



Improving **access to quality education** is a central component of LISC's Sustainable Communities strategic plan. **LISC's Educational Facilities Financing Center (EFFC)** supports the development of quality public charter schools in underserved communities through the provision of technical assistance and facilities financing. Since making its first charter school loan in 1997, LISC has provided approximately \$104 million in financing for 136 charter schools across the country.

Schools and Communities

Public charter schools provide educational options to low-income students and their families, boost educational achievement and positively impact future earnings potential. Beyond this impact on students, a successful public charter school can bolster pride in a community's residents, strengthen and maintain the community's population, provide a safe place to offer health and community services, and ultimately act as a beacon, attracting further housing and business development. Today, there are approximately 5,000 charter schools across the country serving 1.6 million primarily low-income, minority and at-risk students. These schools are achieving results despite many hurdles, the foremost of which is securing and financing adequate facilities.



Supporting Individual Schools

LISC provides on-the-ground assistance to charter schools and their surrounding communities by financing individual school facilities through its network of 30 local offices. Since 1997, LISC has provided \$45 million in direct financing for 73 charter schools. LISC also provides technical assistance to charter schools by structuring financial transactions, analyzing school operating budgets, and creating local partnerships.

Developing Local Facilities Funds



LISC has received three grants totaling \$26.5 million through the U.S. Department of Education's (ED) Credit Enhancement for Charter School Facilities Program, which it is using to leverage financing for charter school facilities. With its first \$10 million ED grant, the EFFC capitalized and fully committed a \$35 million National Education Loan Fund, which it used to create local funds that help finance charter school facilities for multiple schools in a single geographic market or nonprofit charter management organization. In 2006, the EFFC received \$8.2 million from ED to capitalize a \$10.9 million National Credit Enhancement Fund, which is providing guarantees for local funds. In 2009, the EFFC received an \$8.3 award from ED, \$4 million of which is committed for bond credit enhancement. The EFFC has also closed \$1.6 million in predevelopment recoverable grants and companion grants for charter schools.

Fostering Public Policy Initiatives

To achieve **long-term sustainability**, permanent financing mechanisms that provide charter schools with consistent funding streams and increased access to public facility financing must eventually be implemented. The EFFC is identifying replicable financing mechanisms, providing consulting to charter support organizations and sharing best practices within the sector. With grant funds from the Bill & Melinda Gates Foundation, the Walton Family Foundation, and the Annie E. Casey Foundation, the EFFC has published four studies that examine charter school facility financing: "*The Finance Gap: Charter Schools and their Facilities*" (2004), "*The Charter School Facility Finance Landscape*" (2005), "*The 2007 Charter School Facility Finance Landscape*" (2007), and "*The 2010 Charter School Facility Finance Landscape*" (2010).



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