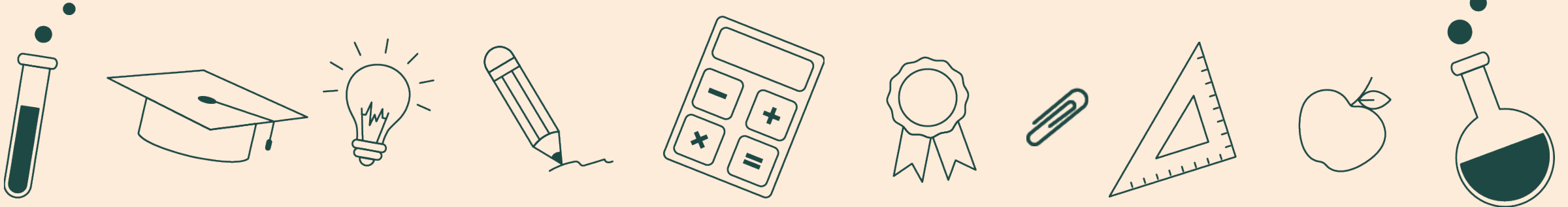




Facilities Financing: Landscape & Strategy

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Vision

Innovative and superior charter schools advancing education in every community.

Mission

The mission of the State Charter Schools Commission of Georgia is to improve public education by authorizing high-quality charter schools that provide students with better educational opportunities than they would otherwise receive in traditional district schools.





Warm Up Exercise

- What is our student enrollment at capacity?
- What is the average student count in each classroom?
- How many students can fit in our current building?
- Can our current building fit all of our students?
- What is the average square footage ratio for each student?



Warm Up Exercise

- How many classrooms are in our building?
- What is the average size of our classrooms?
- What non-classroom spaces does our school use?
- When will we outgrow our building?
- What % revenue is currently spent on your facility?
- When should you be looking for more space?



How to know if you should grow

- Can the school fit in the building at full capacity?
 - If not, when will the school outgrow the facility?
- What space is lacking (nice to haves or must haves)?
- What are the pain points when the building is “on”?
- Is the building too big?

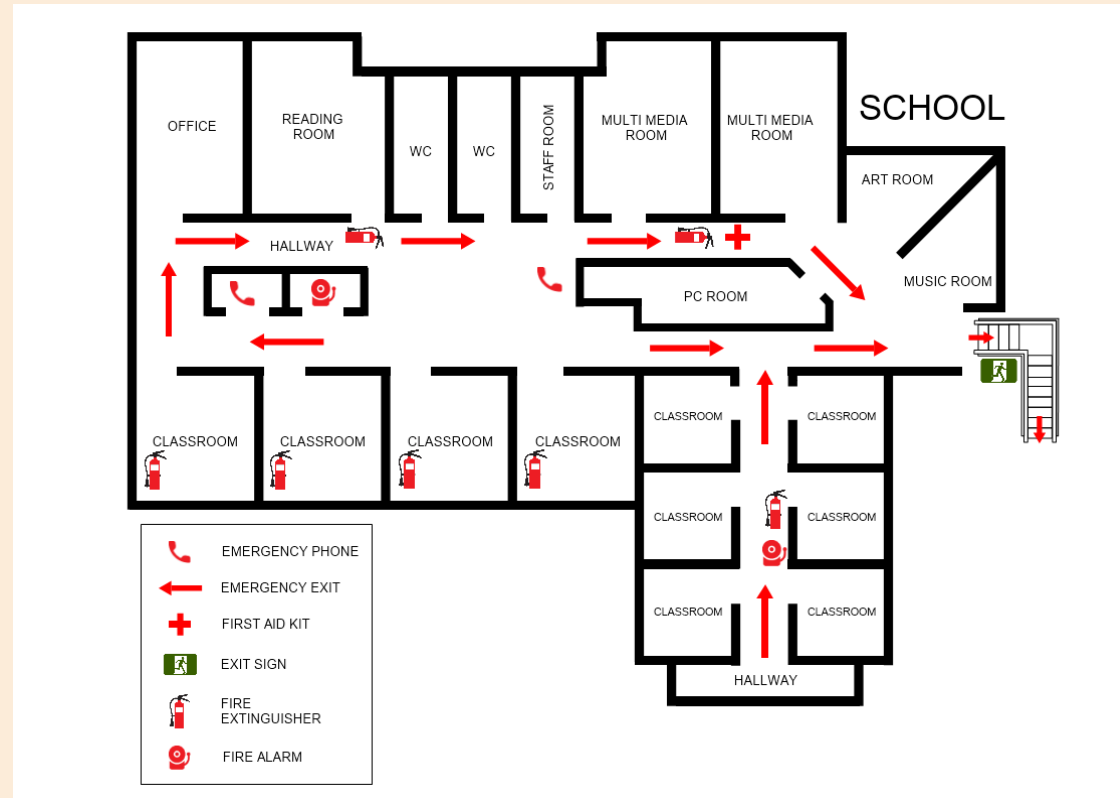


Student Growth

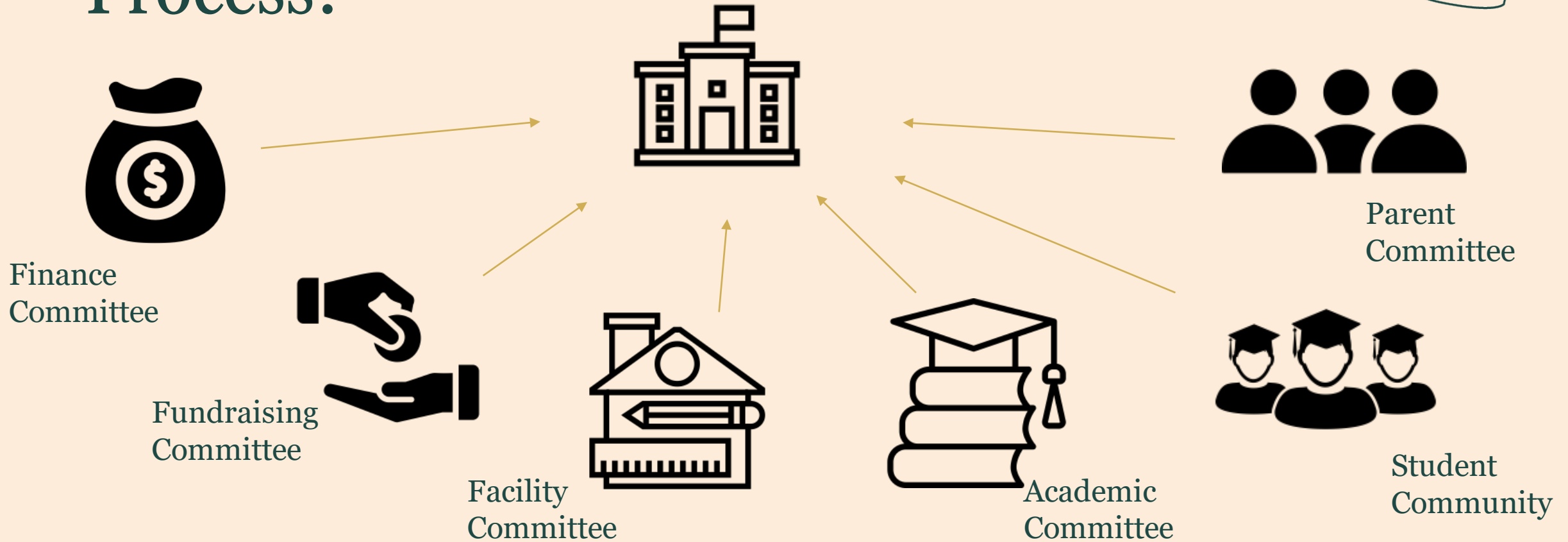
| SAMPLE SCHOOL | | | | | | | | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| Estimated Annual Enrollment | | | | | | | | | | | | |
| School Year | Year 1 2019-20 | Year 2 2020-21 | Year 3 2021-22 | Year 4 2022-23 | Year 5 2023-24 | Year 6 2024-25 | Year 7 2025-26 | Year 8 2026-27 | Year 9 2027-28 | Year 10 2028-29 | Year 11 2029-30 | Year 12 2030-31 |
| Pre-Kindergarten 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-Kindergarten 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kindergarten | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1st Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2nd Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3rd Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4th Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5th Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6th Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7th Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8th Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9th Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10th Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11th Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12th Grade | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Students Enrolled | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Per pupil revenue | \$x | | | | | | | | | | | |



Where do the students go?



What is the Board's Role in the Facility Process?



What is the Board's Role in the Facility Process?



Finance Committee



- How do our financials play into our growth?
- What % of our revenues go towards facilities?
- Can we “afford” more?
 - Why or why not?
- How much equity can we contribute?
- How will a loan impact our days cash on hand?
- Is this loan a “good deal”?

What is the Board's Role in the Facility Process?



Fundraising Committee

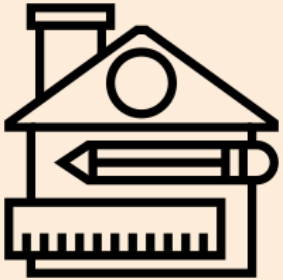


- How much do we need to fundraise towards the project?
- What are some deliverables and milestones for the project?
- When do we need the funds committed?
- Are the funds pledged or received?
 - How will lenders view pledged/received?

What is the Board's Role in the Facility Process?



Facilities Committee



- How much space do we need?
- How much will this cost?
- What experts do we need on our team?
- What sites are available?
- Who else is on the committee?
- When do we need to have the project completed?

What is the Board's Role in the Facility Process?



Academic Committee

- What are our programming and space requirements?
- How does our academic paradigm define our space needs?
- How can we enrich the education being delivered through our building?
- What does “on” look like?



What is the Board's Role in the Facility Process?



Student Community



- What do our students need?
- What is the current building lacking?
- What are the “challenges” when all the students are on campus?
 - Lunch
 - Drop off/pick up
 - Extracurricular

What is the Board's Role in the Facility Process?



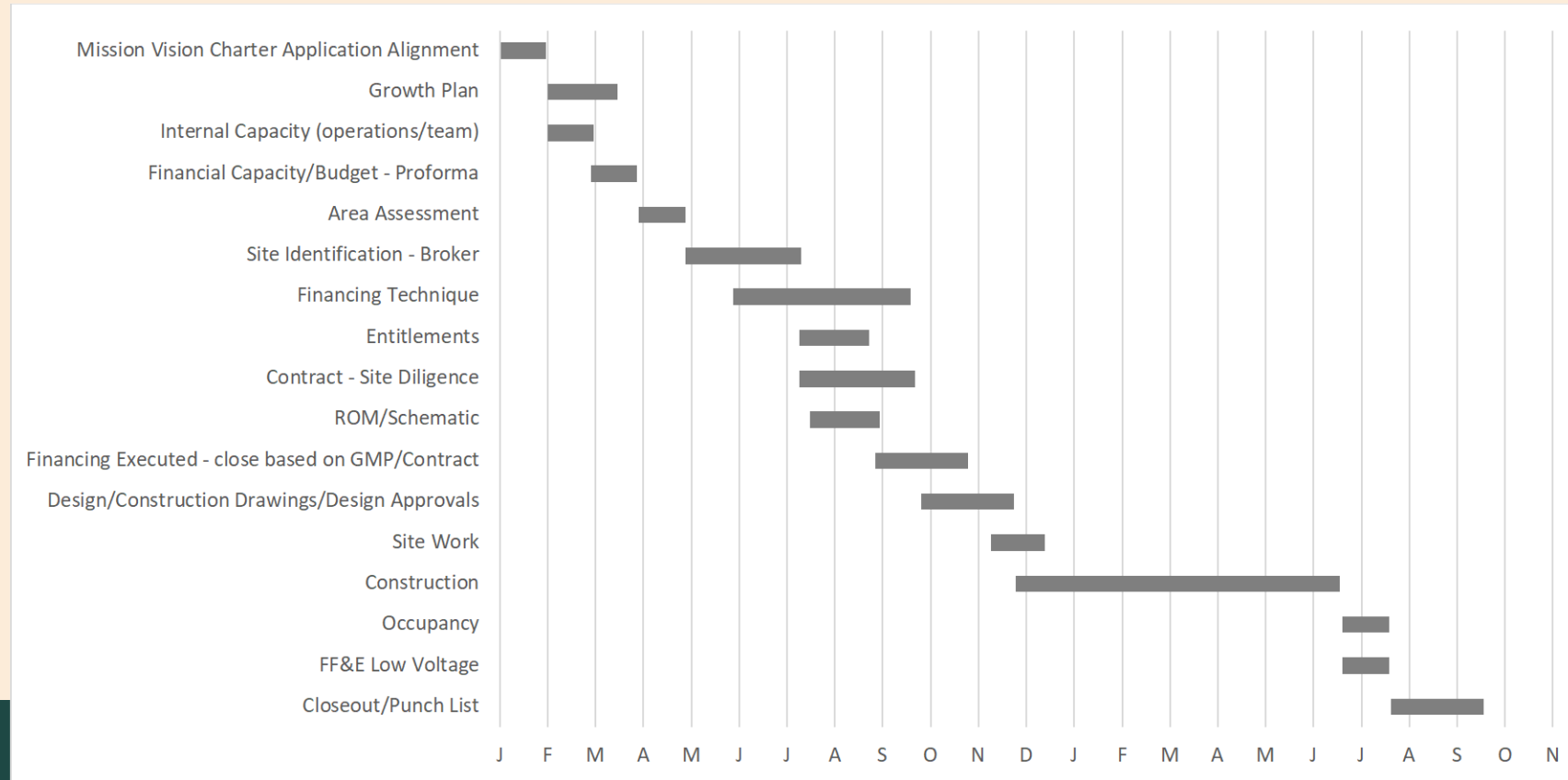
Parent Community/Committee

- What challenges do our parents face?
- Does the building look and feel safe?
- What do our parents wish we had that we are currently lacking?
- How do we engage our parents during our facility and growth conversations?



What does the timeline look like?

Sample Charter School Facility Development Timeline: 21.5 months





What does the timeline look like?

- Site Identification: 0-6 months
- Design: 2-6 months
- Permitting: depends
- Construction: 2-15 months
 - long lead items
- Financing: 60-120 days

*Average project is 18 months

Financial Considerations



What is affordable?

- What % revenue is currently spent on our facility?
- What is our per pupil operating income?
 - i.e. how much is left over at the end of the year on a per pupil basis?
- Can your school afford to spend 12% of revenues on facilities?
 - If not, how much can you afford?



Financial Considerations



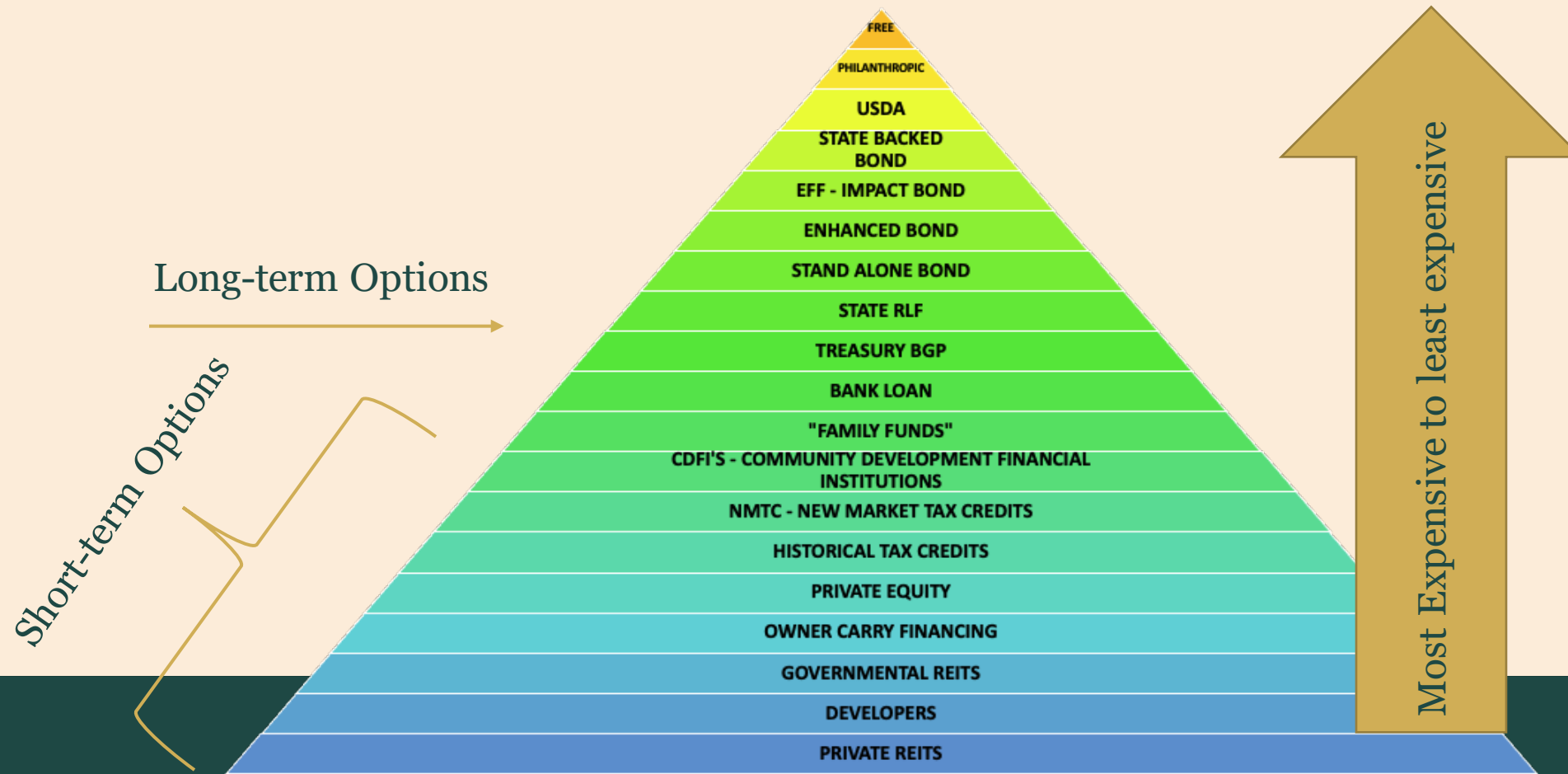
What does our current debt look like?

- How much debt do we have?
- Is there a balloon on the debt?
- What is the rate/term?
- Are there any prepayment penalties?
- If we refinanced our debt, would it free up funds?
- Does our debt allow us to take on more debt?



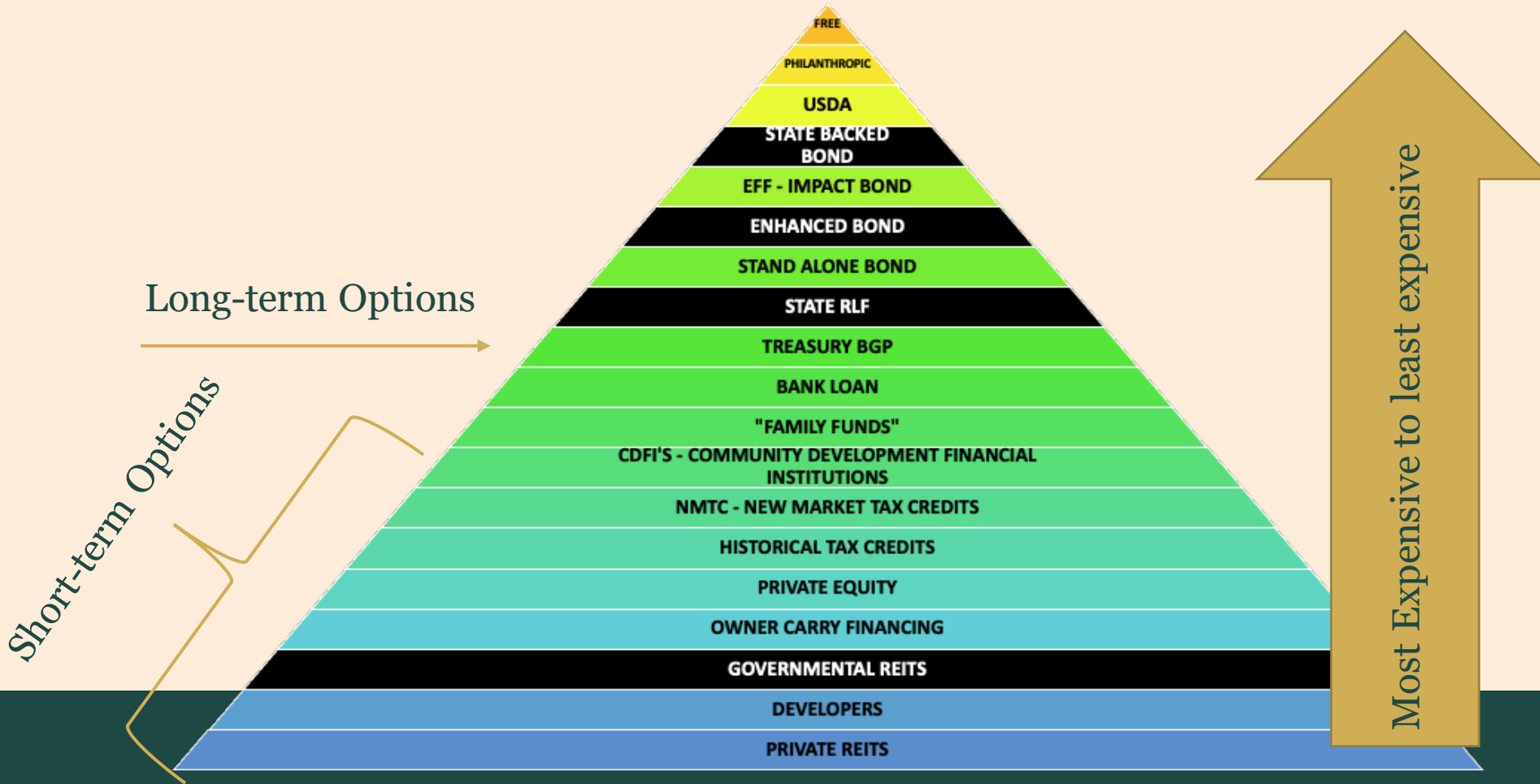
Financial Considerations

Which financial markets should we be looking at?



Financial Considerations

Which financial markets should we be looking at?



Financial Considerations



What does our future debt look like?

- How will it impact us tomorrow?
- What does it look like at 5, 10, 15, 20, 30, 40 years?
- How does this play into our long term facility solution?
- Does this debt allow for additional debt?
- What can I refinance this debt?
- How does this debt play into our “portfolio”?



Real Estate Considerations



What's in our real estate portfolio?

- Do we lease/own currently?
- Do we have renewal options in our lease, if so when and how many?
- What are the facility expenses we incur regularly?
- What does ongoing maintenance look like?
- Average utilities per month?
- Janitorial and MEP annual maintenance?



Real Estate Considerations



What's in our real estate portfolio?

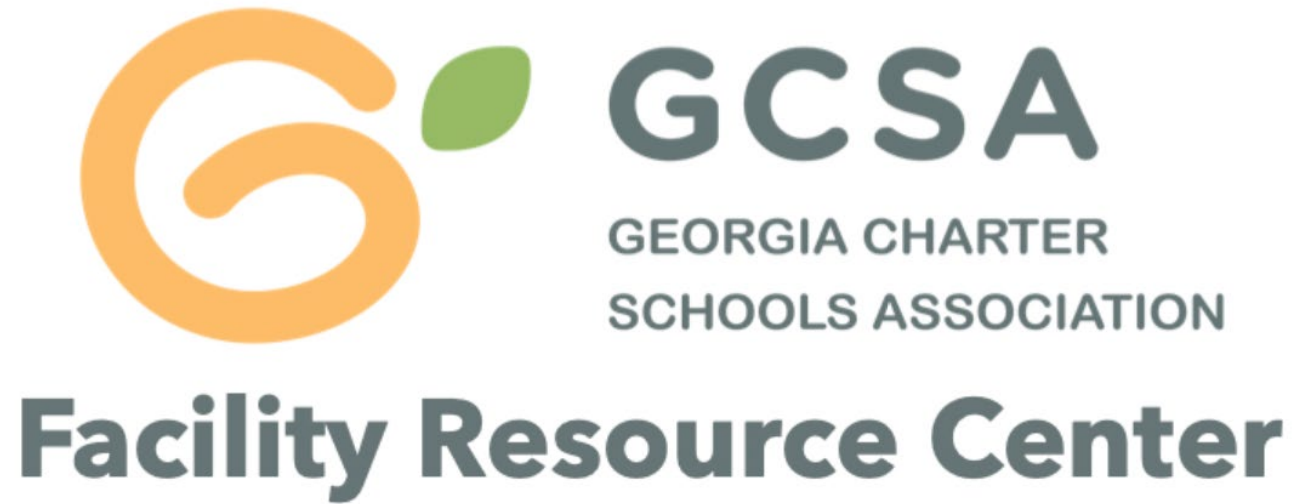
- Does our real estate portfolio allow us to expand?
 - Covenants/restrictions/approval requirements?
- How does our expansion play into school culture?
- One campus/two? (split campus)
- What costs are associated to our growth
 - Additional staff, leases, new rates, etc?
- Can we align our leases/debt/terms/balloons?
- What are our critical dates?



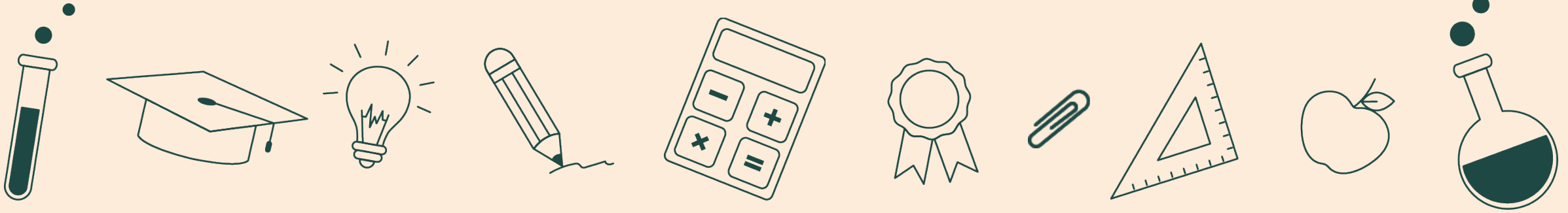


Role of the authorizer during a facility move

- **Communication Expectations:**
 - SCSC schools looking to change facilities are required to receive prior written approval from the SCSC Executive Director
 - Lease Review
 - Loan or Bond Submission
- **SCSC Facility Rule Updates:**
 - SCSC Rule Packet - 691-2-.06 State Charter School Sites and Facilities (*updates proposed as of January 25*)
 - *Written or oral feedback on the proposed rule changes is due to our office by March 13, 2023*
- **GaDOE Site Approval Process**
 - Is a new site or facility code needed?



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