

MINUTES

CALIFORNIA SCHOOL FINANCE AUTHORITY
Held via teleconferencing locations pursuant to
Government Code section 11133
January 25, 2024 – 9:33 a.m. start time

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

OPEN SESSION

Item #1: Roll Call

Members: Khaim Morton, Deputy 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 (Via Teams – Los Angeles Office)
Mita Parikh, Staff Services Manager I (Sacramento)
Michael Pack, Program Lead (Sacramento)
Steven Theuring, Program Lead (Sacramento)
Robert Rodriguez, Office Technician (Sacramento)

Attendees: Mark Driver, Chief Executive Officer at Griffin Technology Academies

Deputy Treasurer Morton welcomed those on the phone line to the California School Finance Authority (CSFA or the Authority) Board (Board) meeting. Executive Director, Katrina Johantgen, read the prompt regarding the teleconference line and public participation.

Item #2: Approval of the November 9, 2023, Board Meeting Minutes (Action Item)

Deputy Treasurer Morton introduced Item #2: Approval of the November 9, 2023, 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 November 9, 2023, meeting.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #3: Executive Director's Report

Charter School Facility Grant Program (SB740): The 2023/2024 funding round is currently active with 450 of the 453 applicants deemed eligible. Staff will now be taking additional steps to ensure the tax-exempt status of applicants to ensure the Authority doesn't fund for profit charters. The Authority has closed out the 2021/2022 funding round and are working with the State Treasurer's Office accounting department to reconcile any remaining funds.

Conduit Bond Program: While no financings will be presented to the board today, we do anticipate presenting on behalf of Granada Hills Charter School in March.

Credit Enhancement Program: The Authority will bring a consolidated set of regulations to the Board, once the Performance Agreement with the Federal Government is executed for the new \$20 million Credit Enhancement Grant. .

Charter School Facilities Program: Lead Analyst Michael Pack will be presenting an item to the board today on behalf of Community Outreach Academy.

Charter School Revolving Loan Fund Program: The 2023/2024 funding round has begun and so far, the Authority has received two applications.

Board Member Mireles asked if once the State Treasurer's Office (STO) accounting department reconciles the 2021/2022 funding round, did any remaining funds remain in the program or go to the general fund. Staff Services Manager Ryan Storey confirmed that the program was oversubscribed for that round, but if there had been, they would be held by the program for two years before returning to the general fund.

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

Item #4: California Student Housing Revolving Loan Fund Program Update (Information Item)

Executive Director Katrina Johantgen presented, noting that earlier this month the Authority was informed by the Department of Finance that the funding for this program had been suspended, but the Authority wanted to present the work staff had put into implementing the program. Executive Director Johantgen also noted that the Authority was currently considering moving forward with establishing program regulations in anticipation of the funding being restored in the future.

Executive Director Johantgen provided a detailed overview of the proposed program, and how it would provide zero interest loans to qualifying college and university applicants to construct affordable student faculty and staff housing, referring to the presentation materials provided to the board. Executive Director Johantgen noted that the total project program funding is \$1.7 billion over 6 years and project types constitute construction, acquisition, rehabilitation, and expansion. Executive Director Johantgen also shared a draft of the proposed program regulations, discussed program eligibility criteria and project benefits.

Deputy Treasurer Morton thanked Executive Director Johantgen and Authority staff for their efforts in establishing this program and noted how beneficial this type of program would be for schools.

Board Member Perrault asked about establishing early regulations and if there were any limitations in establishing them now given the suspended funding. Legal Counsel Monica Jimenez provided insight into a securitization issue related to the California Educational Facilities Authority and the Universities of California (UC) and California State Unified Schools (CSUS) that need to be addressed before regulations could fully move forward.

Board Member Mireles had a question about moving forward with regulations and if administrative costs would be paid out of the program or by the Authority. Executive Director Johantgen confirmed this was still being determined and would be discussed moving forward.

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

Item #5: Resolution No. 24-01 – Approval of Financial Soundness Determination for Preliminary and Advance Apportionment through the Charter School Facilities Program for Community Outreach Academy located in Sacramento County (Action Item)

Program Lead Michael Pack presented and shared an overview of the item, noting this would be the final project of the 2022 funding round. Mr. Pack went over project costs, the school's student demographics and the school's finances. Mr. Pack confirmed the school met all eligibility criteria, provided information regarding the school's history, and noted they were in good standing with their charter. Mr. Pack discussed the school's financial projections, debt service coverage and confirmed staff was recommending approval of this item. Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #5. There were none.

Authority Action for Item #5

Motion to Approve the Financial Soundness Determination for Preliminary and Advance Apportionment through the Charter School Facilities Program for Community Outreach Academy located in Sacramento County.

MOTION: Mireles SECOND: Perrault

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

MOTION APPROVED.

Item #6: Public Comments

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

Item #7: Adjournment

The Board adjourned the meeting at 10:09 a.m.