

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

Status: Submitted

Last Updated: 08/11/2023 02:54 PM

## Technical Review Coversheet

Applicant: Opportunity 180 (S354A230011)

Reader #1: \*\*\*\*\*

	Points Possible	Points Scored
<b>Questions</b>		
<b>Quality of Project Design and Significance</b>		
<b>Quality of Project Design and Significance</b>		
1. Design and Significance	35	32
<b>Sub Total</b>	<b>35</b>	<b>32</b>
<b>Selection Criteria</b>		
<b>Quality of Project Services</b>		
1. Project Services	15	15
<b>Sub Total</b>	<b>15</b>	<b>15</b>
<b>Capacity</b>		
<b>Capacity</b>		
1. Capacity	35	32
<b>Sub Total</b>	<b>35</b>	<b>32</b>
<b>Selection Criteria</b>		
<b>Quality of Project Personnel</b>		
1. Project Personnel	15	12
<b>Sub Total</b>	<b>15</b>	<b>12</b>
<b>Total</b>	<b>100</b>	<b>91</b>

# Technical Review Form

Panel #2 - CE Panel - 2: 84.354A

Reader #1: \*\*\*\*\*

Applicant: Opportunity 180 (S354A230011)

## Questions

### Quality of Project Design and Significance - Quality of Project Design and Significance

**1. Quality of project design and significance (35 points). 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 Credit Enhancement award will be used to guarantee leveraged loan funds. The combined pool of loan funds will be used for acquisition, construction and lease guarantees to expand and replicate charter schools in Nevada. These charter schools will be schools that could not secure affordable loans on their own. Many of these schools will be early-stage schools without strong liquidity or equity. The benefits of this model are threefold: it will reduce the equity/reserve fund requirements required by market rate financing, it will facilitate an accelerated timeline to execute a lease purchase option--saving schools up to 5 percent interest--and it will offer an interest rate on long-term debt at least 200 basis points lower than what most experienced charter schools could receive--absent participation in the program. (The chart at page e-22 explains the lease purchase savings model in operation)
2. The overall goal of the project is to increase access and affordability of facility leasing and financing to high performing charter schools that serve low-income communities across Nevada. It is structured around quantitative goals that measure the number of loans and leases enhanced with grant funds, the number of students enrolled in those facilities, as well as how the use of grant funds increases the percentage of charter school facility ownership. Further quantitative targets include a measure of total investment capital secured by the program and the degree to which loans supported by the Credit Enhancement are offered at rates and terms below conventional market rates. These short and long-term goals and objectives are aligned with the program objectives. They are also reasonable in terms of the grant

funds requested and consistent with proposed activities to accomplish program goals. The logic model outlines the strategies, steps, required activities and inputs required to meet these goals.

3. The project implementation plan identifies clear project activities, inputs, outputs, implementation strategies, and short and long-term goals. (E30-33). The focus is on identifying key questions and issues to ensure charter school pipeline needs and demands are identified and addressed. The applicant evaluates the initial phase to identify grantee-specific technical assistance to charter schools that address non-instructional barriers to high-quality instruction and continuous improvement. This is followed by the implementation of the technical assistance plan, based on evidentiary review of the charter school's educational model. (E30-31). This is a strength because the answers to these inquiries provides a fact-based actionable roadmap to the achievement of the overall project goals.

4. The proposed project structure is highly replicable in that once technical assistance is provided to respond to specific charter school project acquisition needs, the outreach effort identifies pipeline candidates, develops an evidentiary evaluation of specific facilities financing costs/issues, and offers an underwriting analysis to ensure the best use of project funds. A model can then be developed which identifies and addresses any barriers to project goals that can be used by additional program participants. Additionally, \$ [REDACTED] will be used to guarantee low-rate leases for early phase charter schools seeking to transition into a permanent, rather than a leased facility. (E32).

5. Potential applicants will be prequalified for program participation based on an evidentiary, fact-based assessment of need for facilities support. Additional program underwriting criteria requires that the school serve an at-risk student population, meet or exceed academic performance targets, as well as other predictive standards for future success. (E33-34) Rescreening for these factors allow the applicant to isolate and address these factors that are linked to and predictive to achievement of program goals.

6. The grant funding will be leveraged by a \$ [REDACTED] contribution of private funding, as well as a conditional approval for a [REDACTED] interest loan from the Nevada State Infrastructure Bank, resulting in a leverage ratio of [REDACTED] in low-interest facility bonds. The project will also utilize [REDACTED] in lease guarantees to reduce facility expenses for early-stage charter schools transitioning to a permanent facility. (E34) This funding will be used as collateral for lower cost tax-exempt bond issuances. The proceeds are then used to offer charter schools lower rates, lower fees, and substantial facilities financing savings over conventional market financing.

7. The National Alliance for Public Charter Schools ranks Nevada's charter law 13th out of 43 states. This assessment trended upward from 2010-2015 where it increased by 14 percent. This report analyzes, scores, and ranks each state charter school law to determine which states have created the statutory and regulatory framework that best support high-quality public charter schools.

8. The applicant has instituted a project budget that will maximize the amount of grant funding supporting credit enhanced low-cost facility loans and leases. Administrative and operational expenses will be funded out of the interest earned on the investment of the grant award. Additionally, the low-interest loan from the Nevada State Industrial Bank with a 20-year repayment balloon will collateralize the bond financing, resulting in improved rates.

**Weaknesses:**

- 4. The proposal does not provide any guidance on how program can be replicated.
- 6. No backup or Plan B is provided by the applicant, if the private sector contributions are not received.

**Reader's Score: 32**

**Selection Criteria - Quality of Project Services**

- 1. Quality of project services (15 points). 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 program is a creative, state-wide use of Credit Enhancement funds, augmented by philanthropic funding support for acquisition, construction, and lease guarantees to expand and replicate charter schools. The applicant has a strong history of providing similar services in Nevada, raising over ██████████ in past support of charter schools in Nevada. By using grant funding to create the Nevada Facility Fund, the applicant has created a permanent solution to mitigate credit and market risk in early -stage charter school lending. It provides for higher LTV lending, a definite need in this market, and lease guarantee assistance to reduce the opportunity costs of lease purchase charter school options. (E40)

2. Multiple stakeholders in the charter school facility financing space were engaged in the project development and design, including the state Public Charter School Authority, as well as the Charter School Association of Nevada. Multiple letters of stakeholder support can be found in the Appendix, pages 16-21. Sharing best practice program activity in state-wide conferences also provides an opportunity to convene local and national community partners, in order to provide opportunities for collective problem solving, lessons learned, and sharing resources. (E39-40) Sharing best practices ensures stakeholders have the knowledge and information to work together to increase program effectiveness.

3. Facility technical assistance is a key program component. Early-phase charter schools may lack the financial acumen necessary to successfully negotiate this space--particularly around lease negotiation and facility buildout. Through specialized technical assistance, replicable models can be developed addressing frequently encountered issues. This in turn, will allow programs funds to be used most effectively.

4. As a deliverable on a previous grant received by the applicant under the Great Schools for Nevada program, the applicant developed a rigorous application and rubric regarding the identification and selection of charter school program grant subrecipients. This tool, included in the appendix, analyzes leading indicators of charter school success, including the following: quality of the school's leader and governing board makeup, plans to attract hire and retain quality educators, policy, standards and expectations for students and staff, quality of the learning model, and other critical evaluative factors. These evaluative factors are predictive of program success. They plan to use this in the implementation of this Credit Enhancement grant.

**Weaknesses:**

No weaknesses noted.

**Reader's Score: 15**

**Capacity - Capacity**

**1. Capacity (35 points). 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 has a strong history of providing charter schools with assistance in credit enhancement, facilities identification, acquisition, and financing. Prior to submitting this application, O180 facilitated the connection between several Community Development Financial Institutions (CDFI) and schools to support facility acquisition.
2. The applicant has submitted an audited financial statement in support of this criterion, dated June 30, 2022, with no findings. The statement lists assets of \$ [REDACTED] the majority of which (\$ [REDACTED]) are unencumbered. This would suggest O180 has adequate cash on hand, both as a risk mitigant, as well as a source of unanticipated obligations that may occur.
3. The strength in the O180's financial management and risk mitigation strategy is found in the portfolio monitoring activity. Acting as a fiduciary in the management of program funds, O180 relationship managers meet with portfolio representatives on a monthly basis, reviewing updated data, compliance tracking, budget review, academic data by student population, financial viability, and compliance monitoring. As risk increases, issues are escalated for resolution. Loan underwriting occurs on a two-phase basis, with initial approval by O180, and final approval by Equitable Facilities Fund. This oversight process allows the partners increased opportunity to identify, quantify, and mitigate risks in transaction processing. Risk management is further enhanced by use of a Peer Review Committee composed of professionals in the charter school space. They review Phase 1 applications against risk management guidelines in the project rubric. Potential members are required to make assurances regarding any perceived or actual conflict of interest. Finally, project underwriting guidelines are based on proprietary credit rating methodologies to ensure alignment with risk management practices. (E46-49)
4. O180 has a long history in the identification and assessment of factors predictive of charter school success. This is based on evidentiary research and data, as well as the experience gained by them in launching seven charter schools. (E50) EFF will underwrite each loan application according to underwriting guidelines, as well as conduct an assessment of operator risk, project risk, and political risk.
5. O1810 has a written conflict of interest policy in effect. This Board of Directors-approved policy requires the

disclosure of any actual, apparent, or potential conflicts of interest. Potential conflicts of interest by family members of employees or board members, also requires disclosure. (E52)

6. According to the Management Plan (E53) the role and responsibilities of O180 and EFF are both enumerated along with project guidelines. (E53-55)
7. Not applicable.
8. Not applicable.

**Weaknesses:**

1. O180 was developed as a facilitator organization, helping charter schools in identifying and securing access to public facilities. In this capacity, their role was to enhance the connection between several CDFI's and charter schools to support facility acquisition. The application would be strengthened by providing greater transaction detail on these previous experiences, particularly as they applied to risk mitigation, in the public acquisition process. (E44-45)

**Reader's Score: 32**

**Selection Criteria - Quality of Project Personnel**

**1. Quality of project personnel (15 points). 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 has assembled a highly qualified project team, with a strong history of delivering similar services. Prior to submitting for this grant, the project personnel successfully managed a loan portfolio of [REDACTED]. Resumes of key personnel are included and reflect extensive project management, leadership experience, and educational expertise. Project partner EFF is well represented by its COO in the leadership of Phase 2 underwriting, as well as by staff who have developed 12 charter school projects totaling over \$ [REDACTED] prior to this engagement. (E55-59)
2. The staffing plan (E57) lists all team members who will work on the project, their focus area, and the percentage of effort they are expected to contribute to the project. It should be noted that consultants will also be utilized for technical assistance and leadership.

**Weaknesses:**

2. Staffing plan: Given the importance of technical assistance, the applicant did not identify who would be included in this consultant pool and failed to provide resumes. There is a lack of detail in the role of the consultants.

**Reader's Score: 12**

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**Status:** Submitted  
**Last Updated:** 08/11/2023 02:54 PM





Status: Submitted

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## Technical Review Coversheet

Applicant: Opportunity 180 (S354A230011)

Reader #3: \*\*\*\*\*

	Points Possible	Points Scored
<b>Questions</b>		
<b>Quality of Project Design and Significance</b>		
<b>Quality of Project Design and Significance</b>		
1. Design and Significance	35	29
<b>Sub Total</b>	<b>35</b>	<b>29</b>
<b>Selection Criteria</b>		
<b>Quality of Project Services</b>		
1. Project Services	15	15
<b>Sub Total</b>	<b>15</b>	<b>15</b>
<b>Capacity</b>		
<b>Capacity</b>		
1. Capacity	35	29
<b>Sub Total</b>	<b>35</b>	<b>29</b>
<b>Selection Criteria</b>		
<b>Quality of Project Personnel</b>		
1. Project Personnel	15	13
<b>Sub Total</b>	<b>15</b>	<b>13</b>
<b>Total</b>	<b>100</b>	<b>86</b>

# Technical Review Form

Panel #2 - CE Panel - 2: 84.354A

Reader #3: \*\*\*\*\*

Applicant: Opportunity 180 (S354A230011)

## Questions

### Quality of Project Design and Significance - Quality of Project Design and Significance

**1. Quality of project design and significance (35 points). 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) Through enhanced credit, the applicant aims to establish a faster track to execute lease-to-own purchase options, reduce equity and/or reserve fund requirements for longer-term financing, and lower interest rates on long-term loans (at least [REDACTED] below market rate for experienced charters and [REDACTED] % for start-up charters) (p. e22). This is a great financing option that will afford better rates and terms to charters through credit enhanced loans.

(1) The applicant will also use part of the CE award ([REDACTED]) to provide up to 3-year lease guarantees for early-phase charter schools--allowing them to leverage more affordable rent rates, leasehold improvements, and purchase options on the facility (p. e24). This is a great financing option that will afford better rates and terms to charters through credit enhanced loans.

(1) The applicant will make low-interest facility bonds accessible, by pooling numerous charter school loans and using them as collateral for low-cost, tax-exempt, bond issuance (p. e19). This is a great financing option that will afford better rates and terms to charters through credit enhanced loans.

- (2) The applicant has listed focused, ambitious, and reasonable objectives, performance measures, and timeline that are specific and measurable. Examples include number of schools and loans with specific types of assistance, leveraged funds and interest rate savings, and types and amount of technical assistance (TA) provided (p. e26-29).
- (3) The applicant's logic model includes well-developed strategies, with a list of key activities aligned to each strategy, that are reasonably linked to key outputs and outcomes--which are all supportive of project goals and objectives (p. e29-32).
- (5) The applicant will use its relevant established performance measures, in addition to academic performance, and leading indicators, to predict future success for selecting charter schools for assistance (p. e32). This approach is highly likely to select strong charter operators for assistance and to best determine their needs for funding.
- (6) The applicant already secured private funding (██████████) from one of its major project partners as a ██████████ match on allocated CE funds, which will be used as a catalyst to leverage a charter school loan pool of up to ██████████ (10x ratio) (p. e34). This is an excellent plan to leverage enough funding to provide facilities assistance to more charters in the applicant's targeted communities.
- (7) The proposed project will support charter schools in the state of Nevada, where charter school laws are strong and ranked among the top states across the nation (p. e35).
- (8) The applicant has a reasonable cost request--using 100 percent of the awarded funds towards credit enhancement, providing loan enhancements to 10 schools, and lease guarantees to 4 schools--while absorbing the administrative costs through the interest earned on the investments (p. e35). The cost request is reasonable based on the number of projected charters to offer assistance, type and amount of assistance to be provided, and targeted amount of sourced funding to deploy loans.

**Weaknesses:**

- (1) The applicant will leverage \$ ██████████ in CE funds to raise up to ██████████ in loans issued through its partner, the Nevada State Infrastructure Bank (p. e19). However; better rates and terms are only estimated and are not guaranteed on these loans--as the applicant will serve as the loan negotiator. Therefore, the extent to which better rates and terms would be provided might be limited.
- (4) The applicant did not clearly describe how the proposed project can be replicated in other states. Examples of targeted activities or strategies around dissemination and technical assistance in different states would have added more strength to this section.
- (4) While the applicant has a robust technical assistance plan, it is not clear how the charter schools receiving technical assistance (TA) and coaching will lend to project replicability. Involving Community Development Financial Institutions (CDFIs) and lenders in such TA and dissemination efforts to offer similar low-cost low-risk loans would have strengthened the application for this subcriteria and maximized the likelihood of producing replicable results.
- (5) The criteria for determining the type and amount of assistance to be given to charters is missing in the narrative. A brief methodology around how they determine the best financing solution (type of assistance) and amount of assistance catered to the needs of qualifying charters would have strengthened the application for this subcriteria.

**Reader's Score: 29**

**Selection Criteria - Quality of Project Services**

- 1. Quality of project services (15 points). 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 proposed project removes a significant barrier in the targeted state for charter schools' facilities financing, by increasing access to below-market rate loans for early-phase charters--which are typically considered high-risk with conventional loans, above the market rates (p. e37). Additionally, up to 100 percent loan-to-value ratio is made available, based on project need, and the lease guarantees allow early-phase charters to build up necessary equity in their initial years, in order to execute purchase options later on (p. e37-38). These innovative financing options are very appealing to early-phase charters and reflect the needs of these charters.

(2) The proposal demonstrates significant involvement of stakeholders in the design of the project, through monthly charter consortium meetings, where roughly a quarter of all charters in the state are participating in (p. e39). The applicant collected input and insights to shape its proposal, through additional stakeholders via state conferences, charter advocacy agencies, charter authorizers and legislators to better understand the charter facilities landscape, as well as its challenges and opportunities (p. e39). These efforts demonstrate that many project beneficiaries and supporters made contributions to the design of the project, which will likely impact the implementation success and stakeholder buy-in positively in the communities they serve.

(3) The applicant has a strong plan to offer comprehensive technical assistance, including a series of in-person workshops, webinars, publishing digital and print resources, and 1-1 coaching to early-phase charters--specifically around cost-effective strategies for facilities, as well as lease/loan negotiation (p. 40). This approach is intended to build financial capacity and empower charter operators to facilitate their own loan negotiation. These are excellent services to increase charter access to facilities financing and scale cost-effective strategies.

(4) The applicant has thorough selection criteria for its facilities loans that are focused on helping the school thoughtfully build out an effective blueprint for operational and academic excellence (p. e42-43)--increasing the likelihood success for those charter schools served, as it will provide leverage during charter renewal processes.

**Weaknesses:**

No weaknesses found.

**Reader's Score: 15**

**Capacity - Capacity**

**1. Capacity (35 points). 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 previously secured over ██████████ in facilities funding to assist charter schools in the past 9 years, which is a moderate portfolio (p. e19).

(1) The applicant's innovative facilities survey tool enhances the facilitation and decision-making of locating and identifying optimum facilities for charters (p. e45). This is an added strength to the applicant's amount and quality of expertise in the field.

(2) The applicant's most recent audit reports and moderate asset size of nearly ██████████, indicates an adequate level of stability to take on this credit enhancement project (p. e45).

(3) The applicant executes a strong underwriting and portfolio monitoring plan to mitigate against unwarranted risks, as provided in the Great Schools for Nevada project (p. e46). Furthermore, the applicant designed a robust risk rubric to determine the frequency and intensity of monitoring practices, through ongoing data collection and evaluation on each portfolio member (p. e48-49). This approach and tool positions the applicant strongly to proactively identify potential risks and strategize accordingly.

(3) The proposed two-phase application approach is likely to help strengthen risk mitigation (p. e50-51), as it considers initial qualifying charters for low risk financing options and later on considers higher risk financing when they demonstrate success and capacity building in the earlier phase loan.

(4) The applicant's Phase I underwriting process includes a series of questions and leading indicators (with rubrics provided in the appendix) that focus on predicting charter school success (p. e52). The applicant's vision of helping charter schools build a sustainable academic program, increase college and career readiness in underserved

communities, and performance measures aligned to this vision, all demonstrate its expertise in education to evaluate the likelihood of success of a charter school.

(5) The applicant has a board-approved conflicts of interest policy that is also included in the employee handbook (p. e52). The policy prohibits employees, board members, and their family members from any financial benefit. Peer reviewers for subgrantee selection are also required to disclose any conflict of interest with the program or potential subgrantees (p. e52). These policies and practices put the applicant in a strong position to identify and prevent potential conflicts of interest.

(6) The applicant has identified two key partners in the proposed project, Nevada State Infrastructure Bank and Equitable Facilities Fund, both of which have clearly delineated roles in terms of supporting the project and owning key activities as outlined in the management plan table (p. e53-54).

(7) N/A

(8) N/A

**Weaknesses:**

(1) The applicant is still a young organization, with less than 10 years of experience in the charter facilities and financing space (p. e18). The past experience, balance sheet, and net assets of the applicant, may not be commensurate with the size of the project--as typically larger capacity is required for successfully carrying out such activities.

(3) In terms of risk mitigation, the applicant does not provide any data on its previous loan loss ratio. While so many great practices and policies are in place to identify and protect against risk, it is not clear what actions will be taken to eliminate such risks when they occur. A set of strategies, or a methodology outlined to show how occurred risks will be handled, would have made this section stronger.

**Reader's Score: 29**

**Selection Criteria - Quality of Project Personnel**

**1. Quality of project personnel (15 points). 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 has an extensive list of highly qualified staff members that will be directly involved in the proposed project. The credentials, relevant training, and past experience of key project personnel are commensurate with the demands of their ambitious proposal.

(2) There is a strong staffing plan with enough detail, and it includes each personnel's focus area and level of effort (p. e57). Clearly established roles and responsibilities tied to main project activities, adds strength to the implementation of the project with fidelity and accountability.

**Weaknesses:**

(2) The applicant states that expert consultants will be involved with the technical assistance--providing and supporting the project staff. However, it is not clear who will be included in the consulting pool and the proposal also lacks details around the qualifications of these consultants (p. e57).

**Reader's Score:** 13

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**Status:** Submitted

**Last Updated:** 08/11/2023 04:08 PM

Status: Submitted

Last Updated: 08/11/2023 03:14 PM

## Technical Review Coversheet

Applicant: Opportunity 180 (S354A230011)

Reader #4: \*\*\*\*\*

	Points Possible	Points Scored
<b>Questions</b>		
<b>Quality of Project Design and Significance</b>		
<b>Quality of Project Design and Significance</b>		
1. Design and Significance	35	32
<b>Sub Total</b>	<b>35</b>	<b>32</b>
<b>Selection Criteria</b>		
<b>Quality of Project Services</b>		
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<b>Sub Total</b>	<b>15</b>	<b>13</b>
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<b>Sub Total</b>	<b>35</b>	<b>31</b>
<b>Selection Criteria</b>		
<b>Quality of Project Personnel</b>		
1. Project Personnel	15	14
<b>Sub Total</b>	<b>15</b>	<b>14</b>
<b>Total</b>	<b>100</b>	<b>90</b>



# Technical Review Form

Panel #2 - CE Panel - 2: 84.354A

Reader #4: \*\*\*\*\*

Applicant: Opportunity 180 (S354A230011)

## Questions

### Quality of Project Design and Significance - Quality of Project Design and Significance

**1. Quality of project design and significance (35 points). 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 proposal demonstrates a clear understanding of the need for better rates and terms for charter schools in Nevada, particularly those serving at-risk student populations. The applicant has a strong track record of success, having raised over ██████████ in funding for charter school facilities and support services over the past nine years, indicating their ability to attract and leverage resources for the project. The establishment of the Nevada Facilities Fund (NVFF) and collaboration with Equitable Facilities Fund (EFF) and other Community Development Financial Institutions (CDFIs) show a well-thought-out approach to secure and leverage capital for charter schools, providing a sustainable and innovative financing model. The project's focus on reducing lease rates for early-phase charter schools and providing access to the lowest-cost loans for high-performing charter schools demonstrates a comprehensive approach to address the financial needs of different charter schools in Nevada. (e12-e13, e18-e19)
- (2) The proposal includes specific and measurable performance measures and targets, such as the number of loans and leases enhanced with grant funds, the diversity of the student population served, the number of students enrolled in supported schools, and the percentage of facility ownership. The short- and long-term objectives related to the development of sustained community support, reduced facility expenditures, loan default rates, and expedited transition from lease to purchase show a comprehensive approach to addressing charter schools' facility needs and long-term sustainability. Overall, the proposal demonstrates a strong commitment to setting clear and measurable goals and

objectives, with specific performance measures and targets related to the project. (e19-e29)

(3) The proposal provides a logical and comprehensive project implementation plan with three primary strategies, each targeting specific aspects of charter school development and support. The key activities, such as providing coaching, disseminating best practices, and leveraging experience for increased resources, align with the goal of strengthening charter schools' capabilities for long-term success. (e29-e32)

(4) The project provides a comprehensive strategy that supports early phase charter schools throughout the facility acquisition process, leveraging Credit Enhancement funds for favorable lease or purchase terms. This well-rounded approach addresses critical needs faced by charter schools in their early stages, making it applicable to similar situations in other states. The proposal emphasizes providing technical assistance training and coaching to early phase charter schools, offering them guidance on navigating facility acquisition. This approach is transferable and can be adapted to suit the needs of charter schools in other regions. (e32)

(5) The proposal mentions using academic performance, leading indicators for predicted future success, and other critical metrics to pre-qualify potential applicants. This data-driven approach helps ensure that selected charter schools have a higher likelihood of success and will effectively utilize the assistance provided. Performance Measure A2, with a performance target of supporting at least one funded application that serves greater than 70% of an at-risk student population (defined by students qualifying for free and reduced lunch and students of color), showcases a strong focus on schools serving high-needs communities. This emphasis on supporting schools with a significant percentage of at-risk students aligns the project with the core mission of the program and enhances its potential impact on underserved populations. (e-26, e32-e33)

(6) The proposal showcases a well-structured funding model that involves a [REDACTED] contribution from private philanthropic funding and a conditional approval for a low-interest loan from the Nevada State Infrastructure Bank (SIB). This mix of private and public sector funding indicates a strong commitment to securing resources from multiple sources, reducing the project's dependence on a single funding stream. The proposal mentions a [REDACTED] leverage ratio for the SIB loan proceeds. Overall, the proposal demonstrates strong efforts to leverage both private and public sector funding, with a focus on diverse funding sources and a high leverage ratio for the SIB loan proceeds. (e34)

(7) The proposal highlights that Nevada's charter law is ranked 13th out of 43 states by the National Alliance for Public Charter Schools (NAPCS). The proposal mentions that Nevada does not place a cap on charter schools in the state. The proposal references a CREDO study published in 2023, indicating that Nevada had the greatest growth in student academic achievement across all states between 2013 and 2023. The proposal demonstrates that the project aims to serve charter schools in a state with strong charter laws, consistent with the criteria outlined in section 4303(g)(2) of the ESEA. (e35)

(8) The proposal indicates that all awarded grant funds will be used for enhancement purposes, specifically to support credit enhanced low-cost facility leases and loans for charter schools. The project leverages a low-interest loan from the Nevada State Infrastructure Bank (SIB) with a one-time balloon repayment in 20 years. The proposal highlights the applicant's efforts to work with philanthropic funders to cover the 1.5 percent interest on the SIB loan. The proposal's plan to develop technical assistance resources, such as templates for facility planning, guidelines for average cost per square foot, and maintenance expenses, ensures that project costs for facility acquisition are reasonable and aligned with market rates. Overall, the proposal demonstrates a reasonable approach to project costs, with a focus on leveraging resources, collaboration with the SIB, and philanthropic support to achieve the objectives of the proposed project. (e35-e36)

#### **Weaknesses:**

(1) No weaknesses noted.

(2) No weaknesses noted.

(3) No weaknesses noted.

(4) While the proposal mentions the potential for replication, it does not provide a detailed plan or framework for how the model can be adapted and implemented in other states. A more concrete plan for dissemination and replication could strengthen this aspect of the proposal. (e32)

(5) While the proposal includes specific targets for selecting charter schools, it lacks details on criteria to be used in determining the type and amount of assistance to be given. (e26, e32-e33)

(6) The proposal mentions the flexibility of the private contribution to serve as enhancement in various scenarios. However, it could be strengthened by providing a more detailed contingency plan in case funds are not appropriated as predicted to fund the SIB loan. (e34)

- (7) No weaknesses noted.
- (8) No weaknesses noted.

**Reader's Score: 32**

### **Selection Criteria - Quality of Project Services**

**1. Quality of project services (15 points). 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 project addresses a significant barrier for early phase charter schools by providing access to low-cost facility loans and leases through credit enhancement. By leveraging the [REDACTED] SIB loan and creating the Nevada Facility Fund (NVFF), the project offers schools an opportunity to secure below-market interest rates, which can significantly reduce facility costs and allow for greater investment in academic programs. The proposal acknowledges the challenges faced by early-stage charter schools in a high-risk market, where interest rates on traditional loans and leases can be prohibitively high. The proposal identifies the rapid population growth in Nevada, particularly among prospective students aged 0-19 years old. By offering charter schools expedited access to 30-year facility funds at below-market rates, the NFS project aims to infuse more funds into academic programs over the life of the loan. Overall, the proposal appears to be responsive to the identified needs of charter schools, particularly early phase schools facing facility challenges. (e37-e39)
- (2) The applicant's engagement with its portfolio of schools, representing approximately 25 percent of the Nevada charter school sector, through monthly Charter School Consortium meetings showcases a commitment to involving charter schools in the project's design. The applicant also engages with a variety of charter schools through the Charter School Association of Nevada and state-level stakeholders such as legislators and the State Public Charter School Authority. The proposal includes letters of support from many stakeholders who recognize the importance of addressing facility funding challenges for charter schools. (e39)
- (3) The project demonstrates a strong commitment to cost-effective strategies for increasing charter schools' access to facilities financing. Technical assistance is a key component of the project, aimed at providing charter schools with the knowledge and skills to secure facilities financing in a cost-effective manner. Strategies include individualized coaching, best practice sharing, consortium meetings, digital and print resources, and workshops and webinars. By offering a mix of in-person and digital resources and leveraging existing events and platforms, the project ensures that charter schools can access valuable guidance and support without incurring excessive expenses. This cost-effective approach enhances the project's potential impact and sustainability, making it a valuable investment for charter schools in Nevada. (e39-e41)
- (4) The proposal offers a comprehensive rubric for evaluating charter schools, including such factors as community support, student achievement, professional development, and board capacity. By using this comprehensive rubric, the proposed grant project ensures that charter schools receiving assistance through the Credit Enhancement program are well-positioned to succeed and have the greatest need for facilities financing support. The proposal emphasizes support for schools serving at-risk populations, both economically and academically. To assess and demonstrate this need, the

Interactive School Quality Map on the O180 website will be utilized, which overlays poverty rates by census tract with the locations of the lowest performing district and charter schools. Schools located within a Qualified Opportunity Zone or those serving representative student demographics will receive additional application points in Phase I, further prioritizing their selection. By using this data-driven approach to target schools with the greatest demonstrated need, the proposed grant project ensures that the resources are directed to those early phase charter schools that will benefit the most from the facilities financing support. (e42-e44)

**Weaknesses:**

- (1) No weaknesses noted.
- (2) While the proposal mentions engagement with various stakeholder groups, it could benefit from providing more specific details on the nature of their involvement. For example, including examples of specific feedback received from charter schools or authorizers during the design process would add depth to the proposal. (e39)
- (3) No weaknesses noted.
- (4) No weaknesses noted.

**Reader's Score: 13**

**Capacity - Capacity**

**1. Capacity (35 points). 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 a strong and extensive track record in carrying out activities related to enhancing credit on debt issuances, guaranteeing leases, and facilitating financing for charter schools. The applicant has a history of providing comprehensive assistance to charter schools in the identification, acquisition, and financing of facilities. The applicant has actively advocated for charter schools to contract with school districts for the use of facilities at low cost, emphasizing their dedication to supporting schools in securing suitable facilities. (e44-e45)
- (2) The applicant exhibits a robust financial standing with a healthy fund balance of nearly [REDACTED] in net assets, including \$ [REDACTED] in assets without donor restrictions. The organization's track record in fundraising is impressive, having raised almost [REDACTED] in the last year alone to support leadership development programs and other quality initiatives for Nevada's charter schools. They have facilitated connections with Community Development Financial Institutions (CDFIs) to support facility acquisition and actively worked to help charter schools access public facilities. The proposal exhibits the strength and stability of the applicant's finances. (e45)
- (3) The applicant has demonstrated a strong ability to manage its financial resources, raising and monitoring over [REDACTED] in investments with fidelity. The proposal outlines clear risk mitigation protocols, including a comprehensive investment strategy for credit enhancement funds. The applicant currently manages a portfolio of 19 schools with plans to add 5 more, indicating significant experience in portfolio management. The proposal successfully showcases strengths in financial stability, risk mitigation protocols, portfolio monitoring, and compliance. (e44-e46)
- (4) The applicant demonstrates expertise in managing a portfolio of 19 schools with plans to add 5 more. Each school is assigned a relationship manager who conducts monthly meetings, ensuring an in-depth understanding of each project's needs and progress. Ongoing data collection, compliance tracking, and academic data analysis by student population help identify areas for intervention and improvement. The proposal includes a well-defined risk rubric that categorizes schools based on their likelihood of success, allowing for a targeted approach to monitoring activities. The proposal demonstrates strengths in portfolio management, rigorous monitoring, and the development of a risk rubric for school evaluation. (e47-e49)
- (5) The applicant has a well-defined Conflict of Interest Policy for both its board of directors and employees. The policy requires disclosure of any actual or potential conflicts of interest, ensuring transparency and accountability in decision-making processes. (e52)
- (6) The collaboration with the State Infrastructure Bank under the Nevada Treasurer's Office is a significant strength. The SIB's commitment to improving Nevada's infrastructure, including a focus on public charter schools with a [REDACTED] funding allocation, provides a substantial financial resource for the project. The collaboration with the Equitable Facilities Fund, a national nonprofit and social impact fund, is another key strength. EFF's mission to transform capital access for schools and communities aligns well with the applicant's goals. These partnerships demonstrate strong collaboration and resource contributions, enhancing the implementation and success of the grant project. (e52-e53)
- (7) N/A
- (8) N/A

**Weaknesses:**

- (1) No weaknesses noted.
- (2) No weaknesses noted.
- (3) The proposal does not discuss external risk factors that may impact the success of the Credit Enhancement program, such as changes in economic conditions, financial market fluctuations, or shifts in the charter school landscape. Addressing potential external risks is vital for comprehensive risk mitigation planning. (e44-e46)
- (4) The proposal could improve by providing more details on academic expertise, a comprehensive evaluation plan, and specific intervention strategies for high-risk schools. Enhancing these aspects would strengthen the organization's ability to evaluate the likelihood of success of charter schools within the proposed grant project. (e47-e49)
- (5) No weaknesses noted.
- (6) N/A
- (7) N/A
- (8) N/A

Reader's Score: 31

### Selection Criteria - Quality of Project Personnel

1. Quality of project personnel (15 points). 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 project team comprises individuals with diverse expertise, including experience in project management, finance, education, and charter school operations. The team members have demonstrated experience in managing large portfolios of funds and facilitating projects in the education sector. They have successfully overseen significant financial resources and implemented monitoring protocols. (e55-e57)

(2) The staffing plan demonstrates a clear allocation of effort for each team member, indicating that the team has considered the capacity needed for each project aspect and is adequately resourced. (e55-e57)

#### Weaknesses:

(1) While the proposal mentions the engagement of expert consultants for technical assistance and investment strategy leadership, it lacks specific details about their roles and qualifications. Providing more information about the consultants' expertise would enhance the proposal's credibility. (e55-e57)

(2) No weaknesses noted.

Reader's Score: 14

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