

**NOTICE OF VOLUNTARY FILING
FOR CONTINUING DISCLOSURE PURPOSES**

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 13035A, 04052F

Date: December 8, 2020

Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation (the “Program Administrator”), was established in 2017 to operate a pooled revolving loan program for the benefit of a class of public charities that operate to support public charter school facilities. The Program Administrator originates loans to qualifying public charter schools across the country, including a nine-step lending process from loan sourcing to portfolio management (“School Loans”), for the purpose of financing and refinancing the costs of the acquisition, construction, improvement, equipping, and furnishing of public charter school facilities.

Notice is hereby given that on December 4, 2020, the Program Administrator entered into a School Loan (the “KIPP Albany Loan”) with KIPP Albany Community Public Schools, a New York State not-for-profit education corporation. Upon closing, the KIPP Albany loan was sold to Equitable Revolving Fund LLC, a Delaware limited liability company (the “Revolving Fund”) for inclusion in the ESRF Loan Pool under the Master Trust Indenture. Capitalized terms used but not defined herein have the meanings set forth in the Official Statement relating to the Arizona Industrial Development Authority National Charter School Revolving Loan Fund Revenue Bonds, Series 2020A and the California Infrastructure and Economic Development Bank National Charter School Revolving Loan Fund Revenue Bonds, Series 2020B, dated August 12, 2020.

Attached as Appendix A hereto is a summary of the KIPP Albany loan, including a description of the obligor’s charter contract, management and governance, enrollment information, academic performance, financed project, and financial information. ***None of the Revolving Fund, the Program Administrator, or their counsels has undertaken any responsibility for the accuracy or completeness of the information provided in Appendix A. Certain information may have changed since the KIPP Albany Loan closing date and may be subject to future changes.***

**KIPP Albany Community Public Schools
Albany, New York**

\$24,537,151.60 EFF Financing / Closed: December 4, 2020 / Final Maturity: December 1, 2050

Obligor Overview

KIPP: Albany Community Public Charter Schools (KIPP Albany) is the legal borrower and a newly merged non-profit New York State Education Corporation comprising KIPP Tech Valley Charter School (KTV) and Albany Community Charter School (ACCS)—each with an elementary and middle school on different campuses. KTV school operations began in 2005 while ACCS opened in 2006. The merger, approved by the schools’ authorizer, took effect on July 1, 2020. For the current School Year 2020-2021, KIPP Albany’s four operating schools educate more than 1,500 students in grades K-8—all within the City of Albany, New York (“Albany”).

KIPP Albany operates its academic programs as an affiliate of the 242 member nationwide KIPP (Knowledge is Power Program) national school network in accordance with a license agreement with the KIPP Foundation.

The transaction’s legal structure includes a first mortgage on each of the four financed facilities and a first lien pledge of certain legally available revenues and funds pursuant a newly established Master Trust Indenture. KIPP Albany is required to deposit all funds received from Albany City School District (or such other school district that provides the highest percentage of KIPP Albany’s per pupil funding) into a custodian account which remits all payments due under the Master Trust Indenture. .

KIPP Albany’s mission statement is: *“Together with families and communities, we create joyful, academically excellent schools that prepare students with the skills and confidence to pursue the paths they choose—college, career, and beyond—so they can lead fulfilling lives and create a more just world”*.

Charter Contract

KIPP Albany holds two charters from the State University of New York (SUNY) with the authority to operate multiple school sites. All school sites are under the administration of KIPP Albany, with a single chief administrator—the former Executive Director of KTV schools—and is governed by a combined Board of Trustees comprising trustees from the former KTV and ACCS boards.

For purposes of SUNY’s charter school renewal and accountability plans, the ACCS and KTV schools operate under a single charter agreement but have separate renewal timelines and academic performance requirements. That is, there are separate accountability plans for the former KTV schools (K-8) and the former ACCS schools (K-8). KTV’s charter was recently approved and extended to July 31, 2025. ACCS has received two previous full-term charter renewals and is up for a third renewal in 2021.

Management & Governance

The KIPP Albany is governed by a 12 member Board—most of whom have transitioned from either KTV or ACCS boards—with backgrounds and expertise in education, government, human resources, politics, advocacy, technology, and law enforcement. The current Board Chair has been with KTV since inception in 2004, offering stability and institutional knowledge. The Board meets at least six times per year and has established advisory panels, including a Finance and Audit Committee and a Risk Management Committee

to enhance its operations and provide additional oversight. Other committees being considered but not yet formed are Community Engagement; Academics; and Development.

Enrollment & Student Information

KIPP Albany’s combined student count for the past four years is as follows:

KIPP Albany Historical Student Enrollment FY18 – FY21			
FY18	FY19	FY20	FY21
1179	1287	1388	1536

The combined KIPP Albany network has seen increases in enrollment for at least the past four years. KIPP Albany’s current enrollment is approximately 1,536 and it expects this figure to be stable through at least Fiscal Year 2025. ACCS schools have had a full complement of K-8 grades since 2014 and have had very consistent annual student counts over that period. Most of the recent network enrollment growth has come from KTV schools as it concluded its transition from a 5-8 middle school to a full K-8 school after this Fall’s enrollment of 4th graders. While a high school is contemplated in the future, there are no specific plans to expand grades at this time.

Student demand for KIPP Albany schools is evidenced by a current wait list that represents approximately 6% of current enrollment and 28% of open seats—somewhat lower than prior years due to COVID effects and more rigorous waitlist standards. Demand is highest at the critical entry point of kindergarten which had 218 applications for 173 seats. Recent student attrition rates for KIPP Albany was approximately 11% for 2019-2020.

KIPP Albany’s student body comes from socioeconomically and ethnically diverse backgrounds. For SY20-21, 79.8% of students are eligible for free and reduced lunch. 99% are non-white, 2.1% are English language learners, and approximately 2.7% of its student body receive special education services.

Academic Program & Results

KTV’s middle school ranked as the top-performing middle school in Albany, with 89.0% of 8th graders (highest grade) achieving proficiency on the 2019 NYS Math Test and 86% achieving ELA proficiency. Moreover, KTV’s results generally get materially stronger each year.

With the exception of 5th grade (first entering grade until FY22) ELA and Math and 6th grade math, KTV students well exceeded the New York State average in both subjects. Despite serving a very high percentage of high-risk students, 8th grade ELA proficiency rates at KTV represent almost twice that of the State average while 8th grade Math proficiency results are not quite three times better than State averages. KTV’s math results are higher than virtually all suburban middle schools in the Capital Region. Additionally, for SY18-19, KTV was named a “Recognition School” by the New York State Department of Education for its excellent academics and other metrics, falling in the top 12% of schools statewide.

In the same SY18-19, Albany Community Charter School had 39% of its 8th graders (highest grade) proficient in math and 41% proficient in ELA outpacing the Albany City School District in every grade in

ELA and all but one grade in Math. ACCS was named a U.S. Department of Education Blue Ribbon School in 2012.

The Project

Proceeds of the loan will refinance all outstanding debt of the KIPP Albany education corporation along with costs of issuance. The KTV primary and middle schools are directly across the street from each other and the ACCS schools—the elementary and the middle schools—are within walking distance of each other, however, the two campuses are across the City of Albany from each other. The combined size of the four facilities total 161,000 square feet.



**KIPP Tech Valley Primary School
1 Dudley Heights**



**KIPP Tech Valley Middle School
321 Northern Boulevard**



**Albany Community Charter Elementary
School – 65 Krank Street**



Albany Community Middle School - 42 South Dove Street

Financial Information

Certain historical financial information for KIPP Albany is listed below. These metrics will be updated periodically and included in EFF's continuing disclosure annual report.

KIPP Albany Historical Financial Information

Metric ¹	FY18	FY19	FY20
Total Revenue (TR)	\$18,911,536	\$21,144,795	\$24,108,865
DS Coverage Ratio	2.10x	1.66x	2.66x
Debt Burden (% of TR)	8.2%	9.4%	9.3%
Days Cash on Hand	166.5	106.9	173.8

Ratings: S&P: BBB-

Website: <https://www.kippalbany.org/>

Security and Loan Covenants

Security and Loan Covenants	
Security	Pledge of first mortgage on property and a first lien pledge of certain legally available revenues and funds pursuant a newly established Master Trust Indenture.
Debt Service Coverage Covenant	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	60 days Cash on Hand
Academic Covenant	Maintain average proficiency rates on the State's standardized tests, across the majority of all grade levels for ELA and Math, that exceeds the City of Albany School District's average passing.
Enrollment Covenant	Combined enrollment of at least 1,400 students