

MEMORANDUM

Staff Summary No. 7

**Date:** February 25, 2021

**To:** Members of the California School Finance Authority

**From:** Katrina M. Johantgen, Executive Director

**Subject:** Resolution No. 21-05 – Approval of Charter School Revolving Loan Fund Program Recommendation for EPIC Charter in the amount of \$150,000 (Action Item)

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**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 existing schools, which the Authority classifies as priority two applications.

The Authority Board approved three loans at its December 3, 2020 meeting and three loans at its January 28, 2021 meeting. Since the approvals, one of the schools determined the loan was no longer needed and withdrew its application. Staff determined two of the applications ineligible for Program funds. Staff is recommending EPIC Charter for Board approval through Resolution No. 21-05, based on program criteria outlined in Exhibit A. This will conclude the loan awards for the 2020-21 Funding Round A.

**Recommendation:** Staff recommends the Board adopt Resolution No. 21-05, approving the Program recommendation and amount to EPIC Charter. Once approved, staff will notify EPIC Charter of the conditional loan approval and, confirm they meet all funding criteria before releasing funds, distributing, and executing its loan agreement, and carrying out all other necessary steps to disburse funds to the school.