

MINUTES

CALIFORNIA SCHOOL FINANCE AUTHORITY
915 Capitol Mall, Conference Room 587
Sacramento, California 95814

300 S. Spring St, Suite 8500
(Large Conference Room)
Los Angeles, CA 90013

April 28, 2022 - 11:08 p.m.

Public Participation

Call-In Number: (877) 810-9415 – Participant Code: 6535126

OPEN SESSION

Item #1: Roll Call

Members: Audrey Noda, Deputy Treasurer (Sacramento office) - Present
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction (Sacramento office) – Present
Gayle Miller, designee for Keely Martin Bosler, Director of Finance - (Sacramento office) Present

Staff Present: Katrina Johantgen, Executive Director (Sacramento Office)
Ravinder Kapoor, Legal Counsel (Via Microsoft Teams)
Robert Rodriguez, Office Technician (Sacramento Office)
Ryan Storey, Program Lead (LA Office)
Robert Biegler, Program Lead (Via Microsoft Teams)
Elizabeth Mendez, Program Lead (Via Microsoft Teams)
Steven Theuring, Program Lead (Sacramento Office)

Attendees Via Microsoft Teams:

Joseph Benson, Executive Director, John Adams Academy
John Solarczyk, Managing Director, RBC Capital Markets
John Snider, Managing Director, RBC Capital Markets
Jessica I. Shaham, Partner, Kutak Rock LLP
John Phan, Principal, Campanile Group, Inc.
Chip Eady, Counsel, Procopio
Cameron Curry, CEO, The Classical Academy
Mark Kalpakgian, COO, The Classical Academy
Carmen Coniglio, CFO, The Classical Academy
Kerrigan Bennett, Shareholder, Stradling Yocca Carlson & Rauth
Sarah J. Kollman, Partner, Young & Minney & Corr
Dr. Jacqueline Elliot, President & CEO, PUC National
Lisa Tovar, Chief Financial Officer, PUC National
David Jackson, Chief Operations Officer, PUC National
Akshai Patel, Director, RBC Capital Markets
Mark Bauer, Partner, Orrick, Herrington & Sutcliffe

John Buck, President, Buck Financial

Deputy Treasurer Audrey Noda welcomed those on the phone line to the California School Finance Authority (CSFA or the Authority) Board (Board) meeting. Executive Director Katrina Johantgen read the prompt regarding the teleconference line and public participation.

Item #2: Approval of the March 30, 2022 Board Minutes (Action Item)

Deputy Treasurer Audrey Noda introduced Item #2: Approval of the March 30, 2022 Board Minutes. Executive Director Katrina Johantgen noted that there had been minor changes made to the March 30, 2022 Board Meeting Minutes, noting they were typos that were corrected and that the updated version was posted to the Authority website. Deputy Treasurer Noda asked if there were any public comments and there were none.

Authority Action

Motion to approve the minutes from the March 30, 2022 meeting. Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Noda

AYES: Noda, Mireles, Miller
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Item #3: Executive Director's Report

K-14 SAIN and Charter ASAP Program: The Authority had a very instructive call recently with the attorneys that help structure the program financing, and staff is looking to implement changes to allow the deferral program borrowing program as an option in the event of future deferrals.

Charter School Facility Grant Program: Staff is currently waiting on the augmentation of the program of approximately an additional \$30 million, with a recently adjusted Cost of Living Adjustment from 5.33% to 6%, which will have an impact on program funding.

Conduit Financing Program: The Authority priced the Aspire Public Schools transaction this week, and it was very well received. Staff is bringing items to the Board today for Coastal Academy Charter, Partnership to Uplift Communities and John Adams Academy refinancing.

Credit Enhancement Program: The Authority is bringing an award to the board for approval today in the amount of \$2,000,000.

Revolving Loan Fund: Executive Director Katrina Johantgen confirmed the funding round B has opened for the program.

Charter School Facilities Program: The Authority is bringing financial soundness reviews to our May and June board meetings and a new funding round opens from May 2, 2022 through June 3, 2022.

Deputy Treasurer Noda asked if there were any questions from Board Members and the public. There were none.

Item #4: Resolution No. 22-22 – Authorizing the issuance of revenue bonds in an amount not to exceed \$104,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities located in Placer County and El Dorado County for use by John Adams Academies, Inc. (Action Item)

Program Lead Robert Biegler presented, sharing the history and background information for the item. Mr. Biegler then introduced Joseph Benson, Executive Director at John Adams Academy, John Solarczyk, Managing Director at RBC Capital Markets, John Snider, Managing Director at RBC Capital Markets, Jessica I. Shaham, Partner at Kutak Rock, John Phan, Principal at Campanile Group and Chip Eady, Counsel at Procopio.

John Solarczyk provided an overview of the transaction, with a financial timeline and details regarding the refinancing, referring to the presentation materials presented to board members. Joseph Benson spoke next and shared details regarding the John Adams Academies network of charter schools, providing insight into the campuses, student population and education philosophy. Mr. Benson also confirmed that the school's material revision application submitted to ElDorado County Office of Education was recently unanimously approved.

Deputy Treasurer Noda asked if there were any questions from Board Members and the public. There were none.

Authority Action

Motion to Approve the Authorizing the issuance of revenue bonds in an amount not to exceed \$104,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities located in Placer County and El Dorado County for use by John Adams Academies, Inc. Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Miller

AYES: Mireles, Noda, Miller

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Executive Director Katrina Johantgen requested that items #5 and #7 be presented together, which Deputy Treasurer Noda approved.

Item #5: Resolution No. 22-23 – Authorizing the issuance of revenue bonds in an amount not to exceed \$65,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located in San Diego County for use by The Classical Academy, Incorporated and Coastal Academy Charter School, Inc. (Action Item)

Executive Director Katrina Johantgen presented, providing an overview of the project and introduced Cameron Curry, CEO at The Classical Academy, Mark Kalpakgian, COO at The Classical Academy, Carmen Coniglio, CFO at The Classical Academy, Kerrigan Bennett, Shareholder at Stradling Yocca Carlson & Rauth, Sarah J. Kollman, Partner at Young & Minney & Corr, John Snider, Managing Director at RBC Capital Markets and John Phan, Principal at Campanile Group.

John Snider presented next and shared a general overview of the transaction, including facility details, the bond structure and the school's history working with the Authority.

Cameron Curry presented next and provided information regarding the history of The Classical Academies, student programs provided by the school and how the school would benefit from the additional facility space.

Sarah J. Kollman presented next, giving an overview of the merger of Coastal Academy with the larger Classical Academy, noting it would be a fairly straightforward process and providing merger details.

Board Member Mireles noted that he appreciated Ms. Kollman's clarification of the merger details. Board Member Mireles had a question regarding the projected enrollment growth, noting it was attributed to increased interest related to the COVID pandemic and asked how the school made the determination.

Mr. Curry responded, confirming the school's staff adapted quickly and effectively when the pandemic began effecting the traditional classroom setup, and as a result, saw an overall increase in enrollment. They found that as classroom restrictions were lifted, many opted to continue to use the independent study program provided by their school, rather than return to the traditional classroom environment.

John Phan noted that his analysis indicated that the school will service their debt, even without significant enrollment growth.

Item #7 Resolution No. 22-25 - Approving the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$2,000,000 to The Classical Academy, Incorporated, located San Diego County. (Action Item)

Executive Director Katrina Johantgen presented and confirmed the school met all eligibility requirements and was in good standing with it's authorizer. Executive Director Johantgen confirmed that the school was located in a school district in which more than 50% of student population is eligible for free or reduced price meals, and that staff was recommending approval of the item. Executive Director Johantgen introduced Cameron Curry, CEO at The Classical Academy, who spoke to the benefits this additional funding would have for the school's teaching staff.

Deputy Treasurer Noda asked if there were any questions from Board Members and the public. There were none.

Board Member Miller was temporarily called away from the meeting, prompting Deputy Treasurer Noda to move on to Item #6.

Item #6: Resolution No. 22-24 – Authorizing the issuance of revenue bonds in an amount not to exceed \$27,000,000 to refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located in Los Angeles County for use by Partnerships to Uplift Communities Los Angeles and Partnerships to Uplift Communities Lake View Terrace (Action Item)

Program Lead Robert Biegler presented, noting that the bonds were going to be designated as social impact bonds, noting this designation wasn't specified in the staff summary provided to board members. Mr. Biegler introduced Dr. Jacqueline Elliot, President & CEO at PUC National, Lisa Tovar, Chief Financial Officer at PUC National, David Jackson, Chief Operations Officer at PUC National, John Solarczyk, Managing Director at Rbc Capital Markets, John Snider, Managing Director at Rbc Capital Markets, Akshai Patel, Director at Rbc Capital Markets, Chip Eady, Counsel at Procopio, Mark Bauer, Partner at Orrick, Herrington & Sutcliffe and John Buck, President at Buck Financial.

John Buck presented next and shared an overview of the transaction and confirmed he expected the school to maintain its current double B rating, if not improve on it.

Dr. Jacqueline Elliot presented next and provided insight into the school's core mission and history. Dr. Elliot also spoke about the school's efforts to grow student enrollment and the tailored approach to meeting each student's specific needs and provided college graduation rates for their students, referring to presentation materials presented to board members. John Buck then provided information regarding bond pricing and his efforts to monitor market conditions as they relate to bond pricing. John Snyder confirmed Mr. Bucks statements. Robert Biegler wrapped up the presentation, providing additional insight into bond pricing and their projected timeline for closing the transaction.

Deputy Treasurer Noda asked if there were any questions from Board Members and the public. There were none.

Authority Action

Motion to Approve the Authorizing the issuance of revenue bonds in an amount not to exceed \$27,000,000 to refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located in Los Angeles County for use by Partnerships to Uplift Communities Los Angeles and Partnerships to Uplift Communities Lake View Terrace. Robert Rodriguez called the roll.

MOTION: Miller SECOND: Mireles

AYES: Miller, Mireles, Noda

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Deputy Treasurer Noda requested that votes now be conducted for item #5 and item #7, as board member Miller had since returned.

Authority Action

Motion to Approve the issuance of revenue bonds in an amount not to exceed \$65,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located in San Diego County for use by The Classical Academy, Incorporated and Coastal Academy Charter School, Inc. Robert Rodriguez called the roll.

MOTION: Miller SECOND: Mireles

AYES: Miller, Mireles, Noda

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED

Authority Action

Motion to Approve the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$2,000,000 to The Classical Academy, Incorporated, located San Diego County. Robert Rodriguez called the roll.

MOTION: Miller SECOND: Mireles

AYES: Miller, Mireles, Noda

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED

Executive Director Katrina Johantgen thanked the Authority staff for their work, which was reiterated by board members Mireles and Miller.

Item #8: Public Comments

Deputy Treasurer Noda asked if there were any additional questions from the public on items not on the agenda. There were none.

Item #9: Adjournment

There being no public comments, the Board adjourned the meeting at 11:58 a.m.