

## MEMORANDUM

## Staff Summary Item #7

**Date:** May 30, 2024

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

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

**Subject:** Resolution 24-22, Approving a Credit Enhancement (CDFA #84.354A) Award in an Amount Not to Exceed \$850,000 to Alta Public Schools Foundation on behalf of Academia Moderna Charter School and Prepa Tec Middle School.

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**Background:** The California School Finance Authority (Authority) received a grant award in 2010 under the U.S. Department of Education's Credit Enhancement for Charter Schools Facilities Program (CFDA # 84.354A), which, for purposes of the Authority's implementation, has been entitled the "Charter School Facilities Enhancement Grant Program" (Program). This federal grant, authorized under Title V, Part B, Subpart 2 of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001, provides \$8,300,000 for the purpose of funding primary debt service reserves for the financing of acquisition, renovation, or construction of charter school facilities, or the refinancing of existing charter school facility debt utilized for such purposes.

**Application:** Alta Public Schools Foundation (APSF) and their affiliated Academia Moderna Charter School (AMCS) and Prepa Tec Middle School (PTMS) is applying for an enhancement grant award in an amount not to exceed \$850,000. The final award amount will be finalized at the time the bonds are priced and sold. According to information provided by APSF, every dollar saved from the award will be returned to the classroom.

**Eligibility Requirements:** APSF meets all eligibility requirements of the Program, specifically:

- Good Standing – CSFA has confirmed with LAUSD that AMCS and PTMS are in good standing and those confirmations are on file.
- Ability to Secure Private Placement of its Debt with an Investor(s), Secure an Investment Grade Credit Rating from a National Credit Rating Agency in Conjunction with a Public Sale, or Other Evidence, Satisfactory to the Authority that the transaction will be completed.
- At Least 50% of Students Eligible for Free and Reduced Priced Meals (FRPM) – While the 50% threshold is not an eligibility requirement but is typically evaluated by CSFA.

**Recommendation:** Staff recommends the Board adopt Resolution No. 24-22, awarding Alta Public Schools Foundation credit enhancement in a not-to-exceed amount of \$850,000.

If funds come from the forthcoming grant this recommendation is contingent on the availability of grant funds in our federal account, and Program regulations being in effect.