

UTAH STATE BOARD OF EDUCATION

Subject:

ACTION: Charter School Revolving Loan Recommendations

Agenda item type:

Action Item

Recommended Action:

The committee recommends that the Board approve the following Charter School Revolving Loan awards:

Custom Class – Approval of a \$300,000 loan.

Pinnacle Canyon Academy– Conditional approval of a \$300,000 loan, subject to the following conditions:

Immediate release of \$36,000 for architectural planning.

Confirmation of secured funding for the remaining project costs prior to major disbursement.

Consultation with a certified public accountant (CPA) and the U.S. Department of Agriculture (USDA) to ensure compliance with applicable debt covenants.

Purpose of Memo:

Result of legislative action

Background:

In accordance with Utah Code § 53F-9-203 and Board Rule R277-480, the State Charter School Board (SCSB) presents its recommendations for the Spring 2025 Charter School Revolving Loan applicants. These recommendations are based on the independent revolving loan committee's review and were formally approved by motion during the SCSB's public meeting on June 12, 2025. 53F-9-203 requires the Board to approve or reject each request for a loan.

Recommended Applicants:**1. Custom Class**

- **Loan Amount:** \$300,000 (Full Approval)
- **Risk Level:** Medium
- **Purpose:** Start-Up
- **Considerations:**
 - Uncertainty surrounding the Utah Fits All Scholarship may impact appeal.
 - Enrollment projections may be optimistic given current market conditions.

2. Pinnacle Canyon Academy

- **Loan Amount:** \$300,000 (Conditional Approval)
- **Risk Level:** Medium
- **Purpose:** Facility renovation for elementary students in Price, Utah
- **Conditions:**
 - Immediate release of \$36,000 for architectural planning
 - Confirmation of additional funding prior to major disbursement
 - Consultation with CPA and USDA regarding debt covenants

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Attachments:

1. Revolving Loan Letter of Recommendation from SCSB
2. Memorandum of Committee's Recommendations