

MEMORANDUM

Staff Summary No. 7

Date: January 28, 2020

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 21-02 – 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) transitioned 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.

Beginning in 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.

The Authority Board approved three loans at its December 3, 2020 meeting; since the approval, one of the schools determined it no longer needed the loan funds and withdrew its application. Staff determined three of the applications are ineligible for Program funds and is recommending the remaining three schools for board approval, listed in Exhibit A of Resolution No. 21-02 at the Authority's January 28, 2021 meeting. This will conclude the loan awards for the 2020-21 Funding Round A.

Charter School Revolving Loan Fund Program Recommendations

2020-21 Funding Round A		
Priority	Applicant	Status
1	Orange County Classical Academy	Being presented
2	EPIC Charter (Excellence Performance Innovation Citizenship)	Ineligible due to other legal issues
2	Excel Academy Charter	Ineligible due to its renewed charter
2	International School for Science and Culture	Being presented
2	Perseverance Preparatory	Being presented
2	Sycamore Creek Community Charter	Already approved
2	Team Charter Academy	Already approved; Withdrew application because funds were no longer needed
2	Vista Horizon Global Academy	Already approved
2	Eleanor Roosevelt Community Learning Center	Ineligible due to its renewed charter

Recommendation: Staff recommends the Board adopt Resolution No. 21-02, 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.