

MEMORANDUM

Staff Summary No. 7

Date: November 10, 2021

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 21-37 – Approval of the Charter School Revolving Loan Fund Program Recommendation and Amount (Action Item)

Overview: The California School Finance Authority (Authority) opened the application period for the 2021-22 Funding Round A of the Charter School Revolving Loan Fund Program (Program) on September 2021. The Program has approximately \$14.5 million available to award for this funding round. The Authority received one (1) application by the October 1, 2021 deadline with a funding request totaling \$250,000.

Authority staff has assessed Entrepreneur High Fontana (EHF) (CDS: 36-10363-0140012) loan application in accordance with the framework established by statute and regulations. EHF is a Priority One School that opened Fall 2021. Staff is recommending the school receive the maximum loan amount of \$250,000.

The Governor recently signed into law the Charter School Renewal Extension. A significant issue that charter schools face, as schools return to a more traditional pre-pandemic in school schedule, is how charter renewals will be determined with two-years of missing Dashboard and California Assessment of Student Performance and Progress (CAASPP) data, basically annual test scores. A new law recently enacted is Education Code Section 47607.4, states:

“Notwithstanding the renewal process and criteria established in sections 47605.9, 47607, and 47607.2 or any other law, effective July 1, 2021, all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years.”

The Authority legal advisor within the State Treasurer’s Office opined that this law applies to all charters that fall within these renewal dates. As such, staff included the two-year extension with EHF as part of our regular evaluation process and payment calculation and found the school is impacted by the change in law. Staff is recommending the one (1) loan, totaling \$250,000, for board approval.

Recommendation: Staff recommends the Board adopt Resolution No. 21-37, approving Entrepreneur High Fontana in the amount of \$250,000. Once approved, staff will notify the school of the conditional loan approval, confirm the school meets all funding criteria before releasing funds, distribute and execute the loan agreement, and carry out all other necessary steps to disburse funds to this charter school.