



Minutes of Charter School Revolving Loan Committee Meeting
April 26, 10:30 a.m.

Present:

Gavin Hutchinson

Committee Chair

David Kaufman

Committee Member

Jacob Wright

Committee Member, Governor's Office of Planning and
Budget

Paul Kremer

Non-voting Committee Member, Exec Director SCSB

Laura Wilson

USBE

John Palmer

USBE

Sam Urie

USBE

LEA's:

American Principles Academy

Dave Sharette, Stephanie Hill

Ascent Academy of Utah

Erin Winterton

Thrive Point Academy of Utah

William Evans, Tim Smith, Roland Canotal,
Jody Radford

Virtual Horizons

Kristin Elinkowski



Gavin Hutchinson called the meeting to order and did roll call. Jacob Wright motioned to approve minutes from last committee meeting in Apr 2023, Dave Kaufman seconded. Minutes were unanimously approved.

Discussion with each LEA applying for the Revolving Loan

American Principles Academy: Dave Sharette introduced himself and shared the location, focus, and needs for the loan funds being requested. They are requesting \$297,000 to fund physical security features, furniture, intercom, classroom audio equipment, and computers. LEA is slated to open in fall of 2024. There was questioning and debate with all committee members around the organization requesting the loan being a dba, whether there is a related party relationship with American Principles Academy, and who should be applying for the loan. Dr. Kremer mentioned the possibility of American Preparatory Academy, in the Northern part of the state, possibly merging with American Principles Academy in the future. Also discussed were points of concern with the nonstandard budget submission, and some missing pieces of the application such as credit scores and background checks. Jacob Wright asked about the possibility of Utah fit All Scholarship affecting enrollment in Cedar City, which has a large homeschool population.

Ascent Academies of Utah: LEA opened in 2023 and has a need for expansion due to enormous growth in the area. They are requesting \$200,000 to purchase furniture and technology. Jacob Wright asked about enrollment and a large beginning balance on their 3-year budget. Erin Winterton replied that they are trying to build their cash balance across all 5 campuses. Dave Kaufman mentioned the debt ratio was slightly over target. LEA verified that expenses can be scalable as enrollment increases, and that their previous Charter School Revolving Loan has been paid off.

Thrive Point Academy: They are requesting the full \$300,000 to help develop their facility in South Jordan. Bulk of the funds are for building out and developing the



facility and \$50,000 is for insurance. Jacob Wright asked if the Utah Fits All Scholarship might affect their enrollment. William Evans replied that after much consideration they feel they might be immune. They are the only alternative school in state offering apprenticeships. It is a hybrid model school where students have the flexibility to come in person for part of their time to a learning center, work with teacher and coaches who help them identify the potential career paths and arrange work site learning. Dave Kaufman clarified that the charter agreement will be signed from draft form this month. There was some discussion on whether insurance in a legitimate use of funds as they may not be recouped in case of default. Tim Smith, from their management company, clarified that they do not see risk of not opening and that they have been successfully operating Thrive Point in other states for many years.

Virtual Horizons Charter School: School is requesting \$300,000. It is a fully virtual, virtual reality school. Headsets, Software, Professional Development, and Chromebooks are the uses for requested funds. Because it is home based there will be an administrative office to store equipment and they are hoping to have community center where students could meet to do the virtual reality together. Discussion about uses of Virtual Reality in various types of education such as medical school, pilots, and some higher ed. There are also technical certifications in virtual reality.

Following interaction with the LEA's there was further discussion before making motions. Further discussion about what documents need to be collected and possible changes to the name on the application for American Principles Academy, as well the possibility of merger and what happens to the loan at that point.

1st Motion: Gavin Hutchinson was looking for a motion to approve to the State Charter School Board a loan issuance of \$297,00 to Cedar Charter Holders doing business as American Principles Academy once the school has submitted all the paperwork necessary to complete the Revolving Loan Application and submitted a standard budget detail that shows the use of funds. Once the State Charter School Office has received the additional information and verified that it is appropriate and within reason they can proceed with processing the recommendation. Jacob Wright so moved. Dave Kaufman seconded. Vote was unanimous.



2nd Motion: David Kaufman made a motion that the committee recommends for approval a \$200,000 loan to Ascent Academies of Utah in accordance with their stated purpose of funds. Jacob Wright seconded the motion. Dave Kaufman and Jacob Wright vote aye, Gavin Hutchinson abstaining for conflict of interest. Passes by majority vote.

There was discussion around use of funds for \$50,000 of insurance for Thrive Point Academy.

3rd Motion: Jacob Wright moved that the committee recommend the State Charter School board approve a loan in the amount of \$300,000 to Thrive Point Academy of Utah and recommends that the Charter Board consider the possibility of asking Thrive Point to change their intended use of the funding. Dave Kaufman seconded the motion. Vote is unanimous.

4th Motion: Jacob Wright moved that the State Charter School Board approve a loan in the amount of \$300,000 to Virtual Horizons Charter School. Dave Kaufman seconded the motion. Gavin Hutchinson and Jacob Wright vote aye. Dave Kaufman abstaining for conflict of interest. Passes by majority vote.

Dave Kaufman motioned to adjourn. Jacob Wright seconded.