

Charter School Finance

Miller Canfield's Education and Finance Teams have extensive experience representing charter schools on the legal aspects of their finance matters.

Capital Improvement Financings: Our attorneys regularly serve as bond counsel to charter schools and have worked extensively with schools on the issuance of bonds and other debt obligations used to finance various capital projects. We also have extensive knowledge of the federal tax law requirements for the issuance of public-school debt on a tax-exempt basis. The types of financings we have handled include the following:

- Bonds
- Refunding bonds
- Energy conservation bonds (including solar and other renewable energy projects)
- Qualified Zone Academy Bonds (QZABs) and other tax-credit bonds
- Installment purchase agreements (IPAs)/ finance leases
- Arbitrage rebate analysis under federal tax law and IRS audits

Miller Canfield attorneys have acted as bond counsel for most of the charter school bonds issued in Michigan over the last 10 years and have assisted charter schools around the country with the issuance of capital improvement bonds. In addition, our attorneys continue to explore new and innovative financing techniques for charter schools, including credit enhancement and other programs to increase a charter school's access to affordable borrowing options for its capital needs.

Operating Cash Flow Borrowings: We also regularly assist our charter school clients in the financing of their operating cash flow requirements, including the issuance of State Aid notes ("SAN") through the Michigan Finance Authority ("MFA") or directly with local banks and other lenders and the establishment of lines of credit ("LOC").

Representative Matters

Bond Refunding: Miller Canfield has acted as bond counsel for many of our charter school clients that have issued refunding bonds to refinance existing bonds. These refinancings have saved the schools a significant amount of debt service which allows them to use these savings for other school purposes which often includes additional capital improvement projects.

New Money Bonds: In 2021, we acted as bond counsel to one of our charter school clients for bonds it issued to finance the acquisition of its school facilities. The acquisition included two separate sites and involved several complicated real estate and environmental issues. The academy was leasing both facilities, and the purchases allowed them to replace the lease payments with a much lower bond debt service payment, providing significant savings.