

**Charter School Facilities Program  
2022 Filing Round  
Staff Summary Report – April 2023  
Item# 8 Resolution 23-20**

<b>Applicant/Obligor:</b>	Tree of Life International Charter
<b>Project School:</b>	Tree of Life International Charter
<b>CDS (County – District – School) Code:</b>	45-69914-0135624
<b>School Address/Proposed Site:</b>	19415 Jacqueline St. Anderson, CA 96007
<b>Type of Project:</b>	New Construction
<b>Type of Apportionment:</b>	Final
<b>County:</b>	Shasta
<b>District in which Project is Located:</b>	Cascade Union Elementary
<b>Charter Authorizer:</b>	Cascade Union Elementary
<b>Total OPSC Project Cost:</b>	\$6,164,104
<b>State Apportionment (50% Project Cost):</b>	\$3,082,052
<b>Local Matching Share Lump Sum:</b>	\$200,000
<b>Total CSFP Financed Amount:</b>	\$2,882,052
<b>Length of CSFP Funding Agreement:</b>	30 years
<b>Assumed Interest Rate:</b>	3.00%
<b>Estimated Annual CSFP Payment:</b>	\$147,040
<b>First Year of Occupancy of New Project:</b>	2024-25

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that Tree of Life International Charter (School or TOLIC) is financially sound for the purposes of Charter School Facilities Program (Program or CSFP) Final Apportionment. This determination, as it relates to Final Apportionment, shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this time period. This recommendation is contingent upon TOLIC electing to have its CSFP payments intercepted at the state-level, pursuant to Sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) regarding this determination.

**Application Highlights:** Below staff highlighted key criteria evaluated when conducting the financial soundness review for TOLIC. Detailed information is contained in the body of the report:

<b>Criteria</b>	<b>Comments</b>
Demographic Information	In 2021-22, TOLIC had a total enrollment of 298 students in grades K-8; the average daily attendance (ADA) rate was 91.6%, and the Unduplicated Pupil Percentage (UPP) of ADA was 59.4%
Debt Service Coverage	TOLIC’s debt service coverage from adjusted net income on this CSFP loan is projected to average 359% over the first four years that payments are due.
Eligibility Criteria	TOLIC has met all eligibility criteria: (1) TOLIC commenced operations in 2017; (2) TOLIC’s charter is in place through March 2024 - Assembly Bill 130 [Approved by Governor on July 09, 2021] extends the terms of all charter schools whose terms expire on or between January 1, 2022, and June 30, 2025, inclusive, by two years.; (3) TOLIC is presumed to be in good standing with its chartering authority, and in compliance with the terms of its charter.
Student Performance	TOLIC students consistently perform on par with or better than peers in their local district based on California standardized testing (CAASPP).

**Program Eligibility:** On April 6, 2023, CSFA staff requested verification from Cascade Union Elementary School District confirming that TOLIC is currently in compliance with the terms of its charter agreement, and not pending any notices of violation or revocation (otherwise collectively referred to as “Good Standing”). The recommendation of this report that TOLIC be determined financially sound for the purposes of CSFP Final Apportionment is contingent upon the district in their capacity as authorizer answering the Authority’s request in the affirmative.

**Legal Status Questionnaire:** Staff reviewed the applicant’s responses to the questions contained in the Legal Status portion of the application. No information was disclosed that would lead staff to question the financial or legal integrity of this applicant.

**Project Description:** Tree of Life International Charter plans to construct six new classrooms, a new restroom facility, and two new student services rooms, all serving grades 6-8. The rehabilitation portion of the project will include two classroom wings and another restroom which serve all K-8 students. This project will ensure grade 6-8 facilities have room to accommodate new and existing students as they promote and improve overall facilities for all TOLIC enrollees.

**School Organizational Information:** TOLIC is a unique TK-8th grade school that partners with parents to nurture the Heart, Mind, and Spirit of the child as they explore the world and discover their gifts. Students have the opportunity to acquire a 2nd and 3rd language and explore global cultures through World Music and the Spanish/English Dual Immersion program. Students participate in a hands-on, Inquiry-Based Learning design which incorporates all subject matter through integrated units of study. Instruction is frequently taken out of the classroom, into the natural environment to allow for scientific exploration, observation, and experimentation.

Deborah Wallace is the current Principal of TOLIC, and Donna Heller is the Chief Business Official. Staff reviewed the credentials of the Principal and other key administrative personnel, concluding that they demonstrate the necessary experience and educational background to effectively oversee the operations of TOLIC. TOLIC is governed by the Board of Directors, a 7-9 member body composed of school employees, non-employee parents, and community members who bring their professional expertise to the Board.

**Tree of Life International Charter 2022-23 Board of Directors**

Name	Position	Term Expiration
Wyndi Nelson	President	2025
Tim Hawkins	Vice President	2025
Michele Anberg-Espinoza	Secretary	2024
Todd Goble	Member	2023
Marty Bullock	Member	2023
Calvin Robertson	Member	2026
Deborah Wallace	School Admin (Non-Voting)	N/A
Donna Heller	School Admin (Non-Voting)	N/A

**School Academic Performance:** The following tables represent the recent academic performance of TOLIC; a similar local elementary school, Anderson Heights Elementary; and Cascade Union Elementary School District. Results are provided through the California Department of Education’s CAASPP Smarter Balanced testing data. Percentages represent students who met or exceeded performance standards.

\*2019–20 results are not available due to the suspension of testing as a result of the novel coronavirus disease 2019 (COVID-19).

\*\*2020-2021 testing participation varied due to factors surrounding the novel coronavirus (COVID-19) pandemic.

**English Language Arts Achievement**

	FY18	FY19	FY20	FY21	FY22
TOLIC	52%	44%	*	54%**	45%
Local School	42%	44%	*	26%**	28%
District	33%	31%	*	31%**	31%

**Mathematics Achievement**

	FY18	FY19	FY20	FY21	FY22
TOLIC	44%	39%	*	38%**	47%
Local School	33%	32%	*	18%**	20%
District	25%	24%	*	25%**	23%

**Enrollment Trends and Projections:** The tables below present enrollment and average daily attendance information for TOLIC from FY 2019-20 through FY 2028-29. The

assumptions made in the projected years are considered reasonable by staff and consistent based on historical data.

**TOLIC Student Enrollment and Average Daily Attendance**

<b>Year (FY)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Enrollment	205	240	298	325	351	392	427	444	456	458
ADA (%)	92.3	94.7	91.6	91.7	95	95	95	95	95	95

**Financial Analysis**

*Financial Data Sources:* This financial analysis is based on consideration and review of the following for TOLIC: (1) audited financial statements for FYs 2019-20 through 2021-22; (2) adopted budget for FY 2022-23; and (3) budget projections for FYs 2023-24 through 2028-29 along with assumptions.

*Assumptions:* Staff’s financial analysis of TOLIC is based upon the following assumptions: (1) occupancy of the new facility in FY 2025; (2) the repayment of TOLIC’s CSFP matching share loan in the amount of \$5,136,098 at 3% interest commencing in FY 2025-26; (3) school enrollment and ADA projections as provided above under Enrollment Trends and Projections.

*Long-Term Liabilities:* Based on available data, staff are not aware of any foreseeable long-term liabilities at this time. Additionally, obligors are required to notify the Authority before taking on additional debt that exceeds certain thresholds.

*Benchmark Summary and Analysis:* The following table and summary listing sets forth the results of staff’s analysis regarding TOLIC’s financial soundness. Where a threshold has been established based on industry standards or practice, the listing indicates whether or not the threshold was met.

