

STAFF SUMMARY**Staff Summary No. 10**

Date: September 25, 2025

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 25-28 – Delegating authority to the Executive Director to assign funds received from the settlement of California School Finance Authority, et. al. v. Today's Fresh Start, Inc., et. al., Los Angeles County Superior Court, Case No. 23STCP03750.

Background: Pursuant to California School Finance Authority, et. al. v. Today's Fresh Start, Inc., et. al., Los Angeles County Superior Court, Case No. 23STCP03750, the State received \$1,500,000 to settle the referenced case. The California School Finance Authority (Authority) and the Office of Public School Construction (OPSC), collectively referred to as the State, have been working to disburse the settlement funds in accordance with Charter School Facilities Program (Program) guidance. Settlement funds will be used to pay late fees and penalties on a loan associated with the Program facility located in Inglewood, California. That facility and its obligations were assumed by Green Dot Public Schools for its Animo City of Champions' (COC) permanent campus.

The Inglewood school site was vandalized and damaged during the pendency of the litigation related to the predecessors' charter revocation. As such, after settlement funds are used to pay late fees and penalties to the Program fund, the State discussed with its respective boards its decision to pay down the principal owed on the Program loan, affording COC some relief to repair the facility it assumed.

At this time, the preliminary accounting would result in the following amounts being allocated to Program obligations and the balance being used to pay down the principal owed on the loan:

Settlement Amount (received)	\$1,500,000.00
Attorney Fees (Buchalter) - preliminary	(110,000.00)
Past Due Interest	(793,220.53)
Late Payment Charges	(103,295.85)
BALANCE TO PAY DOWN PRINCIPAL	\$493,483.62

Staff Recommendation: Staff recommends the board approve Resolution No. 25-28 – delegating authority to the Executive Director to assign funds received from the settlement of California School Finance Authority, et. al. v. Today's Fresh Start, Inc., et. al., Los Angeles County Superior Court, Case No. 23STCP03750.