

## MEMORANDUM

Staff Summary No. 11

**Date:** May 19, 2016

**To:** Members of the California School Finance Authority

**From:** Katrina M. Johantgen, Executive Director

**Subject:** Resolution 16-15 – Approval of the Revolving Loan Fund Program Recommendations and Amounts (Action Item)

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In December 2015, The California School Finance Authority (Authority) posted the Revolving Loan Fund Program (Program) application for the 2015-16 funding round. Forty-one applications were received; two of which were late and deemed ineligible. Since February, Authority staff has been assessing the 39 eligible loan applications, following the framework established by statute and regulation, and following the review process listed below.

Staff reviewed two tiers of applications: (1) the 27 schools opening in 2016-17 that were considered priority one applications; and (2) the 12 schools that have already opened and were classified as priority two applications. With respect to the 27 priority one applications, staff deemed two schools ineligible, and one school withdrew its application. Staff is recommending 18 priority one schools for loans totaling \$4.5 million at the May 19, 2016 board meeting. Staff is still reviewing six remaining priority one applications, and all priority two applications. Staff anticipates bringing the balance of its loan recommendations to the Authority's June and July meetings.

1. **Application Eligibility & Package Review:** Confirmed that the submittal complied with application terms such as:
  - Met application deadline
  - Met eligibility requirements set forth in regulations (Section 10170.18)
  - Submitted required documentation with signatures, where applicable
  - Loan request is less than or equal to \$250,000
  - Repayment period is 5 years or less
  
2. **Operational Analysis:** Determined whether minimum qualifications were met such as:
  - Has approved charter in place
  - Detailed business plan and/or charter petition
  - Board of Director listing with no apparent conflicts
  - Key staff resumes demonstrate relevant education and experience

- Projected enrollment and ADA supported by student enrollment and/or waiting lists
  - Students population seems comparable to the demographic in the school's proposed location
  - Evidence of a facility use agreement or draft agreement, if applicable
3. **Financial Analysis:** Conducted fiscal evaluation based on a variety of indicators and critically analyzed financial data and ratios against benchmarks and industry practice using an internally created financial model to identify fiscal strengths and weaknesses such as:
- Availability of other sources of funding
  - Impact of loan on other financing
  - Reasonableness of budget assumptions
  - Alignment of revenue and expenditure projections with comparable data available from the California Department of Education, California Department of Finance, and National Charter School Resource Center
  - Calculated financial ratios within range when compared against benchmarks
  - Focused on debt service coverage with and without net assets and contingencies
4. **Loan Recommendations:** Considered all operational and financial information and assumptions for each loan and performed the following:
- Assigned risk levels—low, moderate, or high
  - Sort applicants by priority and region in accordance with California Code of Regulations §10170.17(l) through (o), if oversubscribed
  - Assess geographical distribution for reasonableness, if oversubscribed
  - Based on the availability of funds, recommended specific loans for approval or non-approval

In addition to conducting the steps listed above, the application reviewers took the funding preferences set forth in Program guidelines into consideration when developing recommendations for which schools should receive loans. For instance, Section 41365(e) of the Education Code states that, “Priority for loans from the Charter School Revolving Loan Fund shall be given to new charter schools for startup costs.” Based on this provision in the law, Program regulations reflect similar preference therefore staff determined that loans to schools opening in 2016-17 would be given priority over schools that opened in 2015-16 or earlier.

Furthermore, staff used Section 10170.21(b) of the Program regulations to decide the specific loan amount and repayment period of each recommended loan. The regulations state that the Authority may consider the term of the charter as well as the loan amount in determining the repayment period. This year, to further protect Program funds from defaulted schools, staff based the approved loan amount and repayment period on the

school's charter term. Staff recommended that each applicant have a repayment period that does not exceed the school's charter term and a loan amount that the school is able to repay within the loan term. For your review and consideration, staff provides summary findings for each school in the attached Exhibit A.

Staff is working to disburse loan funds to as many schools as possible prior to the end of the State's June 30 fiscal year end. In order to receive funding through the Program, schools must be approved by the Authority board, must have their County-District-School (CDS) Code in place, and must provide an executed loan agreement and governing board resolution to the Authority.

**Recommendation:** Staff recommends that the Board adopt Resolution No. 16-15 approval of the revolving loan fund recommendations and amounts to the schools listed on Exhibit A (attached). Staff is charged with providing schools with notification of loan approval, distributing loan agreements, executing loan agreements, and carrying out all necessary steps to disbursing funds to schools.

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<b>Applicant</b>	Arts in Action Community Middle School
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/15/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Los Angeles Unified School District
<b>County</b>	Los Angeles
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Arts in Action Community Middle School be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: To empower, prepare, and inspire urban students to achieve their highest potential and become active citizens who work toward building a more just, humane, and sustainable world by providing a democratic arts-enriched and nurturing school environment.</li> <li>3. A few of the schools marketing techniques consist of: Outreach meetings that will be held in several locations, develop promotional and informational material in both Spanish and English, create a website for parents to learn more about the school.</li> <li>4. The school projects they will have a student demographic similar to their sister elementary school with 99.6% Hispanic, 39.02% English Language Learners, and 89.51% free or reduced priced meal students.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience.</li> <li>6. The school plans to lease from Schools in Action in Boyle Heights, Los Angeles.</li> <li>7. The school provided a current enrollment list of 46 students in March which is half way to their projected opening enrollment.</li> <li>8. The school meets debt service coverage requirements for 5 out of 5 years.</li> <li>9. The school's financial projections show sufficient net assets available in years 2016-20.</li> <li>10. Availability of other sources of funding include: Approximately \$575,000 through the Public Charter School Grant Program and \$150,000 through the ASES grant.</li> </ol>

<b>Applicant</b>	Aspen Public School
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2017 (1 yr)
<b>Opening Date</b>	8/1/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Fresno Unified School District
<b>County</b>	Fresno
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Aspen Public School be awarded a \$250,000 loan for a term of 1 year, the length of the current charter term.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. MISSION: Transforming the community by developing exceptional leaders. We provide a safe learning environment where students can develop academic and character excellence. Our mission is for all students to become self-motivated, lifelong learners by providing high academic and ethical standards</li> <li>2. The school's charter management organization (CMO), Valley Prep, believes that parents and students are the best ambassadors for their programs, therefore the parents of students at Aspen's sister school, Valley Prep Academy, will be recruited to assist in outreach prior to Aspen's first year; in subsequent years, current Aspen students and their parents will be asked to volunteer in recruitment and outreach efforts, including tours and open houses at the school.</li> <li>3. The school projects that their student demographics will represent 14% English Language Learners, and 81.3% free or reduced priced meal students.</li> <li>4. Resumes of key staff show individuals with strong education and charter school experience.</li> <li>5. School anticipates entering into a facility lease, an MOU with Fresno Unified.</li> <li>6. In the event the school is unable to pay the loan, Valley Prep (CMO) has noted that they will cover the loan balance.</li> <li>7. The school meets debt service coverage requirements for 5 out of 5 years.</li> <li>8. The school's financial projections show sufficient net assets available in years 2016-2021.</li> <li>9. Availability of other sources of funding include: Approximately \$250K from the Walton Family Foundation and \$575K from the Public Charter School Grant Program.</li> </ol>

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<b>Applicant</b>	California Collegiate Charter School
<b>CDS Code</b>	Pending
<b>Charter #</b>	1771
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/8/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Los Angeles Unified School District
<b>County</b>	Los Angeles
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that California Collegiate Charter School be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: Through rigorous academics and character development, the school prepares all 6th through 12th grade students to succeed within the college of their choice and to be positive, engaged members of their communities.</li> <li>3. A few of the schools marketing techniques consist of: Development of all marketing materials (including flyers, posters, brochures, and websites) in English and Spanish, Door-to-door outreach to families within a 10-block radius of our future facility location, Information sessions and flyer distribution at local community meetings and events.</li> <li>4. The school projects that their student demographics will represent 94% students qualified for free or reduced price meals and enrollment of 80% Hispanic/Latino students, 20% Black or African-American students, 25% English Learners, and 10% Special Education students.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience.</li> <li>6. The school has a lease with the Pleasant Hill Baptist Church, Inc. in Los Angeles.</li> <li>7. The school provided 92 intent to enroll forms in early spring. The school's first year enrollment projection is comparable to their current interest. The school also uses an enrollment growth strategy of adding one grade a year for five years.</li> <li>8. The school meets debt service coverage requirements for 4 out of 5 years. In the year the school is not meeting debt service, they have available net assets to cover the loan payment.</li> <li>9. The school's financial projections show sufficient net</li> </ol>

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	<p>assets available in years 2016-20.</p> <p>10. Availability of other sources of funding include: Approximately \$125,000 from the Walton Family Foundation.</p>
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<b>Applicant</b>	California STEAM - San Bernardino
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	7/1/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Trona Joint Unified School District
<b>County</b>	San Bernardino
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that California STEAM - San Bernardino be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: The mission of the school is to create future leaders passionate about making a positive contribution to their local and global communities in the arts and sciences.</li> <li>3. A few of the schools marketing techniques consist of: Presenting to community groups, conducting ice cream socials and muffins for mums events to attract parents with families to educate them on the school's program and encouraging them to enroll in the school, advertising in military &amp; Indian reservation newspapers, and contacting several community groups such as local Churches, the boys and girls club, and the YMCA to advertise in their Weekly Bulletins.</li> <li>4. The school projects that their student demographics will represent 21% of persons below the poverty line, 17% English Language Learners, and 55% free or reduced priced meal.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience.</li> <li>6. The school provided a current enrollment list of 396 students which surpasses the school's first year enrollment projections.</li> <li>7. The school meets debt service coverage requirements for 5 out of 5 years.</li> <li>8. The school's financial projections show sufficient net assets available in years 2016-20.</li> </ol>

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<b>Applicant</b>	California STEAM - Sonoma
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	7/1/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Liberty Elementary School District
<b>County</b>	Sonoma
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that California STEAM - Sonoma be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: The mission of the school is to create future leaders passionate about making a positive contribution to their local and global communities in the arts and sciences.</li> <li>3. A few of the schools marketing techniques consist of: Presenting to community groups, conducting ice cream socials and muffins for mums events to attract parents with families to educate them on the school's program and encouraging them to enroll in the school, advertising in military &amp; Indian reservation newspapers, and contacting several community groups such as local Churches, the boys and girls club, and the YMCA to advertise in their Weekly Bulletins.</li> <li>4. The school projects that their student demographics will represent 22% of persons below the poverty line, 16% English Language Learners, and 66% free or reduced priced meal.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience.</li> <li>6. The school provided a current enrollment list of 147 students and has conservative growth projections of growing approximately 25-30 students a year for 5 years.</li> <li>7. The school meets debt service coverage requirements for 5 out of 5 years.</li> <li>8. The school's financial projections show sufficient net assets available in years 2016-20.</li> </ol>

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<b>Applicant</b>	Contra Costa School of Performing Arts
<b>CDS Code</b>	Pending
<b>Charter #</b>	1773
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/10/2016
<b>CMO/EMO (If Applicable)</b>	ChartHouse Public Schools
<b>Chartering Authority</b>	Contra Costa County Board of Education
<b>County</b>	Contra Costa
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Contra Costa School of Performing Arts be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The mission of the school is to provide a distinguished, professional experience in performing arts within a college and career preparatory setting. They believe in fostering a culture of excellence with the core values of rigor, relevance and relationships.</li> <li>2. The school plans to implement a comprehensive outreach and recruitment plan that will include but not be limited to, the following: Open houses, print media, online media, brochures/fliers, parent and community involvement, attempted contacts and distribution of outreach materials, and informational meetings.</li> <li>3. The school projects that their student demographics will represent the following: 15% Socioeconomically Disadvantaged, 21% English Learners, 5% Native American, 7.2% Asian, 1.0% Pacific Islander, 4.3% Filipino, 35.9% Hispanic, 4.8% African American, 43.0% White, 38% FRPM.</li> <li>4. Resumes of key staff show individuals with strong education and charter school experience.</li> <li>5. The school is working with ACRE Education to lease a facility in Walnut Creek.</li> <li>6. The school provided a current enrollment list of 340 students and a waiting list of 19 students. The current enrollment well exceeds the school's first year enrollment projections.</li> <li>7. The school meets debt service coverage requirements for 5 out of 5 years.</li> <li>8. The school's financial projections show sufficient net assets available in years 2016-20.</li> <li>9. Availability of other sources of funding include: Approximately \$30,000 in community fundraising efforts.</li> </ol>

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<b>Applicant</b>	Equitas Academy Charter School #4
<b>CDS Code</b>	19-64733-0133686
<b>Charter #</b>	1785
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	9/1/2016
<b>CMO/EMO (If Applicable)</b>	Equitas Academy Charter School, Inc.
<b>Chartering Authority</b>	Los Angeles Unified School District
<b>County</b>	Los Angeles
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Equitas Academy Charter School #4 be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: The school provides a structured, achievement-based school community preparing students to graduate from college-preparatory high schools, and 4-year colleges, and universities</li> <li>3. Because this is not their first school, the school has a built-in infrastructure for outreach. Beyond appealing to currently enrolled students, the school has an intimate understanding of the Pico-Union neighborhood it serves and consequently knows the most effective ways for information dissemination (flyers, open houses etc.).</li> <li>4. 95% of current students qualify for FRPM. 80% of neighborhood makeup is Hispanic, with 20% African American, Caucasian and Other.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience.</li> <li>6. The school provided a current enrollment list of 100 plus students. These actuals are comparable to the school's enrollment projections.</li> <li>7. The school meets the debt service coverage ratio of 1.0 in all years except 2016-17 when the ratio is 0.5. During the other projected years, the ratio ranges from 5.0 to 8.2. However, during Year 1, the school still anticipates ending net assets of approximately \$400,000 (after the loan payment).</li> <li>8. The school is projected to have positive net revenues (after the loan payment) in all years except Year 1 (2016-17). Nonetheless, after the loan payment in Year 1, the school will still have ending net assets of \$407,403 (with loan proceeds) or \$157,403 (without the loan proceeds). The school's financial projections show sufficient net assets available in years 2016-20.</li> </ol>

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	<p>9. Availability of other sources of funding include: An approximately \$250,000 grant from the Walton Family Foundation. School also applied for a \$575,000 federal Public Charter School Grant.</p>
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<b>Applicant</b>	Girls Athletic Leadership School Los Angeles
<b>CDS Code</b>	19-64733-0133710
<b>Charter #</b>	1791
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/17/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Los Angeles Unified School District
<b>County</b>	Los Angeles
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Girls Athletic Leadership School Los Angeles be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: The school will provide a small-school learning environment predicated on best practices in gender-based and active learning for middle grade girls in the Van Nuys area of Los Angeles.</li> <li>3. The school will promote outreach activities such as: Creating school information pamphlets in Spanish and English, serving as a liaison with local leadership, school faculty and staff, students, parents, community members, partner businesses and organizations, and current and prospective supporters, and coordinating parent involvement and volunteering.</li> <li>4. The school projects 70% of its students to qualify for FRPM, 27% will be English learners, 12% will be special education students, 64% of its students Hispanic, 18% of its students white, 11% of its students Asian and around 3% of its students African American.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience.</li> <li>6. The school provided a current enrollment list of 120 plus students. These actuals are comparable to the school's enrollment projections.</li> <li>7. The school meets the debt service coverage ratio of 1.0 in all years except 2016-17 when the ratio is 0.6. During the other projected years, the ratio ranges from 9.2 to 15.7. However, during Year 1, the school still anticipates ending net assets of approximately \$300,000 (after the loan payment).</li> <li>8. The school is projected to have positive net revenues (after the loan payment) in all years except Year 1 (2016-17), when a net deficit of \$20,108 is expected. Nonetheless, after the loan payment in Year 1, the</li> </ol>

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	<p>school is still expected to have ending net assets of \$293,729 (with loan proceeds). During the other years, the net revenues are anticipated to range from about \$416,000 to about \$743,000.</p> <p>9. The school was awarded a \$250,000 grant from the Walton Family Foundation. Additionally the school applied for the \$575,000 Public Charter School Grant.</p>
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<b>Applicant</b>	Intellectual Virtues Academy High School
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2019 (3 yrs)
<b>Opening Date</b>	9/1/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Los Angeles County Office of Education
<b>County</b>	Los Angeles
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Intellectual Virtues Academy High School be awarded a \$250,000 loan for a term of 3 years, the length of the current charter term.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: The school is based on an “intellectual virtues” educational model, which aligns directly with new California Common Core State Standards and 21st century learning attributes in fostering nine Master Intellectual Virtues: curiosity, attentiveness, intellectual autonomy, intellectual carefulness, intellectual thoroughness, creativity, open-mindedness, intellectual humility, and intellectual perseverance.</li> <li>3. The school is a spin-off of the middle school of the same name, opened in 2013. Recruitment is expected to focus on students coming from the junior high. There will be additional recruitment and outreach efforts, including flyers, open houses and communication with current local grade schools and junior highs.</li> <li>4. The community the school is recruiting from speaks Spanish and English at an equal 42% and speaking primarily Khmer and Vietnamese with 14%. Approximately 50% of adult residents have never enrolled in college. FRPM is 65%.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience with doctorate and/or bachelor degrees.</li> <li>6. The school provided a current enrollment list of 60 students. These actuals are supportive of the school’s enrollment projection of around 50 students for the first year, 2016-17. By adding a new grade each year up to 2019-20, and expanding enrollment in the existing grades, the school is projecting the following student enrollment: 50 students in 2016-17; 130 students in 2017-18; 240 students in 2018-19; 360 students in 2019-20; and 430 students in 2020-21.</li> </ol>

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	<ol style="list-style-type: none"><li>7. Based on a three-year loan, the school meets the debt service coverage ratio of 1.0 in all years except 2016-17 (year 1). In 2017-18 (Year 2), the school projects a debt service coverage ratio of 3.4, and in 2018-19 (Year 3), the school projects a debt service coverage ratio of 2.0. Notwithstanding not meeting the 1.0-requirement during Year 1, the school still anticipates ending net assets of approximately \$243,000 during this year (after the loan payment).</li><li>8. After including the proceeds of the RLF loan as a revenue item in 2015-16, the school has sufficient net assets to meet the contingency ratio of at least 10% in all three years, with ratios ranging from 16% to 32%.</li><li>9. Availability of other sources of funding include: The school has received a grant from the John Templeton Foundation in the amount of approximately \$2 million. Although the school has also received a PCSGP federal start-up grant award, its multi-year budget projections do not include this grant item due to the uncertainty in the timing of disbursements.</li></ol>

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<b>Applicant</b>	Kinetic Academy
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	9/1/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Huntington Beach City Elementary School District
<b>County</b>	Orange
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Kinetic Academy be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: The school curriculum will be focused on Science, Technology, Engineering, Arts and Mathematics (STEAM) using a Project Based Learning model incorporating Foreign Language and Financial Literacy.</li> <li>3. Kinetic is filling the void left by the recent closing of a separate charter school in Huntington Beach. Along with communicating with those students and parents, the school has held open houses and distributed flyers.</li> <li>4. The school, using the statistics for Huntington Beach City School District, projects that their student demographics will breakdown to about 60% white, 19% Latino, 9% Asian and around 2% assorted. Around 18% are socioeconomically disadvantage, 6% are English-language learners and 11% are students with disabilities.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience with doctorate and/or bachelor degrees.</li> <li>6. School has a lease offer at 719-721 Utica Avenue, Huntington Beach, with LEPORT REAL ESTATE LLC, a Delaware limited liability company beginning July 1, 2016, with a rent of \$20,000 a month. However they reserve the right to apply for a facility from Huntington Beach City School District (Prop 39).</li> <li>7. The school provided a current enrollment list of 300 plus students. These actuals are comparable to the school's enrollment projections.</li> <li>8. The school meets debt service in all 5 years of loan payment and is financially sound</li> <li>9. The school has positive net revenues available in all 5 years after the loan payment.</li> </ol>

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	<p>10. In terms of other sources of funding Kinetic has developed a parent loan program, which depends on parent and community loans structured based on the anticipated receipt of public funds. The interest on those loans will be waived in the form of a charitable contribution to the school. School was also approved for a \$575,000 PCSGP Grant. A copy of the approval letter has been included in materials.</p>
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<b>Applicant</b>	LA's Promise Charter High School #1
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/16/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Los Angeles County Office of Education
<b>County</b>	Los Angeles
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that LA's Promise Charter High School #1 be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: To transform underperforming schools and school environments into vibrant community hubs that offer comprehensive support services and graduate all students college and career ready. This will be accomplished through: Innovative Education; Parent Engagement; College &amp; Career Focus; and Wraparound Programming.</li> <li>3. The model, as it often does in the underserved neighborhoods current and future L.A.'s Promise schools are located in and engage, focuses on parent engagement, college readiness and wraparound programming.</li> <li>4. The school will serve an area with a median household income of \$29,000, with over 40% making only \$20,000. The school's make up is anticipated to be: 82% Latino, 17% African American, 14% English Learners, 12% Special Education, and 80% eligible for free and reduced-price meals.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience with doctorate and/or bachelor degrees.</li> <li>6. The school is projecting the following student enrollment: 110 students in 2016-17; 212 students in 2017-18; 309 students in 2018-19; and 403 students in each of 2019-20 and 2020-21. The school currently has 249 students enrolled which surpasses the school's first year enrollment projections.</li> <li>7. The school meets the debt service coverage ratio of 1.0 in all years except 2016-17 when the ratio is 0.4. During the other projected years, the ratio ranges from 3.2 to 6.0. However, during Year 1, the school still anticipates ending net assets of approximately</li> </ol>

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	<p>\$172,000 (after the loan payment).</p> <p>8. Including the proceeds from the loan, the school is anticipated to have sufficient net assets in all projected years, with ending net assets ranging from \$172,513 in 2016-17 to approximately \$809,336 in 2020-21.</p> <p>9. Availability of other sources of funding include: The school is eligible for a \$150,000 loan from the broader LA's Promise umbrella. The school also applied for the federal PCSGP start-up grant, though that is not reflected in the narrative or budget projections, as the application is currently under consideration.</p>
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<b>Applicant</b>	LA's Promise Charter Middle School #1
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/16/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Los Angeles County Office of Education
<b>County</b>	Los Angeles
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that LA's Promise Charter Middle School #1 be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. Currently the LA's Promise manages 3 schools for LAUSD; West Adams Prep, Manual Arts and John Muir. The organizational model targets underserved neighborhoods and focuses on parent engagement, college readiness and wraparound programming. In its Arts and Preparatory high schools, LA's Promise has respectively quadrupled and doubled 4-year college acceptance rates in 3 years.</li> <li>2. The recruitment plan includes ongoing feeder school/community/student-parent outreach as well as school hosted events, phone banking and mailers.</li> <li>3. Based on its target population, the school projects that its student demographics will consist of 70% Hispanic, 30% African-American, 25% English Language Learners, and 85% eligible for free or reduced priced meals.</li> <li>4. Resumes of key staff show individuals with strong educational leadership and charter school experience.</li> <li>5. The school currently has 142 students enrolled which is comparable to their projected first year enrollment of 145 students.</li> <li>6. The school meets debt service coverage requirement and has sufficient net revenues to make the loan payment in all five projected years.</li> <li>7. After including the proceeds of the RLF loan as a revenue item in 2015-16, the school meets the contingency ratio of at least 10% in all projected years, with ratios ranging from 12% to 37%.</li> </ol>

<b>Applicant</b>	New Day Academy - Shasta Charter School
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/29/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Whitmore Union Elementary School District
<b>County</b>	Shasta
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that New Day Academy - Shasta Charter School be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. The mission of New Day Academy-Shasta (NDA-Shasta) is to provide an innovative personalized learning program that honors parental choice. NDA-Shasta will support students through a wealth of educational resources, a commitment to excellence, and a desire to nurture the unique nature of every child.</li> <li>3. NDA-Shasta will be an independent study program.</li> <li>4. Among the school's marketing techniques are: the: creating of flyers and brochures, written in English and Spanish, to hand out to the public; and inviting community members to monthly school meetings.</li> <li>5. Projected FRPM is 53% &amp; EL is 2%.</li> <li>6. Resumes of key staff show individuals with strong education and charter school experience with bachelor degrees.</li> <li>7. The school meets the debt service coverage requirements for 5 out of the 5 projected years, 2016-2021.</li> <li>8. The school's financial projections show positive net revenues available in all projected years (after loan payment), 2016-2021, and sufficient net assets in the projected years.</li> <li>9. The school is in the process of applying for a \$250K PCSGP grant.</li> </ol>

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<b>Applicant</b>	Orange County Academy of Sciences and Arts
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/15/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Orange County Department of Education
<b>County</b>	Orange
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Orange County Academy of Sciences and Arts be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>MISSION:</b> The school will be for children between Kindergarten and 8th Grade, placing an emphasis on the academic, social and physical development of children in the areas of Science, Technology, Engineering, Arts and Mathematics. The school will provide an education that respects the development of the child by using a proven pedagogy applied by an experienced and friendly team. The school will provide an environment that is welcoming of students and their families to learn in harmony with an environment that favors a multi-cultural spirit and awareness of the world we live in.</li> <li>2. The recruitment program will include, but not necessarily be limited to: (1) The development of promotional materials, such as brochures, flyers, advertisements and media press kits in English as well as Spanish; (2) Visits to local preschools, community centers, religious organizations, chambers of commerce and community organizations to publicize the school; (3) Attendance and participation at local events and activities to promote the school and to meet prospective students and their families; (4) Distribution of promotional materials to local businesses, libraries, and community centers; (4) District-wide parent information meetings to offer opportunities for families to learn more about the curriculum; and (5) The use of social media to promote and provide information about the school to the local community.</li> <li>3. The school projects that its student demographics will consist of 60.2% Caucasian, 25.1% Hispanic, 5.4% Asian, 1.6% Filipino, 1.3% African-American, and 6.4% other ethnicities. In addition, the school projects that about 22% of students will be eligible for free or</li> </ol>

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	<p>reduced priced meals.</p> <ol style="list-style-type: none"><li>4. The school provided a draft facilities use agreement with Capistrano Unified School District with an annual fee of \$80,400.</li><li>5. The school provided a prospective enrollment list consisting of 255 students and a waitlist consisting of 190 students. The school is projecting to grow from 255 students in 2016-17 to 405 students in 2020-21.</li><li>6. The school meets the debt service coverage requirement, and has sufficient net revenues to cover its loan payment, in all five projected years.</li><li>7. The school meets the minimum 10% contingency ratio in all projected years, with ratios ranging from 23% to 75%.</li><li>8. The school's financial projections show sufficient net assets available in all projected years.</li><li>9. The school provided documentation supporting its expected receipt of the Public Charter School Grant in the amount of \$575,000.</li></ol>
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<b>Applicant</b>	Oxford Preparatory Academy - Saddleback Valley
<b>CDS Code</b>	30-10306-0133785
<b>Charter #</b>	1784
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	9/6/2016
<b>CMO/EMO (If Applicable)</b>	Edlighten Learning Solutions
<b>Chartering Authority</b>	Orange County Department of Education
<b>County</b>	Orange
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Oxford Preparatory Academy - Saddleback Valley be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: OPA believes that all students are unique and gifted individuals. OPA is committed to working collaboratively to develop life-long learners in a safe and caring educational environment where students are challenged, scholarship is expected, and differences are valued.</li> <li>3. Hybrid program of independent study and site-based.</li> <li>4. Among the school’s marketing techniques are: Creating flyers and brochures written in English and Spanish to hand out to the public; and inviting community members to monthly school meetings.</li> <li>5. The school projects that its student demographics will include: 16% English Language Learners, and 26.7% eligible for free or reduced priced meals.</li> <li>6. Resumes of key staff show individuals with strong education and charter school experience with doctorate and/or bachelor degrees.</li> <li>7. OPA has conducted several Parent Information Meetings (PIMS) for OPA – Saddleback Valley and currently has received 903 Intent to Enroll forms for OPA’s 595 available slots. The school is projecting 595 students in each of the projected years.</li> <li>8. A charter school facility under Prop 39 from Saddleback Unified continues and is approaching final negotiation. Proposed site is: 22882 Loumont Drive, Lake Forest, CA 92630</li> <li>9. The school meets debt service coverage requirements for all five of the projected years, 2016-2021.</li> <li>10. The school’s financial projections show sufficient net revenues in all five of the projected years, and sufficient net assets in four of the five projected years.</li> </ol>

<b>Applicant</b>	Ross Valley Charter School
<b>CDS Code</b>	Pending
<b>Charter #</b>	1790
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/22/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	State Board of Education
<b>County</b>	Marin
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Ross Valley Charter School be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. MISSION: The school will provide a public school option that leverages a progressive education model emphasizing deep inquiry and exploration, hands-on, immersion-based experiences, and active learning-by-doing approaches to prepare students to collaborate effectively in teams, think critically, seek information to solve problems, and be lifelong learners and culturally competent members of the diverse global community.</li> <li>2. The school projects that its student demographics will consist of: 82% Caucasian; 8% Hispanic, 4% Asian; 6% other ethnicities; English Language Learners, and 90% free or reduced priced meal.</li> <li>3. The school provided documented evidence that it has already received 277 applicants for the upcoming academic year and that 187 students have been accepted. The school is projecting to have level enrollment of between 220 students and 230 students in all five projected years, which is supported by the number of applications already received.</li> <li>4. The school meets the debt service coverage requirement, and has sufficient net revenues to cover its loan payment, in all five projected years.</li> <li>5. The school meets the minimum-required 10% contingency ratio in all five projected years, with ratios ranging from 18% to 58%.</li> <li>6. The school's financial projections show sufficient net assets available in all five projected years.</li> <li>7. The school provided evidence of its receipt of the Public Charter School Grant in the amount of \$375,000. The school also provided evidence of its receipt of \$80,000 in promissory notes from parents.</li> </ol>

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<b>Applicant</b>	Scholarship Prep
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/26/2016
<b>CMO/EMO (If Applicable)</b>	NA
<b>Chartering Authority</b>	Orange County Department of Education
<b>County</b>	Orange
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that Scholarship Prep be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. MISSION: “We are committed to provide a university-inspired pathway of success while closing the achievement gap for all students, including foster youth and those underserved. We believe in establishing a sustainable education program where scholarship is the standard, diversity is treasured, and parents are partners in student achievement.”</li> <li>2. The school plans to focus its curriculum on common core, as well as science, technology, engineering, arts, and mathematics, with an additional emphasis on athletics.</li> <li>3. The school is affiliated with The Orangewood Children’s Foundation (Orangewood) and The Academy Charter High School (Academy) in Santa Ana. Both Orangewood and Academy focus on the lives of foster youth and other abused and neglected children. Scholarship Prep intends to use its relationship with Orangewood and Academy in its recruitment efforts. The school also plans to expand current outreach efforts to Latino/and Asian American subgroups within the community. The school intends to use the skillsets of CASA (the Court Appointed Special Advocates) to help it recruit and encourage children in the foster system to enroll.</li> <li>4. The school’s target population is foster youth and the underserved in Orange County. The school projects that its student demographics will consist of 49% Hispanic, 29% Caucasian, 15% Asian, 2% Filipino, 1.5% African-American, and 3.5% other ethnicities. The school also projects that 50% of its students will be eligible for free and reduced-price meals and 26% of its students will be English-language Learners.</li> <li>5. The school provided a student enrollment list consisting of 306 students and projects having 408 students in</li> </ol>

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	<p>grades K-6 in 2016-17, 432 students in grades K-7 in 2017-18, and 456 students in grades K-8 in each of 2018-19 through 2020-21.</p> <ol style="list-style-type: none"><li>6. Resumes of key staff show individuals with strong education and charter school experience with doctorate and/or bachelor degrees.</li><li>7. The school provided a draft lease with Newsong Community Church of Orange County with annual rent ranging from about \$380K in 2016-17 to \$466K in 2020-21. This agreement supports the assumption of SB 740 revenues in the multi-year projections.</li><li>8. The school meets the debt service coverage requirement, and has sufficient net revenues to cover its loan payment, in all five projected years.</li><li>9. The school meets the minimum-required 10% contingency ratio in all five projected years, with ratios ranging from 10% to 25%.</li><li>10. The school's financial projections show sufficient net assets available in all five projected years.</li><li>11. The school provided evidence to support the Public Charter School Grant revenues in the multi-year projections, including \$325K in 2016-17 and \$250K, in 2017-18.</li></ol>
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<b>Applicant</b>	USC College Prep - Santa Ana Campus
<b>CDS Code</b>	Pending
<b>Charter #</b>	Pending
<b>Charter Term</b>	2016-2021 (5 yrs)
<b>Opening Date</b>	8/8/2016
<b>CMO/EMO (If Applicable)</b>	Ednovate Inc.
<b>Chartering Authority</b>	Orange County Department of Education
<b>County</b>	Los Angeles
<b>Requested Loan Amount</b>	\$250,000
<b>Requested Loan Term</b>	5 years
<b>**Loan Recommendation**</b>	Staff is recommending that USC College Prep - Santa Ana Campus be awarded a \$250,000 loan for a term of 5 years.
<b>Staff Considerations &amp; Findings</b> <ul style="list-style-type: none"> <li>➤ Business/strategic plan</li> <li>➤ Outreach</li> <li>➤ School Demographics</li> <li>➤ Key Staff Education/ Experience</li> <li>➤ Facility Lease Agreement (If Applicable)</li> <li>➤ Enrollment</li> <li>➤ Financial Analysis</li> </ul>	<ol style="list-style-type: none"> <li>1. The school has a thorough and reasonable business/strategic plan.</li> <li>2. MISSION: USC College Prep students will use their college degrees and careers to make a positive multigenerational change.</li> <li>3. A few of the schools marketing techniques consist of: working with local organizations, such as neighborhood churches, after school programs, community groups, park and recreation departments, and small businesses. The school will also develop promotional and informational materials (i.e. a school brochure, flyers, a website, and advertisements for local media).</li> <li>4. The school projects that their student demographics will represent 13% English Language Learners, and 88% free or reduced priced meal students.</li> <li>5. Resumes of key staff show individuals with strong education and charter school experience.</li> <li>6. The school is going to sublease from Scholarship Prep Charter School in Santa Ana.</li> <li>7. The school provided a current enrollment list of 128 students which is comparable to the school's first year enrollment projection.</li> <li>8. The school meets debt service coverage requirements for 5 out of 5 years.</li> <li>9. The school's financial projections show sufficient net assets available in years 2016-20.</li> <li>10. Availability of other sources of funding include: <ul style="list-style-type: none"> <li>➤ \$200,000 grant from the Walton Family Foundation.</li> </ul> </li> </ol>