

**MINUTES OF THE
CALIFORNIA SCHOOL FINANCE AUTHORITY BOARD MEETING
901 P Street, Room 411B Large
Sacramento, California 95814
March 19, 2025
1:00 pm**

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

OPEN SESSION

Item #1: Roll Call

Deputy Treasurer Khaim Morton called the California School Finance Authority (CSFA or Authority) meeting to order at 1:07pm.

Members/Roll Call: Khaim Morton, designee for Fiona Ma, 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 (Sacramento)
Ryan Storey, Staff Services Manager I (via TEAMS – Los Angeles)
William “Will” Jarrell, Staff Services Manager II (Sacramento)
Robert Rodriguez, Office Technician (Sacramento)
William “Fritz” Pahland, STO General Counsel (Sacramento)
Robert Biegler, Program Lead (via TEAMS – Los Angeles)

Attendees: Will Fossel, Senior Vice President, Hilltop Securities
John Buck, Founder, Buck Financial
Eugene Clark-Herrera, Partner, Orrick
Alfredo Rubalcava, Chief Executive Officer, Magnolia Public Schools

Executive Director, Katrina Johantgen, read the prompt regarding the teleconference line, Teams participation, and public participation.

Item #2: Approval of the February 27, 2025, Board Meeting Minutes (Action Item)

Deputy Treasurer Morton introduced Item #2: Approval of the February 27, 2025, Board Minutes. Deputy Treasurer Morton asked if there were any public comments. There were no comments on the minutes.

Authority Action

Motion to approve the minutes from the February 27, 2025, meeting.

MOTION: Perrault SECOND: Mireles

Robert Rodriguez called the roll.

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

MOTION APPROVED.

Item #3: Executive Director's Report

Charter School Facility Grant Program (SB740): Staff has nearly completed the reconciliation of the 2022-23 funding round including Other Costs funds. Staff is also working on true-ups for the 2023-24 funding round with 420 disbursements currently being processed by accounting.

Conduit Bond Program: The Authority will be presenting items for this program to the board today for Vibrant Minds Charter School and Magnolia Educational & Research Foundation grant anticipation notes, both of which involve technical changes that will allow these financings into the market prior to the April 18, 2025 blackout period.

Charter School Facilities Program: The Authority will be hosting a webinar along with the Office of Public School Construction and the California Department of Education on March 25, 2025, that will walk applicants through the application process for this program and provide additional guidance.

Charter School Revolving Loan Fund: Staff is working with Senator Richardson's office on Senate Bill 631 and have a call scheduled this month to discuss the bill language.

Deputy Morton asked if there were any additional questions from the Board or the public. There were none.

Item #4: Presentation of the Annual Bond Report (Information Item)

Program Lead Robert Biegler presented the annual Bond Report, noting that 18 issuances totaling more than \$400 million had been issued in 2024.

Deputy Morton asked if there were any noticeable trends in the 2024 financings. Mr. Biegler noted that the market was tough in 2024, but an even tougher market was anticipated in 2025 which motivated many of the 2024 financing projects. Ms. Johantgen noted that we saw a few standalone credits, which had been unusual.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #4. There were none.

Item #5: Resolution No. 25 – 06 Resolution Of The California School Finance Authority Amending Resolution No. 24-28 Authorizing The Issuance Of Revenue Bonds In An Amount Not To Exceed \$17,000,000 To Finance And/Or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing And/Or Equipping Of Certain Educational Facilities Located In Orange County For Use By Vibrant Minds Charter School By Authorizing A Change Of Underwriter. (Action Item)

Will Jarrell presented and introduced Will Fossel, Senior Vice President at Hilltop Securities. Mr. Jarrell noted this item had previously been approved at the July 25, 2024, board meeting and when the lead banker at Ziegler accepted a position at Hilltop Securities, the financing was moved to Hilltop Securities with the fees being split between Ziegler and Hilltop Securities. Mr. Jarrell also noted that the approval was contingent on the Vibrant Minds Charter School Board approving the transaction and that staff was recommending for approval of the item. That meeting is scheduled of the evening of March 19, 2025.

STO General Counsel William Pahland requested an amendment noting that the resolution becomes effective after the borrower's approval to enter into a transaction, as determined by the executive director in her discretion. Deputy Treasurer Morton summarized that the resolution would take effect following the approval by the VM board of the change of underwriters as determined by the executive director.

Deputy Treasurer Morton 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 Amending Resolution No. 24-28 Authorizing The Issuance Of Revenue Bonds In An Amount Not To Exceed \$17,000,000 To Finance And/Or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing And/Or Equipping Of Certain Educational Facilities Located In Orange County For Use By Vibrant Minds Charter School By Authorizing A Change Of Underwriter.

MOTION: Perrault

SECOND: Mireles

Robert Rodriguez called the roll.

AYES: Mireles, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #6: Resolution No. 25 – 07 Resolution Of The California School Finance Authority Authorizing the Issuance of Charter School Grant Anticipation Notes in an Amount Not to Exceed \$36,000,000 to Finance and/or Refinance the Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping of Educational Facilities Located in Los Angeles County, California, For Use by Magnolia Educational & Research Foundation. (Action Item)

Executive Director Katrina Johantgen presented and introduced John Buck, Founder at Buck Financial and Eugene Clark-Herrera, Partner at Orrick and Alfredo Rubalcava, Chief Executive Officer at Magnolia Public Schools. Executive Director Johantgen noted the original resolution provided that repayment of the Grant Anticipation Notes (GANS) would be secured by an intercept of certain funds by State Controller's Office pursuant to intercept mechanism, codified in 17199.4. However, the source of repayment for the GANS is proceeds allocated for a Final Apportionment by the State Allocation Board and Office Public School Construction, the

Department of General Services will now send a check to UMB, the trustee, rather than Magnolia.

Board Member Mireles inquired if a policy change was warranted to accommodate this type of change. Executive Director Johantgen confirmed that a policy change was not necessary as the current policy was a more secure option for the program.

John Buck added that this financing featured a very strong credit. John Kim noted that this type of funding was very innovative.

Board Member Perrault asked if any issues were expected when the charter renews in 18 months. Executive Director Johantgen confirmed that the school was in good standing, however, could not make a declaration regarding charter renewal. Alfredo Rubalcava confirmed that three of the Magnolia schools had recently had their charter renewed with no issues and expected no renewal issues moving forward.

Deputy Treasurer Morton 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 Authorizing the Issuance of Charter School Grant Anticipation Notes in an Amount Not to Exceed \$36,000,000 to Finance and/or Refinance the Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping of Educational Facilities Located in Los Angeles County, California, For Use by Magnolia Educational & Research Foundation.

MOTION: Perrault

SECOND: Mireles

Robert Rodriguez called the roll.

AYES: Mireles, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #7: Resolution No. 25 – 08 - Amendments to Regulations for the State Charter School Facilities Incentive Grants Program (#84.282D) and Authorizing the Regular Rulemaking Process. (Action Item)

Executive Director Katrina Johantgen presented and introduced Staff Services Manager I Ryan Storey. Executive Director Johantgen confirmed a separate set of regulations for this program had been presented to the board at the December 2024 board meeting and a few updates were necessary pursuant to federal guidance on the Build America Buy America Act and related acts. Mr. Storey presented an overview of the regulation changes and noted the changes would be implemented by June 2025. Chief Counsel William “Fritz” Pahland, recommended a change in language regarding the declaration of an emergency be amended in the regulation.

Deputy Treasurer Morton 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 Amendments to Regulations for the State Charter School Facilities Incentive Grants Program (#84.282D) and Authorizing the Regular Rulemaking Process.

MOTION: Perrault

SECOND: Mireles

Robert Rodriguez called the roll.

AYES: Mireles, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Items #8 and #9 were removed from the agenda.

Item #10: The Board will meet in closed session to confer with, and receive advice from, its legal counsel to discuss pending litigation (California School Finance Authority, et. al. v. Today's Fresh Start, Inc., et. al., Los Angeles County Superior Court, Case No. 23STCP03750). Government Code Section 11126(e). (Action Item)

The board entered a closed session period to discuss a legal issue involving the Authority. After the discussion, the open session resumed.

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 2:31 pm.