

PR # S354A230011
Applicant: Opportunity 180
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Project Name: Nevada Facility Solutions

Opportunity 180 (O180) proposes to use \$12 million in federal Credit Enhancements funds to support Nevada charter schools serving at-risk student populations in the development of sustainable academic models through affordable facilities and to inspire an environment supportive of charter school growth by facilitating increased access and affordability of facility leasing and financing to high performing, early phase charter schools.

The Nevada Facility Solutions (NFS) project will serve at least 14 schools in communities throughout Nevada where traditional public schools are not meeting the needs of the students. This award will guarantee loans for \$150 million in school projects, a leverage ratio of 10:1. The expected outcomes are that 6,000 predominantly students of color from low-income neighborhoods will attend high quality schools and demonstrate improved academic achievement.

The proposal uses the Credit Enhancement funds, matched by philanthropic contributions, to guarantee leveraged loan funds. The combined pool of loan funds will be used for acquisition, construction, and lease guarantees to help expand and replicate quality charter schools in Nevada. These schools need the lowest-cost loans to reduce their interest payments and use operating funds to grow the school and improve academic programming. The resulting loans to charter schools will offer access outside of the high-risk market at an interest rate that is at least 2% lower, or 200 basis points, than what most charter schools could receive on their own.

The Credit Enhancement award will be used to guarantee an innovative model of raising capital from philanthropy and the state. O180 has worked with the Nevada State Infrastructure Bank to design an innovative \$15 million revolving loan fund for charter schools and have received a conditional approval. O180 believes the Credit Enhancement funds will improve the likelihood of securing these funds and seeding the Nevada Facilities Fund. This model could be replicated by other states to unlock more state public funds for charter schools. O180 has demonstrated success by raising over \$43 million in capital in the past to support the growth of charter schools in Nevada. O180 will partner with proven lenders in the charter school space to leverage the Credit Enhancement award and the philanthropic and state funds. The loans are expected to save schools an average of over \$1 million each. The realized savings will far exceed the federal award amount.