



School Planning • Facility Funding • Program Management • Real Estate

This communication from Education Facility Solutions, LLC (EFS) is solely intended to be informative to charter school leaders. The information contained in an EFS Alert is designed to help charter school leaders achieve their core mission and is based upon research, knowledge, and current events of various professionals in either our organization or around the industry. If you have an idea for an EFS Alert, or have suggestions for what might make this more beneficial to your organization, please contact us at info@efsk12.com.

December 1, 2017

FEDERAL TAX-LAW CONSIDERATIONS: CHARTER SCHOOLS

Many of us keep up with the news at the state house regarding legislation that may impact charter schools. This year many in the charter space are turning towards Washington DC and the proposed tax law changes that may impact charter schools and their ability to access capital.

On November 16th the U.S. House of Representatives voted to pass H.R.1, the Tax Cuts and Jobs Act. The National Alliance for Public Charter Schools President and CEO Nina Rees released the following statement:

"The National Alliance is deeply concerned with the passage of H.R. 1. This bill jeopardizes the ability of charter schools to access the needed resources to secure a facility. Without facilities, new charter schools cannot open and existing, high-quality schools cannot expand or replicate.

H.R. 1 eliminates the opportunity for public charter schools to access New Market Tax Credits (NMTCs), Private Activity Bonds (PABs), and Qualified Zone Academy Bonds (QZABs) in order to finance school facilities. This is devastating to charter schools, which often struggle to find space and lack the amenities of district schools. In some states, charter schools receive zero facilities dollars, and in all states, charter schools are dependent on finding alternative and cost-effective means of accessing capital for their buildings. Without financial instruments like NMTCs, PABs, and QZABs, charter schools would have to divert resources away from high-quality classroom instruction and into facilities."

The National Alliance and the Colorado League of Charter Schools asked we take action to protect charter school facilities funding. The National Alliance has an email campaign that includes the following message:

"I'm writing to make sure you protect PABs, NMTCs and QZABs in the tax bill. Elimination or limitation of these vital financial instruments would jeopardize our ability to meet the growing parent demand for charter schools and to serve students in appropriate and safe school spaces."

You may email your Colorado Senators today. Their contact information is as follows:

Senator Michael Bennet (D-CO)
202.224.5852

Senator Cory Gardner (R-CO)
202.224.5941

www.bennet.senate.gov/?p=contact

www.gardner.senate.gov/contact-cory/email-cory

Sincerely,

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EFS is a turnkey charter school facility services provider. With over 60 charter school transactions completed totaling over \$200 million, EFS is the expert in charter school facility projects.



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