

## **Executive Summary**

Bluum, an Idaho-based statewide 501(c)3 charter support organization, respectfully submits its *Facilities for Our Future* grant proposal requesting [REDACTED] in Credit Enhancement for Charter School Facilities Program (CSP) funding. We have **one targeted objective for this proposal** – utilizing this grant funding to provide eligible Idaho partner schools critical support in financing predevelopment costs. Our comprehensive plan addresses a unique and acute facilities financing challenge facing Idaho’s rapidly growing public charter school sector. We seek this credit enhancement support to build on past successes while leveraging additional public and private sector funding to continue launching, expanding and/or replicating high-performing public charter schools, *especially for our neediest and rural students*. Bluum proposes a 3-year project timeline. This proposal has great support in Idaho among partner schools, banking and finance partners, state officials and lawmakers, as well as Idaho’s entire Congressional delegation (See Letters of Support, Appendix C).

### **QUALITY OF PROJECT DESIGN AND SIGNIFICANCE**

**(1) The extent to which the grant proposal would provide financing to charter schools at better rates and terms than they can receive absent assistance through the program.**

Bluum, as project applicant, submits our *Facilities for Our Future* proposal with the support and encouragement of our three primary project partners: 1) the J.A. and Kathryn Albertson Family Foundation (JKAF), 2) the Idaho Housing and Finance Association (IHFA) and 3) Building Hope. Partner descriptions are below and Letters of Support from these key partners detailing their commitment to this project are also provided. Since 2015, this partnership has collaborated to raise more than [REDACTED] grant

support (JKAF, CSP dollars managed by Bluum and other philanthropic investments), while also providing an [REDACTED] private Program Related Investment (PRI) to support the building of 13 charter facilities attracting a total [REDACTED] in facility financing investment. **The ultimate target for support under Idaho's *Facilities for Our Future* proposal are Idaho public charter schools that face the pressure to grow but struggle to finance facilities, specifically predevelopment costs that open the door for charter school facility financing.**

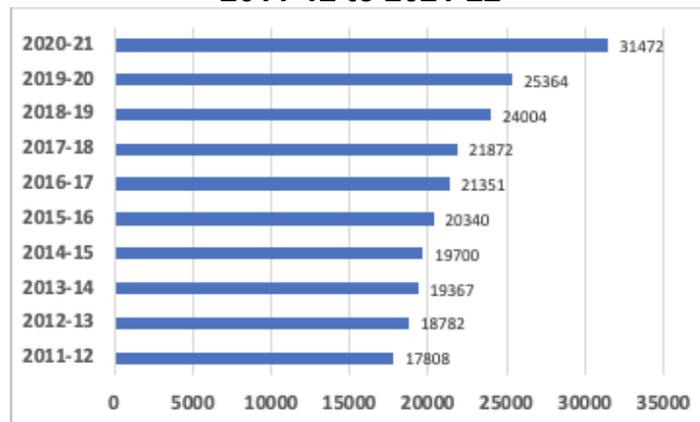
Bluum is a statewide, Boise-based education nonprofit charter school support organization helping Idaho become a national model for how to maximize learning opportunities and outcomes for children and families. Bluum has spent the last 5 years serving as Idaho's new school incubator. Funded by both the J.A. and Kathryn Albertson Family Foundation (JKAF), and as the recipient of a [REDACTED] CSP grant award from the U.S. Department of Education for Idaho's *Communities of Excellence* program, this support (as well as grants from other local and national funders) has funded 37 schools and 21 Idaho New School Fellows in creating 13,104 new school seats across the Gem State. In addition to grant support, Bluum provides partner charter school models across Idaho with technical assistance, talent recruitment and development support, and targeted help securing and financing facilities – in short, anything it takes to provide more of our children access to a world-class education, *especially for our neediest and rural students*. Our narrative provides: (1) a look back and a look forward at Idaho's charter school landscape, and, more specifically, Idaho's charter facility financing sector; and (2) a description of Bluum's *Facilities for Our Future* proposal objective for which we are seeking CSP Credit Enhancement grant funding.

## Idaho's Challenging Charter Facilities Financing Landscape

Idaho is perennially one of America's fastest growing states on a per capita basis. Our state has seen 17.3% growth in population over the last decade, and only Utah has seen more growth with 18.4% population growth since 2010. Census officials reported in April 2021 that Idaho added 271,449 residents in the last decade — 52,041 of them in the last year alone — bringing the state's total population to 1,839,106. Idaho's growth rate for the last decade dwarfed the national average of 7.4%. This rapid growth has strained the ability of Idaho's public schools to keep up with new seat demand. The Meridian Southern Rim Coalition, an ad hoc group that advocates for thoughtfully managed planning and development in Meridian (one of America's fastest growing communities) simply states, "Our schools are overcrowded." This was a challenge pre-COVID-19, but it has become a danger since then. Space matters.

Public charter schools in Idaho over the last decade, but especially over the last five years, have played a critical role in serving as a "safety valve" for the creation of new school seats in overcrowded school districts (see Graph 1).

**Graph 1: Idaho's Growing Charter School Sector by Student Enrollment  
2011-12 to 2021-22**



Data come from Idaho State Department of Education - <https://www.sde.idaho.gov/finance/#attendance>

Idaho's growth in public charter school seats has been facilitated by [REDACTED] CSP Grant Bluum was awarded in 2018. Idaho's CSP grant has funded the opening or expansion of 22 subgrantee schools, and we expect at least four more schools to receive funding by the end of 2022. These CSP dollars, often matched by JKAF funding, have provided new learning opportunities for 13,000+ students including students in our rural areas and for a growing percentage of needy and at-risk students. Idaho's CSP funded schools span the state – from the populated Treasure Valley (Boise metro area), to rural Fruitland, to up north in rural Hayden and Salmon over to rapidly growing Idaho Falls in eastern Idaho. Instructionally, these schools range from Classical Education, to Career Technical Education for at-risk youth, to International Baccalaureate, to STEM Education, to a school for parenting and pregnant teens. Five of the 22 schools are located in rural communities, and most are at or above their district averages in serving needy students.

Despite this new charter school growth, *Idaho Education News* recently reported there are currently more than 11,000 students on waitlists to get into an Idaho public charter school.

This growth has occurred in a state with overall low per pupil funding. Idaho invested [REDACTED] per student in 2020-21, 51st in the nation according to National Center for Education Statistics. Because public charter schools lack any taxing authority, *they lack access to local revenue*. So, although state funding for charter schools is allocated in the same manner as that of traditional public school districts, the lack of access to local revenues drives disparities in per student revenue between charter schools and many of their traditional district brethren schools. Traditional public district schools in Idaho have

access to four state and local funding streams to finance facilities, amounting to a per pupil average of [REDACTED]

Further, facilities debt of traditional school districts is secured by the State's credit rating; facilities debt of early-stage charter schools is unsecured, making it difficult – almost impossible without the PRI support of JKAF and Building Hope – for early-stage charter schools to obtain facilities financing. Unlike traditional school districts, charter schools in 2020-21 had access to just [REDACTED] in state funding for their facilities through just two sources: (1) [REDACTED] in per-pupil charter facility funding; and (2) [REDACTED] per pupil from state lottery funds. Despite these tight margins, since 2016, Bluum has worked closely with Building Hope and JKAF to finance the construction of five new schools and the remodel of eight existing spaces (i.e. mall space or old school buildings) into charter schools. This construction has created 477,655 square feet of new school space; enough for 5,968 new school seats.

These facility deals have been innovative out of necessity and include several schools in former mall spaces. A May 2021 Wall Street Journal headline read: "That Vacated Sears Store May Reopen as a Public School: Students at Gem Prep: Pocatello charter school in Chubbuck, Idaho, attend classes at a former Sears department store." Idaho charters have also opened in buildings closed by school districts that have brought life back to long abandoned downtowns. A headline from rural Fruitland read "New charter school will open in Fruitland's Olde School." The article noted, "the building will undergo an extensive [REDACTED] renovation between now and the beginning of the 2019-20 school year. It was preserved over the years through community support and a local

nonprofit foundation. It will now once again open its doors to students, symbolizing a historical connection to the community's past.”

**Student Activity at the Rehabilitated Treasure Valley Classical Academy  
(Fruitland, Idaho)**



**How have these deals gotten done?** Starting in 2013 JKAF provided Building Hope with Program Related Investment dollars (\$32 million by 2021) to enable high-performing partner charter schools to access low-cost financing for facilities – often leased with a purchase option – in which they will open (or expand). Once Bluum and Building Hope approve a charter school project, Building Hope can provide a loan to the school for up to 35% of the total cost of the project at a 3% interest rate. This cash helps encourage traditional financial institutions, like banks, to provide a loan for the remaining 65% at market rates. A typical deal is structured so that after five years, the school will have paid down enough to have equity in the facility. The school then refinances its loan with the bank or another lender and uses the equity it has earned to exercise purchase options and/or pay back the portion of funds its borrowed from Building Hope. A key advantage of this arrangement is that it is the charter school, rather than the lender, who

benefits from any increase in equity and property value because purchase prices are tied to outstanding debt rather than appraised values.

It is important to note, that the refinancing effort has been significantly improved with the passage of Idaho's "public charter school facilities program" (33-5218) passed into law in 2019. This Moral Obligation Law allows seasoned public charter schools to seek a tax exempt bond issuance from the Idaho Housing and Finance Association (IHFA) to refinance, or in some cases finance, their school facilities debt by accessing the state of Idaho's credit rating. For example, by using the new Moral Obligation law, Sage International Charter School in Boise was able to refinance its [REDACTED] of facilities debt through a tax-exempt bond issuance for a 35-year term at a True Interest Cost of 3.4%. This refinancing saves the schools about [REDACTED] in annual debt service each year over the 35-year term as compared to the school's prior financing.

### **Idaho's Challenge – Existing Charter Facility Financing Tools are at Capacity**

Absent the CSP support and credit enhancement for predevelopment costs Bluum proposes, Idaho growth in quality new school seats is at risk of slowing and/or coming to a stand still for a couple of years due to three primary challenges. First, the [REDACTED] in JKAF PRI used to attract private equity to charter facility projects is fully deployed and is over-extended throughout Bluum's proposed project timeline. Second, the [REDACTED] *Communities of Excellence* CSP Grant award managed by Bluum will be fully deployed when subgrants are awarded to our final round of schools in 2022. Third, Idaho's escalating property and construction costs have increased the price of charter facility projects by 15%-20% over the past 18 months, accelerating the 'over-extension' of the JKAF PRI support and stretching charter school resources even further as schools

allocate a growing percentage of operating funds toward prospective facilities projects, rather than towards their educational programming.

With the three central tools currently available to enhance charter facility projects reaching their capacity: 1) JKAF PRI support for Building Hope financing, 2) JKAF direct grant support to schools and 3) CSP *Communities of Excellence* Grant funds, **and** with facilities costs rapidly escalating, there is an immediate and real need to bring additional facility financing tools to Idaho. Hence, this application for CSP credit enhancement support.

### **Bluum's Proposed Project Objective**

**Objective 1: Utilize [REDACTED] in credit enhancement funds to induce lenders to provide eligible Idaho partner schools access to capital to finance predevelopment costs.**

The goals behind this single Objective are to leverage CSP Credit Enhancement funds to: (1) allow the charter school to retain needed cash for operations and to maintain adequate days-cash-on-hand (DCOH) levels to meet the Idaho Public Charter School Commission's DCOH requirements (60-days by year three of a school's life); (2) attract additional loan capital to Idaho charter facility projects by strengthening the charter school's financial position; (3) attract this loan capital at significantly better rates and terms than otherwise would be available (if at all); and (4) allow schools to act quickly when appropriate facility options become available. Financing predevelopment costs will mitigate lender risk and bring charter facilities projects to market more expeditiously and in the strongest possible position. The credit enhancement for each school under this program are short term, maturing when the project financing closes, returning committed CSP CE funds to the reserve fund for redeployment on additional facility projects. Finally,

too often school partners find suitable land or property, but in a hot real estate market like Idaho's are unable to act quickly enough to actually secure the land/property. This CSP CE grant support will allow schools to more quickly put capital up on an appropriate deal.

In developing our single Objective, Bluum sought input from stakeholders including charter school leaders, charter school boards, IHFA, Building Hope, and Financial Advisers and Underwriters active in the Idaho charter facility marketplace. These stakeholders consistently shared that Idaho charter schools, given our state's lowest-in-the-country per-pupil funding, struggle to access the cash needed to fund predevelopment costs. This results in some schools giving up, but it results in even more facing greater costs for their final facility deals. Our partners have also concluded that the proposed program would compliment, and not compete with other credit enhancement efforts in the state—such as Building Hope's existing credit enhancement programs. Please see the provided Letters of Support, Appendix C, where these partners share their involvement in this process and their support for the *Facilities for Our Future* proposal.

**Our definition of predevelopment costs:** Bluum uses the term predevelopment costs to represent the expenses typically incurred prior to the school securing the longer-term financing for the acquisition, construction, expansion or remodel project, including but not limited to: architectural services; civil design and engineering services; purchase price deposits; miscellaneous application fees; land surveys, environmental and geotechnical reports; impact fees; general contractor services; Financial Advisor and legal fees.

## **Charters Struggle to Self-Fund Predevelopment Costs**

In our conversations with key Idaho stakeholders and based on our analysis of the facilities projects Bluum helped to support over the last six years, we learned that predevelopment costs can range from \$ [REDACTED] charter facility projects depending on the project's complexity and scale. Our analysis shows that schools incur, and must fund or finance, predevelopment costs for 1.5 years on average – some projects move more quickly, some take more time to close and secure long-term financing.

Our conversations also confirmed our understanding that private lenders in Idaho typically will not fund these high-risk upfront costs, even at very high interest rates that are unfavorable to the public charter school. For most charter schools, they have to rely on JKAF, or some other form of grant support to fund these predevelopment costs that are critical to ultimately bringing their projects to fruition. We learned of one instance where Idaho's largest network of charter schools (5 schools), because of their scale, longevity and comparatively strong financial position, was able to secure private financing to fund predevelopment costs. The school paid 8% interest on this loan. Our analysis indicates that Bluum's proposed cash-collateralized credit enhancement would enable schools to access private equity for predevelopment costs at 2.5 - 4% interest, resulting in 400-550 basis points in savings. We are not aware of other instances where an Idaho charter school has been able to secure private equity to fund predevelopment costs; this network's ability to secure private equity at 8% interest is the very rare exception. Bluum's objective is to significantly increase the number of schools that can access this credit enhanced loan funding at the 2.5-4% rates Bluum is targeting.

Another challenge our charter school community shared with Bluum is that given the limited public funding Idaho charter schools receive in facility support, most charter schools are unable to access private equity for predevelopment costs and have to pull needed resources from educational operations to cover these early-project expenses, potentially negatively impacting their academic performance. Charter schools also face a challenge with respect to maintaining liquidity, specifically as related to the Days Cash on Hand (DCOH) requirement in Performance Certificates issued by the Idaho Public School Charter Commission (Commission). Commission-issued Performance Certificates require charter schools to hold 30 DCOH at the end of years 1 and 2 of operation, and 60 DCOH beginning in year 3, and each year thereafter. Schools must maintain this 60 DCOH in order to 'meet expectations' per the Commission's annual performance review.

Achieving these DCOH metrics represents a significant challenge for Idaho charter schools. Having to utilize \$ [REDACTED] for predevelopment costs could place schools in jeopardy of failing to meet this DCOH performance metric. In short, very few Idaho charter schools have the capacity to commit [REDACTED] toward predevelopment costs while maintaining adequate DCOH levels; as the JKAF and other grant funds tighten up, so will the ability of schools to bring their facilities projects to market.

Bluum's proposed credit enhancement will allow Idaho charter schools to access the private financing market, and to do so from the strongest possible position, without requiring them to drain operational resources and/or potentially causing the school to fail to satisfy their Authorizer's DCOH requirement. Presenting a strong operational and DCOH position is also very important to prospective private lenders the school is working to attract to their project; this Objective also strengthens schools from this perspective.

With both the JKAF philanthropic PRI to Building Hope and Bluum's 2018 CSP award nearing full deployment, Idaho has an immediate and real need for the credit enhancement Bluum proposes.

### **Bluum Technical Assistance for Participating Projects**

Also of significant value to charter schools receiving support under our single Objective, Bluum will provide technical assistance to the schools throughout the predevelopment phase of their facility project. This technical assistance will act to both protect Bluum's short-term investment in the project and to share our team's extensive charter facility financing and construction knowledge with participating school leaders and boards for free. Efficiently and effectively navigating the predevelopment phase of a facilities project is a daunting challenge for a single charter school and/or a small charter network. Bluum's early and consistent engagement will improve project outcomes. Bluum's JKAF-supported operating budget has the capacity to provide this predevelopment technical support without accessing CSP funding. In fact, Bluum will not use any of the requested [REDACTED] to cover the administrative costs of this program. All administrative costs will be covered using JKAF operating support dollars.

### **Basis for Bluum's [REDACTED] Request**

Based on our experience, the input of our charter school partners, and Idaho's charter facility pipeline, Bluum anticipates supporting 10 charter facility projects during the initial three-year grant period. We estimate per-project predevelopment costs at [REDACTED] per project. We estimate an 18-month period for the predevelopment phase of each project. Accordingly, the requested CSP funds will 'recycle' once during the initial 3-year project period, thus providing the basis for Bluum's [REDACTED] request. Please see

the Project Timeline discussion and Table 1: Project Timeline below for more timeline information.

**(2) The extent to which the project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program.**

**Project Objective (1): Utilize \$ [REDACTED] in credit enhancement funds to provide eligible Idaho partner schools critical support in financing predevelopment costs.**

**Goal 1:** *Fully deploy program funds to credit enhance predevelopment loans for 10 charter facility projects across Idaho by the end of project year 3.*

- Measurable Objective 1.1: Credit enhance four predevelopment loans for partner charter schools during Year 1.
- Measurable Objective 1.2: Credit enhance three predevelopment loans for partner charter schools during Year 2.
- Measurable Objective 1.3: Credit enhance three predevelopment loans for partner charter schools during Year 3.

**Goal 2:** *Increase the volume of affordable private capital available to finance predevelopment costs for charter facility projects across the full term of the grant.*

- Measurable Objective 2.1: Loans credit enhanced by or through this program will be interest only during the loan term.
- Measurable Objective 2.2: Loans credit enhanced by or through this program will have projected interest rates of no more than 5%.

**Goal 3:** *Protect the program's CSP investment and improve facility project outcomes by providing predevelopment Technical Assistance.*

- Measurable Objective 3.1: Provide predevelopment technical assistance to each charter school receiving predevelopment financing during Year 1 (estimated 4

schools) through structured monthly check-ins with key school leaders and project partners.

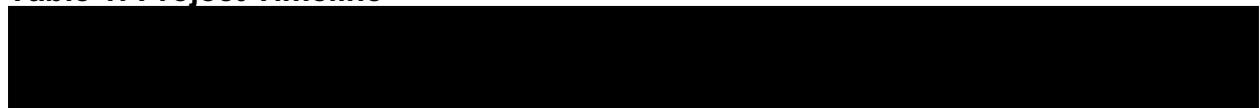
- Measurable Objective 3.2: Provide predevelopment technical assistance to each charter school receiving predevelopment financing during Year 2 (estimated 3 schools) through structured monthly check-ins with key school leaders and project partners.
- Measurable Objective 3.3: Provide predevelopment technical assistance to each charter school receiving predevelopment financing during Year 3 (estimated 3 schools) through structured monthly check-ins with key school leaders and project partners.

### **Project Timeline and Logic Model**

Bluum proposes an overall initial Project Period of 3-years with the expectation that we would deploy the requested CSP funds two times during the project period in support of 10 separate projects. In advance of the initial 3-year project period coming to a close, Bluum would anticipate negotiating a subsequent Performance Agreement in order to continue recycling and redeploying the CSP funds to new recipients.

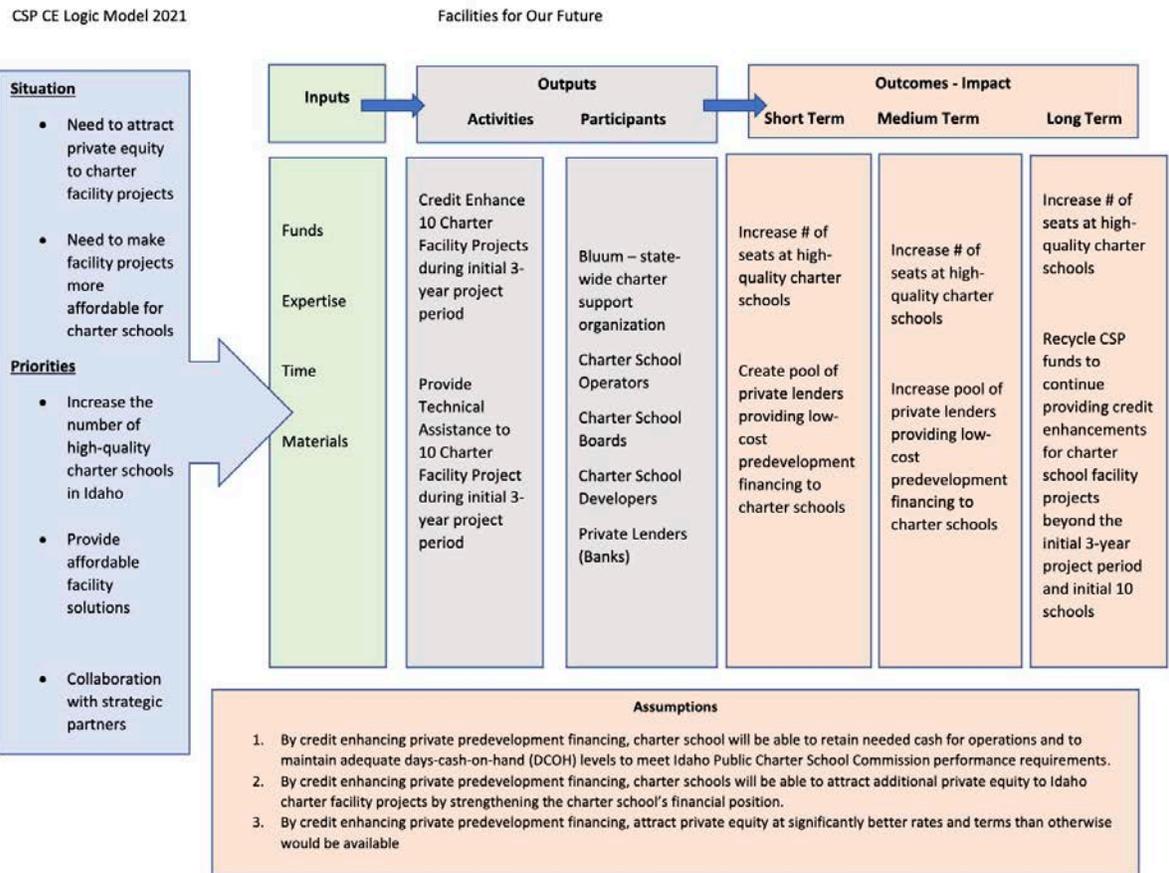
More specifically, as shared above, Bluum will provide or otherwise guarantee loans for predevelopment expenses for qualifying charter facility projects. Our experience to date is that the predevelopment phase of projects average approximately 18 months prior to the project ‘closing’ and securing long-term financing. Bluum will aim to support facility projects on the following general timeline:

**Table 1: Project Timeline**

A large black rectangular redaction box covers the content of Table 1, which would have detailed the project timeline.



Following this initial project period, Bluum will continue to deploy approximately [redacted] in predevelopment support each year as these funds ‘recycle’. This process is further highlighted in our logic model below.



### Bluum’s Project Objectives Align with CSP Purposes

When developing our *Facilities for Our Future* proposal, and seeking input from stakeholders, Bluum carefully reviewed all guidance provided by the Office of Elementary and Secondary Education, Credit Enhancement for Charter School Facilities Program. With respect to this and all other program guidance, Bluum provides the following.

**Bluum is an eligible statewide entity** – statewide education nonprofit 501(c)(3).

Per Bluum’s established practices and procedures under its current CSP *Communities of Excellence* grant award, Bluum will deposit all CSP CE funds in a reserve account that satisfies all applicable ‘reserve account’ requirements. As highlighted in our timeline and logic model Bluum proposes assisting 10 charter schools to access private sector capital during the 3-year project period. Bluum proposes assisting the charter schools with accessing capital to: (1) acquire an interest in improved or unimproved real property; and/or (2) construct new facilities, or renovate repair, or alter an existing facility. Bluum further proposes to assist charter schools with securing loan capital for pre-development to assess sites and to commence or continue the operation of a charter school. These purposes directly align with the CSP CE grant criteria. Bluum commits that it will only use the funds for the permissible uses identified in CSP CE Guidance and, ultimately, as enumerated in Bluum’s to-be-negotiated Performance Agreement. Further, Bluum will invest all reserve account funds in obligations issued or guaranteed by the United States or a State, or in other similarly low-risk securities.

**(3) The extent to which the project implementation plan and activities, including the partnerships established, are likely to achieve measurable objectives that further the purposes of the program.**

As previously shared, Bluum is Idaho’s statewide education nonprofit charter school support organization. In this capacity, Bluum works closely with multiple public charter schools and other stakeholders involved with public charter schools in Idaho. Bluum has become expert at incubating, launching, growing, replicating and supporting high-performing charter schools in Idaho. Bluum also has a record of successfully

achieving the goals and objectives in its current [REDACTED] CSP *Communities of Excellence* grant.

Bluum is well-positioned to successfully achieve the targeted objective of this proposal. The extent to which Bluum is likely to achieve the objective is bolstered by the longstanding relationships Bluum maintains with the key partners identified in this proposal: JKAF, IHFA and Building Hope. In consulting with a variety of charter school leaders and stakeholders, Bluum identified a variety of facility challenges and credit enhancement needs. Rather than preparing a larger proposal that attempted to address each of these needs, Bluum specifically tailored this proposal to address the predevelopment costs challenge identified by stakeholders as a key pain point and obstacle to charter school facility development. We took this approach specifically to ensure Bluum was well-positioned to successfully achieve our proposal's objective, both from a scale and administrative perspective. Bluum is not proposing complex financial mechanisms more appropriately directed by an experienced, large CDFI, such as our partner Building Hope. We know who we are. We know our market and the needs of our charter schools. This proposal meets those specific needs and addresses those specific pain points.

### **Bluum's Ability to Achieve Project Objectives**

Bluum has served, since 2014, as the primary conduit for JKAF's philanthropic giving in the charter school sector across Idaho. This has been a successful partnership. Through this collaboration, Bluum helped develop and manages the JKAF-funded 'High Performing Model' (HPM) Grant Opportunity. Through the HPM program, Bluum has deployed JKAF support in the following fashion (through June 30, 2021):

- [REDACTED] in direct grant support to schools
- [REDACTED] in funding for new school fellowships
- [REDACTED] for all-day kindergarten support
- [REDACTED] in subsidized back office support for schools

For both JKAF and the federal CSP *Communities of Excellence* grant Bluum has developed a rigorous application and screening process for subgrantees. This includes a well-designed third-party review process for grant applicants based on a rigorous evaluation rubric approved by the USDOE. For details see Appendix L “Idaho’s *Communities of Excellence* Playbook.” Given this work on evaluating school start-up, replication and expansion proposals, the Bluum team is well-equipped to successfully oversee and manage a [REDACTED] fund that, in general terms, secures [REDACTED] in predevelopment financing for up to four schools annually. Bluum has the proven financial and operational capacity and supports to successfully implement a credit enhancement program of this scale, while satisfying all CSP program requirements.

### **Bluum’s Credit Enhancement Program Partners**

While Bluum has the experience and capacity to achieve the singular goal and associated objectives, we are in the fortunate position of having highly experienced partners to assist our efforts. Please see the Letters of Support provided in Appendix C. Bluum’s three key partners are:

The J.A. and Kathryn Albertson Family Foundation (JKAF). JKAF’s Mission Statement reads: “We believe philanthropic giving can enhance sense of place and strengthen communities. As a family foundation with deep Idaho roots, our vision is to accelerate opportunities in Idaho. The Foundation plans to continue to support and

provide resources to initiatives that enhance the quality of life and produce significant results. We are committed to **making Idaho an exemplary model for innovative learning**, a destination for accessible world-class recreation, and the most desirable state for life after the military. We support these goals through our giving strategy which is defined by three key focus areas: Learning, Community, and Leadership.” Since 2015, JKAF has invested more than [REDACTED] public charter schools.

Idaho Housing and Finance Association (IHFA). IHFA is a unique, self-supporting financial institution and administrator of multiple financial programs to support affordable housing, small businesses and nonprofit facility financing across Idaho. Relevant to this proposal and IHFA’s partnership with Bluum, IHFA is Idaho’s designated issuer of all tax-exempt bonds for qualifying Idaho nonprofit organizations, including charter school facility projects. IHFA has participated in over 20 charter facility bond issuances totalling over [REDACTED]. With each charter facility bond issuance, IHFA provides to the school its bond financing and administrative expertise to obtain lower-cost, tax-exempt financing, which means large savings in facility costs for the schools. IHFA maintains relationships with nearly every private lender in Idaho and will expose these private lenders to Bluum’s proposed program and will encourage more of these private lenders to enter Idaho’s charter facility market.

Building Hope. Building Hope is a charter school focused, nonprofit, mission-driven Community Development Financial Institution (CDFI) headquartered in Washington DC. Since 2003, across the country Building Hope has financed 273 projects with overall investment of [REDACTED] supporting over [REDACTED] in project costs. Through its financing and real estate development, Building Hope has created or financed 9,271,839

sq. ft. of school facility space resulting in over 133,314 seats for students. In Idaho, utilizing PRI support of [REDACTED] from JKAF, Building Hope has leveraged [REDACTED] from other lenders to invest \$ [REDACTED] in Idaho public charter school facilities. This has resulted in 13 new school facilities providing over 7,200 new school seats. Building Hope will continue to have a strong presence in Idaho, and close relationship with JKAF and Bluum throughout the project period as Building Hope continues to deploy JKAF PRI as funds recycle and become available for lending. Bluum generally provides some level of technical assistance to each school seeking financing through Building Hope.

In addition to working very closely with each of these key partners, a JKAF board member, Toby Prehn, serves as Bluum's Board Chair. Building Hope's founder and CEO, Joe Bruno, also serves on Bluum's Board of Directors. Our partners are highly invested in Bluum's success and the success of this proposal, and without their support this proposal would simply not have been written.

### **Advisory Council – Bluum and Key Partners**

While Bluum's board and staff bring outstanding expertise to this project, Bluum will form a *Facilities for Our Future* Advisory Council to oversee development and implementation of Bluum's credit enhancement program. See Appendices J and M. The Advisory Council will be involved in reviewing all proposed transactions. In addition to Bluum team members, Advisory Committee members will include representation from IHFA, Building Hope, and Bluum. Cory Phelps at IHFA and Robin Odland, Building Hope's President of Finance, have committed to providing a member from their organizations to serve on the Advisory Council. This further highlights our partners' commitment to this proposal's success. With Bluum's experience and board/staff

capacity, and with that of our key partners, Bluum is well-positioned to successfully achieve our targeted objective.

**(4) The extent to which the project is likely to produce results that are replicable.**

More and more states/cities across the country have charter school support organizations like Bluum. The City Fund, for example, has members in nine states and the District of Columbia that serve in part as charter school incubators and school support organizations. Statewide groups like Bluum exist in states such as Oklahoma with the Oklahoma Public School Resource Center, Arkansas with the Arkansas Public School Resource Center, and in Mississippi with Mississippi First. Across these jurisdictions funding public charter school facilities are a pain point, hence the emergence and expansion of Community Development Financial Institutions (CDFIs) like Building Hope, Charter Schools Development Corporation and Civic Builders. These groups do critical work, and we do not want to try and compete with them or do what they do. Our proposal seeks to supplement and support what others bring to the table per school facility financing in Idaho, especially Building Hope. **Bluum's experience shows that there are possible roles for city and state-based charter support organizations to fill some of the gaps where the larger Turn-Key CDFIs may not be able to provide all partner schools with access to all necessary capital to make all facility deals work.**

In Idaho, one of our blind spots is around predevelopment costs. These too often fall on the schools to cover on their own. Demonstrating how a targeted single Objective like providing credit enhancement support for predevelopment costs will show other state support organizations how they may also provide targeted support to leverage larger investments for their partner schools. Bluum has proven itself excellent at sharing lessons

for others to replicate. Recent examples include Bluum's *Charter School Facility Refinancing Guide & Toolkit* developed in partnership with the National Alliance and our *Charter School Governance Guide* series of videos. See Appendix N.

**(5) The extent to which the project will use appropriate criteria for selecting charter schools for assistance and for determining the type and amount of assistance to be given.**

Since 2019, and utilizing both JKAF and CSP grant support, Bluum has been expanding its school support activities to include not only in-house expertise in school finance but also in special education, academics and instruction, and charter school governance. As noted previously, Bluum has developed a rigorous third-party evaluation process and rubric for determining the schools to support and in determining where to target technical assistance. See Appendix O. This process has been used to determine 22 CSP *Communities of Excellence* subgrantees, and to provide them with support as they open and grow.

First, for Bluum to support and fund a public charter school it must be authorized by an approved Idaho charter school authorizer to operate. This is the first quality control cut we put schools through. Once approved by an authorizer – most likely the Idaho Public Charter School Commission – we then complete our own vetting. In summary form the following eight points are what we ask for, and rate, in determining whether or not to fund and support an Idaho public charter school. This level of rigor and detail would also be applied to schools seeking credit enhancement support for predevelopment costs.

1. **A committed board of trustees:** the individuals responsible for the charter school. How will they demonstrate responsibility for the school's success or

failure? How will they define their roles and responsibilities vis-à-vis that of the school management and leadership team? How will they define their commitment to their local community and the children they hope to educate? Why do they want to serve on this particular charter school board? What resources and talents do they bring to this new school effort?

2. **Innovative and effective learning models that bring something unique and meaningful to students and families:** the school's academic model (vision, mission and values). What are the primary instructional components of the school model? Is the curriculum aligned with college and career readiness standards? What are the school's goals for student achievement (percent proficient) and growth of students (individual growth percentile scores)? How does/will the school use data, and what type of data, to improve student instruction and set student targets? For existing schools, 3-years of academic results, including IRI, ISAT, MAP and SAT results, to the extent available.

3. **Quality instructional leader(s):** who does/will lead the school academically and what is/are their professional background and experience? Is there / Will there be one lead administrator or a team? Has the school leader(s) ever run a charter school and if so is that school still educating children? What relevant training does the school leader(s) have in running a school, especially the specific school model being proposed? Why is this school leader(s) going to be successful in running this particular school?

4. **Demonstrated ability to attract, recruit, retain and continuously develop top talent:** how the school does/will recruit teachers. Does the governing board and/or leadership team have access to university partners, teacher talent pipelines like Teach

for America or other sources of talent acquisition? How will the school leadership ensure that teachers understand and maintain fidelity to the school's academic model? How will the school leadership know that a teacher is a poor fit for the school? What sorts of professional development will the school leadership provide its teachers and support staffers?

5. **Well-developed facility plan:** the facility plan for the school. Where will the facility be located? Will the facility be purchased or leased and has it been identified? Does the school team have a well-established charter school lender like Building Hope, USDA, Robert W. Baird and Co., and/or the Idaho Housing and Finance Association involved in the process? Does the school have a viable plan to not spend more than 18% of their annual budget on facility costs during the first five years of operation?

6. **Market demand and demonstrable need for the school:** the targeted student population for the school. How you know there is a market for your charter school and a base of families and children committed to attending the school? How you will ensure that the students attending your school are +/-5% of local school district averages for non-white, ELL, special needs and FRL students?

7. **Navigate the state charter school approval process:** if the school team has established itself as an Idaho nonprofit corporation with the Secretary of State. If the school team has obtained its federal 501(c)3 nonprofit status, and if you have been approved to open a charter school in Idaho by an approved state chartering entity, and if so which one?

8. **Sustainable business plan that includes appropriate start-up support.** Does the budget work and is it truly inclusive of all expected costs and revenues?

Per determining what Technical Assistance (TA) to provide and how to provide it, our decision-making processes are iterative and informed by the many conversations Bluum team members have with individual school leaders and with school board members. We also utilize surveys of teachers and parents to better understand school needs and we pay close attention to information provided by the Idaho Public Charter School Commission in their public reports on schools. We often get calls from school leaders suggesting areas they would like Bluum, or organizations we could contract with, to provide TA or professional development opportunities.

Based on these feedback loops Bluum has provided a range of TA to subgrantee schools on, among other items: 1) Using Data-Driven Instruction, 2) Observation and Feedback, 3) Leading Student Culture, 4) Managing your team during a pandemic, 5) Special Education, 6) navigating ESSER and allowable costs, 7) Facility refinancing strategies, 8) navigating USDA facility financing options. This is just a sampling of the sorts of TA Bluum has provided to its partner schools since 2018. We also provide direct TA to schools on a near daily basis on issues related to Idaho school finance, navigating staffing challenges, and school finance challenges.

**(6) The extent to which the proposed activities will leverage private or public- sector funding and increase the number and variety of charter schools assisted in meeting their facilities needs more than would be accomplished absent the program;**

Our proposed activity – financing predevelopment costs – will leverage both private and public sector investment. This activity will also help a number and variety of charter schools own their facilities, and in some cases it will allow schools to act faster on a facility opportunity than they could without this support. We know of at least three schools that could use this support right now as they look into how to build or expand their facilities for more Idaho students.

**Leveraging Private and Public Support**

Bluum’s proposal will leverage public equity and support in several ways. For charter schools that would attempt to self-fund \$700,000 in predevelopment costs, the proposed credit enhancement allow those schools to, instead, use this public equity to strengthen their DCOH position and/or to support their ongoing school operations. When seeking stakeholder input on this proposal, we also learned from the leaders of Idaho’s largest home-grown charter network (5-schools), that self-funding predevelopment costs on one project left them in a position where they were unable to pursue a favorable facilities opportunity for a second school project. They simply did not have the equity to pursue both opportunities. This represents a significant opportunity cost and also delayed their growth plans. Schools attempting to self-fund predevelopment costs, as previously discussed, will also weaken their position with respect to their DCOH risking a ‘does not meet standard’ on the annual performance review conducted by the Idaho Charter Commission and causing them to look less attractive to prospective private lenders.

It is important to note that Idaho has created a variety of pathways for facility financing that simply did not exist a decade ago. As described previously, the JKAF investment in a PRI that is managed by Building Hope has resulted in more than a dozen facility deals that otherwise would not have happened. The support of JKAF and Building Hope is going to continue beyond the current \$105 million leveraged thus far in Idaho charter facility investments. But, the proposed addition of this [REDACTED] for predevelopment costs to our charter school facility financing toolkit will cover an important upfront expense, and help leverage more public equity from traditional lenders as well as philanthropic dollars.

**(7) The extent to which the project will serve charter schools in States with strong charter laws, consistent with the criteria for such laws in section 4303(g)(2) of the ESEA; and**

The *Facilities for Our Future* grant proposal is specific to, and targeted at, Idaho public charter schools. Idaho's charter school law is over 20-years old and is well-established. It is also steadily improving as demonstrated by rankings from the National Alliance for Public Charter Schools (NAPCS), the Center for Education Reform (CER), and the Education Economics Center Kennesaw State University. In their 2020 *Measuring Up to the Model: A Ranking of State Public Charter School Laws* NAPCS ranks Idaho's charter law as 17 out of 45 rated states. In their 2021 rankings CER ranks Idaho's law 19<sup>th</sup> out of 46 laws. Using a different methodology than both NAPCS and CER the Education Economics Center ranks Idaho's charter school law as the 8<sup>th</sup> best law in the nation. As noted previously, Idaho public charter schools have been eligible for federal CSP dollars as part of Idaho's *Communities of Excellence* program in place since 2018. Table 2 provides a list of the basic charter school flexibilities enshrined in Idaho code.

**Table 2: Basic Charter Flexibilities in Idaho Code**

|   |
|---|
| 1. Idaho law allows a variety of charter school authorizers, including the Public Charter School Commission, school districts, and public and nonsectarian colleges and universities (33.5202A).                                    |
| 2. Charters are allowed to be their own LEAs and are fiscally and legal autonomous schools with independent charter school boards organized and managed under the Idaho nonprofit corporation act (33.5204(1)).                     |
| 3. A charter school may sue or be sued, purchase, receive, hold and convey real and personal property for school purposes, and enter into contracts in its own name, including contract for services (33-5204(3)).                  |
| 4. A charter may borrow money to finance the purchase or lease of school building facilities, equipment and furnishings for those buildings (33-5204(4)).   |
| 5. A nonprofit charter school board may hold multiple charters (33-5204(1)).  |
| 6. Teachers in charter schools are considered public school teachers and employees of the charter school. The staff of public charter schools are considered a separate unit for the purpose of collective bargaining (33-5206(3)). |
| 7. Charter school teachers are part of the Public Employment Retirement System of Idaho.  |
| 8. Charter schools can contract with EMOs and CMOs for management purposes (33-5206(10)a).  |

**(8) The extent to which the requested grant amount and the project costs are reasonable in relation to the objectives, design, and potential significance of the project.**

Under our proposal we expect to make [REDACTED] in support go a very long way. First, Bluum will not charge any administrative fees to this project. Those expenses will be absorbed in Bluum's operating budget funded by JKAF. As noted previously, Bluum is Idaho's public charter school support organization and as such we provide significant TA to a number of Idaho's public charter schools. This experience will allow Bluum to target and support schools ready and able to deliver for students and families. Based on the 13 facility financing deals done in Idaho as part of the Bluum, JKAF, Building Hope partnership we have utilized \$32 million in PRI and about \$20 million in direct grant support to leverage a total of \$105 million in new school construction. The proposed use of funds here will help 10 schools in the next three years access similar opportunities without having to overpay for their predevelopment costs.

## QUALITY OF PROJECT SERVICES

**(1) The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served;**

Bluum works closely with its partner schools and as the attached Letters of Support (Appendix C) demonstrate there is strong support for this grant among Idaho's public charter school community and its supporters. The lead author of this grant proposal is Keith Donahue who, before coming to work with Bluum on July 1, 2021, was the executive director of Sage International School of Boise, and Forge International School in Middleton. This application has been written from the perspective of an Idaho charter school leader who helped to lead and manage two Idaho public charter school facility financing efforts. Donahue also led the first charter school refinancing effort under Idaho's new "Public Charter School Debt Reserve Act" (Moral Obligation law). This project has also involved, and has been designed by their input, the experience of the following Idaho public charter schools and their leaders: 1) Treasure Valley Classical Academy (Fruitland); 2) Elevate Academy (Caldwell); 3) Future Public School (Boise); 4) Alturas Academies (Idaho Falls); 5) GEM Innovation Schools (Nampa, Meridian and Pocatello); 6) Mosaics Public School (Caldwell); and 7) Idaho Arts Charter School (Nampa).

Idaho's key charter school facility lenders have also had an important role in designing this project and those who provided direct support include Building Hope, the Idaho Housing and Finance Association, Piper Sandler, Zion's Bank and the Charter School Facility Center at the National Alliance for Public Charter Schools. We are confident based on the input provided to us by schools and partners that this project addresses a real pain point for schools seeking to build or expand their charter facilities.

**(2) The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the project;**

Please see preceding point above. Note also, both the Idaho Public Charter School Commission and the Idaho State Board of Education have been strong supporters of Idaho's public charter schools. Both are members of Idaho's *Communities of Excellence* consortium that applied for and received a 2018 federal CSP grant. Neither organization has a direct role in this grant application, but both understand and appreciate the value of reducing the cost of capital for Idaho public charter school facilities. Please see the Letters of Support (Appendix C) included with this application where school leaders, state officials and our financial partners acknowledge Bluum's request for input on our *Facilities for Our Future* project.

**(3) The extent to which the technical assistance and other services to be provided by the proposed grant project involve the use of cost-effective strategies for increasing charter schools' access to facilities financing, including the reasonableness of fees and lending terms; and**

Bluum will provide technical assistance to credit enhancement program participants at no cost. Bluum already operates with the capacity to provide technical support to 3-4 (or more) charter schools each year; Bluum will not charge fees to program participants or to our proposed CSP grant for these services.

**(4) The extent to which the services to be provided by the proposed grant project are focused on assisting charter schools with a likelihood of success and the greatest demonstrated need for assistance under the program.**

Bluum is highly selective as to the schools it supports with funding and technical assistance. As a nonprofit organization it can and does say "no" to schools that seek our support, but in our view do not have the capacity and/or team to launch and run a

successful school. Bluum requires schools, and prospective schools, to demonstrate their capacity for success in many ways and on an ongoing basis. In short, Bluum understands that it is very difficult to ask for financial and grant support if the schools being opened are not well-performing, or worse even failing. **Quality truly is job one** for a charter school incubator that raises money from others to support the growth of new schools. While success breeds success, failure kills organizations. Bluum also understands that even solid schools need targeted TA and support along the way, and these can range from helping find strong, diverse board members, to aiding in the search for a special education director to providing outside expertise on how best to use student achievement data to inform classroom instruction.

### **CAPACITY**

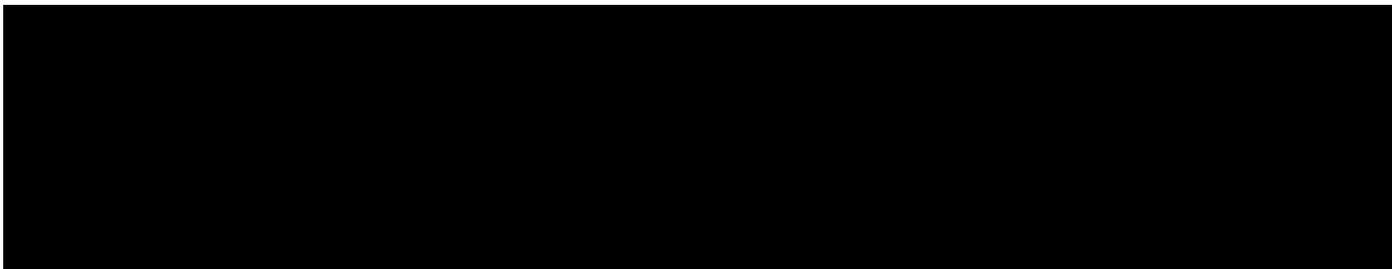
**(1) The amount and quality of experience of the applicant in carrying out the activities it proposes to undertake in its application, such as enhancing the credit on debt issuances, guaranteeing leases, and facilitating financing;**

Bluum knows what it can and it can't do, which is why this proposal has only one objective – guaranteeing predevelopment debt. Bluum's CFO Marc Carignan has been involved in more than a dozen underwriting projects for Bluum partner schools as their financial advisor. This has happened at the insistence of JKAF because they trust Carignan to determine the quality of the financials, projections and overall fiscal health of the project. Much of this work has been done in collaboration with Building Hope, and this has ensured that only high-quality projects have been underwritten, approved, and funded. As standard operating procedure, all projects that Bluum and Building Hope have worked on together require three levels of underwriting review. First, review by Building

Hope's Executive Committee. Second, review by the primary lender. Third, management and board review by JKAF.

**(2) The applicant's financial stability;**

Bluum's operating revenues for 2020 (See Appendix D, Audited Financial Statements) were \$9,321,863. Its financial stability is steady and is based on the ongoing and continuing support of the J.A. and Kathryn Albertson Family Foundation. The following table provides an overview of Bluum's Financial History and Projections.



**(3) The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management;**

Bluum's current portfolio of schools have received over \$105 million in debt capital with no defaults. As shared in this proposal, Bluum will build on this experience and will utilize the same or similar risk management processes in considering a Credit Enhancement candidate and expects similar portfolio performance. Bluum controls operational and financial risk as follows:

1. Bluum recruits and retains highly competent board members with diverse and relevant skills. **The Bluum board:**

|  |
|--|
| <ul style="list-style-type: none"><li>• Reviews and ratifies annual budgets</li></ul>  |
| <ul style="list-style-type: none"><li>• Monitors financial and operational performance</li></ul>                                     |
| <ul style="list-style-type: none"><li>• Establishes and regularly monitors strong internal control policies and procedures</li></ul> |

|  |
|--|
| <ul style="list-style-type: none"> <li>• Establishes and regularly monitors conflict of interest policies, procedures and reporting</li> </ul> |
| <ul style="list-style-type: none"> <li>• Engages in strategic planning</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Provides technical support and counsels the CEO and CFO</li> </ul>                                    |

**2. The CEO oversees and monitors:**

|  |
|--|
| <ul style="list-style-type: none"> <li>• All employee activity</li> </ul>          |
| <ul style="list-style-type: none"> <li>• Financial activity</li> </ul>             |
| <ul style="list-style-type: none"> <li>• Internal controls</li> </ul>              |
| <ul style="list-style-type: none"> <li>• Organizational activities</li> </ul>      |
| <ul style="list-style-type: none"> <li>• All contracts and terms</li> </ul>        |
| <ul style="list-style-type: none"> <li>• Grant monitoring and reporting</li> </ul> |

**3. The CFO:**

|  |
|--|
| <ul style="list-style-type: none"> <li>• Monitors all financial transactions</li> </ul>                |
| <ul style="list-style-type: none"> <li>• Implements internal control policies and staff</li> </ul>     |
| <ul style="list-style-type: none"> <li>• Reviews and monitors contract terms and conditions</li> </ul> |
| <ul style="list-style-type: none"> <li>• Engages with CEO in grant monitoring and reporting</li> </ul> |
| <ul style="list-style-type: none"> <li>• All contracts and terms</li> </ul>                            |
| <ul style="list-style-type: none"> <li>• Grant monitoring and reporting</li> </ul>                     |

**4. Grant program manager:**

|  |
|--|
| <ul style="list-style-type: none"> <li>• Reviews grant proposals</li> </ul>                                      |
| <ul style="list-style-type: none"> <li>• Tracks use of grant funds</li> </ul>                                    |
| <ul style="list-style-type: none"> <li>• Connects grant funding to achievement goals</li> </ul>                  |
| <ul style="list-style-type: none"> <li>• Designs and provides training/ Provides Technical Assistance</li> </ul> |

Evidence of effectiveness include:

|   |
|---|
| <ul style="list-style-type: none"> <li>• Last three financial statement audits have clean opinions (Appendix D).</li> </ul> |
|---|

|   |
|---|
| <ul style="list-style-type: none"> <li>• Last two audits were “Single Audit Act” audits requiring “Schedule of Findings and Questioned Costs” for each year. There were no findings or questioned costs.</li> </ul> |
| <ul style="list-style-type: none"> <li>• Finance Policies and Procedures Handbook (Appendix B Standards of Conduct).</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Conflict of Interest Policies (Appendix H).</li> </ul>   |

**(4) The applicant’s expertise in education to evaluate the likelihood of success of a charter school;**

Bluum has outstanding expertise in evaluating the likelihood of charter school success. Bluum CEO **Terry Ryan** has worked in the public charter school sector for 20-years. Ryan worked with the Thomas B. Fordham Institute and Foundation in Ohio from 2001 to 2013. During that time Ryan started and oversaw the Foundation’s efforts as the state’s first nonprofit charter school authorizer. Fordham still authorizes public charter schools in Ohio, and is considered one of the top authorizers in the Buckeye State. In 2010, Ryan co-authored with Chester E. Finn, Jr. and Mike Lafferty *Ohio’s Education Reform Challenges: Lessons from the frontlines* (Palgrave Macmillan) that chronicled Ohio’s charter school program. Since 2013 Ryan has led the efforts of Bluum in Idaho to support the quality growth of the Idaho public charter school sector. Ryan serves as Project Director for Idaho’s current *Communities of Excellence* CSP grant. He served as a member of Idaho’s Governor Brad Little’s Education Task Force.

Bluum CFO **Marc Carignan** provides school finance support and expertise to more than a dozen Idaho public charter schools. Carignan started his career in 1993 as a CPA at Grant Thornton LLP, where he spent seven years auditing non-profit and for-profit entities. Before joining Bluum in late 2014, Carignan spent 14-years as a hands-on finance, information systems and operations manager for several manufacturing

companies. He knows Idaho's school finance system as well as anyone in the state. Carignan has served as the Financial Officer for *Idaho's Communities of Excellence* CSP grant. Bluum's Strategic Advisor **Greg Richmond** is one of the most knowledgeable experts on all manner of charter school issues in the country. Before coming to Bluum, Richmond started and led the National Association of Charter School Authorizers. Prior to that he worked within the Chicago Public Schools for 10-years, leading the district's innovative strategies for creating new schools. From 2011 to 2015, he served as the founding chairman of the Illinois State Charter School Commission.

School Support Manager **Keith Donahue** is an attorney who served as a charter school board member before spending the last 12-years running Sage International Charter School in Boise, and more recently opening and running Forge International Charter School in Middleton. Sage was one of the five top performing public high schools on the SAT in 2020. Donahue knows as well as anyone in the state of Idaho the challenges of running a high-quality public charter school. Bluum's education advisor **Max Koltuv** served as Regional Superintendent for Achievement First before moving to eastern Oregon in 2019. Koltuv has quickly become one of the most trusted and respected education consultants in Idaho. Bluum's New School Officer **Colleen Mackay** served as a Special Education teacher, Assistant Principal, Program Director, and Chief Executive Officer. During her time as Director of KIPP's School Leadership Program, she managed a year-long leadership training program for aspiring KIPP school leaders, which included design of program curriculum, support and coaching, and performance evaluation to ensure quality of skill development and knowledge attainment. As CEO of ReNEW Schools, a charter management organization based in New Orleans, she led a

turnaround organization with a portfolio of 6 charter schools serving 4,200 students with 600 employees.

Bluum's Special Education Coordinator **Jennifer Ribordy** has over 20-years of experience in the field. She has worked as a Special Educator at all levels (K-12) as an Educational Diagnostician, District Trainer, and most recently as a Special Education Programming Consultant for a district of over 40,000 students. Jennifer spent eight years working in Texas at both rural and urban districts. Bluum's Director of Federal Grants and Support **Amy Felton Toth** is a veteran teacher who designed and manages Bluum's grant application, reporting and monitoring system. Her teaching experience includes special education for grades 4-12, as well as science, math, and English.

Bluum's board is more accomplished than its staff and includes charter school finance expert **Joe Bruno** from Building Hope, charter school legal expert **Renita Thukral** from the National Alliance for Public Charter Schools and the founder of the California Charter School Association **Marta Reyes Newberry**. Board Chair **Toby Prehn** brings world class finance expertise. **Bill Russell** is an attorney who served as board chair of one of Idaho's largest and oldest public charter schools. **MaryBeth Flachbart** is a special education expert who works for EducationNorthwest. **Will Hughes** is a professor at Boise State University and a nationally-renowned expert on Materials Science & Engineering.

**(5) The ability of the applicant to prevent conflicts of interest, including conflicts of interest by employees and members of the board of directors in a decision-making role;**

Bluum has a board approved Conflict of Interest Policy that both staff and board members sign annually (Appendix H). The Conflict of Interest Policy adopted by the Board of Directors of BLUUM requires disclosure of any actual, apparent, or potential conflict of

interest. The purpose of this document is to aid the board of directors in the completion of the Annual Statement Regarding Conflict of Interest Policy by helping identify any affiliations, interests or relationships, and/or any transactions that the board member and/or their family members have taken part in, that when considered in conjunction with their position with BLUUM, might possibly constitute or give rise to an actual, apparent, or potential conflict of interest.

**(6) If the applicant has co-applicants (consortium members), partners, or other grant project participants, the specific resources to be contributed by each co-applicant (consortium member), partner, or other grant project participant to the implementation and success of the grant project.**

Bluum submits our *Facilities for Our Future* proposal as the sole applicant and responsible party (not a consortium) with key partners identified. Letters of Support (Appendix C) from each key partner are provided with this Proposal. The Letters of Support confirm each key partner's commitment to this project and to providing the support necessary for the activities discussed throughout this proposal. **The J.A. and Kathryn Albertson Family Foundation is committed to covering the administrative costs of administering this program.**

As a Bluum partner, IHFA will provide a member to serve on Bluum's *Facilities for Our Future* Advisory Committee throughout the project period. IHFA's Vice President of Project Finance, Cory Phelps, has also committed to be available to assist Bluum throughout the project period as a technical resource expert. In his role with IHFA, Cory oversees every bond issuance for charter school projects across Idaho. Cory also leads IHFA's charter school bond issuances at IHFA, as the issuer of all charter school tax-exempt bonds in Idaho, will also lead IHFA's Collateral Support Program through which

IHFA pledges cash collateral to enhance the position of small businesses who may not be able to obtain financing. IHFA has successfully partnered with 20 banks across Idaho through this small business program. It has also developed an Application Packet, a Program Participation Guide, and a Lender Collateral Deposit Agreement. Having IHFA as a partner will allow Bluum to leverage IHFA's banking relationships and all of the program materials developed by IHFA, as Bluum's proposal significantly overlaps with this IHFA program by creating a comparable credit enhancement for Idaho charter school projects.

As a Bluum partner, IHFA will provide a member to serve on Bluum's Facilities for Our Future Advisory Committee throughout the project period. IHFA's Vice President of Project Finance, Cory Phelps, has also committed to be available to assist Bluum throughout the project period as a technical resource expert. In his role with IHFA, Cory oversees every bond issuance for charter school projects across Idaho. Cory also leads IHFA's charter school bond issuances at IHFA, as the issue of all charter school tax-exempt bonds in Idaho, will also leads IHFA's Collateral Support Program through which IHFA pledges cash collateral to enhance the position of small businesses who may not otherwise be able to obtain financing. IHFA has successfully partnered with 20 banks across Idaho through this small business program. It has also developed an Application Packet, a Program Participation Guide, and a Lender Collateral Deposit Agreement. Having IHFA as a partner will allow Bluum to leverage IHFA's banking relationships and all of the program materials developed by IHFA, as Bluum's proposal significantly overlaps with this IHFA program by creating a comparable credit enhancement for Idaho charter school projects.

**(7) For State governmental entities, the extent to which steps have been or will be taken to ensure that charter schools within the State receive the funding needed to obtain adequate facilities; and**

Not Applicable, Bluum is a 501(c)(3) nonprofit entity. See Appendix K, Nonprofit Status.

**(8) For previous grantees under the charter school facilities programs, their performance in implementing these grants.**

As stated above, in 2018, a Bluum-led consortium, Idaho's *Communities of Excellence*, received a [REDACTED] federal Charter School Program (CSP) Grant, more than six times Bluum's current request for CSP CE funding. The Bluum-led *Communities of Excellence* consortium members include: the Idaho Public Charter School Commission – Idaho's primary charter school authorizer; the Idaho State Board of Education, which is the ultimate oversight agency in Idaho for public education and charter schools; the J.A. and Kathryn Albertson Family Foundation (JKAF), which provides private philanthropic support for Bluum and Idaho's charter school sector more generally; and the non-profit school facilities finance group Building Hope. Two of the *Communities of Excellence* consortium members are also key partners for Bluum's current CSP Grant Proposal.

Bluum's performance implementing our current CSP grant, with the support of Bluum's consortium partners, evidences Bluum's proven ability to successfully manage a federal CSP Grant; to select high-quality schools for participation; and to leverage strong partnerships with other charter sector leaders across Idaho.

**Quality of project personnel (15 points):**

**(1) The qualifications of project personnel, including relevant training and experience, of the project manager and other members of the project team, including consultants or subcontractors.**

As documented above in point “(4) The applicant’s expertise in education to evaluate the likelihood of success of a charter school,” Bluum has an outstanding team of in-house expertise, and/or access to nationally recognized experts, to effectively manage all commitments made in this proposal. See “Resumes/Curriculum Vitae”.

**(2) The staffing plan for the grant project.**

Bluum’s governing board is made up of experts and practitioners in charter school operations and facilities, education law, business and philanthropy. See Appendix J, Bluum Board of Directors. The board oversees and provides guidance to Bluum management. Terry Ryan, CEO of Bluum, will serve as project director with the main responsibility of ensuring Idaho’s plan is implemented as promised. His time is donated to this project. Bluum’s CFO Marc Carignan will provide fiscal oversight and controls for this project. His time is donated to this project. Bluum’s Director of Federal Grants and Support Amy Felton Toth will provide management support and provide leadership for necessary data and systems development. Her time is donated to this project. Bluum’s School Support Manager Keith Donahue will oversee project implementation and ensure accountability, and day-to-day activities carried out by the project team identified above. Bluum’s operations staff has the capacity to successfully implement the proposed Grant Project over the 3-year project period, including meeting the proposed annual project and deployment at a high-quality standard.