

**BLACKSTONE VALLEY PREP**  
**Cumberland, Rhode Island**  
**\$16,000,000 EFF Financing / Closed: April 26, 2019 / Final Maturity: May 1, 2049**

**Obligor Overview**

The Rhode Island Mayoral Academy Blackstone Valley (“BVP”), established in 2009, is a six-school network operating under a single charter and a single Rhode Island nonprofit corporation, with Average Daily Membership enrollment count on March 15, 2019 of 1,965 students in grades K-12.

BVP was intentionally established as an economically diverse school and reserves 50% of its available seats to families who indicate that they qualify to receive free meals through the National School Lunch Program. Based on this planned economic diversity, BVP pulls students from two relatively high income suburban districts, Cumberland and Lincoln, as well as two high poverty urban districts, Pawtucket and Central Falls.

The mission of Blackstone Valley Prep is “to prepare every scholar for success in college and the world beyond.”

BVP’s vision is to be a model of rigorous college and career preparatory public education by:

- Creating an intentionally diverse and inclusive school community;
- Collaborating with educators across Rhode Island; and
- Proving what is possible for all kids.

**Charter Contract**

All charter schools in Rhode Island are authorized by the Rhode Island Department of Education (“RIDE”). Rhode Island is one of only seven states in the nation to have a sole authorizer. Rhode Island authorizes three types of charters: 1) district charter schools that are established by school districts; 2) independent charter schools that are created by colleges or universities or a Rhode Island non-profit, and 3) mayoral academies created by a mayor or elected official of any city or town within the State. BVP is a mayoral academy, and a mayor must serve on the school’s Board of Directors as Chair. Unlike the other two types of charter schools, mayoral academies may elect out of statutory requirements relating to paying prevailing wages and benefits, participating in the state teacher’s retirement system, and providing teachers tenure. Charter terms are up to five years and the renewal process is clear. To date, RIDE has never closed a charter school. BVP’s was recently renewed for its third five-year term through June 30, 2024.

**Management & Governance**

BVP is governed by a thirteen-member Board. Due to its establishment as a mayoral academy, it has three local chief executives on its Board of Directors (the “BVP Board”). The BVP Board also includes the Rhode Island’s Lieutenant Governor who is a founding member. No BVP Board member or senior staff person is considered a related party.

Senior staff includes a Chief Executive Officer, Chief Operating Officer, Chief Academic Officer, Chief Schools Officer, and a Chief Financial Officer. Biographies of Board members and senior staff are included on the BVP website.\*

**Enrollment & Student Information**

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

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\* Information contained on the BVP 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.

**Blackstone Valley Prep  
Historical Student Enrollment  
FY16 – FY19**

<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
1,378	1,641	1,833	1,965

BVP is a part of a charter network of six schools, which is Rhode Island’s largest charter network, and enrolled a total of 1,965 students in grades K – 12 for the 2018-2019 academic year. BVP expects to continue growing into its chartered enrollment figure of 2,360 by academic year 2027-2028. Much of this growth is expected to come from an expansion project for the high school that would increase student capacity from around 350 to 550 to meet the need of rising middle school students expected in the coming years.

For academic year 2017-2018, BVP received an average of 7.5 times as many applications as available seats, 2,209 applications to 292 open seats. Students who are not offered a seat are automatically placed on the waitlist. Data for the 2018-2019 academic year shows a waitlist of 1,946 names, an increase of 10.7% over last year and represents 98.4% of enrollment. Moreover, BVP’s student retention rate for the most recent year was 92%.

BVP serves a high needs population, i.e., 76% economically disadvantaged, 63% non-white, 8% ESL, and 14% special education at the high school level and on a network level, approximately 65% of the network’s overall student body is eligible for free and reduced lunch and 55% is non-white.

**Academic Program & Results**

The Academy’s culture is founded on the core PRIDE values:

- **P**erseverance;
- **R**espect;
- **I**ntegrity;
- **D**iscipline; and
- **E**nthusiasm

For the 2017–2018 academic year, BVP’s Middle School 1 6<sup>th</sup> graders earned the highest math proficiency score in Rhode Island at 72%. This compares to the Rhode Island average of only 25.3%. What’s more, 13.4% of the Middle School 1 6<sup>th</sup> graders earned “exceeds expectations” on math, the highest percentage of students in Rhode Island 11x the State average.

BVP’s high school ranked in the top ten of all high schools in Rhode Island in the 2017–2018 academic year, based on RIDE’s previous composite index score. BVP’s first graduation class in 2018 had a four-year graduation rate greater than 90% and was recognized by the U.S. News as a “Best High School”— one of only eleven schools in Rhode Island to be included on the list.

**The Project**

Proceeds of the thirty-year loan were used to finance the acquisition of its 39,482 square foot high school building it had been leasing from Civic Builders. The high school (grade 9 – 12) is fully enrolled and serves approximately 350 students. As a result of the refinancing, BVP expects to reduce its facility costs by approximately \$250,000 per year and more than \$5 million through the 2049 maturity. The loan is secured on parity with \$4,790,000 of debt.

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

**Blackstone Valley Prep  
Historical Financial Information**

<u>Metric</u>			
Total Revenue (TR)	\$20,803,242	\$23,223,829	\$27,181,161
DS Coverage Ratio	1.56x	2.09x	1.83x
Debt Burden (% of TR)	8.7%	8.2%	9.1%
Days Cash on Hand	40.0	69.5	59.1

**Rating:** S&P: BB+

**Website:** <http://blackstonevalleyprep.org>\*

**Blackstone Valley Prep  
Security and Loan Covenants**

Security	First lien deed of trust on high school campus and a pledge of and lien on Gross Revenues on a parity basis, such liens run to the master trustee under the master indenture
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	60 days cash on hand
Academic Covenant	(i) earn and maintain a RIDE overall accountability Star Rating of “3” or better; (ii) exceed sending school districts, on a weighted average basis, the percentage of students proficient in math and ELA on the State assessment—currently the Scholastic Aptitude Test (SAT); (iii) outperform the state average for high school students proficient in math and ELA on the State assessment, currently the SAT; and (iv) exceed the state four year and/or five year high school graduation rate
Enrollment Covenant	Minimum of 1,800 students

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