

MINUTES

CALIFORNIA SCHOOL FINANCE AUTHORITY

Held via teleconferencing locations pursuant to
Government Code section 11133

July 27, 2023 – 10:45 a.m.

Public Participation

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

OPEN SESSION

Item #1: Roll Call

Members: Khaim Morton, Deputy Treasurer – Present
Abel Guillén, 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 (Sacramento)
Ryan Storey, Staff Services Manager (Sacramento)
Mita Parikh, Staff Services Manager (Sacramento)
Theodore Ballmer, Legal Counsel (Sacramento)
Robert Rodriguez, Office Technician (Sacramento)

Deputy Treasurer Khaim Morton 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 June 19, 2023, Board Meeting Minutes (Action Item)

Deputy Treasurer Morton introduced Item #2: Approval of the June 19, 2023, Board Minutes. Deputy Treasurer Morton asked if there were any public comments and there were none.

Authority Action

Motion to approve the minutes from the June 19, 2023, meeting.

Robert Rodriguez called the roll.

MOTION: Guillén SECOND: Perrault

AYES: Guillén, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #3: Executive Director's Report

Executive Director Johantgen provided an overview of the Authority's following programs:

Charter School Facility Grant Program (SB740): The 2023/2024 funding round has begun, and staff have begun the initial application reviews, with approximately 430 schools applying this funding round for rent and lease costs. The 2022/2023 funding round closed on June 30, 2023, with Other Costs reimbursements documentation being submitted in August 2023 so staff can calculate final apportionments.

Conduit Bond and Note Program: As of this month the Authority has closed five transactions for a total issuance amount of \$58,040,000, with two more transactions scheduled to close next month.

Charter School Revolving Loan Fund Program: Four applications are currently being reviewed and will be presented at the August 2023 Board Meeting. Staff will also be submitting this program's annual report in October 2023.

Deputy Treasurer Morton 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.

Items #5 - #8 were presented jointly with voting for each item held until the end.

Item #5: Resolution No. 23 – 31 – Charter School Facility Grant Program (SB740) Regulatory Items Regarding Attendance Area and COVID (Action Item)

Staff Services Manager Ryan Storey presented and noted the following four items relate to the Charter School Facility Grant Program regulation amendments, and they would each require separate votes. Upon board approval, the changes will become part of the program regulations once approved by the Office of Administrative Law.

Mr. Storey confirmed that the Authority was requesting approval of these revision based on feedback from stakeholders and to improve program efficiencies. Mr. Storey outlined the nature of the proposed amendments to the regulations, noting they addressed the program's defined attendance area and added COVID-19 mitigation to the Other Facility related costs.

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

Item #6: Resolution No. 23 – 32 – Charter School Facility Grant Program (SB740) Regulatory Item Regarding Program Application Dates (Action Item)

Staff Services Manager Ryan Storey presented and noted that the Authority was requesting approval of this revision based on feedback from stakeholders and to improve program efficiencies. Mr. Storey outlined the nature of the proposed amendments to the regulations, adding that they modified the program's existing application dates to better accommodate

NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Authority Action for Item #6

Motion to Approve the Charter School Facility Grant Program (SB740) Regulatory Item Regarding Program Application Dates.

Robert Rodriguez called the roll.

MOTION: Guillén SECOND: Perrault

AYES: Guillén, Perrault, Morton
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Authority Action for Item #7

Motion to Approve the Charter School Facility Grant Program (SB740) Regulatory Item Regarding Late Program Applications.

Robert Rodriguez called the roll.

MOTION: Guillén SECOND: Perrault

AYES: Guillén, Perrault, Morton
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Authority Action for Item #8

Motion to Approve the Charter School Facility Grant Program (SB740) Regulatory Item Regarding Appeal Timelines.

Robert Rodriguez called the roll.

MOTION: Guillén SECOND: Perrault

AYES: Guillén, Perrault, Morton
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Item #9: Resolution No. 23 – 35 – Approval of Conduit Financing Program Borrower Fee Schedule (Action Item)

Executive Director Katrina Johantgen presented and provided an overview of the three existing issuance fees, noting that this item would add a fourth issuance fee related to conduit financings that achieve Environmental, Social and Governance (ESG) designations. Executive Director Johantgen provided an example of the discount the new fee structure would provide and confirmed it would not impact the Authority’s budget in a significant way. Executive Director Johantgen confirmed an update to the resolution, noting that if approved, this item would reduce 10 basis points of the original par amount of the bonds if such par amount is up to and less than \$10 million and reduce by one basis point if such par amount is above \$10 million.

Board Member Guillén asked why the ESG designation potentially prompted an additional discount. Executive Director Johantgen confirmed that the ESG requires more work and due diligence, noting that the Treasurer and Authority are hoping to encourage more schools to get the designation.

Deputy Treasurer Morton 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 Conduit Financing Program Borrower Fee Schedule.

Robert Rodriguez called the roll.

MOTION: Guillén SECOND: Perrault

AYES: Guillén, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #10: Resolution No. 23 - 36 – Approval of The Charter Access to Bank Loan Enhancement Program (Charter ABLE) (CFDA #84.354A) Award in An Amount Not to Exceed \$2,000,000 To Pathways to College Properties, LLC, On Behalf of Pathways to College K8 (Action Item)

Executive Director Katrina Johantgen presented and shared information regarding the school structure and confirmed that this item had been approved at the January 26, 2023, board meeting but due to Credit Enhancement grants expiring within 6 months, the Authority was requesting an extension, which the board has approved in the past. Executive Director Johantgen shared student demographic information and confirmed the school still met all eligibility criteria.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #10. There were none.

Authority Action

Motion to Approve the Charter Access to Bank Loan Enhancement Program (Charter ABLE) (CFDA #84.354A) Award in An Amount Not to Exceed \$2,000,000 To Pathways to College Properties, LLC, On Behalf of Pathways to College K8.

Robert Rodriguez called the roll.

MOTION: Guillén SECOND: Perrault

AYES: Guillén, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #11: Public Comments

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

Item #12: Adjournment

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