

## MINUTES

**CALIFORNIA SCHOOL FINANCE AUTHORITY**  
**915 Capitol Mall, Room 587**  
**Sacramento, California 95814**  
**February 27, 2020 - 10:30 a.m.**

Public Participation

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

### OPEN SESSION

Deputy State Treasurer Audrey Noda, serving as Chair, called the meeting to order at 10:30 a.m.

#### ***Item 1: Roll Call***

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Members Present: Audrey Noda, designee for Fiona Ma, CPA, California State Treasurer  
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction  
Gayle Miller, designee for Keely Martin Bosler, Director of Finance.

Staff Present: Katrina Johantgen, Executive Director  
Ravinder Kapoor, Legal Counsel  
Thomas, Dear, Staff Service Manager II  
Ian Davis, Program Lead  
Jodie Jones, Program Lead  
Erica Jamarillo, Associate Government Program Analyst  
Jeffery Martin, Staff Services Analyst  
Robert Rodriguez, Office Technician

Director Johantgen welcomed those on the phone line to the California School Finance Authority Board (Board) meeting.

#### ***Item 2: Approval of the January 30, 2020 Board Minutes (Action Item)***

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Deputy Noda introduced Item #2: Approval of the January 30, 2020 Board Minutes.

#### **Authority Action**

Motion to approve the minutes from the January 30, 2020 meeting. Director Johantgen noted that a revised draft of the minutes have been provided to the board members with contingencies included in items #4 and #5, which the board acknowledged.

MOTION: Mireles SECOND: Miller

AYES: Mireles, Miller, Noda  
NOES: NONE  
ABSTAIN: NONE  
RECUSE: NONE

MOTION APPROVED.

Deputy Noda took a moment to acknowledge the attendance of Chief of Staff Genevieve Jopanda, thanking her for joining the meeting.

### ***Item #3: Executive Director's Report***

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Director Johantgen provided the following program updates:

Charter School Facility Grant Program (SB 740): The 2018-19 funding round is finished, however there is \$218,000 reserved from a pending appeal. For the 2019-20 funding round, 437 of the 454 applications received are eligible for reimbursement, with a total amount of \$136 million. We are projecting oversubscription for the 2019-20 funding round, anticipating 100% funding under lease, with other costs prorated and schools receiving 18% of their request. For the 2020-21 funding round, we are anticipating schools under their lease costs to be funded at 97% of eligible awards.

Charter School Revolving Loan Fund: The 2019-2020 funding round is closing tomorrow, February 28, 2020. The program currently has 21 open applications, with six submitted applications received. These figures match the trend we typically experience. There has been an IT issue related to uploading large documents during the application process and staff has extended assistance to those in need of uploading large files. Reminder emails have been sent to all schools with an open application regarding the approaching deadline.

Conduit Bond and Note Program: Director Johantgen highlighted the success of a recent bond transaction that was approved at the December board meeting. Fenton STEM, met the criteria to qualify as a social impact bond, and achieved an investment grade BB+ rating. The final par amount of bond issues was \$21.37 million. The bonds were oversubscribed and priced very competitively. We anticipate 1-2 conduit bond transactions to be presented at the March meeting. CSFA also is working with a school district in San Diego to issue lease revenue bonds.

Charter School Facilities Program: Director Johantgen noted that CSFA was bringing a school before the board this meeting. She confirmed the Authority is tracking Proposition 13, with polling reflecting approval over 50%. If passed, an additional \$500 million would be available under the CSFP.

State Charter School Facilities Incentive Grants Program (CFDA 84.282D): The program is working with Round 13, 14, and, 15, as all Round 12 schools have completed their 3-year awards. Staff anticipates applying for an award under this program in 2020.

Credit Enhancement Program: The Authority is looking to deploy PANECEA program funds of \$8 million, and Charter ABLE funds of \$20 million. We are working with lenders and schools to deploy program funds.

Other: Director Johantgen updated members on the Authority's work related to community college student and workforce housing. She noted that staff has been providing technical assistance on a community college housing bill, working closely with community college district stakeholders.

Deputy Noda expressed appreciation of the above-and-beyond efforts of Director Johantgen and the CSFA staff on taking on new initiatives.

***Item #4: Resolution No. 20-06 - Approval of Financial Soundness Determination for Inspire School of Arts and Sciences, located in Butte County, for a Preliminary Apportionment through the Charter School Facilities Program (Action Item)***

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Director Johantgen presented item #4 and stated that Inspire School of Arts (Inspire) is an independent school chartered by the Chico Unified School District. The school has met all eligibility criteria and is seeking new construction and rehabilitation funding under the Charter School Facilities Program. Inspire is seeking \$17.8 million, with the state grant portion of \$8.9 million. The school demonstrated it is able to provide a lump sum of \$3.3 million, with a total loan amount of \$5.6 million financed over a 30-year term.

Director Johantgen highlighted that Inspire has done well compared to local schools in the district in the English category, and is working through issues on the Math category. Inspire's graduation rate is 96%, which is higher than the average for the schools in the district. The school met all financial benchmarks and is in good standing with the authorizer. Staff is recommending the board find Inspire School of Arts and Science financially sound for the purposes of preliminary apportionment under the Charter School Facility Program.

Board Member Mireles asked a question about the static enrollment figures moving forward, given declining enrollment over the last few years. He noted the district had been increasing, asking if the school had a strategy of maintaining enrollment projection. Director Johantgen confirmed their charter is capped at 480 and the school currently serves 444 students, deeming the static enrollment moving forward is reasonable.

**Authority Action**

Approval of Financial Soundness Determination for Inspire School of Arts and Sciences

MOTION: Mireles SECOND: Miller

AYES: Mireles, Miller, Noda  
NOES: NONE  
ABSTAIN: NONE  
RECUSE: NONE

MOTION APPROVED.

***Item 5: Public Comments***

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No public comments.

***Item: Adjournment***

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There being no public comments, the Board adjourned the meeting.