

# Heartwood Charter School

## Agenda for the meeting of the Heartwood Charter School Board of Directors

Call in location: 225 Tamalpais Rd, Fairfax, CA 94930

Call in location: 55 Fire Rd, Woodacre, CA 94973

The meeting may be joined by phone: +1 636-707-2349 PIN: 413 701 669#

**Wednesday May 13, 2020**

**9:45 AM Public Session**

Call to Order

- I. Roll Call
- II. Regular Meeting
  - A. Agenda Adjustments and Approval
  - B. Correspondence
- III. Public and Community Input
  - A. (none requested)
- IV. Reports and Information
  - A. Director's Report
  - B. Finance Report
- V. Action Items
  - A. The Board will consider approving a resolution for acceptance of Paycheck Protection Funds and approve and agree to study further.
- VI. Consent Items
  - A. Robin Pride final hiring approval.
- VII. Board Discussion – this time is reserved for Board members to address colleagues and staff about matters they believe need study or action. The President will direct what action he or she feels should be taken on any item introduced by a Board member.
- VIII. Closed Session
  - A. Independent Study curriculum vendor evaluation/contract termination
- IX. Open Session
- X. Action Taken in Closed Session
- XI. Dates and Future Agenda Items

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
HEARTWOOD CHARTER SCHOOL  
APPROVING APPLICATION FOR FEDERAL  
PAYCHECK PROTECTION PROGRAM LOAN**

May 13, 2020

**WHEREAS**, the federal Coronavirus Aid, Relief, and Economic Security (“CARES”) Act recently became law, and it includes a Paycheck Protection Program (“PPP”) providing approximately \$350 billion in loans to small businesses suffering from the results of the current COVID-19 pandemic; and

**WHEREAS**, the U.S. Treasury Department and Small Business Administration recently published both borrower guidance and an application form for forgivable PPP loans to be issued by SBA-approved lenders, with (a) interest rates of 1%, (b) maximum principal amounts to be determined by multiplying 2.5 times a borrower’s average monthly payroll for 2019; (c) a deferment of payments for six months, and (d) two-year terms; and

**WHEREAS**, Heartwood Charter School (“School”) was financially impacted by changes in laws and guidelines, as directed by State and Federal governments in the aftermath of the COVID-19 pandemic;

**WHEREAS**, School was negatively impacted by State of California Senate Bill 117, which specified an early deadline for second period enrollment calculations (“P-2”), thereby depriving School of claiming increased attendance from growing enrollment, and resulting in reduced funding for the current and following fiscal year;

**WHEREAS**, School receives no Title I or other Federal program funds, and therefore will receive no other CARES Act funding;

**WHEREAS**, the State of California will likely reduce regular funding as well as defer payments to School in the coming fiscal year;

**WHEREAS**, as a new school, School has limited access to capital and must rely on higher cost loans to make up for any funding shortfalls.

**NOW, THEREFORE, BE IT RESOLVED, THAT:**

1. The principal amount applied for should be as large as the PPP formula allows. Interest should be as low, and the term should be as long, as the SBA and the bank allow under then-current guidance from the U.S. Department of the Treasury. The School should seek forgiveness of the loan.
2. Our staff get accounting advice as needed to ensure that (a) the PPP loan application is complete and timely; and (b) any reports needed to establish the School’s right to have that loan forgiven be prepared and submitted.

3. At least 75% of the funds borrowed be used for payroll costs, as required for the loan to be forgiven under the PPP.
4. Staff and board shall work with School accountants to determine appropriate expenditures for the remaining funds as well as the timing of such expenditures.