



Minutes of the Charter School Revolving Loan Committee

April 25, 2023
10:33 a.m. MST

In attendance:

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| Gavin Hutchinson | Committee Chair |
| David Kaufman | Committee Member |
| Jacob Wright | Committee Member |
| Jennifer Lambert | Non-voting Committee Member, SCSB Executive Director |
| Laura Wilson | USBE |
| John Palmer | USBE |
| Smriti Dhakal | SCSB |
| Elevated Charter School: | Amy Edwards, Robert Marx |
| Itineris Early College High | Renee Edwards |
| John Hancock Charter School | Julie Adamic |
| Treeside Charter School | |

Gavin Hutchinson called the meeting to order and called for motion to approve minutes from previous committee meeting. Jacob Wright motioned to approve; David Kaufman seconded the motion. Unanimously approved.

Gavin Hutchinson inquired how much of the \$2,000,000 maximum distribution is available to loan this year. Laura Wilson answered the full \$2,000,000 is available.

Review of Elevated Charter School application. Amy Edwards and Robert Marx are present to answer questions. When asked how they intend to use revolving loan funds Robert Marx explained the application is to funded school set up. Elevated is an online school so they don't need a building. The funds are needed to purchase and set up technology infrastructure for the students and for the school, as well as acquiring curriculum materials, and a lease on small office building at a location centrally located within the state. Gavin Hutchinson had questions on the



submitted budget sheet. Questions regarding the specific use of funds were asked and Elevated was asked to submit a budget showing specific use of funds for the revolving loan, as well as the start up grant to ensure there was no crossover. Elevated said they would be happy to comply.

Dave Kaufman asked a procedural question regarding maximum revolving loan funding. Clarified that potential funding is maxed out at \$1000 per approved number of students, or \$300,000 total for a school. Funds are received over 3 periods. 50% in August, 25% in October, November and 25% in February.

Review of Itineris Early College High application:

Renee Edwards, Principal spoke to the need for revolving loan funds. Renee explained that they have been leasing land next to their building for several years, and the owner has offered to sell the parcel. They intend to buy it, and put a building on it to help house the 9th grade which they are expanding to include. The funds are to buy the land at a good rate and keep their capital in the bank earning interest to eventually build a building. Jacob Wright questioned difference between projected enrollment numbers and the numbers on the application. Jennifer Lambert explained the state time constraints that caused the difference. Jacob asked about seats reserved vs open for next year. Jacob felt satisfied that the application numbers were realistic. Gavin Hutchinson asked about cost of the land and where the rest of the purchase price would come from. Renee answered that it would come from reserves. Gavin Hutchinson asked about days of cash on hand, credit rating, and debt ratio.

John Hancock Charter School:

Julie Adamic, Executive Director representing. She explained that John Hancock is opening a new satellite location in Eagle Mountain. This will increase their capacity from 188 students in Pleasant Grove to 900 students. They are asking to purchase furniture for the satellite location with the revolving loan funds. Jacob Wright asked if all board members had signed application, which they had completed. Dave asked about budgetary compliance, which was a note Laura Wilson had included from the financial statement reviews. Gavin Hutchinson also asked about the current outstanding revolving loan for John Hancock.



Dave Hutchinson asked questions about a documented lean on the property where John Hancock is expanding. Julie Adamic explained that the lean is for work done on the property prior to John Hancock purchasing it. John Hancock has engaged an attorney.

Treeside Charter School application:

Rachel Brunson, Executive Director representing. Jan 1st of FY23 their basement flooded with water. They have moved classrooms around to accommodate students during repairs, but there is damage that requires reconstruction. They are asking for money to pay for mitigation, tearing down and putting back together of the basement. Also available to answer questions were Kimber Pritchard, board member, Steve Finley, financial advisor, and Erin Preston, attorney. Dave Hutchinson and Jacob Wright asked questions about enrollment and a previous bankruptcy in 2019. Erin Preston fielded questions about the bankruptcy. Gavin Hutchinson and Jacob Wright asked questions about the reconstruction and whether they are asking for reimbursement costs. Discussion about whether reimbursement of emergency expenses is permitted for the revolving loan were discussed by the group. Steve Finley clarified that Treeside does not currently have an outstanding revolving loan. Rachel and Erin talked about the promptness of the school administration to the flooding. Further questions regarding reimbursement: if the emergency expenses have already been paid, then what are these revolving loan proceeds paying for instead? Current bills, etc. More discussion on the topic. There is no clear guidance in code or rule. Discussion of amending the rule, especially since the code is going to sunset this year without further action.

Robert Marx asked some more questions about level of detail in the requested budget documents he will provide as well as due date for the submission.

Motions:

Jacob Wright moved that the committee recommend approval of the amount Elevated Charter has requested pending staff verification of new budgets showing that there won't be any loan proceeds being used to pay for items being covered in



the implementation grant. Dave Kaufmann seconded the motion. Vote: Jacob Wright "Aye,", Dave Kaurman "Aye," Gavin Hutchinson "Aye."

Dave Kaufman moved that committee recommend approval for Itineris' loan application provided the total amount they receive does not exceed \$300,000. Jacob Wright seconded. Vote: Jacob Wright, "Aye", Dave Kaufman, "Aye" Gavin Hutchinson, "Aye," Passes by unanimous vote.

Gavin Hutchinson moved to approve recommendation of John Hancock for revolving loan funds such that the total outstanding revolving loan amount at the time of check issuance is not greater than \$300,000. Dave Kaufman seconded. Jacob Wright "Aye" Dave Kaurman, "Aye", Gavin Hutchinson "Aye." Passes by unanimous vote

Jacob Wright moved to recommend approval of \$300,000 revolving loan money for Treeside Charter School. Dave Kaurman seconded. Jacob Wright "Aye", Dave Kaufman, "Aye", Gavin Hutchinson, "Nay," Passes by majority vote.

Gavin Hutchinson adjourned meeting at 1:04 pm.