

Texas Public Finance Authority

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Kimberly K. Edwards
Executive Director

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

January 31, 2006

The Board of Directors (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 10:00 A.M., Tuesday, January 31, 2006, Capitol Extension Hearing Room E2.026, Austin, Texas. Present were: Mr. Bob Schulman, President, Ms. Marina Walne, Vice President and Mr. Omar Garcia, Secretary. Representing TPFA's staff were: Ms. Kimberly Edwards, Executive Director, Ms. Judith Porras, General Counsel, John Hernandez, Deputy Director, and Paula Hatfield.

Present in their designated capacities were the following persons: Pasty O'Neill, Resource Center for Charter Schools; Mary Perry, Kirsten Moody, Texas Education Agency.

Item 1. Call to order.

Mr. Schulman called the meeting to order at 10:13 A.M.

Item 2. Approval of minutes of the December 19, 2005 Board meeting.

Mr. Schulman asked if there were any corrections or additions to the minutes of the Board meeting of December 19, 2005. Mr. Garcia moved to approve the minutes. Ms. Walne seconded. The motion passed unanimously.

Item 3. Consideration and discussion of an application process and application form for the Texas Credit Enhancement Program for Charter Schools, and possible action to adopt the application form, and resolve other necessary related matters.

Ms. Edwards noted that the staff had edited the application as requested at the December meeting. She asked for direction on the Board's role in the review and scoring process. Discussion

ensued. It was noted that the Board's role in awarding the grants was separate from issuing bonds and that the grant process required closer attention to a charter school's credit quality and likelihood of drawing on the grant funds. The Board determined that staff would review and score the applications and provide a recommendation with supporting background materials to the Board.

The Board discussed what policy objectives, if any, they wanted to support by giving higher priority to schools with certain missions or that serve certain populations, or for certain types of projects.

Mr. Schulman identified several areas of the National Council of La Raza matrix that he thought could be useful: Part III – Intent and Vision, which describes the mission statement, communities served, and determines whether the school has sought and obtained financial support other than state funding; Part IV – School Governance, which measures how well the school is fulfilling its mission and continuity of Board membership; Part V - Administration and Organizational Capacity – all questions; Part VII – Facilities and Financial Capacity, which measure the status of current facilities, how badly do the applicants need funds compared to other schools, and how well they maintain current facilities.

After extensive discussion on policy objectives, the Board determined they would give priority to schools that had a clearly articulated mission and met that mission, but would not give priority to any particular mission or service population.

Ms. Walne pointed out that the scoring matrix needed to pick up more information from the application. This would make it more efficient for the Board to review the applications and also give the applicants guidance on what they are being scored on. Ms. Edwards suggested the matrix needed to be expanded to add several questions to each subcategory. Ms. Moody asked what documents could be used to determine effective governance. There was general discussion regarding various sources: biographies of board and key staff, how often the board meets, are minutes kept up to date, required training, organizational structure, selection process for new board members, and whether actual policies and practices conform with the charter and bylaws. Mr. Schulman reviewed policies that charter schools have to have in place and that cannot be delegated.

After discussion regarding the timing, i.e., when the Board needed to approve the application, the Board agreed that staff needed to make further modifications to the application and scoring matrix before it could be approved, and recommended doing so at a future meeting. Ms. Walne suggested the Board give staff direction on which items to weight in the scoring matrix. Discussion on various factors ensued, including: credit history, FIRST rating, and other financial factors such as fund balance and debt service coverage. There was further discussion on whether to give preference to schools providing programs not offered elsewhere. The Board concluded that it would not give preference regarding the type of program or population served, but simply how well the school's mission is articulated and how well the school meets that mission.

The Board also discussed whether measures such as accountability ratings, TAKS scores and AYP (Adequate Yearly Progress under No Child Left Behind) could be used to determine whether

the school met its mission. Ms. O'Neil stated she would confirm whether the U.S. Department of Education expected charter schools receiving grant funds to comply with AYP.

The Board agreed to give priority for projects that are instructional facilities. Mr. Garcia suggested using the TEA's definition of instructional facilities for the Instructional Facilities Allotment Program. Ms. Edwards suggested adding a question to determine how well the project is defined, i.e., does the applicant have a clear project description and sound budget and cost estimates.

The Board discussed the list of recommended governance policies suggested by Mr. Schulman and concluded to have applicants certify that such policies were in place.

Ms. Walne noted that she would also give priority to the stability of administration and staff and the sustainability of the enterprise.

Ms. Moody asked if the Board wanted TEA staff to assist the charters with correcting inaccurate or incomplete applications after the applications were submitted. The Board deferred a decision until they could determine how much staff time such assistance would require and whether providing such assistance would be feasible.


Item 4. Consideration, discussion and possible action to amend the Rules of the Texas Public Finance Authority Charter School Finance Corporation, adopted December 7, 2004.

No action was taken on this item.

Item 5. Adjourn.

The meeting adjourned at 11:28 A.M.

The foregoing minutes were approved and passed by the Board of Directors on April __, 2006.



Omar Garcia
Secretary, Board of Directors

ATTACHMENT: Posting Notice - Exhibit A

Open Meeting Submission

Success!
Row inserted

TRD: 2006000763
Date Posted: 01/23/2006
Status: Accepted
Agency Id: 0113
Date of Submission: 01/23/2006
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority Charter School Finance Corporation
Liaison Id: 3
Date of Meeting: 01/31/2006
Time of Meeting: 10:00 AM (##:## AM Local Time)
Street Location: Capitol Extension Hearing Room E2.026
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
 TUESDAY, JANUARY 31, 2006 10:00 A.M.
 CAPITOL EXTENSION HEARING ROOM E2.026
 AUSTIN, TEXAS 78701

- Agenda:**
1. Call to order.
 2. Approval of minutes of the December 19, 2005 Board meeting.
 3. Consideration and discussion of an application process and application form for the Texas Credit Enhancement Program for Charter Schools, and possible action to adopt the application form, and resolve other necessary related matters.
 4. Consideration, discussion and possible action to amend the Rules of the Texas Public Finance Authority Charter School Finance Corporation, adopted December 7, 2004.
 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. Kimberly K. Edwards, Executive Director, Certifying Official; Paula Hatfield, Agency Liaison.

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