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MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Martell Menlove, Ph.D.
Chief Executive Officer

DATE: January 9, 2014

ACTION: Loan recommendation from the Charter School Building Revolving Subaccount Committee

Background:

Legislation (UCA 53A-1a-522) created the Charter School Building Revolving Subaccount Committee to review and make recommendations regarding loans to charter schools. The State Board of Education is charged with approving loans to charter schools specifically to pay for the costs of: (a) planning expenses; (b) constructing or renovating charter school buildings; (c) equipment and supplies; or (d) other start-up or expansion expenses. The Revolving Subaccount Committee developed the criteria and a loan application process. There was originally \$6,000,000 allocated by the Legislature for this account, to be distributed at a maximum of \$2,000,000 per fiscal year.

Key Points:

The Charter School Building Revolving Subaccount Committee recommends a revolving loan to Moab Charter School for \$116,000.

Anticipated Action:

The Finance and Audit Committee will consider approving the loan recommendation for Moab Charter School, and if approved, the Board will consider issuing the loan.

Contact: Bruce Williams, Associate Superintendent, 801-538-7514
Marlies Burns, Director of Charter Schools, 801-538-7817

CHARTER SCHOOL REVOLVING LOAN FUND ACCOUNT
Utah State Board of Education

The State Board of Education is charged with approving loans to Charter Schools per Utah Code Annotated §53A-1a-522. Charter schools may use such funds to meet school building construction and renovation needs, and to pay for expenses related to the start-up of a new charter school or the expansion of an existing charter school. Loans to new charter schools or charter schools with urgent facility needs may be given priority; “new school” means any charter school through the first day of its second year of operation with students, or a satellite school that requires a new location or campus. Schools not fitting this definition of “new” may use funds only for constructing or renovating charter school buildings.

This summary report shall be completed by the Committee and submitted to Bruce Williams, Associate Superintendent, Utah State Office of Education, two weeks prior to the regularly scheduled USBE meetings for approval and inclusion in the board’s agenda materials. Only that which is in writing, and included in the agenda materials, shall be considered by the USBE in its final approval process. Attachments, by way of clarification, or elaboration, may be included.

1. Charter School Moab Charter School
2. Mailing Address 358 East 300 South Phone 435-259-2277
3. City Moab County Grand
4. This is a school located in an area: () Rural (X) Urban
5. Chief School Officer: Joe Heywood Phone 435-259-2277
6. The charter school is located in which school district? Grand
7. Recommended loan amount? \$116,000
8. Purpose: Repay private loans incurred for the renovation and expansion of the school’s facility and new costs associated with additional necessary renovation (see detailed list below)
 - Convert pottery studio into usable classroom space
 - Bring sidewalks up to current ADA code
 - Ramps for ADA compliance
 - Demolition of Main Building
 - Site grading for three portables
 - Architectural design
 - Play area
 - Technology infrastructure
 - Impact and utility fees
9. Authorized enrollment? 1 7 5 October 1, 2013 enrollment? 1 1 6

10. Summary description of Committee discussion on school?

The Committee discussed the projects Moab Charter School has already completed and those still needing to occur to make the facility appropriate to serve a maximum of 175 students in grades K – 8.

11. What specific conditions or concerns did the Committee place on the school in order to recommend full approval of this loan?

No conditions or concerns.

12. Please provide a brief summary of other points the Committee would like the Utah State Board of Education to consider in making the decision to approve the loan.

The committee recommends the school receive a waiver from R277-480 in regard to the per pupil loan limit. Currently, Board Rule restricts loans to \$1,000 per pupil for the prior year October 1 enrollment. The Committee recommends Moab Charter School instead receive \$1,000 per pupil for the current year October 1 enrollment.

13. The Revolving Loan Fund Committee Members voted unanimously to recommend the State Charter School Board approve and recommend this charter school loan application. Voting members in attendance were Mike Kjar, Chair; Richard Tolley, Member; Gavin Hutchinson, Member; and Sterling Orton, Member.

14. The State Charter School Board approved this application at its December 12, 2013 meeting and recommends a single distribution schedule. The State Charter School Board had no specific concerns.

15. Votes of the Revolving Loan Committee and SCSB in approving the charter school application:

(Listing of loan committee members' vote)

Mike Kjar, Gavin Hutchinson
Sterling Orton, Richard Tolley Recommended full approval

(Listing of charter board members' vote)

Tim Beagley, Howard Headlee,
Dean Brockbank, Robert Enger,
Kristin Elinkowski, Laura Belnap Recommended full approval

_____ Did not recommend approval

_____ Recommended alternate approval*

*Provide detailed explanation of alternate approval