

## MEMORANDUM

## Staff Summary - Item# 4

**Date:** June 14, 2024

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

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

**Subject:** Resolution 24-26, Authorizing Delegation of Power to Enter into Contracts and Interagency Agreements (Action Item)

---

**Purpose of the Request:** Staff is requesting the approval to authorize the Chair, any deputy to the Chair, or the Executive Director, each to enter into contracts and interagency agreements on behalf of the California School Finance Authority (Authority) for amounts not to exceed \$500,000, which is an increase from the current delegated amount. Authority staff seeks approval of a new resolution to take effect immediately upon its adoption.

**Background:** Pursuant to Resolution 15-08, dated March 11, 2015, the Executive Director of the California School Finance Authority (Authority) has the authority to enter into contracts of up to \$300,000 on behalf of the Authority. The resolution also grants the authority to extend contracts or make technical amendments that do not involve the encumbrance of any additional Authority funds, or which amend contracts involving expenditures, as long as the total amount of the contract over its full term does not exceed \$300,000.

Staff is requesting the Authority to increase the delegated authority amount for contracts from \$300,000 to \$500,000, due to various factors including inflation and cost increases across the market. Contracted service costs have increased in the eight years since the delegated authority amount was set to \$300,000. The Authority routinely enters into a variety of contracts in its ordinary course of business for its operational and programmatic needs, including an interagency agreement with the State Treasurer's Office for administrative, agent-for-sale, and other related services, as well as contracts with financial advisors, auditing firms, as well as law firms for legal services on an as needed basis.

CSFA currently utilizes contracted services for Financial and Municipal Advisory services, through agreements CSFA 01-22A and CSFA 01-22B, and based on the initial Request for Proposal, CSFA can encumber an additional \$112,500 on these contracts, exceeding the existing contracting authority of \$300,000. Increasing the authorized amount from \$300,000 to \$500,000 would greatly improve the timeliness and the overall efficiency of program development and implementation.

State contracting laws require extensive time and multiple processes. Contracts are time sensitive, and thus, any efficiencies in the contracting process would have an immediate effect on overall operational functions. Authorizing the Chair, any deputy to the Chair, in addition to the Executive Director, to enter into contracts and interagency agreements in

Item 4, Resolution 24-26

amounts not to exceed \$500,000 would improve the Authority's business operations' overall efficiency.

Lastly, after further research, Authority staff notes that several board, commissions, and authorities within the State Treasurer's Office (STO) have also increased their delegated authority to \$500,000. With the Office's desire for consistency across the STO, the Authority is seeking to comply accordingly.

**Recommendation:** Staff recommends the approval of Resolution No. 24-26 to authorize the Chair, any deputy to the Chair or the Executive Director, to enter into and execute contracts and interagency agreements on behalf of the Authority for amounts not to exceed \$500,000. Authority staff seeks approval of this new resolution to take effect immediately upon its adoption.