

**U.S. Department of Education - EDCAPS
G5-Technical Review Form (New)**

Status: Submitted

Last Updated: 09/02/2021 02:10 PM

Technical Review Coversheet

Applicant: Bluum Inc. (S354A210010)

Reader #1: *****

	Points Possible	Points Scored
Questions		
Selection Criteria		
Quality of Project Design and Significance		
1. Quality of Project Design	35	33
Quality of Project Services		
1. Project Services	15	13
Capacity		
1. Capacity	35	35
Quality of Project Personnel		
1. Project Personnel	15	13
Sub Total	100	94
Total	100	94

Technical Review Form

Panel #2 - FY21 Credit Enhancement - 2: 84.354A

Reader #1: *****

Applicant: Bluum Inc. (S354A210010)

Questions

Selection Criteria - Quality of Project Design and Significance

1. In determining the quality of project design and significance, the Secretary considers—

- (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;
- (2) The extent to which the project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program;
- (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;
- (4) The extent to which the project is likely to produce results that are replicable;
- (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;
- (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;
- (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
- (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.

Strengths:

- (1) The applicant shares their unique approach to lower the financing needed from private lenders by first utilizing private foundations and private funding sources. These will decrease the needed new funds and continue to make schools eligible for a lower interest rate. Goal #2 in the proposal states all loans will have interest rates of 5% or less, ensuring maximizing all funds received for the purpose designated. (Pages e22-e23)
- (2) The applicant articulates the goals needed to accomplish the objectives by Year 3 verifying the importance of obtaining additional seats at charter campuses. The logic model helps outline the process through its display of inputs to outcomes. (Pages e27-e30)
- (3) The applicant provides a historical comparison of their use of the Communities of Excellence grant funding of [REDACTED]. The Communities of Excellence rubric provided by the applicant, outlines several of the same goals that are now in the proposal for Credit Enhancement Funds. Both grants are designed to increase charter schools through funding at a rate reduced from the market rate, support charter school expansion, and provide additional seats for students. The Credit Enhancement grant is specifically designed for predevelopment costs and facility acquisition. In conjunction with the Communities of Excellence grant, this will help reduce the waiting lists for charter enrollment, and provide academic programs to meet students' needs. Some of the same resources that supported the earlier grant will also be available to the applicant to continue charter growth. This includes the applicant's blueprint for charter school development which has been developed into the Charter School Facility Refinancing Guide and Toolkit. The applicant discusses why only [REDACTED] of new funding is requested. The grant will only target predevelopment costs and in turn, addresses the barrier for obtaining funding traditionally difficult to be approved. (Pages e30, e46, Toolkit Page e386 – e441)
- (4) Based on previous successful actions to obtain grants to support charter schools, the applicant shares and clearly outlines the process it has taken to obtain funding. The step-by-step procedures located in the Charter School Facility Guide and Toolkit provides guidance, templates, and excel spreadsheets. This resource is available online for other entities to follow. For example, the budgeting process is based on specific information and it can be uploaded to spreadsheets that can be used to help determine all phases of the budget. There are templates that other entities can use

to upload their details, costs, and revenue sources to help maintain a ledger to account for all funding. The toolkit has become a blueprint for the State's charter implementation plan. (Pages e35-e36, Appendix N e386-e441, e435)

(5) The applicant shares the comprehensive approach to selecting charter schools for assistance. With a needs assessment based on eight different criteria, the selection process should determine the schools with the most needs. The applicant shares that the decision-making process encompasses multiple layers to look at the needs of the students through facility acquisition, academic support, campus leadership, and a sustainable business plan that will promote decision-making for both a startup as well as an existing charter programs. (Page e41)

(6) Based on the applicant's trend history and current partnerships, the funding being requested will assist in the pre-development costs in lieu of traditional funding sources which usually do not address or provide startup costs. Since limitation of startup funding impedes facility acquisition, the Credit Enhancement funds will be used to assist targeted schools and maintain the focus of providing more seats for students. (Page e40)

(7) The applicant shares evidence of their ability to serve charter schools based on the State's and Federal charter laws. In addition, the applicant provides documentation of national ranking based on legal criteria that have been provided through an outside source to substantiate the creditability for charter law. The National Alliance for Public Charter Schools ranks the state's charter law as 17 out of the 45 states they rated. The Education Economics Center ranks Idaho's charter school law as the 8th best law in the nation. The applicant also includes a chart to reinforce that charter programs have flexibility within their own state code. The chart addresses charter authorization, lawsuits, financing, nonprofits as well as teacher status, and contract services. (Pages e41-e42)

(8) The applicant justifies their funding request based on its calculations used previously with their Communities of Excellence grant. They will be able to serve more students at 10 different charters in the next three years. The applicant shares that they will follow the same process when they provided facility funding for 13 different charters. The plan appears feasible as they only address pre-development costs. Based on the model presented, funds will support [REDACTED] of facility projects during the initial 3-year project. The funds requested will be used over three years to offset predevelopment costs and avoid overpayment. (Pages e13, e42)

Weaknesses:

(2) Throughout the proposal, the applicant refers to different timelines for tracking funding, disseminating money, and charter development progress as well as when drawdowns can be made but, it fails to include a timeline that is inclusive of the grant progress from beginning until completion. Benchmark dates or calendar periods would be appropriate to include.

Reader's Score: 33

Selection Criteria - Quality of Project Services

1. In determining the quality of the project services, the Secretary considers—

- (1) The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served;**
- (2) The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the 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**
- (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.**

Strengths:

- (1) The applicant shares that the identification of needs of the new charter programs was solicited from charter directors and their different charter programs to ensure that the project reflected the needs of charter schools to be served. The author of the proposal is identified and given credit based on his grass root experiences he brings to the charter program. His field work includes being executive director of two charter programs in the state and his efforts led and managed the refinancing efforts during the implementation of the Public Charter School Debt Reserve Act. In addition, lenders who supported the increase of charter programs were invited to provide input and be part of the process identifying needs of the charter programs to be served. (Page e43)
- (2.) The applicant shared the comprehensive process of involving multiple stakeholders including other charter schools and their administrators, as well as financial supporters to be involved in the design and demonstrate support for the new project in the proposal. The same group of charter schools and their leaders assisted in the process as well as the group of lenders who had participated in the needs assessment. The letters of support submitted with the proposal helps document the commitment of individuals, charter schools, and lenders.(Page e44)
- (4) The applicant discusses the paradox of assisting schools who need help to perform more effectively versus schools who are successful and need funds to maintain that success. The applicant emphasizes the need for schools to be able to show capacity to accept the funds. With the dedication of this proposed funding source to pre-development costs, the proposed programs must demonstrate they have the capacity and commitment to the charter school program. The support from the community to be served, should be instrumental to help determine the likelihood of success. (Pages e44-e45)

Weaknesses:

- (3)The applicant provides contradictory information regarding the cost of technical assistance. In the narrative, the agency states they already have the ability to provide technical assistance to 3-4 schools and there will not be fees charged to this grant program. The budget page e288 charges technical assistance to the grant in year 3, 4, and 5. The budget earmarked in this proposal includes [REDACTED] designated for technical assistance for financial management, governance, educational excellence, start-up, expansion, replication, workshops and third-party evaluators. Alignment or clarity of the funds designated for technical assistance is needed. (Pages e44, e288)

Reader's Score: 13

Selection Criteria - Capacity

- 1. In determining an applicant's business and organizational capacity to carry out the project, the Secretary considers—**
 - (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;**
 - (2) The applicant's financial stability;**
 - (3) The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management;**
 - (4) The applicant's expertise in education to evaluate the likelihood of success of a charter school;**
 - (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;**
 - (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;**
 - (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**

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

Note: The 35 available points under this selection criterion will be allocated evenly among the factors applicable to a particular applicant. For example, for an applicant for which none of factors (6)-(8) apply, the 35 available points will be allocated among the first five factors. Similarly, for an applicant that is a State governmental entity that is a previous grantee under the charter school facilities programs, the 35 available points will be allocated evenly among factors (1)-(5), (7), and (8)

Strengths:

- (1) The 3-step process for the underwriting review endorses the applicant's ability to build capacity for new projects based on their leadership and partners' experience. (Pages e45-e46)
- (2) The different financial reports including the operating revenue as well as the previous support from outside foundations helped clarify the applicant's financial ability to build capacity. (Page e46)
- (3) The applicant shares a risk management process used in the past to avoid risk factors and oversight from key personnel in the monitoring of the financials in the areas of underwriting the portfolio and financial management. In addition, the applicant provides a list of responsibilities and designates who is managing specific tasks to ensure accountability and transparency. This check and balance system will help document procedures and is auditable. (Pages e46-e47)
- (4) The applicant shares the expertise of its leadership team who are well versed in specific areas that will enhance the success of the grant in special education, core subjects, different grade levels, and school administration. (Pages e48-e50)
- (5) The annual Conflict of Interest requirement reminds all participants of their ethical commitment and is part of the risk management factors to help ensure success. Based on the information and disclosures these documents may produce, the Board of Directors are then able to complete their annual statement regarding conflict of interest. This process allows the Board to then question and attest anyone's affiliation, interests, relationships, or transactions that may put the project in jeopardy due to a possible or apparent conflict of interest. (Pages e50-51)

Weaknesses:

None needed

Reader's Score: 35

Selection Criteria - Quality of Project Personnel

1. In determining the quality of project personnel, the Secretary considers--

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

Strengths:

- (1) The applicant provides names and resumes of the key personnel who are intended to implement the grant program. Their expertise and experience denote that they have the ability for grant implementation. For example, the CEO has 20 years of public charter experience and has ground floor experience as he started and ran the first charter in Ohio. He also serves as the Project Director for the Communities of Excellence grant. The CFO has been a member of the agency since 2014. He also serves as the financial officer for the Communities of Excellence grant. Each of their resumes

as well as other key personnel are included in the proposal for review. There is compelling evidence that the leads for this project have the experience and expertise needed. (Pages e48-e49, e57-e60)

(2) The applicant shares the staffing plan and lists the key personnel and their responsibilities. Oversight for the project will be from the applicant's governing board who will provide guidance with the project. All but one person listed as key personnel will donate their time and support to this project. (Page e54)

Weaknesses:

(2) The applicant states project personnel's time (other than the Support School Manager) will be donated, but they are also listed as having other responsibilities within the structure of the agency. It is unlikely that they would be unpaid for time spent on this project and away from other responsibilities within the organization. More clarity regarding source of payment should be included versus "donating" their time. (Page e54)

Reader's Score: 13

Status: Submitted
Last Updated: 09/02/2021 02:10 PM

Status: Submitted

Last Updated: 09/01/2021 01:54 PM

Technical Review Coversheet

Applicant: Bluum Inc. (S354A210010)

Reader #2: *****

	Points Possible	Points Scored
Questions		
Selection Criteria		
Quality of Project Design and Significance		
1. Quality of Project Design	35	28
Quality of Project Services		
1. Project Services	15	11
Capacity		
1. Capacity	35	31
Quality of Project Personnel		
1. Project Personnel	15	15
Sub Total	100	85
Total	100	85

Technical Review Form

Panel #2 - FY21 Credit Enhancement - 2: 84.354A

Reader #2: *****

Applicant: Bluum Inc. (S354A210010)

Questions

Selection Criteria - Quality of Project Design and Significance

1. In determining the quality of project design and significance, the Secretary considers—

- (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;
- (2) The extent to which the project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program;
- (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;
- (4) The extent to which the project is likely to produce results that are replicable;
- (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;
- (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;
- (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
- (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.

Strengths:

- a.2. Starting page e27 and through pages e28 and e29, the applicant provides clear and measurable goals and objectives that identify the number of charter schools it intends to credit enhance, the terms at which it will provide credit enhancement, as well as the scope of the technical assistance it intends to offer.
- a.3. The applicant provides a credible basis for how its project implementation and timeline will be met, given the applicant's role as Idaho's statewide charter school support organization (page e30). This work requires the applicant to work with multiple charter schools and stakeholders, and the applicant provides evidence of key, strategic partnerships that will enhance its ability to implement the Credit Enhancement program. The applicant describes 8 focus areas it uses to assess potential borrowers' likelihood of success on pages e36-39, which are in line with industry practices for evaluating charter schools
- a.6. The applicant describes extensive partnership work to date and going forward with JKAF and Building Hope, building upon [REDACTED] leveraged to date (page e34).
- a.7. The applicant is proposing to use the credit enhancement only in Idaho, which is ranked in the middle of states for the strength of its laws by NAPCS and CER, though the Education Economic Center ranks Idaho in the top 10 (Page e41). Given the single state focus, the applicant has no discretionary opportunity to figure state law quality into its decision.
- a.8. The applicant has identified that the biggest financing gap is with predevelopment, and that through its support, this will enable charter schools to reserve and lever any equity it was previously planning to put towards predevelopment. On page e42, the applicant proposes to not use any of the funds for administrative fees, with the enhancement reserved for predevelopment entirely.

Weaknesses:

a.1. While the applicant is proposing to expand access to predevelopment financing (page e24), the applicant is not able to clearly explain what the existing level access is and how its credit enhancement would change key terms to be more beneficial to charter schools. The applicant's identified value proposition for the credit enhancement is primarily attracting other lenders.

a.4. On page e32, while the applicant offers its experience with a different federal grant program as its ability to replicate results through the Credit Enhancement program, it limits its understanding to just grant performance objectives, and not necessarily results tied to the Credit Enhancement program. Citing credit enhancement programs in other charter school markets and states (page e35) by other operators is also not compelling regarding the applicant's own ability to create replicable results, given that the applicant does not identify what elements of those initiatives it is implementing or how its proposal compares to those programs.

a.5. The applicant describes its track record and involvement in the implementation of the federal startup grant program as the statewide entity and making sub-grants to charter schools, which speaks to its ability to identify charter schools that are likely to be successful. However, the purpose of the two programs and funds are vastly different, so the track record is not interchangeable with respect to this criterion.

Reader's Score: 28

Selection Criteria - Quality of Project Services

1. In determining the quality of the project services, the Secretary considers—

- (1) The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served;**
- (2) The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the 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**
- (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.**

Strengths:

b.1. The applicant provides several letters of support from various Idaho charter school stakeholders that support the proposed project. The applicant describes a diverse set of stakeholders on page e43 who have provided and will continue to provide support to borrowers if approved. The applicant further bolsters its proposed plan with the lead writer being a former charter school operator and leading the first charter school refining effort under the state's moral obligation law around charter school debt service. In totality, the applicant has cast a wide net to validate the need for a predevelopment loan program.

b.2. While the two authorizers were not involved in the grant application, both were aware of the application and provided letters of support and input with the applicant. The support letters from the authorizers, along with charter schools, is a positive reflection on the space for input the applicant has created for input from stakeholders.

Weaknesses:

b.3. The applicant's description of the technical assistance to be offered is limited and provides no specific insight as to what might be uniquely required given predevelopment loans. While the applicant does state it won't charge fees to participants to receive this assistance, the description of technical assistance and other strategies for increasing access is not substantive.

b.4. While the applicant describes the importance of high-quality charter schools as a way of attracting capital and its track record in being selective, it offers none of the criteria that it would use and offers the vague cliché that failure kills organizations.

Reader's Score: 11

Selection Criteria - Capacity

1. In determining an applicant's business and organizational capacity to carry out the project, the Secretary considers—

- (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;**
- (2) The applicant's financial stability;**
- (3) The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management;**
- (4) The applicant's expertise in education to evaluate the likelihood of success of a charter school;**
- (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;**
- (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;**
- (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**
- (8) For previous grantees under the charter school facilities programs, their performance in implementing these grants.**

Note: The 35 available points under this selection criterion will be allocated evenly among the factors applicable to a particular applicant. For example, for an applicant for which none of factors (6)-(8) apply, the 35 available points will be allocated among the first five factors. Similarly, for an applicant that is a State governmental entity that is a previous grantee under the charter school facilities programs, the 35 available points will be allocated evenly among factors (1)-(5), (7), and (8)

Strengths:

c.1. The applicant provides background on the experience of key staff in representing more than a dozen schools through underwriting as a reflection of its experience working with charter school financing. It further references its partnership with Building Hope as a point of enhancing its access to experience and expertise.

c.4. On pages 48-50, the applicant describes extensive experience of 4 key staff and governing board assessing and evaluating charter schools in both Idaho and domestically abroad. Based on the projects the individuals were involved in

and prior roles and comparability, the applicant's ability to assess likelihood of success is supported, further bolstered by its role in administering a federal CSP grant.

c.5. The applicant provides a standard board-approved conflict of interest policy that addresses preventing and identifying conflicts of interest (pages e268-272).

Weaknesses:

c.2. The applicant's discussion of its financial stability on page e46 only points to evidence of historic top-line revenues, not bottom-line revenues, which doesn't accurately reflect what resources are available to support operating expenses annually versus sustaining its growth. For example, it includes its CSP Grant, which does not directly provide an avenue for financial challenges for the organization. There is no discussion of the organization's reserves as well.

c.3. The applicant has limited direct experience in formal underwriting and states it will use the same risk management processes used to award charter schools the [REDACTED] levered capital, but it offers no specifics what that looks like. It does offer its organizational approach to risk mitigation more broadly, but the descriptions on page e46 and e47 are not adequate for risk management and mitigation with respect to lending activity.

Reader's Score: 31

Selection Criteria - Quality of Project Personnel

1. In determining the quality of project personnel, the Secretary considers--

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

Strengths:

d.1. Starting on page e48, the applicant provides a description of the key staff at the organization to be involved, their experience with Idaho charter schools, providing finance and financing-related support to them, further evidenced by biographies and resumes included for the referenced staff. The team described appears to have the requisite experience that supports their likelihood of success of implementing the credit enhancement. The applicant further bolsters its capacity through its partnership with Building Hope, a charter school facility developer and lender.

d.2. The proposed staffing plan appears to be adequate given the limited deployment to Idaho charter schools. As the leading charter school support organization in Idaho, the applicant has had the ability to realistically assess the staffing needs of implementing its project.

Weaknesses:

No weaknesses noted.

Reader's Score: 15

Status: Submitted

Last Updated: 09/01/2021 01:54 PM

Status: Submitted

Last Updated: 08/26/2021 07:31 AM

Technical Review Coversheet

Applicant: Bluum Inc. (S354A210010)

Reader #3: *****

	Points Possible	Points Scored
Questions		
Selection Criteria		
Quality of Project Design and Significance		
1. Quality of Project Design	35	28
Quality of Project Services		
1. Project Services	15	10
Capacity		
1. Capacity	35	30
Quality of Project Personnel		
1. Project Personnel	15	15
Sub Total	100	83
Total	100	83

Technical Review Form

Panel #2 - FY21 Credit Enhancement - 2: 84.354A

Reader #3: *****

Applicant: Bluum Inc. (S354A210010)

Questions

Selection Criteria - Quality of Project Design and Significance

1. In determining the quality of project design and significance, the Secretary considers—

- (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;
- (2) The extent to which the project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program;
- (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;
- (4) The extent to which the project is likely to produce results that are replicable;
- (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;
- (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;
- (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
- (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.

Strengths:

(1)The applicant will work with Building Hope to provide loans to schools for up to 35% of the total cost of the project at 3% interest. This may be a better rate of interest than the school could get directly from another financial institution. (Page e20)

(2)The project goals, the related objectives, and timelines are clearly specified, measurable and appropriate for the purpose of the program. As part of the project design the applicant includes an overall goal to utilize [REDACTED] in credit enhancement funds to induce lenders to provide eligible Idaho partner schools access to capital to finance predevelopment costs. This is a clear and measurable goal. One of the objectives is to attract loan capital at significantly better rates and terms than otherwise would be available to charter schools. This goal aligns with the purpose of the program. The applicant includes a measurable objective that states that loans credit enhanced by this program will have a projected interest rate of no more than 5%. That is clearly measurable. (Pages e22-28) The applicant uses a clearly designed logic model that supports the priorities and goals of the proposed project. For example, the organization will provide inputs such as funds and time to produce outputs such as adding ten charter facility projects during the three year project period. (Page e29)

(3)The applicant clearly demonstrates that the likelihood of the project being successfully implemented relies on previous and current partnerships that have been established. For example, Bluum works effectively with Building Hope, Kathryn Albertson Family Foundation (JKAF), and Idaho Housing and Finance Association (IHFA). The proposed project includes a specifically tailored proposal that will both meet the needs of the area and be within the scope and scale of the applicant. These efforts will ensure that the project will be successful. (Pages e30-31)

(4)The applicant demonstrates effectively that the efforts and products available as a result of the proposed project can be

easily adapted to other states with similar opportunities for addressing predevelopment costs for charter schools. The applicant has developed a Charter School Facility Refinancing Guide and Toolkit and a Charter School Governance Guide series of videos that will assist in effective sharing of successes that will produce replicable efforts in other states. (Pages e35-36 and Pages e385-434)

(5)The applicant has developed a third-party evaluation process and rubric for determining the schools to support and to determine the type and amount of assistance to be given. The applicant has developed and utilized a comprehensive evaluation instrument that includes clearly outlined expectations in such areas as grant project goals, teaching and learning strategies, and student academic achievement standards. This tool includes a clearly defined rubric that will allow the evaluators to determine a numerical value for each application. (Pages e36-39 and Appendix L, Pages e455-469)

(6)The proposed project has leveraged both private and public sector investment . For example, the Kathryn Albertson Family Foundation (JKAF) investment and the private Program Related Investment that is managed by Building Hope has resulted in several charter facility investments and may continue to offer support. (Page e40-41)

(7)The proposed project will serve charter schools in the state of Idaho. The applicant established clearly that Idaho has strong charter school laws. Using the National Alliance for Public Charter Schools and the Center for Education Reform rankings, Idaho ranks at 17 out of 45 rated states and 19th out of 46. These rankings are evidence of supportive laws for charter schools in Idaho. (Pages e41-42)

(8)The applicant establishes that the costs are reasonable. There will be no administrative fees for the project. In the past, the applicant and the partners have leveraged [REDACTED] to leverage [REDACTED] for project work . The applicant plans to leverage this project in a similar manner. (Page e42)

Weaknesses:

(1) The applicant does not provide a clear design for obtaining better rates and terms. The design includes a goal to obtain better rates and terms; however, the applicant does not include the processes that are planned to accomplish that goal. It is not clear how the applicant's design includes the methods of increasing private lender pools. (Pages e22-25 and Page e29)

(6)The applicant does not provide clear direction as to how Bluum will specifically leverage private and public funding to ensure that the project will increase the number and variety of charter schools. It is not clear how the current support of the private Program Related Investment will be used for this proposed project. Therefore, it is not clear how charter schools are going to be assisted in meeting their facilities needs more than would be accomplished absent the program. (Pages e40-41)

(8) The applicant does not clearly define how the project is reasonable. The expected leverage ratio for the proposed project is not clearly articulated . It is not clear what the result of the [REDACTED] will be in relationship to the dollars expended on the ten selected charter schools. A ratio of funding to awards would be helpful. (Page e42)

Reader's Score: 28

Selection Criteria - Quality of Project Services

1. In determining the quality of the project services, the Secretary considers—

- (1) The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served;**
- (2) The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the 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**
- (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.**

Strengths:

(1)The applicant indicates that based on the input from stakeholders who understand the needs of charter schools that the proposed project services will address the needs of the charter schools to be served. (Page e43)

(2)The applicant clearly demonstrates that the direct input from five public charter schools, the partners including Building Hope, and several financial institutions provides effective involvement in the design of the proposed project. The letters of support provide adequate support for the proposed project. (Page e44 and Letters of Support, Pages e125-154)

(3)The applicant provides appropriate technical assistance and other services that will improve the use of cost-effective strategies for increasing charter schools' access to facilities. The applicant provides a comprehensive Charter School Facility Refinancing Guide and Toolkit that provides detailed technical assistance for charter schools. It includes definitions of terms and long-term and short-term options. (Page e26, Page e44, and Pages e385-422)

(4) The proposed project includes a selection process that uses a rubric for determining success of the school programming and ability to be financially stable. One of the criteria is the financial management and monitoring plan. (Appendix L, Pages e455-469)

Weaknesses:

(1)The applicant does not address specifically how it was determined which needs were identified in order to be the focus of this proposed project. Without that information, it is difficult to determine if the needs of the schools to be served will be met. It is not clear how the applicant determined that the focus of the grants should be on predevelopment needs. (Page e43)

(4)Although the applicant identifies a selection process tool, it is not clear when and how this tool will be used to ensure that greatest demonstrated need for assistance by the charter schools will be addressed by the loans provided. The tool is designed to work with a third-party review process; however, that process is not defined. (Page e32) (Appendix L, Pages e455-469)

Reader's Score: 10

Selection Criteria - Capacity

1. In determining an applicant's business and organizational capacity to carry out the project, the Secretary considers—

- (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;**
- (2) The applicant's financial stability;**
- (3) The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management;**
- (4) The applicant's expertise in education to evaluate the likelihood of success of a charter school;**
- (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;**
- (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;**
- (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**
- (8) For previous grantees under the charter school facilities programs, their performance in implementing these grants.**

Note: The 35 available points under this selection criterion will be allocated evenly among the factors applicable to a particular applicant. For example, for an applicant for which none of factors (6)-(8) apply, the 35 available points will be allocated among the first five factors. Similarly, for an applicant that is a State governmental entity that is a previous grantee under the charter school facilities programs, the 35 available points will be allocated evenly among factors (1)-(5), (7), and (8)

Strengths:

(1)The applicant demonstrates that Bluum and its partners have had appropriate experiences in guaranteeing debt. They have been involved in several underwriting projects. (Page e45)

(2)The applicant is financially stable. The operating revenues for 2020 were over [REDACTED]. The audit reports indicate an improvement in financial stability as there was a decrease in net assets in 2018; however, by 2020 that was no longer true. (Page e46 and Audits)

(3)The applicant indicates that the current portfolio of schools has had no defaults. The plan is to use the same or similar risk management processes that have been used in the past. Those include the use of a highly competent board of directors that monitors financial and operational performance. The CEO will monitor the financial activity and internal controls, and the grant program manager tracks use of all grant funds. Bluum and Building Hope use three levels of underwriting review. Those include review by Building Hope's Executive Committee, by the primary lender, and the management and board of JKAF. (Pages e45-48)

(4)The applicant demonstrates that the strong background of those in leadership positions will provide appropriate expertise in education to evaluate the likelihood of success of a charter school. For example, the applicant's CFO has appropriate expertise in educational finance. Bluum's education advisor has extensive experiences in public school education including teaching and charter school supervision. (Pages e49-50)

(5)The Bluum Board of Directors has a comprehensive Conflict of Interest Policy that both staff and board members sign annually. (Page e51 and Pages e268-272)

Weaknesses:

(1)The applicant does not give specific data on the success of the projects that they have supported. It is not clear how much experience the organization has. Without that detailed information, it is not possible to determine the capacity of the applicant to carry out the activities it proposes.

(3) The applicant does not specifically address what underwriting strategies will be used by the entities who review the applications. Therefore, it is difficult to determine if those reviews will protect against unwarranted risk. (Pages e45-48)

Reader's Score: 30

Selection Criteria - Quality of Project Personnel

1. In determining the quality of project personnel, the Secretary considers--

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

Strengths:

(1)The qualifications of the key project personnel include a variety of relevant training and experiences. For example, the CEO has worked in the public charter school sector for over 20 years. He has extensive national and international experiences. Several key persons have educational and financial experiences. For example, the CFO has auditing and financial management experiences. (Page e54 and Page e48 and Resumes, Pages e376-e384)

(2)The staffing plan for the grant project includes a clearly delineated chain of command. The expert governing board oversees the project and provides guidance to management. The CEO and CFO will play leadership roles. The School Support Manager will oversee the project implementation and ensure accountability and day-to-day activities. (Page e54 and Page e339)

Weaknesses:

No weaknesses found.

Reader's Score: 15

Status: Submitted
Last Updated: 08/26/2021 07:31 AM

