

Texas Public Finance Authority

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MINUTES OF THE MEETING OF THE TEXAS PUBLIC FINANCE AUTHORITY CHARTER SCHOOL FINANCE CORPORATION

February 19, 2010

The Board of Directors of the Board of the Texas Public Finance Authority Charter School Finance Corporation (the "CSFC") convened in open meeting, notice duly posted pursuant to law (a copy of which notice is attached hereto as Exhibit "A") at 2:00 p.m., Friday, February 19, 2010, Capitol Extension Hearing Room E2.028, Austin, Texas. Present were: Mr. Omar Garcia, Vice President; Dr. Marina Walne, Chair; Ms. Kirsten Moody, Secretary and Mr. Omar Garcia, Member. Representing TPFA's staff was: Mr. Dwight Burns, Executive Director; Ms. Susan K. Durso, General Counsel, John Hernandez, Deputy Director and Paula Hatfield.

Present in their designated capacities were the following persons: Alfred Segura Jr., Rachel Herrera, New Frontiers Charter School; Michelle Downie and Katharine Teleki, Texas Sunset Commission.

Item 1. Call to order.

Dr. Walne called the meeting to order at 2:03 p.m.

Item 2. Approval of minutes of the February 2, 2010 Board meeting.

Dr. Walne asked if there are any changes to the minutes as presented. Mr. Garcia moved to approve the minutes. Ms. Moody seconded. The motion passed unanimously.

Item 3. Consideration, discussion and possible action to permit an extension for access to a Texas Credit Enhancement Program (TCEP) grant award beyond 12 months from the date of award.

Ms. Durso stated the Board had requested she provide some language that the Board could adopt to allow for a short extension in an appropriate circumstance if a school was unable to use its TCEP grant within twelve months. She stated that the policy, if adopted, would apply to the 4th grant applications currently under consideration.

Staff recommends that the Board adopt a policy delegating the authority to grant an extension to the Executive Director of the TPFA, and establish guidelines for the Executive Director to use in determining whether to grant an extension. The policy would provide guidance to both the grantees and the Executive Director.

The policy would state the following:

- (1) A grantee must present a request for extension in writing to the Executive Director of the TPFA acting on behalf of the TPFA CSFC no later than 30 days prior to the end of the 12 month period from the date of the grant award.
- (2) The Executive Director will only grant an extension in extraordinary circumstances and when the grantee can demonstrate that the inability to issue the bonds within the 12 month period provided was not the result of delay within the control of the grantee or its agents.
- (3) An extension granted will be no longer than 15 days from the end of the 12 month period from the date of the grant award.
- (4) Only one extension will be allowed in any circumstance.
- (5) TPFA staff will notify the Board of any request for extension in writing to the grantee with a copy to the Board. The letter will outline the extraordinary circumstances found if an extension is granted.
- (6) The Executive Director will respond to a request for extension in writing to the grantee with a copy to the Board. The letter will outline the extraordinary circumstances found if an extension is granted.
- (7) The grantee will notify the Executive Director in writing when the bond transaction has closed.
- (8) A grantee that is not able to close the transaction within the period allowed will forfeit the grant award.

Dr. Walne questioned if 15 days was adequate and asked if 30 days might be more appropriate. Ms. Durso stated the proposed policies provide for a 30 day extension request be submitted to the Authority so if the 15 day extension is granted, the school will have a total of 45 days to close the transaction. Dr. Walne stated she preferred a little more flexibility in the timing and Ms. Moody suggested changing the time requirement to include business days.

Ms. Moody moved to approve the language as drafted by staff with the modification of time being changed to fifteen business days instead of only fifteen days (#3 above). Mr. Garcia seconded. The motion passed unanimously.

Item 4. Consideration, discussion, and possible action to award the fourth round of TCEP grants.

Ms. Durso stated that three applications for credit enhancement grants had been received for the remaining \$976,000 funds. The responding schools were Kipp, Cosmos Foundation, and New Frontiers Charter School.

Ms. Durso gave a brief summary of each school's request. She also provided information on each school based on evaluation criteria that was included in the TCEP grant application. The criteria for determining the award were (1) the percentage of students served that are economically advantaged; (2) TITLE I needs improvement – district in which affected charter campuses are located; (3) Rating (how the charter's campuses are rated); (4) the "FIRST" rating provided by Texas Education Agency; (5) Funding Access (whether the school had previous access to the market); (6) Repayment Resources and (7) whether contingency repayment resources existed.

Discussion included comments that Cosmos Foundation did not meet the FIRST threshold criteria and that Kipp had previously been in the market. Alfred Segura Jr., New Frontiers, indicated plans for issuing bonds were in process and they anticipated entering the market soon.

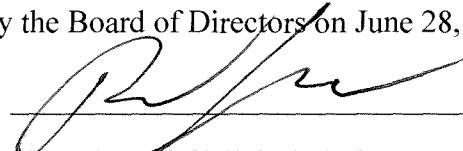
Ms. Moody moved to award New Frontiers Charter School a grant in the amount of \$600,000 and to hold in reserve the remaining funds. Mr. Garcia seconded. The motion passed unanimously.

Ms. Durso asked the Board for instruction about whether to issue a new round of grant applications and the preferred timing for doing so. Ms. Moody moved that a new round of applications not be issued until fall. Mr. Garcia seconded. The motion passed unanimously.

Item 5. Adjourn.

The meeting adjourned at 2:46 p.m.

The foregoing minutes were approved and passed by the Board of Directors on June 28, 2010.



Secretary, Board of Directors

ATTACHMENT: Posting Notice - Exhibit A



Open Meeting Submission

Success!
Row inserted

TRD: 2010001210
Date Posted: 02/11/2010
Status: Accepted
Agency Id: 0113
Date of Submission: 02/11/2010
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority Charter School Finance Corporation
Liaison Id: 3
Date of Meeting: 02/19/2010
Time of Meeting: 02:00 PM (###:## AM Local Time)
Street Location: Capitol Extension Hearing Room E2.028
City Location: Austin
State Location: TX
Liaison Name: Paula Hatfield
Additional Information Obtained From: If you need any additional information contact Paula Hatfield, 512/463 5544, 300 W. 15th Street, Suite 411, Austin, Texas 78701.

TEXAS PUBLIC FINANCE AUTHORITY
 CHARTER SCHOOL FINANCE CORPORATION
 FRIDAY, FEBRUARY 19, 2010, 2:00 P.M.
 CAPITOL EXTENSION HEARING ROOM, ROOM E2.028
 AUSTIN, TEXAS 78701

Agenda:

1. Call to order.
2. Approve the minutes of the February 2, 2010 Board meeting.
3. Consideration, discussion and possible action to permit an extension for access to a Texas Credit Enhancement Program (TCEP) grant award beyond 12 months from the date of award.
4. Consideration, discussion, and possible action to award the fourth round of TCEP grants.
5. Adjourn.

Persons with disabilities, who have special communication or other needs, who are planning to attend the meeting should contact Paula Hatfield or Donna Richardson at 512/463 5544. Requests should be made as far in advance as possible.

Certification: I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Susan K. Durso, General Counsel, Certifying Official; Paula Hatfield, Agency Liaison.

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