



# Blueprints of Success: Navigating Charter School Facility Projects

Florida Charter School Conference

2024



Building Hope



galileoschool  
FOR GIFTED LEARNING

# Today's Presenters



**Richard Moreno**

Building Hope  
President, Services



**Michelle Nunez**

Galileo School for Gifted Learning  
Principal, CEO



**Lauren Allen**

Building Hope  
Senior Director, Business Development

# Agenda



## 1 Introductions

— Overview —

## 2 Building Hope

## 3 Assessing Readiness

## 4 Financing Options

— School Perspective —

## 5 Galileo School for Gifted Learning

— Engage with Participants —

## 6 Q & A





**Building Hope's mission is to ensure that a school facility never stands in the way of students' opportunities to learn and achieve their greatest dreams.**



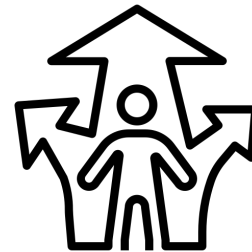
# The Problem

Building Hope launched twenty years ago to help great charters grow through affordable facilities and below market lending products. Our solutions eliminate the barriers when pursuing facility solutions.



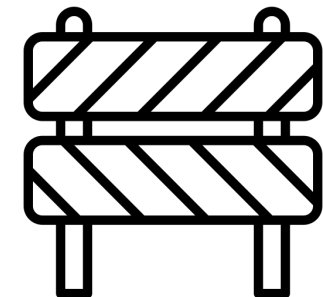
**Student learning is in a deep dive.**

*In 2022, 9-year-olds faced an unprecedented setback: reading scores plummeted by 5 points and math scores by 7—the steepest decline in reading since 1990 and the first-ever recorded drop in math.*



**Families want more school choice.**

*A survey by National School Choice Week in January 2022 found that 52% of U.S. parents considered finding a new or different school for at least one of their children within the past year.*



**Affordable facilities are a major barrier.**

*The National Charter School Resource Center highlights that unlike traditional public schools, charter schools face the burden of locating and securing facilities without dedicated facilities funding streams like their district peers.*

# Our Expertise



## Real Estate Development

This team brings over 20 years of experience successfully delivering facility development projects on-time & on budget in urban and rural settings.

They provide comprehensive turnkey development and owner's rep services uniquely tailored to each school.



## Finance

Small schools and large networks benefit from our in-house CDFI team's expertise.

Our senior and subordinate loan products have helped hundreds of schools increase their impact and achieve operational sustainability.



## Services

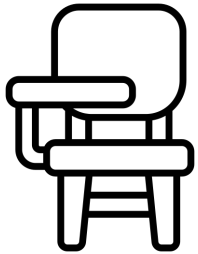
This team delivers three solutions:

1. **Financial Advising** to help schools secure municipal bonds and third-party financing.
2. **Early-stage technical support.**
3. **Back office administrative solutions** including but not limited to payroll, accounting, and human resources.



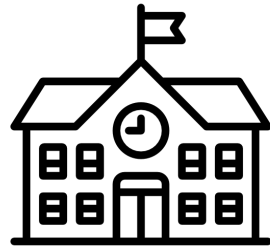
# 2023 Metrics that Matter

Our Real Estate and Finance team's 2023 portfolio helped 21 schools with affordable solutions that created more than 11,000 new seats in high impact public charter schools.



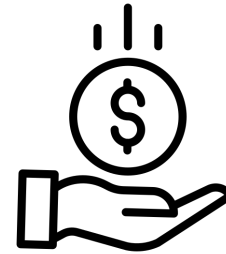
**11,244**

Seats Created



**21**

Schools



**\$3.6M**

Client Savings



**42%**

Students qualified for free or reduced price lunch

**A school facility should never stand in the way of a child's opportunity to learn and achieve their greatest dreams.**



# Are you ready?

Before launching on the path to secure significant debt or financing from a third party, we recommend schools assess their organizational health by reviewing their school's performance against a common set of underwriting criteria used to assess the risk profile of an applicant.



**Demand**



**Financial Health**



**Academic Results**



**Charter Strength**



**Leadership**



**School Community**

# Demand

When demand meets or exceeds the number of seats available in your school, this assures lenders that the school will not face a shortage in student enrollment.

**1 Have you met your enrollment goals?**

**2 Is your student retention at least 80%?**

**3 What is your waitlist to available seat ratio in each grade?**







# Financial Health

Lenders assess past outcomes because they tend to predict future outcomes. Your school should prepare for a review of your historical financial artifacts & financial projections to evaluate your school's financial health.

## Revenue Review

What % would your debt payment be to your revenue?

## Balance Sheet Strength

Assets + Cash on hand -  
Liabilities (debts)

## Cash Flow Statement

Does your school have enough revenue to cover operating losses & capital expenses?

## Clean Audits

If an audit has findings, have you taken action to address remediation?

## Five Year Projection Model

Do you have a 5 year model with conservative revenue & expenses assumptions?

# Academic Results

The primary mission of a school is student learning.

Therefore, evaluating students' performance through proficiency and growth measures is crucial in understanding a school's risk profile. This assessment aids in deciding the school's readiness for undertaking a significant facility project.

### Proficiency

What % of students are proficient? How does the school compare to similar schools? Are growth outcomes consistent among all subgroups?

### Growth

How did students perform learning against their growth goals? Are growth outcomes consistent among all subgroups?

### College Readiness Indicators

Graduation Rate, ACT, SAT, AP Enrollment, AP Pass Rates

### Trend Data

How have outcomes/growth improved for all students and across subgroups over the past 3-5 years?

Subgroup Details | Subgroup Summary | Component Information

Selected School Year: 2023-24 | Selected Subgroup: Total Students

Subgroup Grade: **A** | Subgroup Percent of

Elementary Schools: A = 62% or greater B = 54% to 61% C = 41%  
Middle Schools: A = 64% or greater B = 57% to 63% C = 44% to 50%  
High Schools: A = 64% or greater B = 57% to 63% C = 44% to 50%  
Combination Schools: A = 64% or greater B = 57% to 63% C = 44% to 50%

English Language Arts

Achievement 73%

Learning Gains 63%

Low 25% Learning Gains 56%

Social Studies



A woman in a dark suit and light blue shirt is high-fiving a young child. The child is wearing a yellow and teal striped shirt and is sitting at a desk. On the desk, there are several books, a pen, and some papers. The background shows a window with a view of a city and a potted plant. The text "Let's start putting the plan together" is overlaid on the image in a white box.

**Let's start putting the plan together**



# Align your budget with your needs.

- 1 **Create a facility budget.**
- 2 **Identify priorities & site delivery deadline.**
- 3 **Define site criteria.**
- 4 **Invest your board.**
- 5 **Select your facility finance path.**
- 6 **Hire experts based on the chosen path.**

# Facility Financing | Balance Timing & Options

	Year 0-3 Launch & Grow	Year 3-5 Stabilize	Year 5+ Codify Model
Facility Needs	Start up Space Rent or Lease	Renovation or New Construction Path to a Permanent Facility	Grow Existing Site Expand or Replicate
Financing Options	Short-Term Bridge Loan Cash Flow	Traditional Lending New Market Tax Credits Real Estate Developer (lease to own) Bond Financing	Traditional Lending New Market Tax Credits Real Estate Developer (Lease to own) Bond Financing

# Facility Financing Options

Short Term Financing	8.5%+	<p><b>Developer Full Scale   Lease to Purchase</b></p> <p>No money upfront from the school; developer assumes risk &amp; provides upfront equity to acquire the land/building and develop the facility; delayed purchase option helps school build a path to ownership</p>
	6%+	<p><b>Financing Only   CDFI &amp; Non-Profit Funds</b></p> <p>No equity upfront from the school; the school acquires the site and leads the facility development and construction process; An FA is encouraged to facilitate the process and consider staff capacity to manage the day-today project</p>
	6%+	<p><b>Traditional Loan   Commercial Bank</b></p> <p>20-30% Equity required upfront; typically not an option for early stage charter schools</p>
Long Term Financing	6%+	<p><b>Tax Exempt Bonds</b></p> <p>School Hires a financial advisor (FA) to put together the financial modeling and package to take to the bond market; fixed rate over 30+ years</p>





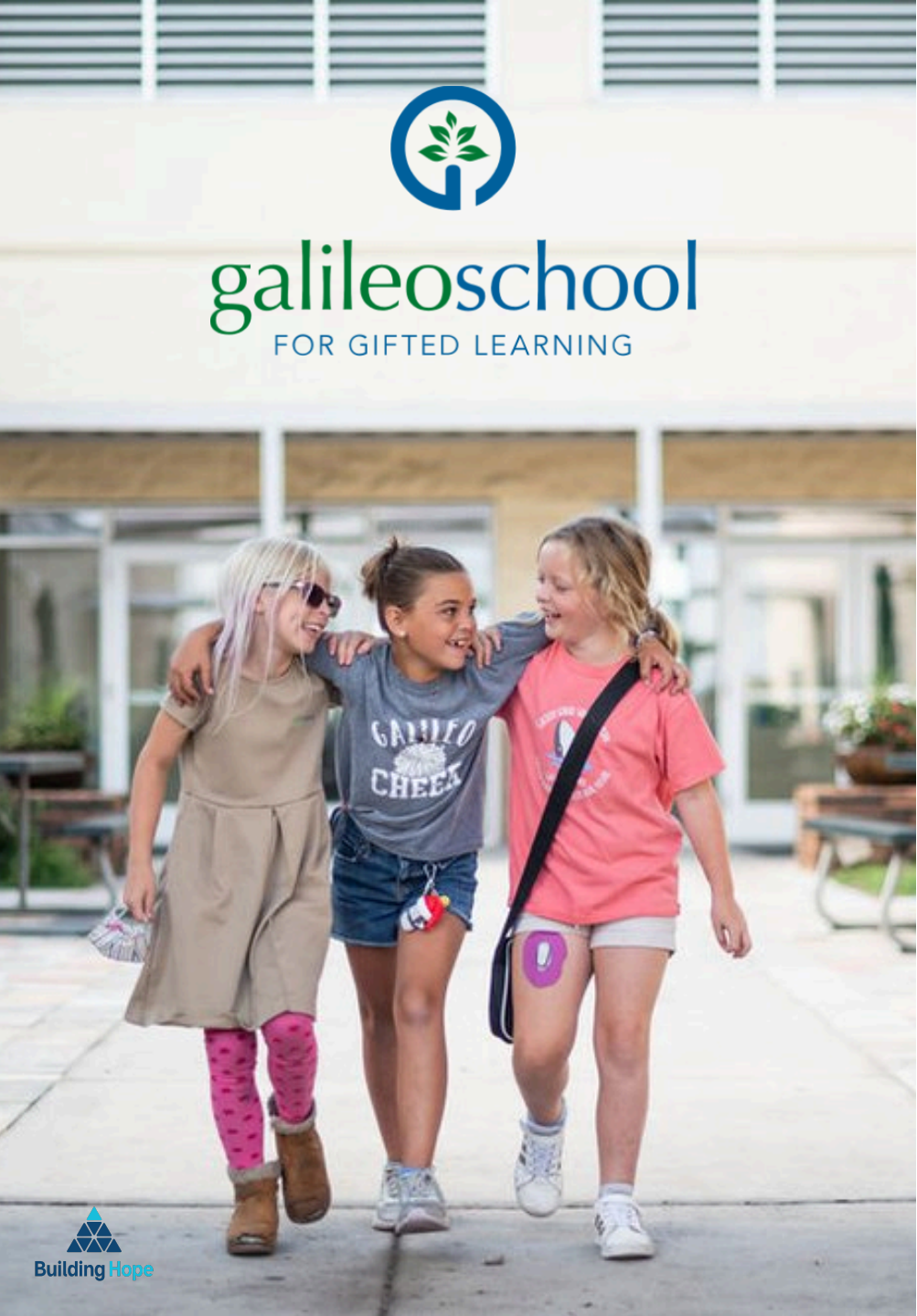
**You need trusted partners with expertise so that you can focus on teaching & learning.**



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**Where we  
started and our  
path forward**





# Galileo School for Gifted Learning

The Mission of Galileo School for Gifted Learning is to provide innovative, research-based education in a nurturing environment for gifted and talented students and those who want to learn in a gifted learning environment that will challenge and motivate them to pursue their passionate interests in service to others.

<b>Founded</b>	<b>2011</b>
<b>Grades</b>	<b>PreK-8</b>
<b>Students Impacted</b>	<b>1,391</b>
<b>Number of Campuses</b>	<b>2</b>
<b>Waitlist</b>	<b>400 + Students for past 3 years</b>

## Recent Accolades

- ★ Galileo Riverbend and Galileo Skyway landed in the top quartile of all schools in Seminole County for overall proficiency.
- ★ 2023 IMPACT Award Winner for Student Empowerment



# Galileo's Facility Pathway



## 2011 Galileo Opened

140 Students in a leased District Facility



## 2014 Ran out of Space

Began their pathway to a new facility



## 2016 Galileo Riverbend Opens

New Facility, Ground-up Build



## 2020 Galileo Skyway Opens

Old District Facility Site as Temporary Space due to Covid



## 2021 Galileo Skyway Delivery

Galileo Skyway Campus opens at New Ground-up Build Facility



## 2024 and Beyond

Plans to open Day Care Center and eventually a High School.

# Lessons Learned



## Find a Trusted Partner

A partner who understands the market, your mission and the needs of a charter school



## Create Priorities

Create a list of must have and nice to haves. Financial constraints will always force cuts so make sure you know what is most important for your model.



## Be Involved

Create a staff model that allows you or someone on your team to be involved throughout the process.



## Advocate For What You Want

Speak up about things that you want or areas that you think need to be adjusted.



## Expect Challenges

No project is perfect, and always challenges arise that are unforeseen. Get ready to be flexible.



**What do you wish you had heard from other school leaders who had experience with Facility Projects?**



A modern school interior featuring a large, curved wooden staircase with blue carpeting. The walls are made of light-colored wood, and a prominent wall features a colorful geometric pattern of green and blue triangles. Several students are sitting on the steps, and one is sitting on a yellow and green cylindrical stool. The ceiling is white with recessed lighting. The overall atmosphere is bright and contemporary.

**It's all worth it when your students walk through the doors of your new school home.**

**Any  
questions?**



**Scan the QR code for access to resources to support your project.**



# Contact Us

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