



March 4, 2021

Dear Members of the HRA,

We are writing on behalf of Nova Classical Academy to share our concern about the resolution halting the ability of St. Paul charter schools to obtain conduit bonding. We are asking that you vote in favor of **allowing charter school to continue using conduit bonds**.

Many **charter schools serve traditionally underserved populations**. A moratorium on conduit bonds for St. Paul Charter Schools will limit the ability of these schools to improve the facilities used by their students. Our understanding is that the moratorium would also limit the ability for schools to refund their bonds. By removing the ability to obtain bonding using municipal rates, you will **increase the financial inequity** that already exists between the traditional public district and public charter schools in St. Paul.

The resolution states its concern with the impact of charter schools on the tax base of the city. Yet, does not address other, often larger, nonprofit organizations. If the city is concerned about the tax base and how nonprofits impact that tax base then this resolution needs to address all nonprofits, not just charter schools. Otherwise, the inequity in this resolution is blatant. In addition, with the justification given, it remains unclear why the **resolution prohibits refunding of conduit bonds for properties which have already been removed from the tax base**.

The implication in this resolution is that other nonprofits are more vital and important than the children and families served by the charter schools in St. Paul. It appears that, on one hand, that the argument is that this is purely a financial decision. However, the decision was made to remove other nonprofits from consideration based on philosophical issues. There is no valid philosophical argument that can be made which would support increasing the financial burden on charter schools while protecting other nonprofit organizations.

Even a **temporary pause has a far-reaching impact on schools**. For example, our school has been looking at a refunding of bond at their current low rates. Doing so would free up funding which could be used in other ways to improve the education that our students received. However, because of the current decisions in front of you, it remains unclear if these is an opportunity that we will be able to take advantage of.

It is also **particularly concerning is that there is no end date** for the halt of conduit bonding for charter schools. Given the very specific target of charter schools in this resolution while refusing to look at other nonprofits, it is easy to believe that this temporary halt will simply not end.

Please do consider the harmful and inequitable impact of this resolution and support charter schools allowing schools continued access to conduit bonds as we work to **educate the students of St. Paul**.

Sincerely,

Theresa Nelson
Board Chair

Dr. Brett Wedlund
Executive Director