STATE PUBLIC CHARTER SCHOOL AUTHORITY



2025 CHARTER SCHOOL LOAN APPLICATION

**Nevada State Public Charter School Authority Application for a Charter School Revolving Loan (Pursuant to Nevada Revised Statute 388A.432 et seq.)**

## THE REVOLVING LOAN PROGRAM

## FOR NEVADA CHARTER SCHOOLS

The State Public Charter School Authority (SPCSA) is pleased to announce that the Legislature of the State of Nevada has created an Account within the State General Fund, administered by the SPCSA, from which to issue a Revolving Loan.

Any Charter School in the State of Nevada may, pursuant to NRS 388A and NAC 388A, apply for a Revolving Loan, no matter the sponsor.

The total amount of a Revolving Loan that may be made to a charter school must not exceed the lesser of an amount equal to $500 per pupil enrolled, or to be enrolled during the upcoming school year, at the charter school or $200,000.

The authorized uses of the loans are for costs consistent with NRS 388A.435, approved by the board of the charter school and identified in the loan application, pursuant to NRS 388A.435 as follows:

(a) “In preparing a charter school to commence its first year of operation;

(b) To improve a charter school that has been in operation; and

(c) To fund recruitment of teachers and pupils to new charter school facilities and enrollment of pupils in such facilities.”

Repayment shall be made pursuant to [NAC 388A.675](https://www.leg.state.nv.us/NAC/NAC-388A.html#NAC388ASec675) including that the Department of Education shall deduct from the apportionments made to the charter school pursuant to [NRS 387.124](https://www.leg.state.nv.us/nrs/nrs-387.html#NRS387Sec124), an amount of money equal to the annual repayment amount of the loan, including interest.

Repayments must also be made in equal amounts during the period of repayment, which must not exceed 3 years, agreed upon by the governing body of the charter school and the State Public Charter School Authority.

The rate of interest for Revolving Loans made from the Account is to be an interest rate at or below market rate to charter schools. This rate is currently the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date of the transaction. See [NAC 388A.675](https://www.leg.state.nv.us/NAC/NAC-388A.html#NAC388ASec675) Repayment of loans. (NRS 385.080, 388A.110, 388A.438).

No fees or points are assessed to the applicant charter school.

An application for a Revolving Loan must be submitted by the governing body of a charter school to the SPCSA “on or after January 1 and on or before March 15 or on or after July 1 and on or before October 15 of the calendar year in which the loan will be made” ([NAC 388A.665](https://www.leg.state.nv.us/NAC/NAC-388A.html#NAC388ASec665)). The State Public Charter School Authority may, upon request of the governing body of a charter school and for good cause shown, accept an application for a loan from the Account at any time.

SPCSA staff note that no funds will be released until after SPCSA conducts an enrollment audit and verifies the enrollment supports the requested loan amount. SPCSA staff will work with the school to schedule an enrollment audit at an appropriate time.

**Tentative Funding Planning Calendar**

**Revolving Loan Application**

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| --- | --- | --- |
|  |  | **Deadlines** |
|  | **Spring Application Cycle (March Submission Deadline)**  (Possible disbursement as early as June) |  |
|  |  |  |
|  | **Spring Cycle Revolving Loan Applications accepted** | **Jan 1 – Mar 15** |
|  | Application submittal start date | Jan 1 |
|  | Application submittal end date (deadline) | March 15 |
|  | Application presented to SPCSA board | April/May |
|  | Funding request before Interim Finance Committee (IFC) (if approved by SPCSA board) | next scheduled meeting of the IFC after SPCSA Board approval |
|  | Funds released (if approved and pending enrollment audit) | as early as June |
|  |  |  |
|  | **Fall Application Cycle (October Submission Deadline)**  **(**Possible disbursement as early as February) |  |
|  |  |  |
|  | **Fall Cycle Revolving Loan Applications accepted** | **Jul 1 — Oct 15** |
|  | Application submittals start date | July 1 |
|  | Application submittals end date (deadline) | October 15 |
|  | Application presented to SPCSA board | December/January |
|  | Funding request before IFC (if approved by SPCSA board) | Next scheduled meeting of the IFC after SPCSA Board approval |
|  | Funds released (if approved and pending enrollment audit) | As early as February |
|  |  |  |

*SPCSA and IFC dates are subject to change, with or without notice.*

In determining whether to approve an application, the SPCSA Board will, pursuant to NAC 388A.670, consider the:

(a) Reliability of the business plan submitted with the application;

(b) Ability of the charter school to obtain financial assistance from other sources;

(c) Information submitted in the application; and

(d) Effect of approval of the application on the equitable geographic distribution throughout this State of loans from the Account.

Regarding the priority of Revolving Loan applications, the SPCSA Board will “grant priority for loans from the Account to those charter schools with approved loan applications that will use the money obtained from the loan in preparing to commence the first year of operation,” pursuant to NAC 388A.670 (1) and NAC 388A.670 reserves the authority to determine which schools will be loaned certain amounts according to the priorities of the school.

Eligibility Requirements

To determine whether an applicant is eligible to be approved for a Revolving Loan, the SPCSA will consider the school’s creditworthiness and its academic, financial, and organizational performance.

## LOAN APPLICATION INSTRUCTIONS

An application for a loan from the Account must be submitted by the governing body of a charter school to the SPCSA as described above, pursuant to NRS 388A and NAC 388A, including NAC 388A.665. The Revolving Loan application is separated into 3 tracks. Please choose one or more tracks which best suit your loan application:

* (a) To prepare a charter school to commence its first year of operation;
* (b) To improve a charter school that has been in operation, including campus expansions; and
* (c) To fund recruitment of teachers and pupils to new charter school facilities and enrollment of pupils in such facilities.

**Specific Section Requirements**

***Using the corresponding numbered list below, all applications must:***

### Section 1

1. Complete the Revolving Loan Application Cover Page (An Excel file).
2. Include an Executive Summary (may be copied from the letter from the school board of directors requesting the Revolving Loan and accompanying the Revolving Loan Application). The Executive Summary may be one paragraph which states that the board is requesting a loan on behalf of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ campus of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ school in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, for a term of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ months/years, to be used for the purpose(s) of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .
3. If the charter school is sponsored by a local school district or a college or university within the Nevada System of Higher Education:
4. Provide a letter of endorsement from the sponsor of the charter school.
5. For a school that is already in operation this letter shall include supporting documentation and evidence of the school’s academic performance for up to the preceding three years and a statement describing any findings based on the annual performance audit pursuant to NRS 388A.405 and any findings under the performance framework for the charter school pursuant to NRS 388A.270. Additionally, the letter shall provide a history of the school’s most recent three years’ Nevada School Performance Framework Star Ratings including supporting documentation and evidence demonstrating the areas of weakness which lead to the ratings.
   1. For any findings and for any 2-star or lower ratings referenced in the letter above, the school shall provide a detailed discussion of the strategies the school will employ to address the underlying issues.

**OR**

If the charter school is sponsored by the State Public Charter School Authority and is already in operation:

1. Provide a summary of any findings under the State Public Charter School Authority Charter School Performance Framework for up to the preceding three years, including supporting documentation and evidence outlining the specific areas in need of improvement. Additionally, the school shall provide a history of the school’s most recent three years’ Nevada School Performance Framework Star Ratings including supporting documentation and evidence demonstrating the areas of weakness which led to the ratings. Reports prepared by the State Public Charter School Authority for the charter school containing this information may be incorporated by reference.
   1. For any findings and for any 2-star or lower ratings referenced above, the school shall provide a detailed discussion of the strategies the school has or will employ to address the underlying issues.
2. Provide a resolution and copy of the minutes, draft or final, of the governing body authorizing submission of the loan application.
3. Provide the signature(s) of the board chair of the governing body on a statement acknowledging that the school board (1) voted and approved the revolving loan request and (2) accepted responsibility for repayment of the loan even in the event of the closure of the charter school.
4. If the charter school is an operational charter school provide:
   1. A statement of the financial history of the applicant by completing and attaching the most recent three years of audited financial statements,
   2. Three credit references for the applicant,
   3. EIN Number, and
   4. UEI Number (*if available*).

**OR** If the charter school is not yet operational:

1. Provide a copy of the internal financial controls and procedure controls of the school and a letter from a certified public accountant or other financial or accounting professional, pre-approved in writing by the SPCSA, which professional attests that the internal financial controls and procedure controls therein are, in the opinion, of the CPA or other financial professional, not unreasonable and are such as to provide reasonable assurances of repayment of the Revolving Loan to the SPCSA.[[1]](#footnote-2):
2. Preparation and maintenance of financial statements and records in accordance with generally accepted accounting procedures (GAAP),
3. Payroll procedures,
4. Accounting for contributions and grants,
5. Procedures for the creation and review of interim and annual financial statements (should specify, the individual(s) that will be responsible for preparing and reviewing such financial statements and ensuring that they contain valid and reliable data),
6. Existence of appropriate internal financial controls and procedures,
7. Safeguarding of assets including cash and equipment,
8. Compliance with applicable laws and regulation,
9. Ensuring that the purchasing process results in the acquisition of necessary goods and services at the best price, and
10. In demonstrating status of aforementioned controls, the school should include:
    * 1. A description of the control,
      2. If the control is currently operational, and
      3. Who at the Charter School is responsible for the control.
11. A copy of the school’s most recently submitted NDE budget for the upcoming or ongoing school year (before repayments are started), in a working Excel format.
12. A standard NDE budget for the first year when repayments begin, the school year after the loan is made, showing planned or projected revenue and expenses. The Cashflow tab must show the first-year monthly repayments being made.
13. . Another budget pro forma format may be used—if it has been pre-approved in writing by the SPCSA, and **if it includes** **a statement of the monthly cash flow** for the operation of the charter school **for each year of the proposed loan term**, **including, without limitation, an identification of the amount and timing of receipt of revenue relating to the amount and timing of expenditures.** Submit **a working MS Excel file** which provides a budget for the charter school for the fiscal year in which the loan is received and for each fiscal year of the proposed period for repayment of the loan. The school must provide a working Excel model to do this and to generate the below information or the school may request and use a copy of the authority’s Financial Performance Ratings model to show this information. The budget must:
14. Include an identification of all sources of revenue and resources and expenses and uses,
15. **Include on one or more separate lines the cost for repayment of the loan,**
16. **Include the following pro forma projections**, with supporting detail, **for each year** a **loan balance is outstanding** the overall:
    1. Current Ratio,
    2. Debt to Asset Ratio,
    3. Debt Service Coverage Ratio,
    4. Days of Unrestricted Cash On Hand, and
17. Be accompanied by **a written narrative explaining each of the assumptions made in developing the budget**.

### Section 2

1. Describe the proposal of the charter school to repay the loan, consistent with NAC 386.445.
2. Detail the financial needs of the charter school including a detailed enumeration and explanation of the costs to be covered by this loan.
3. Provide a list of the anticipated expenses for which the funds obtained from the loan will be used.
4. Explain the effect that receipt of the loan will have on the operation of the charter school. Specifically, if the school is unable to obtain this loan, identify which of the costs detailed above will be modified or eliminated.
5. Describe the effect, if any, that receipt of the loan will have on the ability of the governing body or the charter school to obtain other financial assistance from public and private sources. If there are any other loans or grants which are contingent upon obtaining this loan, please describe those in detail and provide supporting documentation.
6. Provide a detailed plan for the use of the funds obtained from the loan. Describe how this loan will enhance the credit of the charter school.

### Section 3

1. If a member of the governing body or a member of the school’s leadership team with day-to- day responsibility in academics or business operations and finance has, or had, an association or affiliation with another charter school in this State or another state[[2]](#footnote-3):
   1. Provide a statement as to whether the school is still in operation. If the school is not in operation, please report the date and reason for the closure of the school. Please note whether the member of the governing body was a board member or staff member of the school at the time of the closure or in the three-year period leading up to the closure. Provide current contact information for the most recent charter school authorizer and any past authorizer of the charter school.
   2. Provide a statement of the financial history of the charter school with which the member has or had such an association or affiliation.
   3. The most recent three years of audited financial statements for the period when the individual was associated with the charter school. If the audited financials were included as part of a charter application filed on or after July 1, 2019 that information may be incorporated by reference.
2. Provide detailed enrollment projections and a comprehensive marketing, and recruitment plan that demonstrate the school has sufficient capacity to exceed the enrollment projections and maintain a sufficient wait list to ensure repayment in the event some students withdraw from school. Please use the marketing plan template attached to this document and submit as **Attachment 1**. Applicants may wish to enhance the marketing plan with additional school-specific strategies including, but not limited to, social media and advertising in addition to the grassroots strategies identified for all applicants.
3. Attach the business plan for the charter school.
   1. For schools that are seeking to expand their enrollment, within the new or existing facility, please attach the expansion business plan documentation as **Attachment 2.** Applicants are welcome to use this business plan as the format for any amendment request to a sponsor which has not adopted a standard amendment request template.
   2. For schools that have already supplied the information in this business plan as part of their expansion amendment with the State Public Charter School Authority (November 2019 and after) the amendment application may be incorporated by reference.
   3. For New Charter Schools **not sponsored by the SPCSA**, please provide a copy of your current charter contract.

## OPERATOR APPLICANT INSTRUCTIONS

### ****Specifications****

* Please submit the loan application to
* Katie Broughton — [kbroughton@spcsa.nv.gov](mailto:kbroughton@spcsa.nv.gov)
* Michael Hutchins — [m.hutchins@spcsa.nv.gov](mailto:m.hutchins@spcsa.nv.gov)
* It is the responsibility of the applicant to ensure that the content is complete, detailed, and easily understood and followed by reviewers.
* All narrative elements of the application must be typed with 1-inch page margins and 11-point Cambria font, single-spaced.
* All headings must be in 11, 12, or 14 point Cambria font.
* Tables may be in either 11 or 10 point Cambria font.
* Each section (financial history, governing board member signatures, etc.) must begin on a separate page, as indicated in the numbered list.
* All pages must be consecutively numbered in the footer, including all attachments.
* The table of contents must identify the page number of each section of the required documents.
* Schools are encouraged to utilize Microsoft Word’s cross-referencing features to allow for automatic updates to page numbers within the document for any element discussed in more than one section. Simply referring reviewers to content in another section or expecting reviewers to seek out and infer an answer from information which may or may not be found in an attachment is unacceptable and will be deemed unresponsive. Petitioners are expected to exercise appropriate judgement in balancing responsiveness with excessively duplicative content. It is highly advisable to answer the question posed and refer the reviewer to additional contextual information that will inform review with transitional and referential phrases such as “As discussed in greater detail in the Section \_\_ beginning on page \_\_, the school will...” and “Reviewers seeking more information on \_\_\_ may wish to refer to the section labeled \_\_\_ beginning on page \_\_\_. More specifically, the school will...”
* References and citations should be placed in the footer.
* The name of each section and attachment, e.g. “Attachment 1,” etc. must be placed in the footer to facilitate easy review and navigation of the materials using the corresponding numbered list. Bookmarking of individual sections and attachments in Acrobat is strongly encouraged to enhance readability and facilitate a thorough review.
* Schools are encouraged to use Microsoft Word’s styles features (<http://shaunakelly.com/word/styles/stylesms.html>) to manage formatting, provide for bookmarking and cross-referencing, and facilitate the generation of the table of contents and other features through the heading styles functionality.
* If a particular question does not apply to your team or application, simply respond with an explanatory sentence identifying the reason this question is not applicable to your school AND including the term “not applicable” within the sentence.

**Guidance and Resources for Applicants**

Schools are encouraged to familiarize themselves with **current** Nevada law and regulations relating to charter schools. As Nevada’s statutes and regulations are continuing to evolve, it is advisable to monitor and evaluate all changes to ensure that any proposed changes to the charter meet current expectations. The Authority does not have the capacity or the statutory authority to provide individual guidance or legal advice. Charter schools are encouraged to consult the Charter School Association of Nevada and an attorney who is well versed in charter school law for guidance in interpreting those elements of statute and regulation for which the Authority has not incorporated its policy expectations in this document.

Nevada Revised Statutes: NRS 388A et seq. contains the vast majority of law pertaining to charter schools: <https://www.leg.state.nv.us/NRS/NRS-388A.html>. Other NRS chapters bear on charter schools and should also be reviewed.

Nevada Administrative Code: NAC 388A et seq. contains the vast majority of regulations pertaining to charter schools: <https://www.leg.state.nv.us/NAC/NAC-388A.html>. NAC 386.010 through 386.472 as well as other regulations also govern the administration of the state’s charter school programs and should be consulted. NAC 388A.665 describes loan application requirements. NRS 388A.435 describes authorized uses.

Finally, applicable SPCSA documentation and applications must also be reviewed. Those considering applying for a Revolving Loan may contact the SPCSA for further information.

1. If a school received charter approval less than 60 days prior to the due date of this loan application, it may provide an assurance that the controls will be established and documented prior to the issuance of the loan. [↑](#footnote-ref-2)
2. The provisions of this paragraph apply regardless of whether the member has terminated the association or affiliation. [↑](#footnote-ref-3)