

MINUTES

CALIFORNIA SCHOOL FINANCE AUTHORITY

Held via teleconferencing locations pursuant to
Government Code section 11133

June 19, 2023 – 11:00 a.m.

Public Participation

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

OPEN SESSION

Item #1: Roll Call

Members: Fiona Ma, CPA, State Treasurer – Present
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction – Present
Michele Perrault, designee for Joe Stephenshaw, Director of Finance - Present

Staff Present: Katrina Johantgen, Executive Director (Los Angeles)
Ryan Storey, Staff Services Manager (Los Angeles)
Robert Biegler, Program Lead (Los Angeles)
Mita Parikh, Staff Services Manager (Sacramento)
Theodore Ballmer, Legal Counsel (Sacramento)
Robert Rodriguez, Office Technician (Sacramento)
Steven Theuring, Program Lead (Sacramento)

Attendees via Microsoft Teams: Elijah Sugay, Chief Business Officer, Bright Star Schools

Treasurer Fiona Ma welcomed those on the phone line to the California School Finance Authority (CSFA or the Authority) Board (Board) meeting. Staff Services Manager, Mita Parikh, read the prompt regarding the teleconference line and public participation.

Item #2: Approval of the April 27, 2023, Board Meeting Minutes (Action Item)

Treasurer Ma introduced Item #2: Approval of the April 27, 2023, Board Minutes. Treasurer Ma asked if there were any public comments and there were none.

Authority Action

Motion to approve the minutes from the April 27, 2023, meeting.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Ma

NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Item #3: Executive Director's Report

Charter School Facility Grant Program (SB740): The Authority opened the application for the 2022/2023 funding round on April 17th, 2023, and closed it on June 2nd, 2023. There were approximately 430 schools that applied for the funding round and staff will be reviewing them over the next few weeks.

Charter School Facilities Program: The Authority is bringing five projects before the board for approval today, four of which are final apportionments.

Credit Enhancement: The Authority is currently applying for a credit enhancement program that would do traditional debt service enhancement with a new lease guarantee aspect. Staff will be submitting an application for this grant in late June.

Treasurer Ma asked if there were any additional questions from the Board or from the public. There were none.

Item #4 was removed from the Board Meeting agenda.

Item #5: Resolution No. 23 – 23 - Approval of Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of America's Finest Charter located in San Diego County (Action Item)

Staff Services Manager Ryan Storey presented and noted the following four items were part of the same lump sum contribution from San Diego Unified Bond proceeds, they would each require separate votes.

Mr. Storey provided an overview of the item and confirmed the project met both financial viability metrics and all program eligibility requirements. Mr. Storey noted that the San Diego Unified School District had provided documentation clarifying contracts worth \$13 million dedicated to the facilities currently in place with those funds provided from local bond measures between 2008 and 2022.

Treasurer Ma asked if there were any additional questions from Board Members or the public on item #5. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of America's Finest Charter located in San Diego County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault
AYES: Mireles, Perrault, Ma
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Item #6: Resolution No. 23 – 24 - Approval of Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of Gompers Preparatory Academy located in San Diego County (Action Item)

Staff Services Manager Ryan Storey presented, sharing an overview of the item and confirmed the project met both financial viability metrics and all program eligibility requirements. Mr. Storey noted that San Diego Unified School District has certified that over \$22 million has already been invested in the project, with an additional contract for \$30 million awarded in February 2023.

Treasurer Ma asked if there were any additional questions from Board Members or the public on item #6. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of Gompers Preparatory Academy located in San Diego County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault
AYES: Mireles, Perrault, Ma
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Item #7: Resolution No. 23 – 25 - Approval of Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of San Diego Cooperative Charter located in San Diego County (Action Item)

Staff Services Manager Ryan Storey presented, sharing an overview of the item and confirmed the project met both financial viability metrics and all program eligibility requirements. Mr. Storey noted that San Diego Unified School District provided documentation for approximately \$18 million dedicated to the project already and those funds have been filled between 2008 and 2022 bond proceeds.

Treasurer Ma asked if there were any additional questions from Board Members or the public on item #7. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of San Diego Cooperative Charter located in San Diego County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Ma
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Item #8: Resolution No. 23 – 26 - Approval of Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of San Diego Global Vision Academy located in San Diego County (Action Item)

Staff Services Manager Ryan Storey presented, sharing an overview of the item and confirmed the project met both financial viability metrics and all program eligibility requirements. Mr. Storey noted that San Diego Unified provided documentation certifying contracts over \$9 million for the facility, projects that were funded through bond sources from between 2008 and 2022.

Treasurer Ma asked if there were any additional questions from Board Members or the public on item #8. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of San Diego Global Vision Academy located in San Diego County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Ma
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Item #9: Resolution No. 23 – 27 - Approval of Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for Rise Kohyang Middle School located in Los Angeles County (Action Item)

Staff Services Manager Ryan Storey presented and introduced Elijah Sugay, Chief Business Officer at Bright Star Schools. Mr. Storey shared an overview of the item and confirmed the project met both financial viability metrics and all program eligibility requirements. Mr. Storey noted that this project is under a zoning consideration by the Los Angeles Unified School District that has not been resolved yet, confirming it doesn't affect the school's financial soundness.

Treasurer Ma asked if there were any additional questions from Board Members or the public on item #9. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for Rise Kohyang Middle School located in Los Angeles County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #10 was removed from the Board Meeting agenda.

Item #11: Resolution No. 23 – 29 - Approval of a Charter School Revolving Loan Fund Program Loan in an amount not to exceed \$250,000 for California Republic Leadership Academy Capistrano located in Orange County (Action Item)

Program Lead Steven Theuring presented and confirmed the school was approved by the Orange County Board of Education and was projected to open in August 2023. Mr. Theuring also noted that the school's enrollment projections were a little more aggressive than average, adding that their educational model has proven to be effective within the state. Mr. Theuring confirmed the school was still awaiting a County District School (CDS) code and charter number from the Department of Education, but noted they met all eligibility requirements, and that staff was recommending approval of the item.

Treasurer Ma had questions regarding the school's average daily attendance (ADA) enrollment projections, asking why the school's projections were more aggressive than average. Mr. Theuring confirmed this was largely due to the school's average daily attendance being directly tied to the local control funding formula that determine how schools are given revenue from the

state and confirmed that not meeting the established ADA requirements would result in the school being shut down.

Board Member Mireles had a follow up question regarding how ADA eligibility is factored into our calculations and Mr. Theuring confirmed that the Authority’s eligibility calculations included a negative 25% threshold on the projected average daily attendance, and noted the school still met the program requirements.

Board Member Perrault asked for clarification regarding whether the school had been issued a CDS code. Mr. Theuring confirmed they had not yet, but the board’s approval would be conditional on a CDS code being issued.

Treasurer Ma asked if there were any additional questions from Board Members or the public on item #11. There were none.

Authority Action

Motion to Approve the Charter School Revolving Loan Fund Program Loan in an amount not to exceed \$250,000 for California Republic Leadership Academy Capistrano located in Orange County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #12: Resolution No. 23 – 29 - Approval of a Charter School Revolving Loan Fund Program Loan in an amount not to exceed \$250,000 for California Republic Leadership Academy Capistrano located in Orange County (Action Item)

Program Lead Steven Theuring presented and confirmed the school was approved by the Orange County Board of Education and was projected to open in August 2023. Mr. Theuring also noted that the school was originally started in New Mexico and after demonstrating some of the highest test increases in New Mexico state history, are now opening their first California campus. Mr. Theuring provided details regarding the school’s enrollment projections, their plans to expand to additional grade levels in the future and confirmed the school met all eligibility requirements.

Treasurer Ma asked if there were any additional questions from Board Members or the public on item #12. There were none.

Authority Action

Motion to Approve the Charter School Revolving Loan Fund Program Loan in an amount not to exceed \$250,000 for California Republic Leadership Academy Capistrano located in Orange County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #13: Closed Session

The Board temporarily conducted a closed session to discuss a confidential matter.

The Board reopened the session.

Item #14: Public Comments

Treasurer Ma asked if there were any additional questions from the public on items not on the agenda.

Item #15: Adjournment

The Board adjourned the meeting at 12:21 p.m.