



NATIONAL
CHARTER SCHOOL
RESOURCE CENTER
AT SAFAL PARTNERS

Facilities Supports & the CSO's Role in Connecting Charter Schools to Resources

August 15, 2018

About the National Charter School Resource Center

- Funded through the **U.S. Department of Education.**
- Makes accessible **high-quality resources** to support the charter school sector.

Please visit the [National Charter School Resource Center](http://www.charterschoolcenter.gov)

(<http://www.charterschoolcenter.gov>) for news, resources and information on charter schools.

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What would you like to know about Charter Schools? Select Your Topic

BEGIN YOUR SEARCH

Report: Charter School Discipline: Examples of Policies and School Climate Efforts from the Field

Click here to access this report

What Are Charter Schools?

State Resources for Charters

Most Popular Charter Resources

Charter schools are in 42 states, nearly 25 years old, and over 7% of k-12 students in the US are enrolled in one. Here is an explanation of this important trend

Need help finding information about charter schools in your state? Click above for a map that will guide you to resources and contact information for each state

Click above for a list of our top resources. These resources include everything from reports on special education to documentaries on successful charters

Agenda

- ▶ Introductions
- ▶ Framing the Issue: National Challenges and Opportunities
- ▶ Framing the Issue: Survey Data and the Colorado Example
- ▶ Resources for Rural Schools from the U.S.D.A.
- ▶ National Funding Solutions
- ▶ Information & Resources from the NCSRC
- ▶ Discussion

Moderator

Alex Medler, National Charter School Resource Center

Presenters

Lorna Beckett, Colorado League of Charter Schools

Jim Griffin, Momentum Strategies

Alton Kimura, U.S. Department of Agriculture

Ben Lindquist, Colorado League of Charter Schools

Mark Medema, Charter Impact Fund

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Facilities 2018

Key Points

1. Charters are growing in number and complexity
2. Meaning their needs and solutions are less uniform over time
3. The best answers are also the hardest

Key Points Continued

- Public funding doesn't grow on trees
 - \$3,000 per pupil in DC is the best it gets (and isn't enough)
- Greatest assets are under the control of the districts
 - Buildings, land, and tax base
- Even the best private sector facilities and finance options are imperfect
 - Private facilities and lending options are expensive, unevenly available, with only sub-optimal facilities

States Have An Obligation Regarding Charter Facilities Under Their Constitutional Education Clauses

“The General Assembly shall provide for the maintenance, support and eligibility standards of a system of free public schools”

“The provision of an adequate public education shall be a primary obligation. . .”

“General Assembly shall make such provisions, by taxation, or otherwise, as, with the income arising from the school trust fund, will secure a thorough and efficient system”

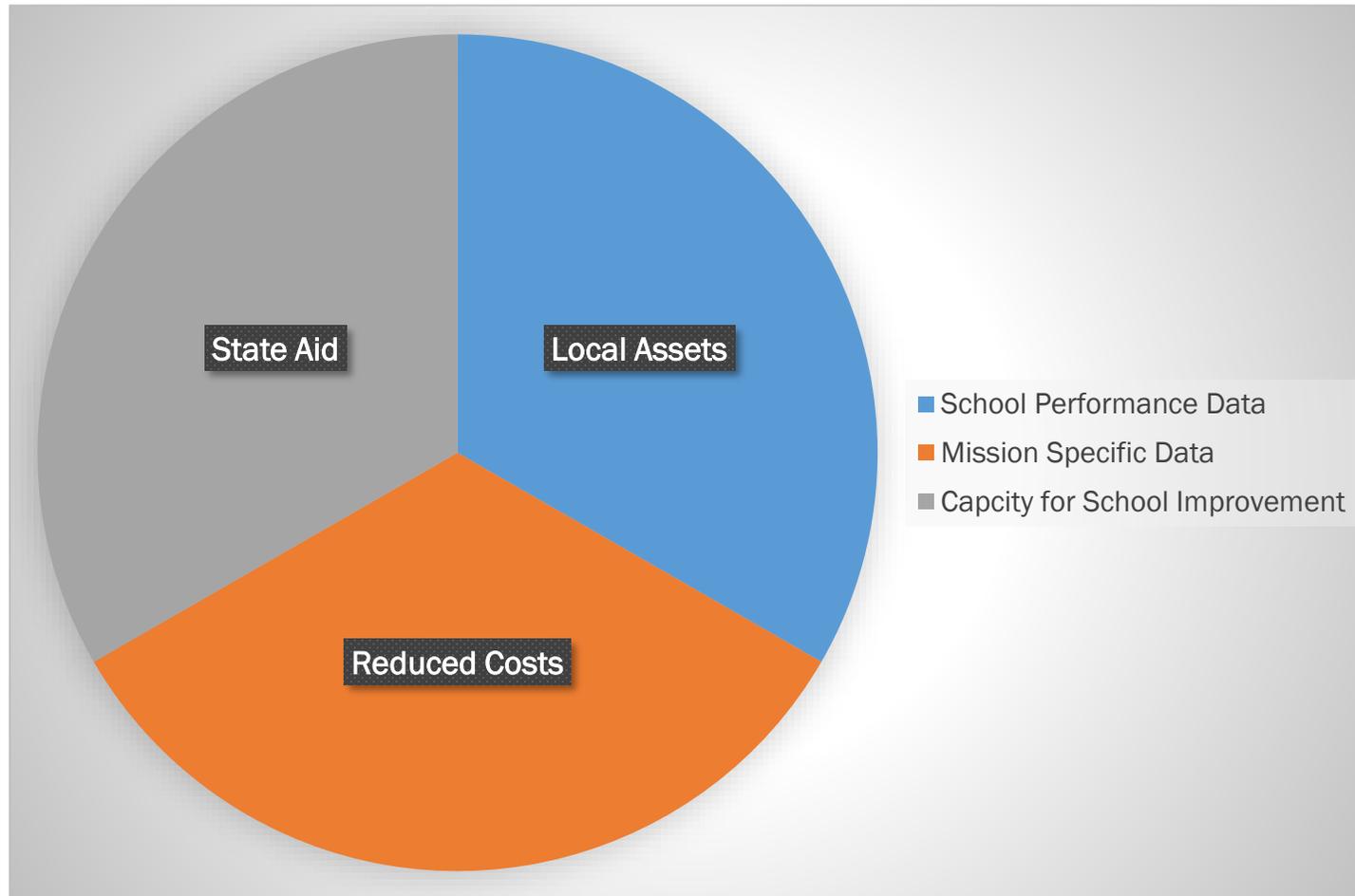
Never mind that state courts haven't quite picked up on that point yet

Make It Easier On States To Accept Their Responsibility

- Diversify options, spread political risk
- Reduce the size of the overall state obligation
- Avoid bad spending/target better spending

Without diminishing the expectations inherent in their obligations

Diversified Facilities Strategy

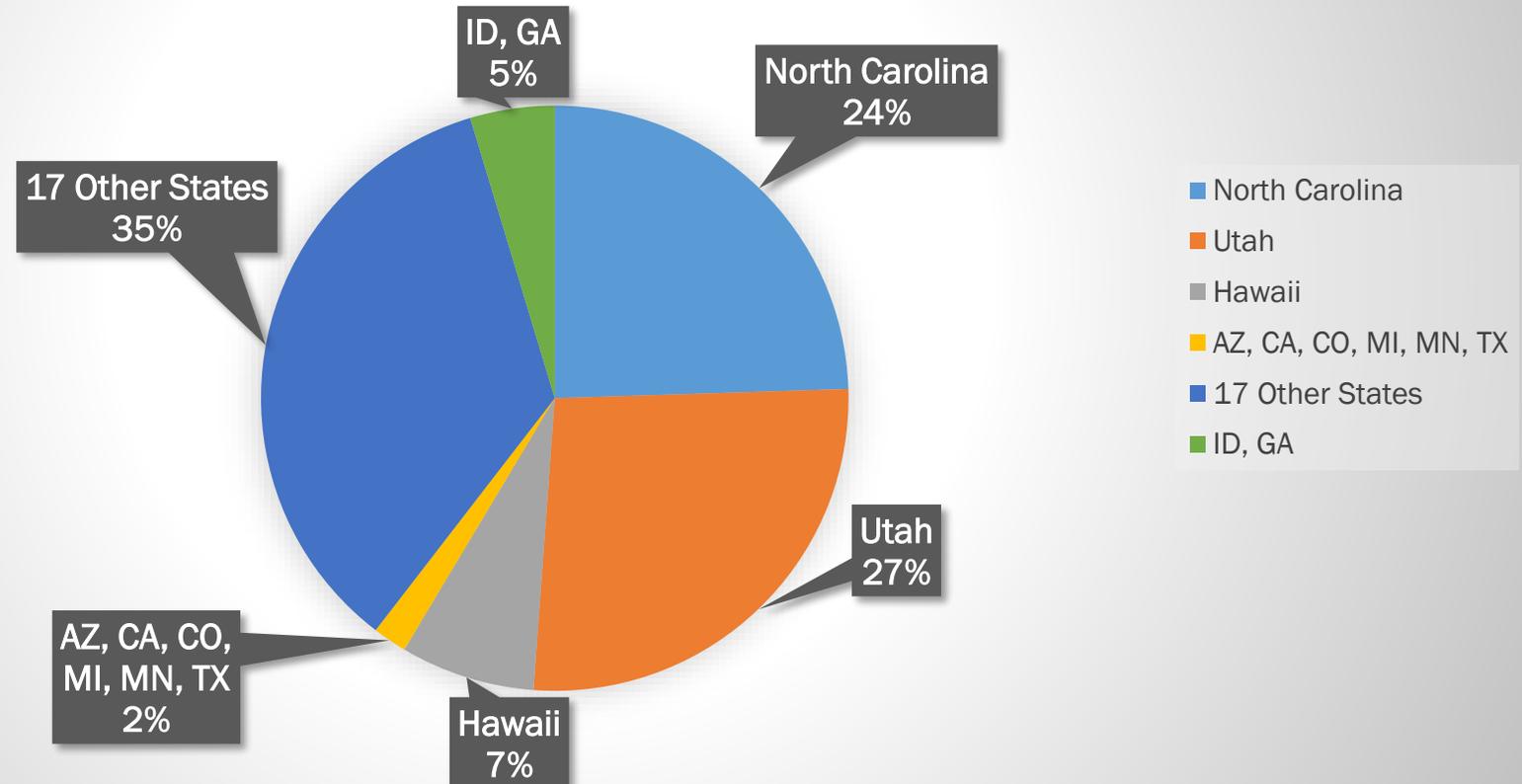


Including Federal Support

- CSP Credit Enhancement
- Incentive Grants
- Tax Credits
- USDA Rural Development Facilities

USDA Charter School Investments

Total USDA Charter School Investments from FY 2009-2016



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What is the Charter School Facilities Initiative (CSFI)?



- The CSFI is a national initiative to research charter school access to adequate facilities space and funding.
- It is a collaborative project between the League, the National Charter School Resource Center and the National Alliance for Public Charter Schools, with funding provided by the U.S. Department of Education.
- To date, 20 states have participated in the CSFI.



Colorado Participation



- Colorado first completed the CSFI survey in 2007-08.
- We surveyed Colorado again in the spring of 2017 so that we could assess what the facilities landscape looks like today.

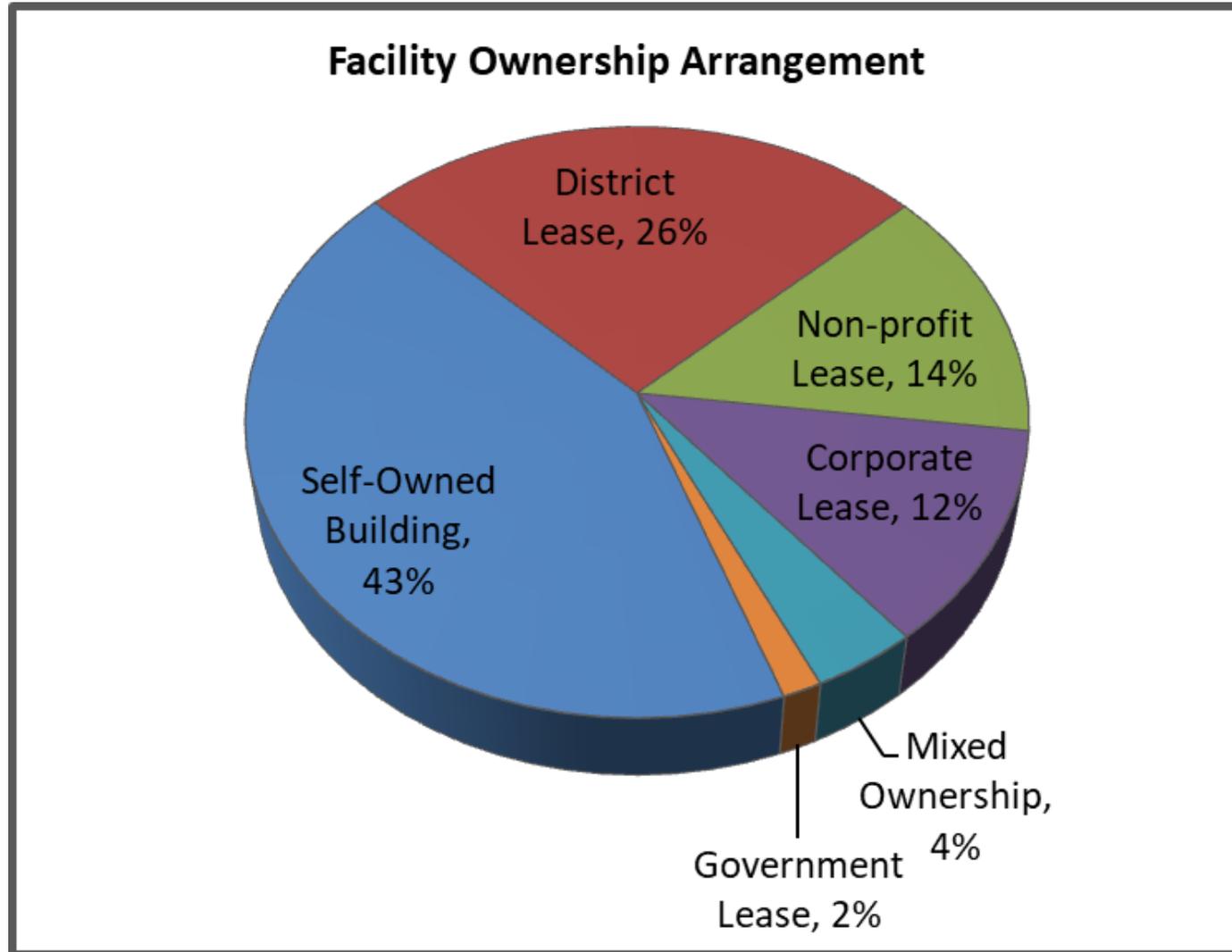


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Facility Ownership Arrangements



Facility Cost By Ownership Arrangement



Facility Cost by Type of Ownership		
Ownership Structure	Cost	% of PPR
Non-profit Lease	\$908	12.2%
Self-Owned Building	\$835	11.3%
Corporate Lease	\$760	10.2%
Mixed Ownership	\$548	7.4%
Government Lease	\$503	6.8%
District Lease	\$489	6.6%
Average Cost	\$725	9.8%

Amenities & Funding Comparison Between 2007-08 & 2016-17 survey



Comparisons	2007-08	2016-17
Amenities		
Athletic field on campus	67%	54%
Gymnasium on campus	61%	75%
Library or media center	N/A	54%
Dedicated science lab	N/A	74%
Facilities Funding		
Funding from Colorado Charter School Capital Construction Program	\$5M	\$25M
Percentage receiving district bond revenue	19%	46%
Received state facilities grant funding in past 5 years*	5	9
<i>*Grant recipients of the BEST Program</i>		

Positive Facilities Trends



- Nationally, there are more technical supports & resources for charter school facilities than ever.
- We now have the advantage of 20+ years of facilities practice, lessons learned & experience.
- There is growing knowledge of & support for charter schools in the private capital markets.
- CSO advocacy efforts have led to philanthropic & government “subsidies” that reduce costs for eligible charter schools.



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Trends in Facilities Challenges



- Charter schools can be naïve about navigating facilities acquisition and financing.
- Parent & practitioner expectations for charter schools amenities have increased.
- Facilities acquisition & construction costs have risen significantly in many states & cities and affordable facilities access has declined.
- Facilities financing remains particularly challenging in rural settings.



Charter Capacity Building



- To help charter schools in Colorado, the League is launching a new initiative to increase the institutional capacity and capital access for single-site charter schools.



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To learn more about specific outcomes from the CSFI and view the complete reports, visit the CSFI website at: [//facilitiesinitiative.org/](http://facilitiesinitiative.org/).

Contact Information:

Ben Lindquist: blindquist@coloradoleague.org

Dr. Lorna Beckett: lbeckett@coloradoleague.org



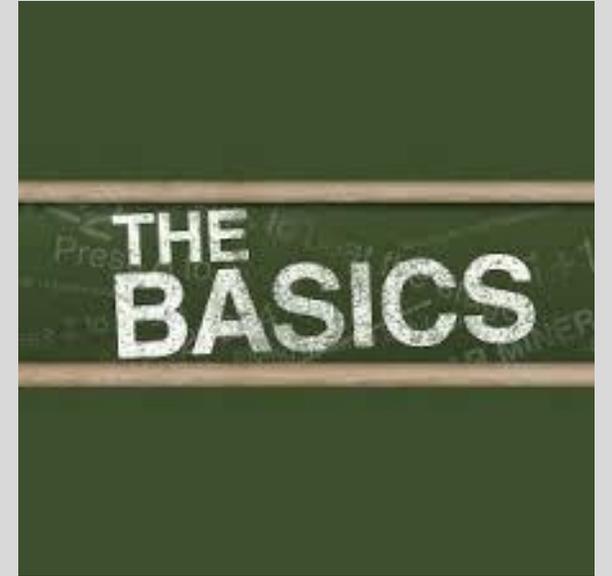
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Community Facilities Programs

Understanding the Basics

- The Applicant must be a non-profit, public body or Indian Tribe.
- The project must be an essential community facility.
- It must be located in a town with less than 20,000 residents.
- There are more requirements based on your specific project and service area.



Community Facilities Programs

Understanding the Basics

- Loans can be as large as the funding available
- Loan term can be for up to the useful life of the asset financed or 40 years at a fixed interest rate. (currently 3.875%)
- CF does not compete with banks, it works with them.
- Loans must have adequate collateral.
- There is no pre-payment penalty on CF Direct loans
- The Applicant must have significant community ties.



Community Facilities Program

A Few Highlights

- Speak to your local RD staff member early in the process and get an overview of the process and requirements.
- There are things that cannot be funded – such as recreational facilities, rental properties, business activities and over loans primarily for refinancing.
- It matters how you present your narrative and how you describe your project.
- We want to find a way to get to “yes” within reason.
Work with us.

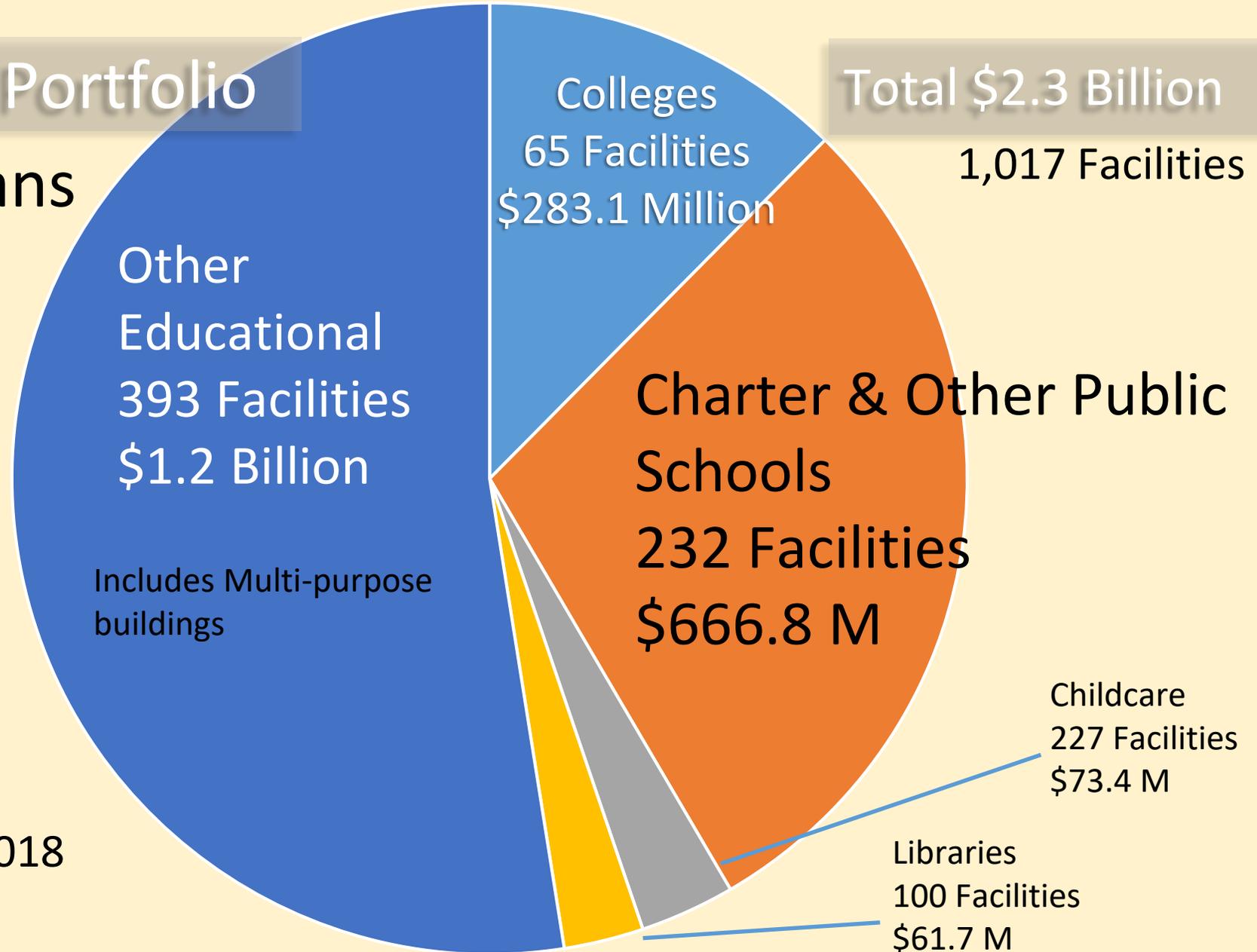


CF Education Portfolio

CF Direct Loans

Total \$2.3 Billion

1,017 Facilities



Other Educational
393 Facilities
\$1.2 Billion

Includes Multi-purpose buildings

Colleges
65 Facilities
\$283.1 Million

Charter & Other Public Schools
232 Facilities
\$666.8 M

Childcare
227 Facilities
\$73.4 M

Libraries
100 Facilities
\$61.7 M

As of June 30, 2018

CF Education Portfolio

Total \$238.8 Million

Guaranteed Loans

Libraries
3 Facilities
\$0.357M

Childcare
27 Facilities
\$13.6 M

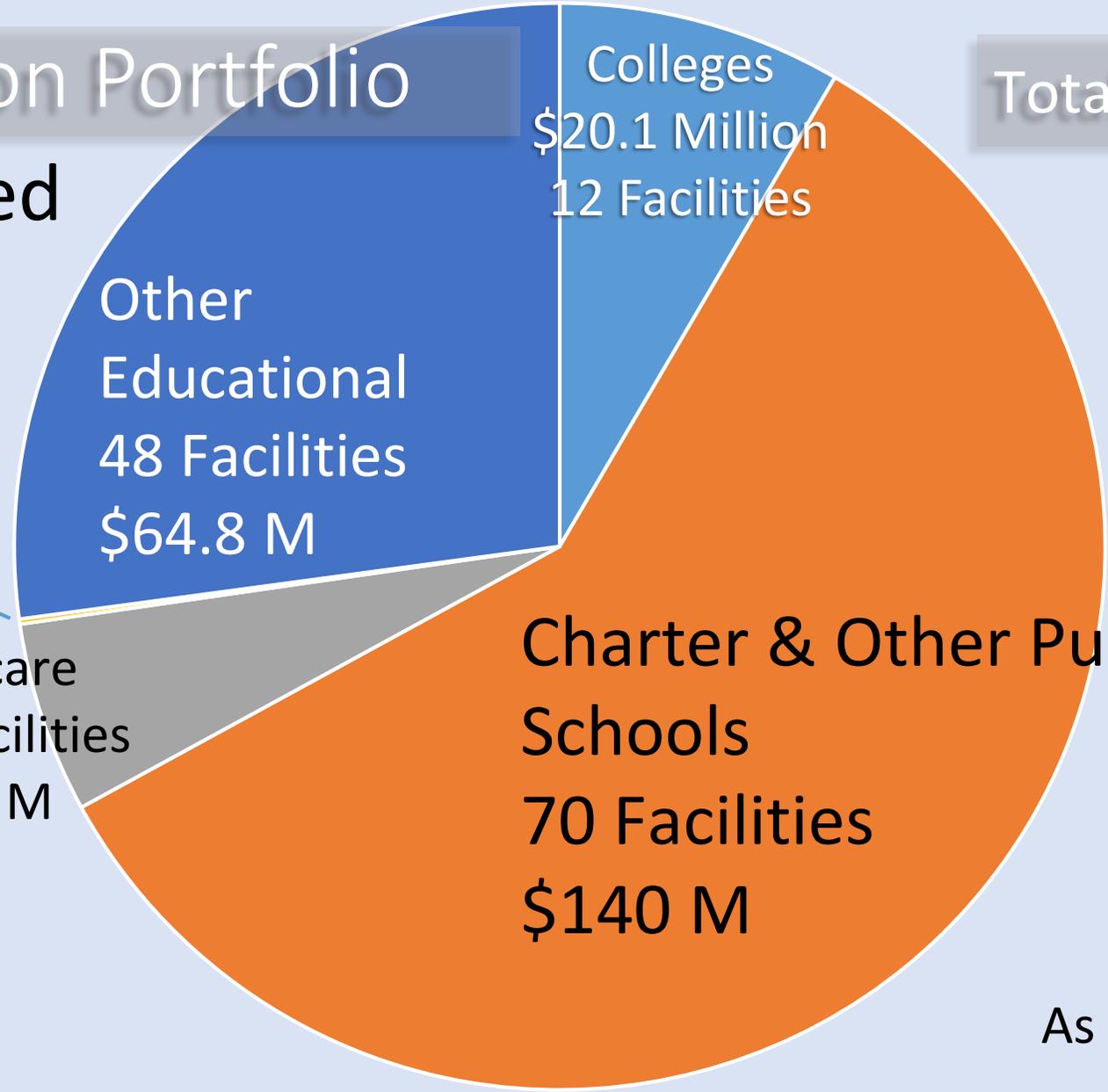
Other Educational
48 Facilities
\$64.8 M

Colleges
\$20.1 Million
12 Facilities

Charter & Other Public Schools
70 Facilities
\$140 M

160 Facilities

As of June 30, 2018

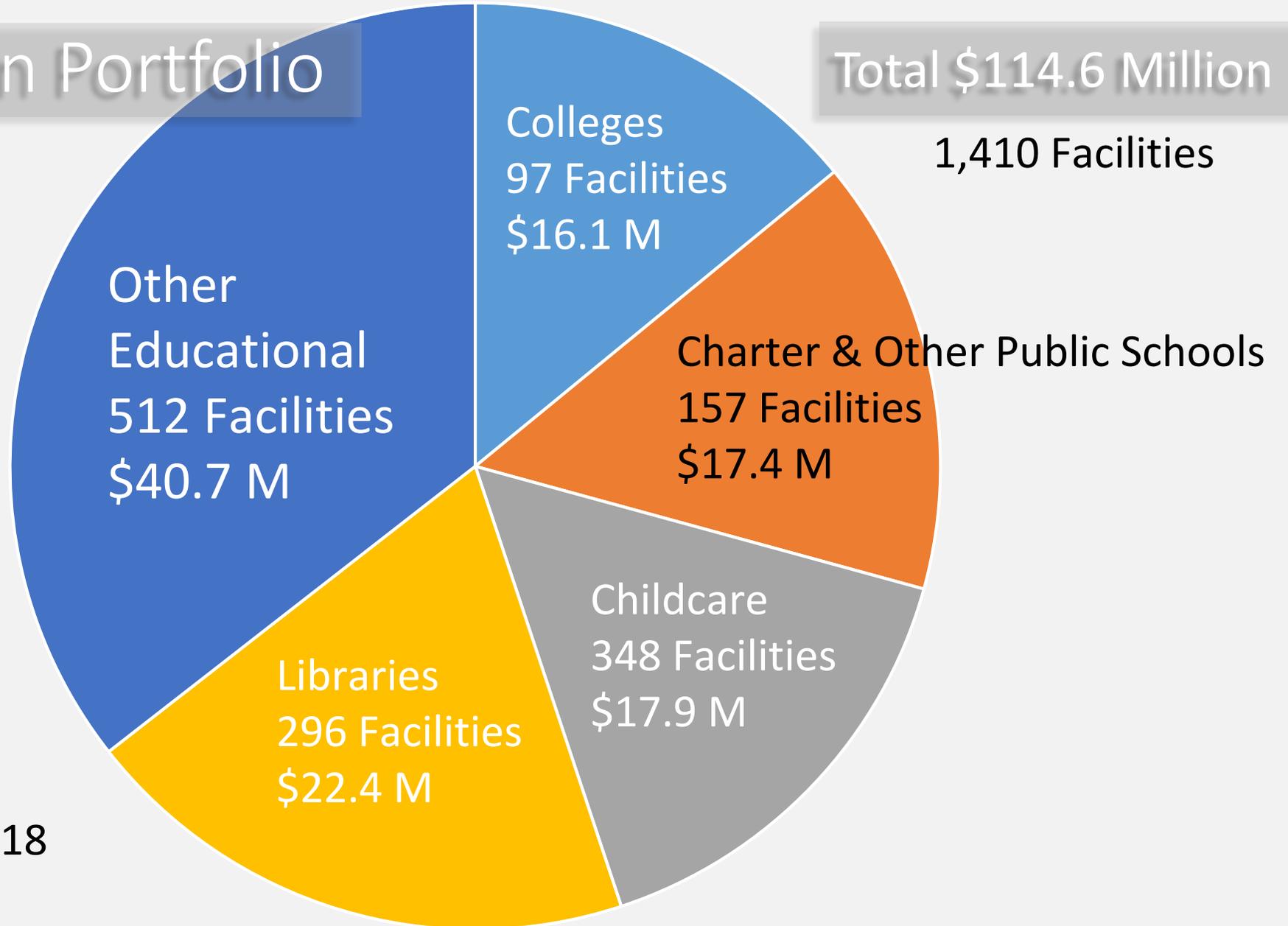


CF Education Portfolio

GRANTS

Total \$114.6 Million

1,410 Facilities



As of June 30, 2018

HighMark Charter School

South Weber, Utah

- HighMark operates at full capacity of 695 K - 9th grade students, some of whom were previously bused to a school 30 minutes away.
- The \$11.5 million total cost was financed with a \$6.5 million CF Direct loan and a \$5 million guaranteed loan from Ag Credit.
- Middle school students have curriculum that includes marketing, finance and entrepreneurship, where students create and sell products.



CF Facilities Resources

Question and Answer Session

- Community Facilities Program:
<https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program>
- Rural Development Fact Sheets:
<https://www.rd.usda.gov/publications/fact-sheets>
- RD State Office Directories:
<https://www.rd.usda.gov/contact-us/state-offices>
- CF Infrastructure Toolkit:
https://www.rd.usda.gov/files/RDCFIToolkit_Jan2016.pdf



Question
&
Answer

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Charter School Facility Funding Options

Short term solutions

- Leasing (Credit Enhancements)
- Commercial bank loans
- Non-profit Community Lender (CDFI)
- New Market Tax Credits
- State Funding Programs
- *New Tax Credit Program (Opportunity Zones)*
- *New Foundation Funds*

Long term solutions

- Tax-exempt bonds
- Commercial bank loans
- Non-profit community lender (Bond Guaranty Program)
- USDA
- *Charter Impact Fund*

See SchoolBuild for comprehensive listing www.lisc.org/charter-schools/

New Fund for Short Term Facility Funding

Facility Investment Fund

\$100MM fund created by Walton Family Foundation, Bank of America Merrill Lynch, and Civic Builders

- Short term loan (5 years)
- Cover 90% of project costs
- Loans up to \$20MM
- Interest rate of 5.4% as of August, 2018
- New construction, Acquisitions, Renovations
- Eligible in 19 targeted cities
- info@civicbuilders.org

New Fund for Short Term Facility Funding

Opportunity Zones

Created as part of the 2017 tax reform deal, designed to drive long-term capital to distressed communities by providing tax benefits to investors

- Tax benefits accrue between 5 and 10 years
- Investors can defer or avoid capital gains
- Must improve the property (not refinancings or acquisitions only)
- Eligible in select low-income census tracts in every state
- Regulations not finalized yet

<https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

New Fund for Long Term Facility Funding

Charter Impact Fund

Targeted \$600MM fund. Initial funding from Walton Family Foundation

- Long term loan (30 years)
- Cover 100% of project costs
- Loans up to \$25MM
- Pricing more competitive than tax-exempt bonds, priced at time of loan based on strength of borrower and market interest rates
- Refinancings, Acquisitions
- Eligible nationwide
- info@charterimpactfund.org

Charter School Facility Technical Assistance

Don't Try This at Home

There are experts who can offer to help

- Non-profit Community Lenders
- Facility Consultants
- Financial Advisors
- Real Estate Brokers
- Bond Underwriters

Look for Upcoming Award Winners of Recent US Department of Education National Dissemination Grant

See SchoolBuild for comprehensive listing www.lisc.org/charter-schools/

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NCSRC Home Page



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NCSRC Authored Resources

Click above for a list of our top resources. These resources include everything from reports on special education to documentaries on successful charters

What Is the National Charter School Resource Center (NCSRC)?

The NCSRC is dedicated to helping charter schools reach their aspirations and furthering understanding of charter schools. To meet those goals, we offer a diverse selection of objective resources on every aspect of the charter school sector. These resources are compiled from trusted sources and also originally produced by the NCSRC.

Facilities Focus Area on NCSRC

FILTER Focus area ▼ Type ▼ State ▼ Audience ▼ DATE RANGE Start End APPLY FILTER

HOME / Focus Area

Facilities

Featured Facilities Resources



CHARTER SCHOOL FACILITIES INITIATIVE

An Analysis of the Charter School Facility Landscape in Albuquerque
In the spring of 2016, the National Charter School Resource Center (...)
Reports | 18 Oct, 2017

Build with Purpose Resources

Finding Space: Charters In District Facilities

Credit Enhancement Webinar: Collaboration to Enhance Facility Financing

Financial Management Charter School Tools

All Facilities Resources

Webinar Survey: Facilities Supports & the CSO's Role
EVENT | 15 AUG, 2018

Please take a few minutes to complete this survey. The purpose of the survey is to obtain information about how well the event met its objectives and your needs. Your feedback will assist [READ MORE](#)

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Featured Publications

An Analysis of the Charter School Facility Landscape in Delaware

REPORTS | 05 JAN, 2018

An Analysis of the Charter School Facility Landscape in Albuquerque

REPORTS | 18 OCT, 2017

Students with Disabilities Resources

REPORTS | 30 JAN, 2017

English Learner Resources

REPORTS | 30 JAN, 2017

National Best Practices: Teacher Recruitment and Pipelines

REPORTS | 21 NOV, 2016

Featured Events

2018 Illinois Charter School Conference
CHICAGO, IL | 15 NOV, 2018

Join educators, administrators, community members, and public school advocates on November 15 for the Illinois Network...

CSP CE Dashboard Page

NCSRC CREDIT ENHANCEMENT CSP DASHBOARD NAVIGATION

- Click [here](#) for instructions and additional information about this tab.

ENTITY EXPLORATION



Data based on most recent data submissions to ED as of Spring 2017.

Show me Entities that are willing to operate in the following states:

Only show me Entities that have been active in these states in recent years:

Show me Entities who have completed transactions* as small as:

← Enter a value in the right box or use the slider below to find lenders that have given packages that are **less than or equal to** the value shown

Show me Entities who have completed transactions* as large as:

← Enter a value in the left box or use the slider below to find lenders that have given packages that are **greater than or equal to** the value shown

*Note: While these are the smallest and largest amounts of previous transactions under the CSP program, they do not reflect the full scale each Entity's support.

For more data on each Entity, click on its [web link](#) in the table below.

Selected Entities	Smallest Transaction*	Largest Transaction*	Link
Boston Community Loan Fund, Inc.	\$1,274,924	\$25,000,000	https://app.safalapps.com/ncsrc/dashboard/bclf
Build with Purpose	\$1,700,000	\$24,000,000	https://app.safalapps.com/ncsrc/dashboard/bwp
Building Hope	\$347,646	\$26,870,345	https://app.safalapps.com/ncsrc/dashboard/bh
California Charter Schools Association	\$152,000	\$25,341,081	https://app.safalapps.com/ncsrc/dashboard/ccsa
California School Finance Authority	\$6,020,000	\$28,725,000	https://app.safalapps.com/ncsrc/dashboard/csfa
Capital Impact Partners (formerly NCB Capital Impact)	\$700,000	\$42,960,000	https://app.safalapps.com/ncsrc/dashboard/cip
Center for Community Self-Help	\$10,500	\$20,072,000	https://app.safalapps.com/ncsrc/dashboard/ccsh
Charter Schools Development Corporation	\$40,223	\$18,902,000	https://app.safalapps.com/ncsrc/dashboard/csdc

States



CSP CE Dashboard Page

- Click [here](#) to return to navigation page.
- Click [here](#) for instructions and additional information about this tab.

QUICK FACTS



Data based on most recent data submissions to ED as of Spring 2017.

ENTITY SYNOPSIS

ADDRESS: 910 17TH STREET, NW SUITE 1100 WASHINGTON, DC 20006
 PHONE: (202) 457-1999
 EMAIL: INFO@BHOPE.ORG
 WEBSITE: HTTP://WWW.BUILDINGHOPE.ORG/

Building Hope, a Charter School Facilities Fund established in 2003, is a national nonprofit organization that believes investments in the growth of quality charter schools will increase under-served children's chances of success in life. Building Hope supports high quality charter school growth by providing facilities financing, turn-key charter school facility development, incubator space, and back-office business support services to charter schools nationwide.

Please click the link below to access this entity's abstract:



ENTITY SNAPSHOT

Select Award Year

All

Total CSP Funds

\$4,962,499

Total Directly Enhanced

\$273,287,876

Median Grant Funds Committed

\$375,900

Median Directly Enhanced Funds

\$4,200,000

Median Financing Leveraged

\$7,352,500

Number of Schools Served

60

Number of New Schools Served

55

Charter Schools Receiving Support from this Entity



- Quick Facts
- Subsidized School Map
- Financing I
- Financing II
- Financing Flow Schematic
- Data Note

CSP CE Dashboard Page

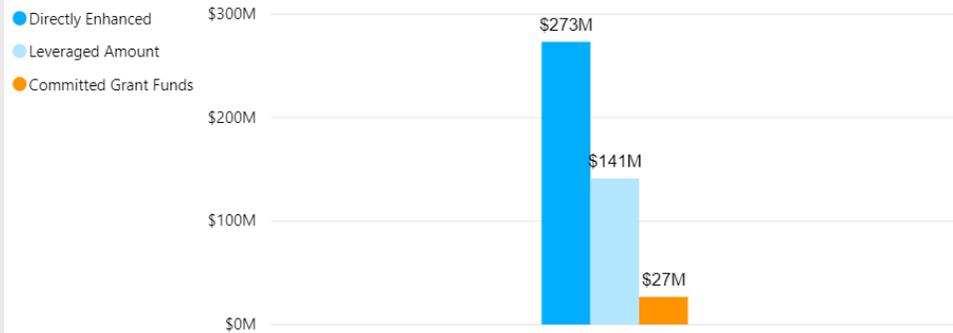
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SCHOOL-LEVEL FINANCING I

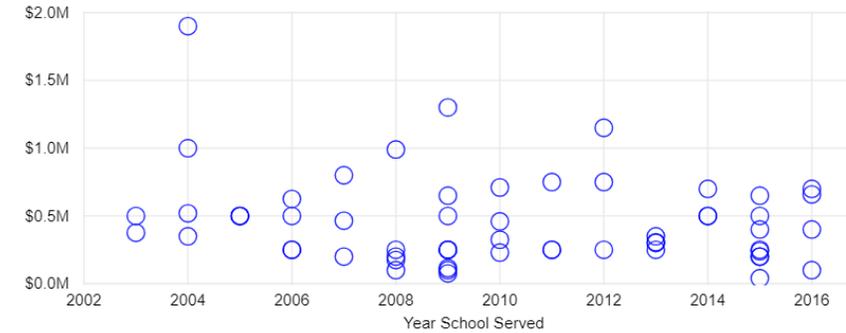


Data based on most recent data submissions to ED as of Spring 2017.

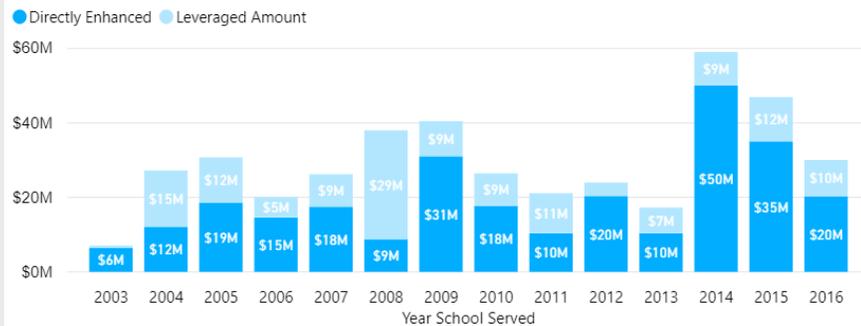
Total Transaction Financing



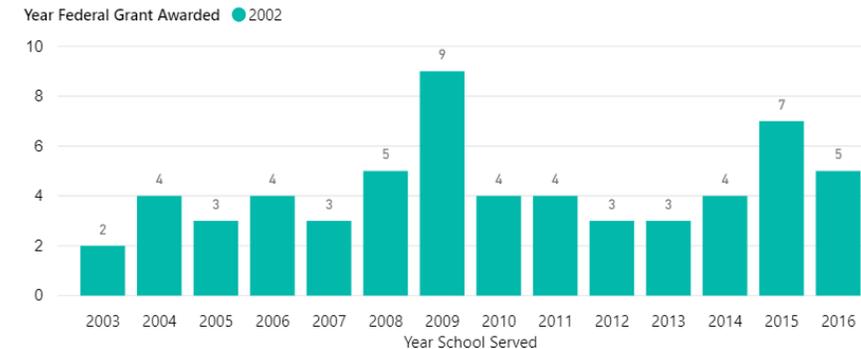
Grant Funds Committed by School and Year Served



Amount Directly Enhanced and Leveraged by Year



Number of Schools Served Each Year by Federal Grant Award



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mukta@safalpartners.com

info@safalpartners.com

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