

MEMORANDUM

Staff Summary No. 5

Date: March 19, 2025

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 25-06 – Amending Resolution Number 24-28 authorizing a change of underwriter to a financing not-to-exceed \$17,000,000 for facilities located in Orange County for use by Vibrant Minds Charter School

Background: At its meeting on July 25, 2024, the California School Finance Authority the Board approved a financing in a not-to-exceed amount of \$17,000,000 for Vibrant Minds Charter School (VMCS) and corresponding Credit Enhancement Grant Program award in a not-to-exceed amount of \$1,100,000.

Issue: At the time of that approval, the lead banker on the transaction worked for the investment banking firm of B.C. Ziegler and Company (Ziegler). Last month, the banker accepted a position at Hilltop Securities. Given the extent of work done by the banker and the relationship with Vibrant Minds, Ziegler and Hilltop Securities will now serve as co-managers on this issuance. Both firms are in the State Treasurer’s Office Underwriter Pool. Resolution Number 24-28 and some corresponding bond documents, as well as Board approval, were effectuated with Ziegler as the underwriter on the transaction. There is otherwise no change to the transaction, and it remains on its original timeline. With an expiration of July 24, 2025, for pricing and closing.

The Vibrant Minds’ Board is meeting on March 19, 2025, to approve the underwriter engagement letter, therefore, this approval is contingent on the Vibrant Minds’ Board approving the appointment of Ziegler and Hilltop Securities as co-managers on the transaction.

Recommendation: Staff recommends the Board adopt Resolution No. 25-06, amending Resolution Number 24-28, and authorizing a change of underwriting on the above-referenced transaction.