

ZIEGLER INVESTMENT BANKING

K-12 & CHARTER SCHOOL FINANCE Z-NEWS

FEATURED ARTICLE

DEEP DIVE: WHAT IS CLASSICAL EDUCATION?

In this month's edition, we had the privilege of speaking with Reverend Marty McCarthy, the founder and chairman of the board for Bonnie Cone Leadership Academy, located in Huntersville, North Carolina, and Mrs. Kayla Cruthers, Head of School at Ivywood Classical Academy located in Plymouth, Michigan. Our conversation centered around pivotal themes in classical education, with the goal to help readers understand the classical school movement, and its growing appeal for parents and students nationwide.



Kayla Cruthers
Ivywood Classical
Academy
Plymouth, MI

Our five questions cover valuable insights into how the schools cultivate a rich learning environment that fosters critical thinking, moral character, and academic excellence among its students. By emphasizing the importance of a well-rounded education that balances traditional values with contemporary needs, our two clients set a compelling example for charter schools striving to prepare their students for both academic and personal success within the classical educational framework.



Rev. Marty McCarthy
Bonnie Cone
Leadership Academy
Huntersville, NC

What makes your school unique within the classical educational framework and do you have any examples of innovation or unique practices that you would like to share?

Cruthers: Ivywood Classical Academy (ICA) is a Hillsdale College Member School. Within the Hillsdale classical network, schools are places where children learn the fundamental skills of reading, writing, and arithmetic more soundly than nearly anywhere else. Ivywood is a place where these skills are taught alongside worthy ideas from literature, history, and the sciences, from fine arts, and from mathematics.

These ideas are worth knowing for the benefit of the student, and they give shape, form, and direction to the students' acquisition of skills. We aim to teach every subject in the best way and to

exceptionally high standards. Ivywood is a place where people treat each other with respect, and where the formation of a community is treated with as much care as the curriculum.

American classical education recognizes the moral dimensions inherent in learning. Character formation is a central tenet, along with self-reliance and responsibility. It is an education that molds citizens to be fit for self-governance, instilling the values of freedom and the ability to contribute meaningfully to their communities. It does so by delving into the origins of their country, helping students develop a mature love for America. This love is not blind patriotism but a thoughtful appreciation for the unprecedented founding of the nation, rooted in reflection and choice.

Classical education can be considered innovative in that it's a revival of a classical approach to learning and wisdom. It is an education based on a certain understanding of human nature, in that the human person is made up of both body and soul and that the most human activities are knowing and loving. The purpose of education is to make our minds and hearts understand and care about these important things.

McCarthy: First let me share a few things about all Classical Schools. Because the curriculum aligns with brain development the school teaches students HOW to learn and HOW to think; not, WHAT to learn and WHAT to think. That puts them in a much better position to actually accomplish the purpose of education. Furthermore, when you realize that futurists believe that the employee of the next generation will be the "learning" worker (not the knowledge worker of our time period), and there is only one kind of education that teaches a student HOW to learn, then parents should be clamoring for classical education. And mindful of the outcomes that can be expected once a school reaches maturity and has all their systems developed, then the outcomes like you will read below should be expected. And, one last thing. Current district schools use a model of education, for the last 60+ years, that is called Progressive. Sounds good, doesn't it. But according to the Organization of Economic Cooperation and Development America's K-12 schools now rate among the 38 developed nations of the world to be in the bottom half, and trending lower. That should be your wake-up call. And our district schools spend much more per capita than the next most expensive school system in the world.

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Now to your question. There is not a learning deficit in America, there is a teaching deficit. When faculty hold fidelity with a classical curriculum, you will find better outcomes attached to those schools. A key in all education is finding teachers that are not just subject matter experts, but also have a curiosity about learning themselves. Learners are good teachers. Teachers who are subject matter experts can read the textbook, but those who are curious and interested in human development become excellent teachers with the subject expertise that they carry at the core of their engagement with students.

My next point is more exacerbated in our generation. National data says the average child has less than one hour per week of direct “one on one” parent(s) time. Accordingly, they are emotionally very fragile. And when the smart educator recognizes that all learning historically is a merger of knowledge of the mind and knowledge of the heart, schools must spend time in virtue and values formation and practice. Just like you practice math exercises, we expect children to practice the virtues that define the community of our school. Because children are emotionally fragile, and in order to achieve great intellectual outcomes we teach and practice core values throughout the school. Students learn to respect each other, to be vulnerable with each other, and to care for each other. That creates the community that strengthens learning for all.

How is your school addressing the tension between a traditional classical education and the need to prepare students for the demands of the modern, globalized world?

Cruthers: Classical Education takes a balanced approach to education. The goal of classical education is to create a fully developed person ready for the real world – heart and mind – we’re not just developing a person for market value. A classical education experience is about becoming who you ought to be through a robust curriculum and focus on character. If you make good choices, you habituate yourself toward virtue which leads to happiness. We need both knowledge and virtue in order to be a fully-formed, happy human being.

Classroom instruction is also key. At ICA, teachers are content experts and are the primary source of each lesson. The teacher is the vehicle of knowledge, where the textbooks then supplement the learning. With this, it is important that the teacher is a well-trained classical professional. Teachers need to be able to explain content to young people, and they need to be inspiring to get students to want to learn. They have the responsibility to inspire wonder in the students. For example, we study the foundations of science – not just STEM, which is a secondary benefit and applied science. We study science for the sake of understanding and its application to the real world.

Students who graduate from Ivywood will have a bedrock of knowledge and exceptional skills in listening, how to study, ask questions, read and write well, and problem solve, which are all essential skills required for learning in any phase of life. Our

graduates will be thoughtful about what they do in life. They will understand that what they receive in school is just the beginning and that learning can never be mastered. They will not shy away from hard work, and they’ll be able to pivot and be successful in any life endeavor.

McCarthy: This is partially answered in my first paragraph. To illuminate more...Classical education works with the brain development of students, it does not ignore brain development. In the elementary (K-5) years, students are concrete learners. For example, you can talk to them about the concept of love or world peace, but they do not understand it. Students in this age range understand concrete matters. So, during those years in the course of education, you lean into the grammar and literacy of every subject. Children need to learn the foundational facts. Without a second thought they must know that $2 \times 2 = 4$. They must know the alphabet and the periodic chart, etc. They might not fully understand what this means, but they learn the facts. Teachers use songs, chants and rhymes to teach such matters as all the state capitals, rivers of North America, even the words of the Gettysburg Address, etc.

In the middle school years, students begin to question and challenge concepts. These are the “why” years of education. These are the years that your sweet little child becomes unrecognizable and they challenge everything you hold dear. Nothing makes sense to them and they challenge everything. During these years, students are struggling with conceptual understanding and conceptual learning. The brain has changed and teachers need to lean into that and teach students how to reason. Accordingly, the focus shifts to logic and the dialectic process. Essentially you are telling your child, if you want to fight with me at least make it a good argument.

In the high school years, students are concerned with self-expression and the arts of rhetoric. In these years learning how to express all that has been learned is refined, practiced and demonstrated in arts that range from communication to painting and music.

Classical education is built on prior experiences. As students begin to develop, teachers go deeper into the grammar and deeper into the reasoning. Students then find that almost everything is interrelated, cumulative and ever deepening and broadening. These students are more ready to engage life.

Modern, progressive education does not take into consideration brain development. So students experience Information overload, because they have not learned how to learn and retain this information. Information provided to students is not cumulative and is often easily forgotten. So one modern educational critic will tell folks that the only theory of learning needed to pass through Progressive schools is the “banking theory” of education. This is how that works. The teacher shares subject matter from his or her lesson plans all week. The student takes notes. That is called making a deposit. Then at the end of the week the student takes a test. That is called writing a check. Should the student pass, then memory banks are wiped clean and we do it again next week.

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Classical education works because it teaches students how to learn and how to think, not what to learn and what to think. And learning is cumulative and deepening and so memory banks are never wiped clean.

In the context of emphasizing a broad, humanities-driven curriculum, how do schools approach standardized testing and accountability measures that may prioritize a variety of skills?

Cruthers: Classical education embraces the concept of educating the whole child and the notion that children are more than their standardized test scores.

With a heavy emphasis on preparation for life after K-12 education, our scholars are trained with a holistic approach that avoids the “teach to the test” method. Teaching for a test emphasizes learning for momentary memorization instead of the foundation of the content and its application to the real world. Students learn from a rigorous, content-rich curriculum that provides the skills and cultural literacy necessary to become an educated person. Our classical classrooms drive students to form and defend opinions through scholarship, research, debate, and excellent communication. Students are not passive recipients of knowledge, but instead active participants in the discussion, wholly engaged in the dialogue. Our approach to this philosophy has proven success as seen in our high achieving test scores and accolades. Though we do not offer AP classes in our program, we ensure that there is a consistent emphasis on rigor and exploration of advanced learning concepts at every grade level.

McCarthy: In one Classical High School that I heard the Headmaster speak about once, he stated that they did their curriculum work all year, and then one week ahead of standardized testing they stopped working their curriculum and the teachers focused on how standardized testing worked and what to expect to be tested on. They did very well on the standardized testing.

How does your school communicate with the broader community in situations where classical education may be less understood or valued?

Cruthers: In its five years of existence originating as a Kindergarten through 5th grade school, Ivywood has already established itself as a credible, top performing and competitive learning environment in the area. In the next three years, Ivywood will become a full K-12 tuition-free public charter school. This growth is a testament to the desire for an alternative approach to public education. What we are doing is working, and we have a strong community, as demonstrated through our year-over-year waitlists for all grade-levels.

For those who may not fully understand the value of classical education, we like to describe the philosophy in the following four ways:

We use only the best content and instruction to create excellent human beings.

We create a culture in which students can learn by establishing a place of peace and respect. Our teacher-led classrooms utilize the proper technology when necessary. We can't shape souls if students are learning from a device instead of a teacher. Teachers truly teach and are masters of their content and inspire our scholars to want to learn more. We use proven methods of learning including phonics for reading mastery, Singapore math, reading books that have stood the test of time, memorization of poems and recitations. We focus on K-12 education as a cohesive whole.

We focus on skills, knowledge and virtue.

Skills such as listening and how to ask questions are essential to learning. Knowledge means real things are studied and that there's an understanding that the truth is fixed — complex and nuanced, but still permanent and knowable through study. Virtues provide the framework for pursuing the good and making good choices, and these choices etch your soul. Classical education cultivates human nature so it can grow properly and flourish. By teaching students to cultivate moral virtue, it guides us into freedom by making us self-reliant and responsible, capable of governing ourselves and taking part in the self-government of our communities.

We offer a content-rich, rigorous curriculum in the Liberal Arts & Sciences.

The study of the liberal arts does more than prepare the way for specialized training. A classical education teaches us to seek knowledge of the nature of things, especially the nature of man and the universe as a whole. Human beings are that part of the universe who seek to know where we stand within it, and who wonder about its ultimate origins and character. We are also driven by a desire to know ourselves — to understand our nature and purpose in life. The surest guides for this quest are the great works of literature, philosophy, politics, and art that mankind has produced, which teach us about human nature and the human good, along with the serious study of mathematics and the sciences, which teach us about the natural order. Together with the study of history, which teaches us to know ourselves by understanding our place in the unfolding of the human story, the serious pursuit of knowledge across all subjects equips us for fully human lives.

This is an education for American citizenship.

In the United States, sovereignty resides in the people. Our future and well-being of this country depends on the knowledge and virtue of its citizens. Educating our youth also benefits the country. A country's regime cannot be good unless its citizens are good and virtuous; therefore, citizens must know the founding of our country and understand the workings of government.

McCarthy: I have found that as the classical movement gains wider acceptance, and parents (post COVID) have seen what has happened to their schools, there are many parents fleeing from public schools, though they don't always know what they are fleeing

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to. So, I periodically write into the school newsletter when I notice matters of concern.

Be aware that the schools I am involved with are far from accomplished. But we are “getting there.” Due to growth in enrollment, we have incorporated very large percentages of new students each of the last few years. And we are still only a few years old. And it takes these new students time to learn our culture and also to learn how to learn. So we are on the path but not “there” yet.

At Bonnie Cone Classical Academy: 50% of students have scored at or above the proficient level for math, and 51% scored at or above that level for reading. Bonnie Cone Classical Academy did better in math and better in reading in this metric compared with students across the state. In North Carolina, 43% of students tested at or above the proficient level for reading, and 38% tested at or above that level for math.

Other much more mature classical education schools across the country are also showing strong results, regardless of the demographics they serve.

How do you see the classical education curriculum evolving in the future and what will be the keys to success?

Cruthers: Classical education does not follow educational trends of the day or change year after year; rather, we preserve what was good and worked in the past. Hillsdale’s K-12 classical curriculum is time-tested, rigorous, and effective. It uses tried and true curriculum and teaching methods that make classrooms productive and happy places for both teachers and students.

A sense of connection to the past is not something that comes naturally to young people. The question we need to be asking is, are we providing our students with things worth knowing and worth

hanging on to in order to enrich their lives? Children cannot know in advance what they will need and want to know in the years to come. It’s up to us to provide them with the very best that classical education has to offer.

McCarthy: I believe that classical schools will increasingly incorporate and embody a vocation component. For example, Charlotte has a shortage of skilled labor positions. In the future, more classical schools will offer home economics, auto shop, welding, heating and air conditioning, coding, etc. Not every student needs or wants to go to college and many colleges have lost their way. Parents are less willing to pay for high tuition costs.

Now a supposition that is embodied in a story I heard. See what you think? About 5 years ago the news reported that the Spanish had built a new nuclear submarine. Unfortunately, they could not launch it. Remember a nuclear submarine cost many BILLIONS of dollars. They realized at that last moment that it would leave the dock, descend to the ocean bottom, but could not return to the surface. YIKES. The submarine had been built too short to have sufficient displacement to manage the weight and allow for it to resurface. So, they built a multi-BILLION dollar anchor. Yikes. What happened? My supposition is that the engineers designing this submarine used a calculator and didn’t realize that they had “fat fingered” a key on the calculator so they got the wrong number. But they plugged that number into their calculations and built it accordingly. I can tell you that someone trained in the grammar of numbers had a much higher likelihood of recognizing the error and recalculating the numbers a few more times. Do you think that was a career ending mistake? Turns out they had to saw off the bow of the boat, and insert another massive metal tube to create enough displacement to handle the weight so it would work. Yikes. All for not knowing one’s numbers.

ZIEGLER FINANCING

ZIEGLER CLOSES \$24,400,000 FINANCING FOR IVYWOOD CLASSICAL ACADEMY IN PLYMOUTH, MICHIGAN

In December 2023, Ziegler closed a \$24,400,000 non-rated bond issue for Ivywood Classical Academy via self-issuance. The school is currently a K-9th grade charter school with plans to add a grade each year and will shortly be a full K-12 program, with total enrollment of approximately 890 students.

The School issued the Series 2023 Bonds to purchase a 23-acre site, upon which they will construct a 49,000 square foot school building that will house grades 7-12. Grades K-6 will continue to be housed at a leased building approximately one-mile away. Eventually the School hopes to complete a second phase of construction to bring both campuses on the same property.



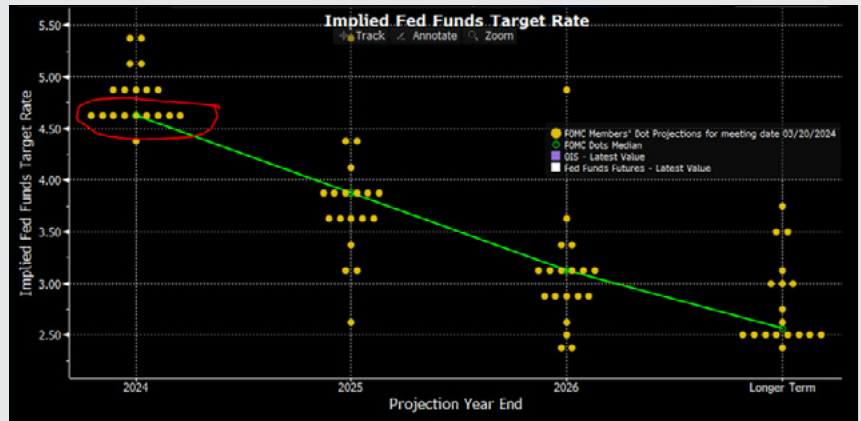
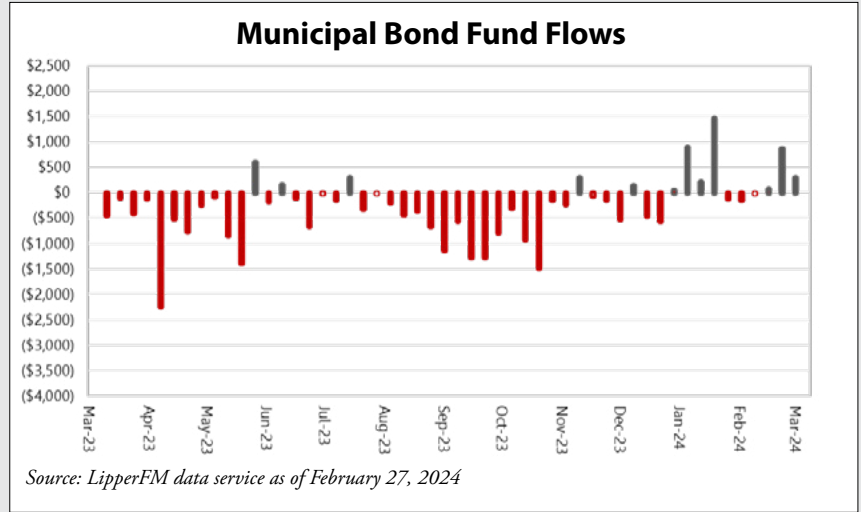
THE MARKETS

UPDATE: MUNI BOND FUND FLOWS

Municipal funds have seen \$14.970 billion net outflows over the past 12 months. For the week ending March 22, 2024, municipal bond funds saw \$64 million of inflows. In 2024, there has been 8 weeks of inflows and 4 weeks of outflows.

High-yield funds saw the tenth consecutive week of inflows at \$279 million. In 2024, high-yield funds have seen 10 weeks of inflows and 1 week of outflows, indicating improving market conditions for charter school borrowers in particular.


During the recent March Federal Reserve meeting, the Fed released their quarterly Dot Plot, shown to the right. The Dot Plot represents where Fed members think the Fed Funds rate should be in the near and long term. The main shift is that Fed members believe interest rates will need to be higher for a bit longer. This ties in with concerns that the various inflation indexes are hovering in the 3-4% annual range, versus the Fed’s long-term goal of 2.0%.



RECENT PRICINGS

- KIPP Miami North Campus (6.125% / BB / 36 year)
- Athlos Academy of Jefferson Parish (7.75% / NR / 35 year)
- Portland Village School Project, OR (7.00% / NR / 36 year)
- Prescott Valley Charter School, AZ (7.50% / NR / 39 year)

FEATURED FINANCINGS



**IVYWOOD
CLASSICAL ACADEMY**
Ivywood Classical
Academy
Plymouth, Michigan
New Money
DECEMBER 2023

\$24,400,000



**ARCHIMEDEAN
SCHOOLS**
Archimedean
Schools
Miami, Florida
New Money
DECEMBER 2023

\$6,300,000



**KID'S COMMUNITY COLLEGE
CHARTER SCHOOLS**
Kid's Community
College Schools
Riverview, Florida
New Money
DECEMBER 2023

\$12,960,000

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