

CALIFORNIA SCHOOL FINANCE AUTHORITY

Meeting of the Board

Tuesday, December 11, 2018
10:30 a.m.

915 Capitol Mall, Room 587
Sacramento, California 95814

Deputy State Treasurer Vincent P. Brown, serving as Chair, called the meeting to order.

Roll Call

Members Present: Vincent P. Brown, designee for John Chiang, State Treasurer
Nick Schweizer, designee for Tom Torlakson, Superintendent of Public Instruction
Jacqueline Wong-Hernandez, designee for Keely Martin Bosler, Director of Finance

Staff Present: Katrina Johantgen, Executive Director
Laura Martinez, Manager
Ian Davis, Program Analyst
Anne Osborne, Program Analyst
Kristen Schunk, Program Analyst
Ryan Storey, Program Analyst
Robert Biegler, Program Analyst
Nicolaus Seppi, Office Technician

Katrina Johantgen welcomed those on the phone line to the Board meeting, after which Chairperson Brown declared a quorum present after roll call.

Item 2: Approval of Minutes: The Board reviewed minutes from the November 14, 2018 Authority Board meeting and approved them unanimously by roll call.

Item 3: Executive Director's Report: Ms. Johantgen provided updates related to the Authority's programs. Deputy Schweizer joined the meeting during the briefing and Ian Davis, Program Analyst, updated the Board on FISCAL implementation, and how it is impacting the schools the Authority serves.

Item 4: Modification to Revolving Loan Fund Program Recommendations

Ms. Johantgen explained that the seven schools' risk levels required amendments from medium to low risk. She added that this modification will memorialize those changes so the affected schools can receive their second disbursement sooner.

Item 5: Modification of Charter School Facilities Program Applicant for the California Montessori Project – San Juan Campus at Orangevale

Ms. Johantgen explained that this item updates the applicant of the award to the California Montessori Project, instead of San Juan Unified School District. This change will have no impact on the Authority's previous credit review and determination.

Before continuing, Ms. Johantgen confirmed that the Authority has moved Item 6, Item 7, and Item 8 to the January Board meeting.

Item 9: Resolution No. 18-31 – Approval of Revolving Loan Fund Program Recommendations and Amounts

Ms. Johantgen introduced the item and called Robert Biegler and Ryan Storey before the Board to discuss the item. Ms. Johantgen requested a modification to the resolution, at the end of Section 1, adding, “Conditioned upon the receipt of updated Good Standing Letters.”

Mr. Storey explained Priority One and Priority Two schools to the Board and described how the Authority determined loan approvals by reviewing financial viability, repayment timelines, and loan terms. The metrics the Authority used were broken down for the Board; net revenue, intercept aid, and net revenue plus total assets.

Ms. Wong Hernandez made a motion to approve resolution and Mr. Schweizer seconded. After a call for public comment, the Board approved the resolution unanimously by rollcall.

Item 10 – Consideration of an Appeal on behalf of Learning by Design Charter School

Ms. Johantgen introduced the item and invited Mr. Davis to discuss the situation further. Mr. Davis explained that the school, Learning by Design, contracted with ExED, a back office provider, to submit the school’s application to the Charter School Facility Grant Program. An employee at ExED reported that the application was submitted on time, when, in fact, it was not. The school immediately submitted a paper application after the deadline and ExED claims full responsibility for the error. Mr. Davis also discussed the current late application policy in relation to oversubscription and the resulting proration of school awards. Authority staff recommended approving the appeal only if the funding round is not oversubscribed.

Mr. Schweizer made a motion to approve staff’s recommendation and Ms. Wong Hernandez seconded. After a call for public comment, the Board approved the resolution unanimously by rollcall.

Item 11 – Adjournment

There being no public comments or other business to conduct, the Board adjourned the meeting.

Respectfully submitted,

Katrina Johantgen