

MEMORANDUM

Staff Summary No. 11

Date: December 3, 2020

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 20-48 – Approval of the Charter School Revolving Loan Fund Program Recommendations and Amounts (Action Item)

Overview: With the California School Finance Authority's (Authority) most recent regulation change, the Charter School Revolving Loan Fund Program (Program) was able to transition from one annual application submission cycle to a multi-round, or rolling application process, subject to funding availability. With the hope of providing funding relief to schools that were negatively impacted by the COVID-19 pandemic, the Authority used this new provision and opened the first of two planned funding rounds for the 2020-21 school year.

With approximately \$13 million available funds to support the Program's 2020-21 Funding Round A, the Authority opened an application period in September 2020. The Authority received nine timely applications by the October 9, 2020 deadline, with funding requests totaling \$1.75 million.

Since October 2020, Authority staff have assessed eligible loan applications in accordance with the framework established by statute and regulation. Staff reviewed two tiers of applications: (1) one school opened in 2020-21, which the Authority classifies as a priority one application; and (2) eight schools that have already opened, which the Authority classifies as priority two applications. Staff determined that one of the nine applications is ineligible for Program funds since the school's charter had already been renewed. Staff is now recommending three loans for board approval for schools listed in Exhibit A of Resolution No. 20-48 at the Authority's December 3, 2020 meeting. The additional loan applications will be brought to the board in January 2021.

Recommendation: Staff recommends the Board adopt Resolution No. 20-48, approving Program recommendations and amounts to the schools listed in the attached *Exhibit A – Board Matrix*. Once approved, staff will notify schools of the conditional loan approvals, confirm schools meet all funding criteria before releasing funds, distribute and execute loan agreements, and carry out all other necessary steps to disburse funds to schools.