

**RULES OF THE  
TEXAS PUBLIC FINANCE AUTHORITY  
CHARTER SCHOOL FINANCE CORPORATION  
("RULES")**

**I. PURPOSE**

A. The Board of the Texas Public Finance Authority (the "Authority") established the Texas Public Finance Authority Charter School Finance Corporation (the "Board" or the "Corporation") for the specific and limited purpose to issue revenue bonds to finance or refinance "educational facilities" for open enrollment charter schools and facilities which are incidental, subordinate, or related thereto or appropriate in connection therewith all in accordance with and pursuant to Section 53.351, Texas Education Code (the "Act"). Such purposes are to be accomplished by the issuance of revenue bonds through the Corporation (the "Revenue Bonds") as provided for under Act.

B. **INDEPENDENT STATUS OF THE CORPORATION.** The Corporation shall act as an independent entity with primary responsibility for the Revenue Bond program. Such responsibility includes adopting these Rules for the submission and evaluation of applications for financing. The Corporation may exercise all rights, duties and responsibilities prescribed under the Act and these Rules. The Corporation shall issue rules as may be required for fair and efficient operation of the Revenue Bond program. Such rules shall conform with the Act.

**II. GENERAL**

**TPFA & CONSULTANTS.** The Corporation may engage any consultants or professionals necessary to conduct the business of the Corporation. Administration and technical support for the Corporation shall be provided through the Authority or any successor entity, which may include the following:

1. Receiving, delivering and filing correspondence;
2. Maintaining official business records of the Corporation;
3. Complying with open meeting notice and related requirements;
4. Maintaining the Corporation's financial books and providing necessary accounting services;
5. Performing work required in the solicitation of vendors and entering into contracts on behalf of the Corporation; and
6. Acquiring goods or services needed by the Corporation to fulfill its responsibilities.

### III. FINANCING REQUEST

1. An open-enrollment charter school considering revenue bond financing through the Corporation may contact the Authority's executive director for informal review, technical assistance and planning, or further information about the financing process at any time.
2. A school may request financing by submitting a Request for Financing ("Request") to the Corporation, directed to the attention of the Authority's Executive Director, as agent for the Corporation.
3. As may be further determined by the Authority's Executive Director, the request may include the following documents and information:
  - a. A resolution of the governing board of the school approving the request and delegating to an officer or employee authority and responsibility for pursuing the request and taking all actions necessary or required in furtherance of the financing;
  - b. A one page executive summary addressing the following:
    - (1) Purpose and need for the financing and the project;
    - (2) Summary description of the project and estimated project costs (note additional project information required in item (e) below)
    - (3) Background information about the school including:
      - (a) Location
      - (b) Mission
      - (c) Number of years in operation; and
      - (d) Governing board structure and board members.
  - c. Financial information:
    - (1) Copies of the school's most recent three years audited financial statements (or the audited financial statements for each year of operation if less than three);
    - (2) IRS determination letter of the school's 501(c)(3) status;
    - (3) Current year's operating budget and estimated budgets, (with revenue projected for five years in future); and
    - (4) Specific information concerning the school's current or historical financing efforts and other loans incurred, whether outstanding or paid.

- d. A copy of the school's charter and a copy of the charter renewal application, if any, or an explanation of the time requirements relating to the charter renewal process; and
  - e. A detailed preliminary project description and project budget, schematic drawings, plans and specifications, if available.
  - f. School performance history (i.e., student achievement scores, TEA ratings, etc.)
4. When a completed Request has been received, the Authority's staff will forward it to the Board of the Corporation and place the Request on the agenda for the next subsequent regular Board meeting.
5. In considering a Request, the Board may:
  - a. Approve the request, select outside consultants, and determine a method of sale;
  - b. Request additional information for subsequent reconsideration of the Request; or
  - c. Determine that a revenue bond financing is not economically feasible at the current time and reject the Request.
  - d. Take any other action consistent with the purpose for which the Board was created.
6. When the Board gives final approval to the Request, the Authority staff and selected consultants will proceed with the financing, and, subject to successfully marketing the bonds, shall take any and all actions to complete the financing in a timely manner.