

KIPP Nashville
Nashville, Tennessee
\$10,500,000 EFF Financing / Closed: June 5, 2019 / Final Maturity: June 1, 2049

Obligor Overview

KIPP Nashville was the second charter school to open in Nashville, opening its middle school (KIPP Academy Nashville) in 2005. Since then, KIPP Nashville has founded an additional five schools, with the seventh opening in academic year 2019-2020, and has a total enrollment of 2,038 students across grades K – 12 for the 2018-2019 academic year. KIPP Nashville currently operates its schools in a mix of leased and owned facilities, comprising of clusters located on the north and east sides of Nashville (Highland Heights, Kilpatrick, and Ewing Park) and on the southeast side of Nashville (Antioch).

The mission of KIPP Nashville is to “prepare our students with the character and academic skills needed to succeed in top colleges and life beyond.” The vision of KIPP Nashville is “that one day every student in Nashville will have access to a high-quality, college-preparatory seat in a public school”.

Charter Contract

KIPP Nashville has seven charter school agreements with two different authorizers. The first school, KIPP Academy Nashville was renewed in 2015 with the remainder schools scheduled for renewals between 2024 and 2026. The term of the initial charter contract in Tennessee is ten years. The term of a renewal contract is ten years.

School	Founded	Authorizer	Next Renewal
KIPP Academy Nashville (“KAN”)	2005	Metro Nashville Public Schools	2025
KIPP Nashville Collegiate HS (“KNCH”)	2014	Metro Nashville Public Schools	2024
KIPP Kirkpatrick ES (“KIRK”)	2015	Metro Nashville Public Schools	2025
KIPP Nashville College Prep MS (“KNCP”)	2014	Metro Nashville Public Schools	2024
KIPP Nashville College Prep ES (“KNCPE”)	2014	Metro Nashville Public Schools	2024
KIPP Antioch College Prep ES	2016	TN State Board of Education	2026
KIPP Antioch College Prep MS	2016	TN State Board of Education	2026

Management & Governance

KIPP Nashville is governed by a sixteen-person Board of Directors (the “KIPP Nashville Board”). The KIPP Nashville Board has a formal conflict of interest policy and no KIPP Nashville Board member or senior staff is considered a related party.

KIPP Nashville is led by a five-person senior management team, including the Executive Director who joined the organization in 2005. Other team members include the Chief of Schools, Chief of Finance and Operations, Director of Development, and Head of School Operations. Biographies of board members and senior staff are included on the KIPP Nashville website.*

Enrollment & Student Information

KIPP Nashville’s student count for the past four fiscal years is as follows:

* Information contained on the KIPP Nashville website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**KIPP Nashville
Historical Student Enrollment
FY16 – FY19**

FY16	FY17	FY18	FY19
1,050	1,310	1,544	2,038

KIPP Nashville expects enrollment to continue to grow as KIPP Nashville expands existing schools, and builds new schools, reaching projected full enrollment of 4,504 students in academic year 2025-2026. For the past several years, gross student retention has ranged between 88% and 91%, with “first choice” waitlists averaging 19% and total submitted applications exceeding enrollment levels.

KIPP Nashville’s students come from a range of cultures, neighborhoods, and socio-economic backgrounds. In the 2018-2019 academic year, 93% of students were African American or Latino. KIPP Nashville’s economically disadvantaged and special education student populations are approximately 95% and 11%, respectively. While most children live in or near neighborhoods where schools are strategically placed, children travel from thirty-three zip codes.

Academic Program & Results

KIPP Nashville is part of a national network of KIPP schools that strive to offer a rigorous college preparatory program. The model emphasizes the “KIPP difference” that aims to emphasize high expectations; safe, structured, and nurturing environments; highly effective teachers and leaders; focus on character; and KIPP Through College. KIPP Nashville’s approach is directed at leveraging small group learning; independent thinking; individualized counseling; enrichment activities; and the balancing of academics, arts, physical education, and extracurricular activities. KIPP Nashville schools feature an extended day and longer calendar year as compared to the District.

Academic performance across the network has generally outperformed the district and state in math and reading. Academic achievements include:

- KAN and KNCP achieved the highest year to year growth (level 5) in academic year 2017-2018.
- The KNCH class of 2018 had an average ACT score of 22.1. KIPP Nashville’s goal is for students to exceed an ACT score of a 21 – the minimum requirement to be eligible for Tennessee’s HOPE Scholarship. Within the class of 2019, 69% of students had an ACT composite score of 21 or better. Additionally, 87% entered college in the Fall and 94% graduated high school.
- KIPP Nashville students by select subgroups (economically disadvantaged and minority) outperformed comparable groups on a district and state level by at least 20%.
- KIPP Nashville’s averages perform above the average of the KIPP National Network on the NWEA/MAP exam.

The Project

Proceeds of the EFF financing were used to refinance existing debt associated with the 2017 acquisition and renovation of the Ewing Park campus, and to finance the expansion and improvements to the school building.

The Ewing Park campus is located at 3410 Knight Dr. Nashville, Tennessee, 37207. The two-story 82,000 sq. ft. school building was constructed in 1967 and sits on a 19.3-acre lot.

Financial Information

Certain historical financial information for KIPP Nashville is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

**KIPP Nashville
Historical Financial Information**

Metric	FY16	FY17	FY18
Total Revenue (TR)	\$13,377,252	\$16,215,111	\$21,313,777
DS Coverage Ratio	3.20x	3.97x	4.09x
Debt Burden (% of TR)	5.1%	4.3%	4.3%
Days Cash on Hand	173.1	172.2	137.0

Rating: S&P: BBB-

Website: <https://kippnashville.org>*

**KIPP Nashville
Security and Loan Covenants**

Security	Senior parity pledge of and lien on the borrower's revenues and a priority deed of trust on the Ewing Park campus., such lien runs to the master trustee under the master indenture
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	45 days cash on hand
Academic Covenant	If any school (a) (i) fails to earn at least a Tennessee Value-Added Assessment System Level 3 for two consecutive years, and (ii) has math and reading achievement levels below the average district achievement levels for economically disadvantaged students; or (b) if a school is classified as a Priority School, the Borrower agrees that it shall (i) within thirty (30) days of such failure, at its own expense, engage an Independent Management Consultant, acceptable to the Lender; (ii) within sixty (60) days of engaging the Independent Management Consultant, provide the Lender a detailed written report of such Independent Management Consultant of all action taken or to be taken to address and correct such deficiency; and (iii) within forty-five (45) days after receipt of the Independent Management Consultant's report, the Borrower shall implement or begin to implement all the recommendations of the Independent Management Consultant, to the extent legally permissible.
Enrollment Covenant	Annual enrollment of at least 1,900

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