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APPLICATION FOR GRANTS UNDER THE

Grants for Credit Enhancement for Charter School Facilities

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GRANTS FOR CREDIT ENHANCEMENT

FOR CHARTER SCHOOL FACILITIES

APPLICATION SUBMISSION

June 2023

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Quality of Project Design

Opportunity 180 (O180) was established in 2014 as a nonprofit entity and evolved its vision in 2017 to be dedicated to ensuring every kid has access to a great school that puts them on track to be college and career ready. O180 operates as an investor, facilitator, and connector, working with the community to reach a shared North Star that ensures every kid graduates from high school prepared and inspired to reach their most ambitious dreams and plans. To accomplish this, the O180 team looks to invest in innovative ideas and bold leaders, empower families and community partners to advocate for quality education and work throughout Nevada to re-imagine teaching and learning to help every student succeed. We believe all kids should have access to high-quality, free public education, inclusive of facilities that support both academic and non-academic needs for families and communities.

As the project applicant, O180 submits our [redacted] proposal for the Nevada Facility Solutions (NFS) project with the support of our primary project partner, Equitable Facilities Fund (EFF), a 501(c)(3) tax-exempt charity with a mission to support schools that are creating educational opportunity for communities that need it most. Additionally, O180 will engage with other CDFIs as necessary to create solutions for the target pipeline of early phase charter schools (defined as a charter school within the first five years of operation) to be supported through this project. O180 proposes to use federal Credit Enhancements funds to:

- Attract, secure, and leverage new sources of capital to the charter school sector;
- Reduce lease rates for early phase Nevada charter schools; and
- Provide access to the lowest-cost loans to high-performing charter schools in Nevada

The innovative approach to the NFS project, which includes the establishment of the Nevada Facilities Fund (NVFF), is made possible through connections and experience working with state entities such as the Nevada State Infrastructure Bank (SIB) and local building developers and lessors, and significant philanthropic funding. Over the past nine years, O180 has leveraged these connections to secure more than [redacted] in funding for support of charter school facilities, leadership development, and direct investment in student support services. And, through the partnership with EFF to facilitate and manage the NVFF, O180 will use the credit enhancement funds to ***leverage up to*** [redacted] ***in loan access to Nevada charter schools.*** The primary target for support under this proposal are schools that serve the most at-risk students but are burdened with facility expenditures of up to [redacted] of their annual budget, well beyond best practice recommendations for sustainability and adequate investment in direct student support services. The enhancement funds will provide opportunity for investment in quality facilities at affordable rates in an effort to support the expansion and replication of quality schools in Nevada necessary to meet parent demand.

The Model. To facilitate the vision for the Nevada Facility Solutions (NFS) project, O180 has raised [redacted] in philanthropic support and has been conditionally approved, see appendix for award letter, for a 20-year [redacted] loan, carrying a [redacted] interest rate and a balloon repayment at the end of the 20-year term. The philanthropic support, combined with a [redacted] allocation of credit enhancement funds, will allow for the investment of [redacted] to establish the Nevada Facilities Fund (NFF) to be leveraged for access to [redacted] in low interest facility bonds. To facilitate this lending, EFF pools numerous charter school loans and uses them as collateral for low-cost tax-exempt bond issuances through ESRF. EFF then uses proceeds from the issuances to offer charter schools lower rates, lower fees, and substantial savings that can be used to support the growth and sustainability of high-quality educational programs. Additionally, [redacted] in credit enhancement funds will be used to guarantee low rate leases for early phase charter schools preparing for acquisition of a permanent facility. Enhancement funds will be applied to the NFF through the payoff of the loan and each lease for up to 3-years, allowing for an ongoing recycling of enhancement funds. No revenue will be earned from enhanced loans or leases. All administrative and operational expenses will be funded through interest earned on invested enhancement funds.

For long-term facility loans executed through the NFF, O180 and EFF will work in partnership to evaluate applicants to receive credit enhancement funds using a two phase process outlined in a later section. Once both partners approve a charter school project, EFF will facilitate a loan to the school for up to [redacted] of the total cost of the project at an interest rate at least [redacted], or 200 basis points below otherwise available rates. In many cases, most specifically with startup schools within the first three years, this savings will be between 400-600 basis points. While EFF is a primary partner, O180 will work collaboratively with other CDFIs as necessary to meet the need. For charter school lease guarantees, O180 will facilitate Phase I of the underwriting protocol and serve as the lead on negotiation and terms of the guarantee.

Better rates and terms. Nevada's charter schools are essential institutions that embrace diverse teaching methods, nurture innovation, and create unique learning environments that cater to student specific needs. More than 55,000 students in Nevada attend charter schools and many more remain on waitlists. Public charter schools provide quality education options for communities that need them most, and Nevada's families are demanding more seats for their children. According to the *CREDO 2023 National Charter School Study*, when measuring the changes in charter school academic growth by state, Nevada had the largest increase in both ELA and Math. Nevada families are demanding seats for their children because charter schools are moving the needle on academic achievement.

Through statute, charter schools may apply to the Nevada Department of Education (NDE) for available facilities funding if (1) the school has been operating in this state for at least five consecutive years, (2) is in good financial standing, and (3) met or exceeded the school achievement targets and performance targets established pursuant to the statewide system of accountability for public schools or has demonstrated improvement in the achievement of pupils enrolled in the charter school for the majority of the years in operation (NRS 388A.405). **However, funding is subject to legislative appropriation, and, to date, no funds have been appropriated for use, leaving even experienced and successful charter schools without options.** Worse yet, new schools designed to meet the demands of families are failing to even get off the ground due to a lack of affordable long-term facilities, as individual charter schools are left solely responsible for financing their own facilities. The Credit Enhancement grant addresses this critical need by leveraging enhancement funds to gain access to lower rate facility financing and lease rates, enabling charter schools to create sustainability budgets with focus on the delivery of a top-notch education to Nevada students.

The Nevada Facility Solutions project proposes to use credit enhancement funds in two ways: (1) leverage an enhanced [redacted] in Federal credit enhancement funds and [redacted] in philanthropic matching funds) [redacted] SIB loan to establish the NVFF which provides access to a [redacted] loan fund and (2) enhance [redacted] in lease guarantees to reduce facility expenses for early phase charter schools.

<u>NVFF</u>

Of the total proposed award, [redacted] of credit enhancement funds will be leveraged at a [redacted] ratio estimated to produce **up to [redacted] of savings to schools**. The loans to charter schools will support greater investment in the classroom by:

- Reducing the onerous equity and/or reserve fund requirements for long-term financing, allowing for greater fund availability for investment in student needs
- Facilitating an accelerated timeline to execute a lease to own purchase option, saving schools up to [redacted] interest on facility investment interest while also building equity faster to leverage for future needs
- Offering an interest rate on long-term debt that is at least [redacted], or 200 basis points, lower than what most experienced charter schools could receive on their own, and between [redacted], or 400-600 basis points for new startup schools working within a high-risk market

To illustrate the potential savings in a real-time scenario, the following two scenarios illustrate the details of two pipeline candidate's current lease arrangements, purchase option, and calculated actual savings over time.

School A is a public charter school launched in 2018, designed based on an in-depth study of top-performing public schools across the nation and with feedback from hundreds of Las Vegas families. In March 2021, the school entered into a build to suit lease and option agreement. The developer designed a full campus plan to house up to 630 students, including a combination of a church renovation and new construction, to be completed by April 2022. In addition to adequate classrooms, the building includes two science labs, a dance studio, a music room, a gymnasium, and an outdoor playground and small turf area. The projected cost totaled [redacted] For the 2022-23 academic year, total lease cost was [redacted] with a purchase option price of [redacted]. For the 2023-24 academic year, the lease cost is the same, with an increase in the purchase option price of [redacted] Up until year 5, this trend continues. At year 6, the effective rent increases to [redacted] annually, with no purchase option. At a rate of [redacted] on a long-term debt loan, the annual savings between lease and purchase is at least [redacted] will continue to escalate year over year. Accessing affordable long-term funding as an early phase charter school to exercise the purchase option early, will equate to at least [redacted] in savings. **The full savings on the facility acquisition will equate to over [redacted] once reduced interest rates on a long-term loan is factored in.**

School B is a charter school opening its doors to serve students in grades K-8 in 2022. The school opened in a temporary home for one year in order to find, purchase, and renovate a forever home. In July 2023, School B will take occupancy in their permanent facility, currently being renovated into a beautiful school space, including a playground, basketball court, theatre, library, and new classrooms. The lease agreement executed in March 2023 is a 10-year lease with the option for purchase. Year 1 rent is [redacted] per square foot, equating to [redacted] monthly and increasing by [redacted] each year. A purchase option is in effect between Year 2 and Year 7 beginning at a cost of [redacted] and increasing by [redacted] each year starting in Year 5. Based on this, Year 4 is the ideal purchase window. However, under current market requirements, School B will not be able to access long-term funding at an affordable interest rate. Through the NVFF, enhanced and leveraged by credit enhancement funds, School B will have access to competitive long-term rates to exercise the purchase option in the preferred window, **saving the school [redacted] on the purchase price**.

These scenarios are not unique to these two schools. Based on a survey of portfolio members, average market rates for long-term financing are between [redacted] On an average purchase price of [redacted], the annual savings realized with even a [redacted] (reducing the lowest end of the range of [redacted] reduction in interest rate equates to [redacted] over the 30-year life of the loan.

This savings is significantly greater for those with loan agreements at the higher end of the rates. A general reflection of the savings afforded to charter schools through the NVFF is illustrated below. This illustration is a conservative reflection of the best-case scenario for a well-established charter school. Even so, the impact is significant and for early-stage charters will far exceed these projections.

[redacted]

Lease Guarantees

Of the total proposed award, [redacted] of credit enhancement funds will be used to provide up to 3-year lease guarantees to early phase charter schools to leverage rent rates, landlord funded leasehold improvements and purchase options on the facility. The preferred terms will save schools hundreds of thousands of dollars in upfront costs, while also reducing the full cost for facility acquisition over a 30-year period. This support creates a comprehensive approach to facility funding for new startup and expansion schools with savings reflected in the examples above.

Project Goals and Objectives. In Nevada, approximately 101,000 kids attend schools where only 2 in 10 students are on grade level in reading and math. The majority of students meet the definition of at- risk, and there are significant achievement gaps among those population, as shown in Table 1 below.

Table 1: Nevada Average Math & Reading Proficiency by Student Subgroup

Student Population	% Math Proficient	% Reading Proficient
Statewide	29.8	43.7
IEP	10.5	14
ELL	9.8	12.8
FRL	28.4	39.2
Hispanic	21.1	35.5
Black	13.5	27.1
White	43.6	56.7

Source: Nevada Report Card, 2021-22

Our theory of change is that ***if we reduce the cost of high-quality facilities for charter schools serving underserved student populations, we will increase the amount of funding to be invested in students, leading to improved academic achievement across Nevada.*** Rooted in this theory of change, Opportunity 180's Nevada Facility Solution project will increase access and affordability of facility leasing and financing to high performing charter schools that serve low-income communities across the state of Nevada. This theory of change is supported by a robust logic model, found in Appendix A, inclusive of project goals, measurable objectives, performance measures, and performance targets.

The project is developed around two primary goals: (1) Support Nevada charter schools serving at-risk student populations in the development of sustainable academic models through affordable facilities, and (2) Inspire an environment supportive of charter school growth by facilitating increased access and affordability of facility leasing and financing to high performing, early phase charters schools. The primary goals will be met through the following objectives:

Objective 1

By September 2028, O180 will support 14 school startups, expansions, or replications within their first five years of operation and serving an at-risk student population with acquiring low-cost facility loans and leases. Of these, 10 will be enhancements on loans and 4 will be on leases.

1. **Performance Measure A1**: # of loans and leases enhanced with grant funds
    a. **Performance Target A1:** By September of each year, at least three applications will be received for credit enhancement grant funds *(Rationale: To ensure adequate risk mitigation opportunity applications for credit enhancement funds must exceed the funding target).*
2. **Performance Measure A2:** Diversity of student population
    a. **Performance Target A2:** Each year, at least one funded application will serve greater than 70% of an at-risk population, defined by students qualifying for free and reduced lunch and students of color *(Rationale: Not all funded applicants will serve an at-risk population of 70%; ensuring some applicants serve a higher percentage will allow the minimum goal of 70% to be met).*
3. **Performance Measure A3**: # of students enrolled in supported schools
    a. **Performance Target A3:** By September 30, 2028, schools supported by credit enhancement will serve at least 6,000 students in aggregate. *(Rationale: Prioritizing impact and investment across the sector is critical. Also, student enrollment is a primary driver of sustainability and risk mitigation).*
4. **Performance Measure A4:** percentage of facility ownership
    a. **Performance Target A4:** By September 30, 2028, at least [redacted] of all startup schools in the planning phase will negotiate a lease with a purchase option. *(Rationale: Due to time constraints and other cashflow factors, at times, a lease is*

a more prudent choice in the initial years. However, having the option for purchase positions schools for leveraging lower cost funding in the near future, while maintaining a permanent facility).

Short- and long-term outcomes include the development of sustained community support, reduced facility expenditures as a percentage of total revenue, student waiting lists, loan default rates below national averages, rate of applications progressing to Phase II, expedited transition from lease to purchase, loan recipients located in an Opportunity Zone, and positive trends in sustained student enrollment.

<u>Objective 2</u>

By September 2028, credit enhancement and philanthropic funds will be leveraged at a ratio of [redacted] to secure [redacted] in capital at below conventional interest rates for the Nevada Facility Fund.

1. **Performance Measure B1**: total dollars in varied sources of capital
    a. **Performance Target B1:** By September 30, 2024, at least [redacted] of investment capital will be secured through public, private and philanthropic sources. *(Rationale: To create a sustainable model, sources of capital must be diverse and renewable. Additionally, to reach loan goals, timing of invested capital is critical).*
2. **Performance Measure B2:** interest rate savings and average basis points
    a. **Performance Target B2:** On average, all loans supported by credit enhancement grant and matching funds will be offered at a rate of at least [redacted] or 200 basis points, below conventional market rates. *(Rationale: While many schools will*

experience greater reductions based on experience, inherit risk and current lease rates, minimally all will receive at least [redacted] *based on known market factors).*

3. **Performance Measure B3:** enrollment capacity

    a. By October 1st of each year, Nevada student count day, all enhancement recipients will be within 90% of established enrollment capacity or show evidence of growth at a rate of at least [redacted]. *(Rationale: Risk rating and long-term sustainability are dependent on meeting enrollment targets supporting the financial model).*

Short- and long-term objectives include # of engagements with capital sources, internal pipeline for future funding, average risk rating for applicants and portfolio, average cost of project, local and national interest rates, average lease interest rates, and number of schools meeting the authorizer performance framework on debt ratio.

<u>Objective 3</u>

By September 30th of each year, at least 30% of all Nevada charter schools will access an online resource, engage in a technical assistance training session, or participate in a coaching session. (*Current Baseline is approximately 15%; Portfolio members have a high rate of access, but the greater sector is not as engaged).*

1. **Performance Measure C1:** # of hours of TA offered

    a. **Performance Target C1:** Each year, O180 will provide access to at least 40 hours of technical assistance opportunity to all early stage pipeline charter schools and 20 hours to all schools within the sector. (*Rationale: The target market for this project are new schools without permanent facilities. Workshop and individualized technical assistance will be necessary to ensure schools are positioned to take advantage of the opportunities afforded by the Nevada Facility*

Solutions project. Best practice strategy for facility acquisition will be disseminated to the sector).

2. **Performance Measure C2:** # of resources developed
    a. **Performance Target C2:** Each year, at least two new digital or printed resources will be developed and published online based on observed best practice, developing promising practice, and proven experience. (*Rationale: TA engagements will inform common obstacles within the sector and monitoring of enhancement recipients will identify promising practice).*

Short- and long-term objectives include average debt ratio for facility costs, increase in lease agreements containing purchase options, expedited transition time from lease to purchase, average attendance for TA events, # of early stage charter schools supported, and # of schools providing non-academic activity space.

Project Implementation Plan and Activities

The project logic model, provided in the appendix, was built to identify the critical strategies and key activities for ensuring each objective is met. Each objective is supported by inputs, strategies, key activities, defined outputs, and short- and long-term outcomes that are connected and predictive of future success. The short- and long-term outcomes are developed in a way to allow immediate and timely feedback on the impact of the proposed activities, allowing the team to adapt strategies if needed. This thread also allows for a stronger connection to identify best practice strategy in dissemination. Each primary strategy is outlined below.

<u>Strategy A</u>

Prioritize stakeholder engagement and partnerships to identify and address charter school pipeline needs and demand, particularly in communities with a high percentage of at-risk student populations.

a. **Key Activities:** Analyze school performance data and portfolio needs to identify the most eligible pipeline; identify facilities in prioritized locations offering financially viable solutions for startup and future growth; facilitate connections with local brokers with inventory access; execute a communication and technical assistance plan aimed at the target demographics and communities; build collaborative partnerships with local private and public groups to ensure adequate funding is available for adequate leverage ratios; and develop a governance executive structure for collaborative decisions between Opportunity 180 and loan partners.
b. **Key Outputs:** Targeted community pipeline list; facility inventory and location tool; multi-partner loan fund; fellowship and CSP program partnerships; developed facility acquisition support resources; established protocols for loan underwriting
c. **Key Outcomes:** Established community partners, sustained community support, below national average default rates, expedited transition from lease to purchase, reduced average facility ratio, rate of applications progressing to Phase II, # of students on waiting lists, positive trends in sustained student enrollment, and # of loan recipients in an Opportunity Zone

<u>Strategy B</u>

Develop a loan portfolio systematically and intensively

a. **Key Activities:** Adopt a Phase I evaluation protocol to assess educational outcomes and good standing, provide technical assistance to all grantees to plan for the removal all non-instructional barriers for school staff to provide high quality instruction, implement a continuous improvement model with timely feedback to all involved partners, implement strong data tracking and reporting systems.

b. **Key Outputs:** Phase I evaluation protocol with key metrics, monitoring protocol, continuous improvement protocol, internal communication and feedback strategy, adaptations to underwriting process for improved risk mitigation, timely student academic data tracking, analysis, and action protocols are developed

c. **Key Outcomes:** rate of applications progressing to Phase II, strong attendance in TA offerings, internal pipeline for future funding, increased # of schools providing non-academic activity space, decreased student mobility, increased parent satisfaction

<u>Strategy C</u>

Implement a multi-faceted technical assistance plan to support grantees in the implementation and funding of their educational model

a. **Key Activities:** Support schools in the dissemination of a value-add budget to invest gained funds in high leverage areas, disseminate best practices of high performing academic models and practices related to lease negotiation and facility acquisition, leverage experience and lessons learned to education charter schools on investment and philanthropic strategy for increasing resources, provide coaching and mentoring opportunities for leadership across the Nevada education landscape

b. **Key Outputs:** Customized plan of professional development and individualized coaching, dissemination protocol and tools, coaching model, data supporting risk mitigation strategy

c. **Key Outcomes:** strong attendance at TA offerings, increase in lease agreements containing accelerated purchase option, increased access to targeted student supports, increase in high-quality staff retention, percentage of early stage charters supported through dissemination of learnings, increase in schools meeting authorizer finance performance framework metrics, increased local funders supporting the facility fund

Opportunity for Replication

The Nevada Facility Solutions (NFS) project offers a strong model for replication in any state. NFS connects various successful activities to create a comprehensive strategy that supports early phase charters from soup to nuts. Using the CSP grant as a jumping off point, early phase charter schools will receive technical assistance training and coaching around the acquisition of a facility and how to leverage credit enhancement funds for favorable lease or purchase terms. Securing the conditional approval from SIB to O180 is a strategy for dissemination to other entities as it's a cost-effective, low-risk opportunity.

Criteria for Selecting Charter Schools

The Nevada Facility Solution project's theory of change is directly tied to supporting schools serving an at-risk student population. **Performance Measure A2** specifically prioritizes at risk student populations in the selection of charter schools to be supported with enhancement funds. For purposes of this project, we define 'at risk' as students qualifying for free or reduced lunch and students of color. In Phase I of our selection, to be covered in more detail in a subsequent section, the O180 team will review these critical metrics, along with academic performance and leading indicators for predicted future success, to pre-qualify potential applicants. Additionally, these metrics will inform the pipeline and drive outreach efforts to those schools with the greatest opportunity to positively impact at risk student populations.

Determining Need

Prior to the development of this project, extensive surveying of the sector was completed to understand the overarching need in facilities support. Survey data identified a large gap in options for early stage charter schools to access affordable facility funding, often deterring expansion and replication planning. Average facility costs were reported to be up to [redacted] of the total budget, significantly reducing the funding available to be invested into the classroom, hence impacting student achievement outcomes. This data informed the theory of action and the guidelines in determining the need for each applicant.

As part of Phase I of our selection process, to be covered in more detail in a subsequent section, the selection team will prioritize early stage charter schools that serve an at-risk population of greater than [redacted], aligned to **Performance Measure A2**. Potential applicants may be approved for either a lease guarantee or low-cost facility loan used to exercise a lease purchase option, build a new facility, or purchase a facility to be renovated. **Performance Measure A4** provides focus on technical assistance support to early stage charters in the negotiation of lease purchase options, leading to more expedited conversions to reduce the facility cost ratios and redirect dollars into the classroom. In Phase II of the underwriting process, also covered in more detail in a subsequent section, the project team will review all risk factors and market opportunity to determine the best use of the enhanced pool of funds. For example, lease guarantee awards will only be awarded to applicants using the guarantee as leverage to negotiate a purchase option and improve the equity position each year of the lease.

The same applicant may apply again for an enhancement on long-term financing when executing the purchase option, allowing for the recycling of the original enhancement on the lease. All awards will be evaluated based on project costs and factors influencing current and future financial constraints to ensure enhancement funds do not allow an applicant to overextend.

Leveraging Private or Public Sector Funding

The Nevada Facility Solutions (NFS) project is fueled by a [redacted] contribution of private philanthropic funding and a conditional approval for a low-interest loan issued from the Nevada State Infrastructure Bank (SIB), a public sector entity. The philanthropic contribution will serve as a [redacted] match on allocated credit enhancement funds to fully protect the SIB loan proceeds, allowing the full loan principal to be leveraged at a [redacted] ratio. In the circumstance that funds are not appropriated as predicted to fund the SIB loan, the private contribution comes with the flexibility to serve as enhancement of other contributed dollars or as a piece of the [redacted] loan fund. Additionally, the Nevada Facility Fund (NVFF), developed and managed through EFF, leverages national non-profit funding and private funding invested in a charter school loan pool. **Performance Measure B1** prioritizes future engagement with local private and public funders in order to grow the NVFF and expand the number of loans available over the next 10 years. O180 recognizes that to create a sustainable model, sources of capital must be diverse and renewable in the circumstance of a loan or lease default.

Increase the Number of Charter Schools Meeting Facility Needs

The NFS project is focused on supporting early stage charter schools in securing long-term financing for permanent facilities at a below market interest rate. **Objective 1** prioritizes all investment of credit enhancement funds to support the acquisition of a permanent facility through a lease guarantee or access to low-cost long-term funding, or a combination of both, while **Objective 3** focuses on technical assistance supporting charter schools in the development of lease purchase options and connections to facilitate innovative build to suit opportunities within the available facilities across Nevada communities. **Objective 3** expands impact beyond the available credit enhancement funds to support more schools in meeting facility needs at an affordable rate.

Strength in Charter School Law

The National Alliance for Public Charter Schools (NAPCS) ranks Nevada's charter law 13th out of 43 states. Nevada does not place a cap on charter schools in the state, has established performance frameworks for charter contracts, and provides a framework for charter facilities support. In NAPCS's assessment of varying factors of strength in charter school law, between 2010 and 2015, Nevada's score increased by [redacted]. In a CREDO study published in 2023, Nevada had the greatest growth in student academic achievement across all states between 2013 and 2023, indicative of the positive impact the charter law improvements had on student achievement.

Reasonable and Aligned Project Costs

The NFS project has developed a prudent budget to maximize the investment of funds into credit enhanced low-cost facility leases and loans. **All awarded grants funds will be used for enhancement, with all administration and operational expenses to be funded out of the interest earned on the investment of the award.** All costs are aligned to the implementation of the management plan. The low interest loan from the Nevada SIB, coupled with a one-time balloon repayment in 20-years, will be used to leverage the bond market and blend down the interest rate. Without access to this funding, there would be no ability to collateralize the bond market and drive down rates. Additionally, O180 continues to work with philanthropic funders to cover the [redacted] interest on the SIB loan, passing additional savings on to charter schools served by the NFF.

To maximize the impact of awarded funds, Phase I and II of the underwriting process will bring a lens to ensuring that project costs for facility acquisition are reasonable and aligned with market rates. Technical assistance resources, as noted in **Performance Measure C2**, will be developed as templates for facility planning, inclusive of guidelines on the average cost per square foot, average square foot per student to maximize academic and non-academic space, average maintenance expenses for planned sustainability, and several other factors to ensure all enhanced projects are reasonable in cost and scope. This assessment in underwriting too will support **Performance Measure A3**, ensuring allocated funds are supporting a minimum number of students that will help O180 reach this measure.

Quality of Project Services

Nevada charter schools are funded through the State Distributive School Account (DSA). At a rate between [redacted] per student for FY2024, determined by county, the DSA is the state's base per-pupil revenue source. The majority of charter schools serving the most at-risk populations are in lower funded counties. Charter schools are eligible for categorical funds to support students needing additional support. While, per pupil rates have recently increased and are planned for another slight bump in FY2025, historically in Nevada, on average, [redacted] per student has been spent on student academic needs, nearly [redacted] less than the national median. Only nine states spend less than [redacted] per pupil as of a 2019 study conducted by Edunomics Lab, a Georgetown University-based research center. Coupled with this, being Nevada charter schools must fund their facilities on their own, on average, a neighborhood school has access to [redacted] dollars of local tax support per student that public charter schools do not receive. Across 60,000 students, this is a difference in funding of [redacted] across the sector and an average of [redacted] per charter school.

Nevada law does provide charter schools with access to the State-sponsored Account for Charter Schools, a revolving loan fund. This program was first funded in 2013 with a one-time State appropriation of [redacted] and funds must be used to make loans at or below market rate to charter schools for costs incurred in preparing a charter school to commence its first year of operations or to improve a charter school that has been in operation, of which facility costs can be a part. There have been seven loans to charter schools approved and five loans issued in the last four years. The maximum loan amount is the lesser of [redacted] per pupil or [redacted] equating to 400 students which is half of the average enrollment for charter schools in the state. Repayment must be completed in three years (NRS 388A.432 to 388A.438), which is limiting provided the conventional market is not currently available to models for refinancing until at least year five. Charter schools meeting certain performance qualifications, specifically a minimum 5-year track record, are authorized to access tax- exempt financing through the Nevada Department of Business and Industry for the acquisition, construction, improvement, restoration, or rehabilitation of property, buildings, and facilities (NRS 388A.550 to 388A.640).

Meeting the Need. The NFS project removes a significant barrier for the startup or replication of a high-quality charter school model and allows for greater investment in the academic program to support student achievement goals. The innovative approach of the NFS project, using the [redacted] SIB loan as the catalyst, provides the necessary leverage to create the Nevada Facility Fund (NVFF), providing access to [redacted] in loan funds to early phase charter schools at rates below market. In contrast, pipeline candidates seeking to acquire a permanent facility within the initial five years of operation traditionally are placed in a high-risk market at best, yielding interest rates well above conventional rates. Additionally, using the enhancement, schools may access LTV ratios of up to [redacted] based on individual need. Lease guarantees can be leveraged to influence lease purchase options and lease rates allowing the equity buildup prior to the execution of the purchase option. In surveying the market, schools report spending up to [redacted] of the total operational budget on facility costs primarily due to holding lease and loan contracts containing interest rates between [redacted]. Developers have reported hesitation in growth due to the significant challenge the market parameters place on cash flow in the first few years of operation and the inability to invest necessary resources into the academic model to meet each individual student's needs.

According to a U.S. Census Bureau population growth study, Nevada is currently the fifth-fastest-growing state in the U.S. Between 2010 and 2023, Nevada's population increased by [redacted], and its 2023 rate of growth is an estimated [redacted]. Specifically, Nevada's census data shows a projected 261,445 population increase for prospective students aged between 0-19 years old by 2028. Specifically, ages 0-4 will see a population increase of 61,744 people, ages 5-9 will see an increase of 72,542 prospective students, ages 10-14 will see an increase of 71,173 prospective students and ages 15-19 will see an increase of 55,986 prospective students. With charter schools serving 11 percent of all students in Nevada, and that rate growing steadily, it can be anticipated that an additional 30,000 students will be served by charter schools in the next five years, creating a need for 25-30 new charter school facilities.

Current funding opportunities supported by Nevada legislation do not support early stage charters. On average, early stage charter schools will be [redacted] of their total enrollment levels at the optimum time of financing, creating both a financial burden and obstacle to obtaining long-term affordable funding for a permanent facility. Most early stage charter schools enter into a lease agreement with rates averaging [redacted], and [redacted] higher payments in comparison to a facility loan. This equates to nearly [redacted] per year, **a loss of**

approximately [redacted] per student for early stage growing charter schools. The NFS project will provide more expedited access to 30-year facility funds and provide them below market rates to infuse more funds into students across the life of the loan. This project seeks to facilitate at least 14 enhancement projects within the next five years, aligned to **Objective 1**, and influence facility planning towards a higher proportion of facility ownership by the end of the project, **Performance Measure A4**. These efforts will ensure charter school growth is supported in a sustainable effort and with maximation of investment in the academic program.

Stakeholder engagement and support. Multiple stakeholder groups were engaged to develop this proposal. O180's portfolio of schools, approximately 25 percent of the Nevada charter sector, was highly engaged through monthly Charter School Consortium meetings. The Charter School Consortium meetings is a space to learn about common challenges and discuss best practice. Facilities and facility funding have been a consistent theme in these discussion as O180 has continued to explore ways to put strategic solutions in place. In addition, O180 has engaged non-portfolio members via state conferences and the Charter School Association of Nevada, state level stakeholders including legislators, and the State Public Charter School Authority to elevate challenges that may be addressed through non-statutory and non-regulatory approaches. Conversations with and review of authorizer financial compliance reports also lends insight into the negative impact of high-cost facility options on sustainability and per student investment. Letters of support, found in the appendix, were submitted by several stakeholders indicating their support for this project and the confidence of impact.

Facility Technical Assistance. As demonstrated by **Objective 3**, to meet the project goal of supporting charter schools in the development of sustainable academic models, technical assistance must be a priority. Technical assistance will support early phase charter schools in cost effective strategies for securing facilities in the short-term and long-term, specifically with focus on lease negotiation and facility buildout. O180 anticipates 40 percent of all enhanced projects will be new builds, with the remaining 60 percent using existing space in old supermarkets and churches, for example, to innovatively design functional space inclusive of academic and non-academic space. Through individualized coaching efforts, charter schools will be informed on current rates, standard fees, and competitive lease and lending terms to empower their own facilitation of loan negotiation and professional guidance.

Two major in-person events O180 will continue to leverage as opportunities to partner and engage in best practice sharing to the charter school sector are the annual conferences already held by the Charter School Association of Nevada (CSAN) and the National Alliance for Public Charter Schools (NAPCS)– where *"more than 85% of attendees say what they learn at the conference will lead to implementation or positive changes at their schools and organizations."* O180 will collect best practices throughout each school year through the monitoring cycle, then plan opportunities at conferences to share these practices. Further, O180's annual **Future Schools Summit**, which has been held for four consecutive years to date, convenes a targeted group of current and prospective charter schools, as well as families and local and national community partners ranging in service offerings from facilities acquisition to food programs and talent recruitment and development. Participants hear highlights of best practices and lessons learned from successful Nevada charter schools, as well as presentations about the charter authorization process, state and private funding, policy conditions, engaging families and community leaders, and building a network of service providers that help schools succeed– including banks and other lending entities, food service, wraparound service, teacher professional development programs, and others. In addition, O180 also facilitates monthly consortium meetings with current and upcoming charter school leaders. These meetings create the space for collective problem solving, exchanging best practices, and sharing resources. The consortium will also hold an annual event at the end of the school year for charter leaders to present their best practices and lessons learned. District school leaders have also participated in consortium meetings, and under this program, O180 will seek increased district involvement in these discussions to encourage more cross- sector best practice sharing.

In addition to the in-person workshops and individualized coaching, as noted in **Performance Measure C2**, several digital and printed best practice guides will be developed. The Nevada Department of Education (NDE) website houses a repository of best practices, including several reports and resources to support charter school startup and sustainability planning. Aligned to the tracked outcome around student achievement, O180 also captures best practices on the organization website, specifically through the "*Great Classrooms"* video series that features a live look at instructional practices that show evidence of success for students in high-poverty and high-performing district and charter schools. O180 will host a series of **topic-based webinars** and workshops to 1) offer guidance in both early and late stage financial planning, 2) provide a clear picture of what it takes to successfully launch and sustain a school, and 3) share emerging innovations and best practices school's may want to consider as they design their model and plan for permanent facilities. Webinar and workshop topics will also include information on applying for credit enhancement funds, including Phase I and Phase II requirements and preparation. For ongoing TA and professional development access, O180 will deploy its strategic approach to "match-making" partnerships with quality service providers to shape practice and improve results.

Addressing the likelihood of success. Opportunity 180 was awarded a grant under the Charter Schools Program, *Great Schools for Nevada*, in 2020. The grant project identifies, incentivizes, and prioritizes support of charter school founding teams and high-quality charter replication partners. To support the grant, a rigorous application and rubric was developed and implemented in the selection of charter school program grant sub-recipients. The application and rubric, located in the Appendix, focus on leading indicators of success including, but not limited to: the quality of the school's leader and governing board makeup, plans to attract, hire, and retain quality educators, policy, standards, and expectations for both students and staff are based on research and/or best practices, quality of learning model that addresses the needs of all student population subgroups, plus measures of impact, plans to secure facilities and sustain other business operations, and detailed, long-term budget demonstrating long-term sustainability. This same application and rubric will be used for Phase I of the application process for credit enhancement needs. This phase is purposeful in the focus on the likelihood of success in serving students, ensuring that every dollar invested through the credit enhancement program is supporting a high-quality school model. All schools will provide a feedback summary from a review team and connected to appropriate technical assistance support resources as appropriate. Point allocations for the application is illustrated below, with two points available as priority points for those schools serving an at-risk population of 70 percent or greater.

Rubric Section	Points Possible	Rationale for Point Allocation
A. SMART Project Goals	10	Schools creating facility plans with clear timelines, goals aligned to the academic program, and budgets are more likely to successfully reduce investment.
B. Student Demand and Community/Local Support	12	Enrollment is a key driver to the ability to service debt and invest appropriately in the academic model. For early phase charter schools in the growth phase, future demand must be evident.

C. Equity in Educational Philosophy, School Model, Curriculum	12	To effectively serve an at-risk student population, equity must be built into every facet of the academic model.
D. Effectively Serving All Students	12	To effectively serve an at-risk student population, individual student needs must be identified and planned for.
E. Student Achievement and Standards	16	With 2 in 10 students in Nevada below grade level, schools must prioritize growth towards proficiency, establishing a responsive data protocol to meet student needs.
F. Staffing and Professional Development	8	Staffing and teacher development is a driver of academic achievement and influencer on student attrition.
G. School Leadership Team and Management	8	Leadership is critical to ensuring all plans are executed with fidelity and resources are invested effectively.
H. Board Capacity and Governance Structure	12	Oversight and accountability to performance against standards is critical to high performing schools.
I. Financial Management and Facilities Plan	10	Academic model must be built on a sustainable foundation, supported with reasonable assumptions of revenue and expenditures. Facility planning must include a focus on alignment to the academic model, in addition to safety.

Serving schools with demonstrated need. Early phase charter schools are the primary target audience of the Nevada Facility Solutions project. These schools are critical to meeting the growing demand of families across the state of Nevada and the most disadvantaged in terms of access to funding, ability to leverage equity, and progress in operating within a sustainable funding model. Yet, also, each have a small window of time to establish a strong academic culture through absolute fidelity in implementing the academic model, requiring all available resources for investment in students. Rooted in the theory of change and aligned to **Performance Measure A2**, being all early phase charter schools are high need, priority is placed on schools serving an at-risk population, both economically and academically. To display and assess this, we will leverage the Interactive School Quality Map on the O180 website, which includes an overlay of the poverty rate by census tract with the locations of the lowest performing (1- and 2-star) district and charter schools. This map is updated annually with new data and features. The next update will include an expansion of the geographical area to display more QOZ census tracts, a defined outcome of the project. O180 will use QOZ, in addition to poverty and school performance rates, to inform where quality schools are needed the most. Potential recipients of enhancement funds will be encouraged to launch within these high-poverty geographical areas that significantly overlap with the QOZ census tracts. As further outlined under a subsequent section, a school located within a QOZ or that serves a representative student demographic will be prioritized through additional application points in Phase I.

Capacity

Alongside expert partners, O180 has a long history of providing charter schools with comprehensive assistance with facilities identification, acquisition, and financing. The vision for the NFS project was led and orchestrated by O180 as an innovative strategy to enhance public and philanthropic resources to leverage a funding pool at a [redacted] ratio. Previous to this project, O180 facilitated the connection between schools and several CDFIs to support facility acquisition. One example of this support is a CDFI that provides up to [redacted] of the equity needed to secure bank or bond financing by providing non- recourse, low-interest [redacted] 5-year loans. This solution was implemented as a means to reduce interest on long-term loans while giving charter schools adequate time to reduce their loan balances and build up cash reserves. After five years, schools can obtain replacement financing to pay off their initial bridge loans. Still, this opportunity is not available to all startup developers, is still at least [redacted], or 200 basis points above conventional rates, and has not always guaranteed a school was well prepared for a successful refinance at 5-years, hence leading to the vision of the NFS project.

O180 also actively works to assist charter schools in identifying and securing access to public facilities. As part of this support to schools, O180 launched a Facilities Survey Tool to help with facility location identification. The purpose of the tool is to make it easier to identify "high demand" areas with high concentrations of low-performing and overcrowded schools where charter operators should consider opening new school(s) and/or locating a permanent location. The tool provides charter operators with an actionable list of facility options to expedite their facilities search and launch timeline. The persistent overcrowding and underperformance of schools across Nevada presents a valuable opportunity for charter operators to open high-quality schools where they are needed the most. Nevada law allows charter schools to contract with school districts for the use of facilities at low cost (a cost no more than the amount of per pupil dollars the district would otherwise spend on the building), but there is no requirement to offer right of first refusal (NRS 388A.378). O180 has served as an advocate for schools to facilitate contract agreements for district facilities.

The applicant's financial stability. Opportunity 180 has undergone a comprehensive Single Audit with no findings. As of the closing date of the last audit, June 30, 2022, the organization has [redacted] in net assets. Of those, [redacted] are assets without donor restrictions. This healthy fund balance illustrates the experience and success in fundraising and managing a large portfolio of assets, aligned with the credit enhancement project design requirements. O180 has a successful track record for raising funds for investment into Nevada's most at-risk students. In the last year alone, the organization raised nearly [redacted] to support the leadership development program and other quality initiatives to support Nevada's charter schools. Beyond experience, this fund balance allows for the organization to meet timely cash flow needs, secure low interest debt if necessary, and illustrates a strong likelihood of a sustainable future.

Risk Mitigation. O180 was developed as a facilitator organization. By the nature of this mission, the organization is entrusted to leverage and protect invested resources to support the mission. O180 has successfully raised, facilitated, and monitored the investment of over [redacted] through implementation of strong protocol with fidelity. Previous and future success is due to the threaded connection between all underwriting and monitoring activities.

Financial Management

To ensure prudent fiscal management of the enhancement funds, the governing board has adopted an investment strategy that protects assets and allows for varied approaches for managing cashflow needs. O180 manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The governing board will adopt a comprehensive investment strategy within the recommended best practice protocols shared through technical assistance for the organization's reserve funds. It is the policy of O180 to treat all assets of the organization as though they are held by O180 in a fiduciary capacity for the purpose of accomplishing its charitable mission. All individuals involved in the investment of the Portfolio's assets will act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. Following the required risk thresholds allowable under the credit enhancement program, a diversified strategy for fund investment will be identified for all credit enhancement funds to ensure funds are securely deposited and invested.

O180 also has extensive experience in managing financial risk among portfolio members. Through the *Great Schools for Nevada* project, for example, O180 monitors the allowability and fiscal policy protocol on nearly [redacted]. This monitoring includes review of policy and procedures for allocating expenditures, as well as adherence to protocol under all compliance rules and asset management best practice. O180 closely monitors fiscal sustainability, cash flow availability, and factors influencing financial solvency, including enrollment trends and timely use of available funding to meet student needs.

Portfolio Monitoring

O180 currently manages a portfolio of 19 schools through varying program investments, and an additional 5 schools will be joining within the next two years. Each school within the portfolio is assigned a relationship manager to allow for a more in-depth understanding of the project and needs of each. Relationship managers meet with portfolio members monthly. Of significance for program investment management is the oversight of a [redacted] Federal grant awarded through the Charter School Program State Entity Competition in 2021. O180 has undergone a site visit with WestEd this past year with no significant finds due to adherence to strong protocol. O180 has a history of conducting rigorous monitoring for the purposes of risk assessment, compliance, and identification of areas for improvement to support schools within the portfolio to progress toward becoming a high-quality charter school. Portfolio monitoring services include data collection, compliance tracking, budget review, assessing academic data by student population, and monitoring for adherence to all compliance requirements and financial viability. Monitoring for credit enhancement will be aligned to underwriting standards and project objectives and outcomes, including factors influencing sustainability such as facility plan implementation and timelines, student enrollment, parent satisfaction, student attrition, and academic achievement. Aligned to the academic performance expectations of the authorizer per each charter contract, annual data collection includes assessing student growth and proficiency data of each portfolio member, disaggregated by student population to ensure all students are being served. O180 facilitates school site evaluations, which include an evaluation of instructional and operational practices in action. In addition to regular desktop monitoring of academic data and fiscal solvency and appropriate implementation of practices, the frequency of site evaluations and intensity of monitoring practices is determined by a risk rubric designed to track the overall standing of the portfolio member based on signals that indicate likelihood of success– such as having a history of meeting debt service or an existing track record of success serving students, especially those who are economically disadvantaged, on IEPs, or English Language Learners. If any concerns arise regarding a subgrantee's academic, operational, or fiscal practice– they are moved to higher risk on the rubric drafted below.

Table 3: Risk Rubric to Inform Frequency and Intensity of Monitoring Activities

Low Risk	Moderate Risk	High Risk
Conditions for Risk Assignment		
Has an existing track record of success, particularly in serving at- risk student populations; is in good academic, and operational standing with the authorizer; financial plan demonstrates long term, sustainable plan for delivering full program; history of timely loan payments; After YR1 audits with no findings and no concerns identified by authorizer on financial standards.	First year portfolio member; no existing track record of success but has strong plans and evidence-based strategies in place to lead a quality school; is in good academic and operational standing with the authorizer; financial plan that shows narrow cash flow margins; history of delayed loan payments but in current status, after YR1 audit with no findings and either or non-material changes to financial practices noted in management letter or a concern identified by authorizer on financial standards.	No existing track record of success; not in good academic, financial, or operational standing with the authorizer; receives a Notice of Concern from the authorizer; financial plan that shows narrow cash flow margins; loan payments are not current; After YR1 audit with findings and or multiple concerns identified by authorizer on financial standards.

Frequency of Monitoring Activities		
Annual site visits and data assessment to ensure continued success. Monthly connection with relationship manager.	Biannual site visits; annual data assessment with mid-year check-in. Monthly connection with relationship manager.	Quarterly site visits and progress reports; required intervention TA to improve academic achievement and/or financial viability. Monthly connections with relationship manager.

Loan Underwriting

O180 has nearly 10 years of experience as an organization in facilitating high stakes application review and underwriting processes, awarding over [redacted] in funding support to 35 Nevada charter schools. Equitable Facilities Fund, the project primary partner, brings a wealth of experience and expertise in having worked on over 500 charter school facility deals throughout the country and underwriting more than [redacted] in public finance projects. While O180 will have final approval for all loans awarded through the credit enhanced leveraged loan fund, applicants for enhancement funds through the Nevada Facility Solutions project will go through a two-phase process, each with varying factors of risk evaluation by key partners. This phased application process has been utilized by O180 for other programs and consistently led to successful outcomes.

The Nevada Facilities Fund (NVFF) is committed to making sure that the best schools have access to financing options that support long-term, sustainable futures. The revolving fund offers short-term and long-term loans with low rates, minimal fees, no equity down and no debt service reserve requirements. To qualify for loan consideration, a school must:

- Be a non-profit charter school or charter management organization
- Demonstrate strong academic results and excellent teaching and curricular practices

- Have at least one annual audit completed
- Commitment to serve under-resourced communities
    - NVFF aggregate portfolio strives to serve >70% students of color
    - NVFF aggregate portfolio strives to serve >65% students who qualify for FRL
- Have strong current and projected financial performance
    - Projected to achieve >60 days cash on hand
    - Projected to achieve >1.1x debt service coverage
- Have high-quality leadership, board members, and governance practices.

Phase I

Phase I of the application process is facilitated by O180, as the primary awardee and fiduciary of the funding. This protocol has been in place for several years and evident to be an effective tool for the identification of successful charter schools. Under this established protocol, each enhancement application will be reviewed by an external Peer Review Committee composed of members identified through an application process. We expect a diverse set of charter school peer professionals to make up the Peer Review Committee – including individuals with charter school operations experience, charter leaders, charter founders, educators with experience serving at-risk populations, and public policy experts. Each selected member of the Peer Review Committee will receive expert training on reviewing Phase I applications for enhancement against the rubric provided in the Appendix. To eliminate any potential biases, all reviewers will be required to confirm they have no perceived or real conflicts of interest – either to the program or to any individual subgrantee applicant being reviewed – by way of signing an assurance. Applications receiving at least 70 percent of available points, will be eligible to move into Phase II evaluation.

Phase II

Phase II of the application process will be facilitated by Equitable Facilities Fund, in partnership with O180 and the executive advisory committee for the Nevada Facility Solutions project. In this phase of underwriting, charter schools must:

- Demonstrate strong financial positioning for future sustainability
- Demonstrate ability to meet debt obligations
- Demonstrate facility feasibility and suitability for the academic model
- Demonstrate ability to meet required equity ratios, supported by credit enhancement funds when necessary

EFF will evaluate each potential loan based on underwriting criteria enumerated in its intensive credit rating methodology to determine its risk level and fit for this program. The credit rating methodology addresses a range of risk and school performance factors including:

- Operator risk including school management, governance, the relationship to a parent organization, enrollment projections, waiting lists, competition from other schools, a marketing plan for student recruitment, financial measurements for debt service and liquidity, and adequacy of a pro forma tested through a sensitivity analysis *(Note: This is not duplicative to Phase I activities; rather Phase I activities inform Phase II);*
- Project risk including the cost of the project, the fees paid to third parties, the sources and uses of funds, the security, and the development team and timeline; and
- Political risk including legal and regulatory issues, the length of the charter, and the political culture of the community.

Evaluation of the Likelihood of Success. As outlined in Phase I of the application process, O180 has developed application questions and corresponding rubric, included in the appendix, based on research and experience of indicators predicting charter school success. When selecting strategies that are deemed best practices, O180 requires measurable evidence and data, and focuses on strategies that lead to success for underserved populations. Evaluation also focuses on innovations that are producing overall results in the areas of student engagement, parent and community involvement, and college and career readiness. ***To date, the quality charter schools component of O180's work has led to the launch of seven new schools, as well as school improvement and technical assistance investments in four more schools – creating access to high-quality public school seats for over 8,000 students.*** This work, as well as the state's strategic vision, will be complemented and accelerated through O180's proposed Nevada Facility Solutions project.

Management of conflicts of interest. Opportunity 180 has a board approved Conflict of Interest Policy within both the board policies and employee handbook. The adopted policy by the Board of Directors requires disclosure of any actual, apparent, or potential conflict of interest. Members of the board are required to identify any affiliations, interests, or relationships, and/or any transactions that the board member or family members have taken part in that may constitute an actual, apparent, or potential conflict of interest. Employees follow the same precedent. For peer reviewers of application likelihood of success protocol, as noted in a previous section, to eliminate any potential biases, all reviewers will be required to confirm they have no perceived or real conflicts of interest – either to the program or to any individual subgrantee applicant being reviewed – by way of signing an assurance.

Management Plan and Key Partners. The Nevada Facility Solutions project relies on the collaboration of a variety of stakeholders and partnerships.

<u>State Infrastructure Bank</u>

Established in 2017 under the Nevada Treasurer's Office, the State Infrastructure Bank (SIB) is spurring an unprecedented commitment to improving Nevada's infrastructure, creating jobs, and promoting long-term, sustainable growth and prosperity – one key priority is a [redacted] focus on public charter schools. O180 has applied for funding from the SIB in the amount of [redacted] and received a conditional approval subject to appropriation of funds. If appropriated, the SIB would provide O180 a 20-year loan with a fixed interest rate of [redacted] percent and a one-time balloon repayment requirement at the end of the loan term, allowing for loan funds to be fully leveraged to create the Nevada Facility Fund.

Equitable Facilities Fund

A national nonprofit (501c3) and social impact fund, EFF seeks to transform capital access for schools and communities and supports positive educational outcomes for students across the country by providing exceptionally affordable facility financing. EFF will deliver end-to-end administration, including all charter school loan sourcing, underwriting, approval, closing, and servicing processes.

Management Plan

	Responsible Partner	**Timelines**
Infrastructure Development		
Submit SIB application	O180	Completed
Meet with prospective funders to raise capital	O180	[redacted]
Define working relationship	O180 and EFF	Completed
Develop additional working relationships with other CDFIs to meet unique needs	O180	Ongoing

Investment Strategy	O180	Upon Award Notification
Loan Facilitation		
Design application and rubric	O180 and EFF	Completed; annual review for effectiveness and relevance
Determine application due dates and timelines	O180 and EFF	Upon Award Notification
Identify peer reviewers	O180	YR 1 Initially; Add as needed annually
Develop a pipeline list	O180	In Progress; annual review
Enhance and close 10 school loans	O180 and EFF	YR1-5: 2 loans per year (total 10 loans)
Enhance 4 facility lease agreements	O180	YR1: 2 YR4: 2
Technical Assistance		
Identify priority areas of focus based on risk factors	O180	Ongoing; YR 1 complete based on prelim research
Plan TA calendar and coaching plan	O180	Ongoing; at least 40 hours of TA per year
Identify and implement dissemination plan	O180	Ongoing; at least two opportunities per year
Monitoring and Evaluation		
Design data tracking system	O180 and EFF	Completed
Data collection and analysis	O180	Ongoing; At least 1x per year – more frequent based on monitoring risk
Conduct relationship manager check-in	O180	Ongoing; At least 1x per month
Conduct desk reviews	O180 and EFF	Ongoing; At least 1x per year – more frequent based on monitoring risk

Conduct site visits	O180 and EFF	Ongoing; At least 1x per year – more frequent based on monitoring risk

Quality of Project Personnel (15)

O180 project personnel bring a great deal of experience in creating and facilitating solutions through innovation and fundraising. Having managed a portfolio of over [redacted] the team has developed strong protocol in underwriting and monitoring and has engaged several experts to understand the nuances of the credit enhancement grant in the development of the NFS project. The Equitable Facilities Fund (EFF) side, primarily leading Phase II of the underwriting process and facilitating the Nevada Facility Fund to be developed as the catalyst to this project, has invested in 120 schools serving over 60,000 students across the US. The fund is on track to provide over [redacted] of low-cost financing by early 2023. The team is comprised of expert credit analysts, charter school executives, impact investors, and non-profit leaders. Specific team members are described below.

- Jana Wilcox Lavin, Chief Executive Officer will provide project oversight and serve as a relationship manager. Jana brings 15+ years in leadership and project management experience. Jana has taken lead on the facility initiative at O180 and as a portfolio manager, fully understands the needs of the sector. As executive oversight for other CSP projects, Jana has attended several technical assistance trainings around the selection and monitoring of schools with the greatest likelihood of success. As the Executive Director of O180, the organization’s financial audit speaks volumes to the applied experience.

- Ray Fraser, Director of Operations, will serve in the project director role. Ray currently leads the finance team of the CSP state entities grant. In this role, Ray has attended a plethora of department trainings on monitoring protocol, allowability and project management against key metrics. Ray facilitates the process for nearly [redacted] in reimbursements to schools and ensures the management plan is implemented with fidelity.
- Tamara Shear, Chief Program Officer, will take lead in the quality initiative and selection process in Phase I and serve as a relationship manager.
- Kati Casto, Program Coordinator, will serve as a portfolio relationship manager and participate in the Phase I review and evaluation related to academic program quality. Kati brings 15 years of experience in education, including management of a [redacted] statewide program for novice education induction in Washington.
- Cesserly Rice, Program Coordinator, will serve as portfolio relationship manager and participate in the Phase I review and evaluation related to academic program quality. Cesserly brings a relevant perspective and experience as an educator, understanding the connection between facilities and student academic achievement.
- Miles Dickson, Outgoing Board Chair, will serve as oversight for the implementation of the project and ensure fiscal responsibility for the investment of enhancement funds.
- Sebern Coleman, Incoming Board Chair, will serve as oversight for the implementation of the project and ensure fiscal responsibility for the investment of enhancement funds.
- Mike McGregor, Chief Operating Officer (EFF), will provide leadership and oversight on the establishment of the NVFF and the Phase II underwriting of loans under the enhancement program. Mike currently leads the effort to deploy over [redacted] of financing by

2026 and is committed to transforming capital access for schools and communities. Mike also brings a background in education.

- Shawn McCormack, Investment Principal (EFF), will serve as the primary lead for all Phase II underwriting services. Shawn brings years of experience, including the development of 12 charter school projects totaling over [redacted] in Texas and Nevada.

Capacity levels for each team member described above are noted in the chart below. While the team will commit the equivalent to [redacted] to the implementation and oversight of this project, philanthropic funds will cover the majority of staff time as noted in the budget narrative.

Team Member	**Focus Area**	[redacted]
Jana Wilcox Lavin	Oversight and	
Ray Fraser	Project Director	
Tamara Shear	Phase I and	
Kati Castco	Phase I and	
Cesserly Rice	Phase I and	
Miles Dickson	Oversight	
Sebern Coleman	Oversight	
Mike McGregor	NVFF Administration	
Shawn McCormack	Phase II Underwriting	

As noted in the budget narrative, in addition to the staffing model, expert consultants will be engaged for purposes of technical assistance and leadership on the enhancement investment strategy. The investment of the full [redacted] in requested funds provides more than adequate funding for investment in necessary excess capacity or expertise.