



NEW MEXICO
FINANCE AUTHORITY

Report on the Charter School Facility Revolving Loan Fund

John Brooks, Chief of Programs

NMFA Oversight Committee, October 5-6, 2026

- ◆ House Bill 43 (HB 43/a) - '*Charter School Facility Improvements*' - was sponsored by Representatives Garratt, Dixon, Brown and Hernandez and Senator Correa Hemphill during the 2022 Regular Session
- ◆ The bill created the Charter School Facility Revolving Loan Fund within the NMFA to make loans to charter schools for the purchase, construction, expansion or renovation of facilities or to pay-off lease-purchase agreements
 - NMFA shall adopt rules to govern application procedures, requirements for disbursing loans and for determining eligibility
 - Applications must include:
 - Evidence lease purchase agreements are in accordance with the Public School Lease Purchase Act
 - Evidence a charter school's charter has been renewed at least once
 - A review of the last two audits of the charter school
 - Requires annual reports by each December 1st to the NMFAOC

- ◆ Charter schools have existed in New Mexico for over twenty (20) years
 - There are currently ~100 charter schools throughout the state serving 32,054 students
 - ~70% of charters are in urban centers of Albuquerque (55%), Santa Fe (8%) and Las Cruces (7%), and the remainder in rural communities.
- ◆ Securing quality educational facilities and expanding facilities to meet growing student populations and pedagogical needs is a challenge for charter schools
 - Charter school facilities needs vary largely depending on school size, instruction and geographic location
 - Projects range from shorter-term renovations and improvements, to longer-term expansion and acquisition of permanent facilities
 - In a PCSNM facilities survey respondents indicated key challenges include: a lack of affordable financing; strained finances overall; lack of available educational facilities in rural areas; lack of facilities support from public school district; and insufficient cash to fund down payments

Sources: [Public Charter Schools of New Mexico](#); New Mexico Public Education Department [New Mexico Public Education Department Charter School Directory](#)

- ◆ Project financed between \$500,000 and \$5,000,000
- ◆ Financing proceeds may be utilized to reimburse for the following acquisition and construction costs relating to charter school facility acquisition, renovation and expansion projects: 1. Buildings; 2. Land; 3. Construction costs; and 4. Renovation costs.
- ◆ Lease-Purchase Financing terms: Construction financing up to 3-years then permanent financing in the Public Project Revolving Fund (PPRF).
- ◆ Lease Cost Coverage requires the school to demonstrate minimum cash flow coverage of 1.0x from annual lease assistance from PSCOC or 1.3x from all allowable general fund sources.
- ◆ Collateral and Loan-to-Value requires secured by all legally acceptable collateral including but not limited to real property and the related improvements with 75% LTV for Charter Schools and 80% LTV for Chartering Authority acting on behalf of the Charter School

Aldo Leopold Charter School

Aldo Leopold Charter School in Silver City, NM

- ◆ Purchased the Jose Barrios Elementary School (JBES) from Silver Consolidated Schools for \$1.8 million
- ◆ JBES is shuttering the school because of declining enrollment throughout the District
- ◆ Because of the purchase, Aldo Leopold will be expanding their enrollment for k-5 which is an addition to grades 6-12.
- ◆ Renovations and improvements to the school will be \$1.2 million which consists of HVAC, Roofing Repairs, additional parking space, basketball court repairs and exterior updates.



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