

# 1 Facilities access is an obstacle to growth

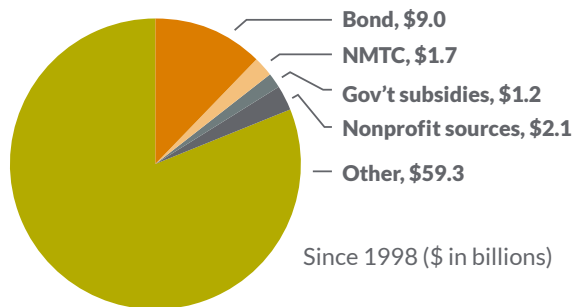
One of the biggest challenges charter leaders face today is access to suitable and affordable facilities. With more than 3 million students enrolled in nearly 7,000 charter schools, many still have suboptimal facilities that hinder their growth. More than 1 million students remain on charter wait lists. With more facilities financing options, charters can expand their enrollment allowing more children to attend their local charter school.

**More than 1 MILLION students on waiting lists**



Source: NAPCS New and Closed Report 2016

# 2 Facilities financing volume



Since 1998 (\$ in billions)

Source: LISC 2014 Charter School Facility Finance Landscape

# 3 Facility strategy



- Ownership is an investment
- Control is critical to maintain stability or growth
- Evaluate true all-in costs, not headline rates
- Cost is not just money, but time and opportunity
- Consider flexibility to address long-term needs



877.272.1001 | [charterschoolcapital.org](http://charterschoolcapital.org)  
[GrowCharters@charterschoolcapital.org](mailto:GrowCharters@charterschoolcapital.org)  
 \*Loans made or arranged pursuant to a California Finance Lenders Law license ##603F028  
 ©2019 Charter School Capital, Inc. All rights reserved.

# 4 Realistic budget

**What can we afford?**

- ✓ Existing reserves
- ✓ Ongoing % of revenue
- ✓ Fundraising—public/private
- ✓ Funding alternatives

**What is required?**

- ✓ Academic mission
- ✓ Growth plan for student attendance
- ✓ Specialty requirements
- ✓ Local considerations

# 7 THINGS TO KNOW ABOUT FACILITIES FINANCING

# 5 Funding comparison Example – project \$5 million

**Key**

- Good to Go
- Caution
- Difficult

| Criteria ▶        | Cash | Traditional Bank | Bond | Lease Options |
|-------------------|------|------------------|------|---------------|
| Cash Needed       | ●    | ●                | ●    | ●             |
| Annual Cost       | ●    | ●                | ●    | ●             |
| Underwriting      | ●    | ●                | ●    | ●             |
| Security Interest | ●    | ●                | ●    | ●             |
| Growth Options    | ●    | ●                | ●    | ●             |

Comparison for illustrative purposes only. Rankings are based on how hypothetical "School A" might view its options based on unique attributes and objectives.

# 6 Key considerations

- Plan ahead
- Watch the market
- Line up internal resources
- Prepare for the deal



# 7 We're charter school specialists

- Specialty finance company 100% dedicated to empowering charter growth
- Began funding charter schools in 2007
- More than \$2 billion of funding provided to date
- \$500 million facilities fund specifically for charters
- 0% loss rate
- Relationships with 600+ charter schools serving 1,000,000+ students nationwide

