement (excluding tax matters) for the Programs. The Firm will work with the STO, CSFA, bond counsel, municipal advisor and program participants in preparing and maintaining the Offering Documents and related certificates.</p>	<p>size of more than \$400 million, the Firm will be reimbursed for the actual time incurred based on an single, blended rate of \$525 per hour for all attorneys of the Firm, subject to a cap of \$125,000.</p> <p><u>District Credit Structure:</u>          The Firm will be paid a fixed fee of \$1,500 per borrower, plus a variable fee of 0.015%, with a fee cap of \$6,000 per borrower.</p>	
<p>Norton Rose Fulbright</p> <p>Bond Counsel (K-14 Program)</p>	<p>CSFA 05-20</p>	<p>The Firm will provide the full range of bond counsel services required with (a) development of the K-14 Districts TRAN Pool Program; (b) the successful issuance and delivery of bonds by CSFA for the Program; and (c) additional services as mutually agreed between the parties.</p>	<p>Program Setup: The Firm will be reimbursed for time incurred, up to a maximum of \$100,000, at a Blended Hourly Rate of \$595 for attorneys and \$250 Paralegals and Legal Assistants; not contingent on closing of transaction(s).          Bond Counsel: The Firm will be paid a Fixed Fee of \$6,000 per aggregate bond sale, and a Variable Fee of 0.080% of the amount of each participant's borrowing, with a cap of \$6,000 per borrower. These bond counsel fees are</p>	

Firm / Role	Contract Number	Primary Scope of Work	Payment Agreement for K-14 TRAN	Payment Agreement for ASAP
			contingent on and payable at the closing of each transaction.	
<p>Orrick, Herrington &amp; Sutcliffe LLP</p> <p>Bond Counsel (Charter School ASAP Program)</p>	<p>CSFA 06-20</p>	<p>The Firm will provide the full range of bond counsel services required with (a) development of the Charter Schools TRAN Program (the "Program"); (b) the successful issuance and delivery of bonds or notes by CSFA for the Program; and (c) additional services as mutually agreed between the parties.</p>		<p>Program Setup: The Firm will be reimbursed for time incurred, up to a maximum of \$100,000, at a Blended Hourly Rate of \$595 for attorneys and \$290 for Paralegals and Legal Assistants; not contingent on closing of transaction(s).          Bond Counsel: The Firm will be paid a fixed fee of \$2,500 per borrower, plus a Variable Fee of 0.10% of the amount of each participant's borrowing, with a fee cap of \$20,000 per borrower. These bond counsel fees are contingent on and payable at the closing of each transaction.</p>

Exhibit A

<b>Schedule 1.a.</b>				
<b>Min. Range</b>	<b>Max. Range</b>	<b>Fixed Fee</b>	<b>Variable Fee</b>	<b>Fee Cap</b>
\$0	\$299,999	\$0	0.35%	n/a
300,000	1,599,999	0	0.40%	n/a
1,600,000	1,899,999	0	0.36%	n/a
1,900,000	2,749,999	0	0.28%	n/a
2,750,000	4,999,999	0	0.25%	n/a
5,000,000	6,499,999	0	0.18%	n/a
6,500,000	12,499,999	0	0.12%	n/a
12,500,000	19,999,999	0	0.07%	n/a
20,000,000	24,999,999	0	0.06%	n/a
25,000,000	100,000,000	0	0.06%	\$20,000

Exhibit B

<b>Schedule 2.b.</b>				
<b>Min. Range</b>	<b>Max. Range</b>	<b>Fixed Fee</b>	<b>Variable Fee</b>	<b>Fee Cap</b>
\$0	\$299,999	\$0	0.35%	n/a
300,000	1,599,999	0	0.40%	n/a
1,600,000	1,899,999	0	0.36%	n/a
1,900,000	2,749,999	0	0.28%	n/a
2,750,000	4,999,999	0	0.25%	n/a
5,000,000	6,499,999	0	0.18%	n/a
6,500,000	12,499,999	0	0.12%	n/a
12,500,000	19,999,999	0	0.07%	n/a
20,000,000	24,999,999	0	0.06%	n/a
25,000,000	100,000,000	0	0.06%	\$30,000