

**RESOLUTION OF THE BOARD OF EDUCATION
ORANGE COUNTY, CALIFORNIA**

***Establishment of a Charter School Special Bridge Loan
May 1, 2024***

WHEREAS, California Education Code § 1040(a), establishes that county boards of education shall (a) *Adopt rules and regulations not inconsistent with the laws of this state, for their own government; and*

WHEREAS, California Education Code § 1040 (c-d), establishes that county boards of education shall (c) *Approve the annual budget of the county superintendent of schools; and* (d) *Approve the annual county school service fund budget of the county superintendent of schools before its submission to the Superintendent of Public Instruction; and*

WHEREAS, California Education Code § 1042 (a) allows county boards of education to *adopt rules and regulations governing the administration of the office of the county superintendent of schools; and*

WHEREAS, on May 6, 1996, the Orange County Board of Education passed Resolution #17-96 apportioning \$3,000,000 to the Laguna Beach School District. Resolution #17-96, passed by a 5-0 vote, provided in relevant part:

“NOW, THEREFORE BE IT RESOLVED, The Orange County Department of Education Board of Education grant a temporary apportionment from the County School Service Fund, pursuant to Education Code Section 42662, in the amount of \$3,000,000, to be repaid during the 1996-1997 fiscal year.” (See Exhibit 1 Resolution #17-96, dated May 6, 1996).

Whereas, California Education Code §42662 states, “ The county superintendent of schools, with the approval of the county board of education, may make an apportionment to a school district or charter school from the county school service fund conditional upon the repayment to the fund during the next succeeding fiscal year of the amount apportioned to the school district or charter school and, during the next succeeding fiscal year, shall transfer the amount of the apportionment from the general fund of the school district or charter school to the county school service fund.”

WHEREAS, on October 4, 2023, at its regular board meeting, the Orange County Board of Education (“Board”) unanimously passed, Resolution Establishing *Fair and Equitable Facilities for All-Public School Students*, and committed that all public schools and public school students have access to quality school facilities and resources for all ACCESS and charter school programs; and

Whereas, on October 4, 2023 , the Board committed to the following action, including but not limited:

- Allocate resources to support the development of facilities that will provide increased options for ACCESS and charter school programs.
- Create legal mechanisms and agreement to reduce barriers to the acquisition, lease, and use of facilities for charter schools within Orange County.
- *Establish a Board committee to support the above referenced workgroup.*

WHEREAS, on November 1, 2023, at its regular board meeting, the Board established a Public Charter School Facilities subcommittee to address concerns and recommend for board adoption policies about charter school facilities, and Trustees Williams and Valdes, were approved by the Board to be the subcommittee members; and

WHEREAS, the Board acknowledges and anticipates that in light of the anticipated multi-billion-dollar budget shortfall that public schools, including charter schools, may require extraordinary and exigent funding to establish and meet financial obligations and state mandates.

WHEREAS, existing California Education Code § 41365 creates a funding source for charter schools. California Education Code §41365 (a) references the Charter School Revolving Loan Fund created in the State Treasury. §41365 (c) provides in relevant part, “Loans may be made from moneys in the Charter School Revolving Loan Fund to a chartering authority for charter schools that are not the conversion of an existing school, or directly to a charter school that qualifies to receive funding... The loan to a chartering authority for a charter school, or to a charter school, pursuant to this subdivision shall not exceed two hundred and fifty thousand dollars (\$250,000) over the lifetime of the charter school.”

WHEREAS, the California Education Code § 47614.5¹ establishes within the California School Finance Authority (under Senate Bill 740 Program) a Charter School Facility Grant Program (CSFGP) ² for facilities rent and lease costs for pupils in charter schools; and

WHEREAS, the California State Treasurer’s office has in place a Charter School Revolving Loan Fund Program (“CSRLF”) ³ designed to provide low-interest loans of up to \$250,000 to new charter schools; and

Therefore, by this Resolution the Board recommends the establishment of the following:

1. To further the objectives of California law and previous Board actions and resolutions, to the extent legally permissible, establish a *Charter School Special Bridge Loan*, for Board approved charter schools, to provide special bridge funding and financially to assist the Board approved charter schools in the event exigent, urgent, and/or emergencies circumstances occur.
2. The Orange County Superintendent of Schools/Department of Education (“OCDE”) shall create a separate object code entitled *Charter School Special Fund*. The fund balance shall be discussed by the Board during the Budget Adoption process.
3. By this resolution, as set forth in law and policy, the amount of \$250,000 to establish an object code and/or Budget line item in the OCDE budget for such fund.
4. Create technical loan documents to implement the elements of said special bridge funding for the *Charter School Special Bridge Loan* based upon lending guidelines and principles of the CSRLF and CSFGP. The final guidelines and principles will be later approved by Board by January, 2025. The elements required for a charter school’s eligibility for the bridge loans may include but are not limited to existing CSFGP ⁴ guidelines.

APPROVED AND ADOPTED this first day of May 2024 at a regular meeting of the Orange County Board of Education.

AYES: 5 (Barke, Sparks, Williams, Shaw, Valdes)

NOES: 0

ABSENT: 0

STATE OF CALIFORNIA, COUNTY OF ORANGE

I, **Mari Barke**, Clerk of the Board of Education of Orange County, California hereby certify that the foregoing Resolution was duly and regularly adopted by the said Board at a regular meeting thereof held on the 1st day of May 2024.

IN WITNESS THEREOF, I have hereunto set my hand and seal this 1st day of May 2024.



Mari Barke
Clerk, Orange County Board of Education

¹<https://law.justia.com/codes/california/2022/code-edc/title-2/division-4/part-26-8/chapter-3/section-47614-5/>

² <https://www.treasurer.ca.gov/csfa/csfgp/index.asp>

³<https://www.treasurer.ca.gov/csfa/csrlf/index.asp>

⁴ <https://www.treasurer.ca.gov/csfa/csfgp/Current-Regulations.pdf>

