

- [Carol] Good afternoon. This is Carol Cohen, project director for credit enhancement technical assistance at Manhattan Strategy Group or MSG. MSG is a contractor to the U.S. Department of Education and is supporting the Charter School Programs office in bringing this webinar to you today. I want to welcome you to today's webinar, which is on the Credit Enhancement for Charter School Facilities Program grant opportunity that is currently available. This grant competition will result in new credit enhancement grant awards for fiscal year 2021.

The application period opened last Wednesday, June 23rd, and the opportunity details can be found in the Federal Register, grants.gov, and on the U.S. Department of Education's website. Those links will be posted in the chat. Today, I have the pleasure of introducing our presenter, Clifton Jones, who many of you already know.

Clif is a program officer for the Credit Enhancement Program in the Charter School Programs office, where he manages the credit enhancement grants. He will talk about the credit enhancement program and this year's grant competition, and he will explain the application process and requirements. There will be opportunities for questions from the audience at the end of the presentation.

Now I'm going to turn it over to my colleague, Aubrey DeBoer from MSG who will be moderating the chat and any questions at the end of the presentation. She will briefly explain how to submit questions and then will turn it over to Clif to begin his presentation. On behalf of the department, thank you for participating in today's webinar.

- [Aubrey] Thank you, Carol. Before we get started, please ensure that you have opened the WebEx participant and chat panels by clicking on the icons located at the bottom right side of your screen as shown on this slide. To submit a written question, use the chat panel to select All Panelists in the toolbox, then type your chat message and hit Enter.

You may submit any written questions throughout the presentation. I will respond to you directly or ask the questions to Clif when we pause for discussion at the end. To ask a question verbally, select the hand raised icon from the Participants panel. Once we pause for questions at the end, the WebEx host will unmute you one by one.

Note that you will remain on mute throughout the webinar until the host unmutes you. If any technical assistance is needed, send a chat message to the WebEx host. In this case, use the toolbox to select Host instead of All Panelists before sending your message. Please note, this event is being recorded.

By continuing to participate, you are consenting to being recorded. I will now turn the event over to Clif Jones, your presenter today.

- [Clifton] Thank you, Aubrey. Hello, this is Clifton Jones with the U.S. Department of Education and the Charter School Program. I want to thank you all for joining us today. Please note we will be recording this webinar, so now let's get started. This presentation is the pre-application webinar for the Fiscal Year 2021 Credit Enhancement Competition.

As Aubrey mentioned, please use the Q&A function for any questions that you have, and please be sure to reply to all panelists if you have a question. We'll be sending out the link for the recording at the end of the presentation. The most important documents for you to know about for this competition will be the Notice Inviting Applications in the Federal Register and the application package instructions document in [grants.gov](https://grants.gov).

We recommend that all applicants read these documents in their entirety. Applications must follow the application procedures as described in the Federal Register notice in the application package instructions document for the grant competition. Today's agenda, we will go over the important competition dates, the funding opportunity, the definition of a charter school, some award information, eligibility information, how to submit an application, how the applications will be reviewed, how the applications will be awarded, and information about how to submit an application via [grants.gov](https://grants.gov).

So the important competition dates. Something very important to note is that the applications are due by 11:59:59 Eastern Standard Time on July 23rd, 2021. And that is a Friday. It's important to note that [grants.gov](https://grants.gov) helpdesk is not available on the weekends. Also, there'll be [grants.gov](https://grants.gov) schedule maintenance outages.

There will be a production system outage starting Saturday, July 17th at 12:01 a.m. Eastern time, and it will come back online Monday, July 19th at 6:00 a.m. There will be a training system outage starting Monday, July 19th, 2021 at 12:01 a.m., and the system will come back online Wednesday, July 21st at 6:00 a.m.

And applications will be due July 23rd, 2021 at 11:59:59 p.m., Eastern Standard Time. So next we'll get to the funding opportunity description. The purpose of the grants for credit enhancement are to allow eligible entities to demonstrate innovative methods of helping charter schools to address the cost of acquiring, constructing, and renovating facilities by enhancing the availability of loans and bond financing.

And there's a very important word in that description, enhancing, and we'll get to that later in the presentation. Next, I'll go over the definition of a charter school according to Federal statute. In order to benefit from the Credit Enhancement Program, a charter school has to meet the Federal definition of a charter school which is listed in the program statute.

And you could find that definition in section 4310(2) of the Elementary and Secondary Education Act that was reauthorized into Every Student Succeeds Act. The definition has components A through M, and so I'll briefly go through the different components of how the...or the Federal definition of a charter school.

So the first, in accordance with State-specific statute authorizing the grant, granting charters to schools is exempt from significant State or local rules that inhibit the flexible operation and management of public schools but is not from any rules relating to the other requirements of the definition.

Is created by a developer as a public school, or is adapted by a developer from an existing public school, and is operated under public supervision and direction. Operates in pursuit of a specific set of educational objectives determined by the school's developer and agreed to by the authorized public charter agency. Provides a program of elementary or secondary education, or both.

Is nonsectarian and its programs, admission policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution. Does not charge tuition. Complies with the laws listed in Subpart G, which means complies with the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, section 444 of GEPA, and part B of IDEA.

Also, a school is to which parents choose to send their children and that admits students based on a lottery consistent with department statute.

In the case of a school that has an affiliated charter school, such as a school that is a part of the same network of schools, automatically enrolls students who are enrolled in the immediate prior grade level of the affiliated charter school and for any additional student openings or student openings created through regular attrition in student enrollment in the affiliated charter school and the enrolling school, admits students on the basis of a lottery as described.

Agrees to comply with the same Federal and State audit requirements. Meets all applicable Federal, State, and local health and safety requirements. Operates in accordance with State law.

Has a written performance contract with the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools or pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.

And lastly, may serve students in early childhood educational programs or postsecondary students. So, again, in order for a charter school to benefit from the Credit Enhancement Program, a charter school has to meet the Federal definition of a charter school, which is section 4310(2) of every student's ESEA Act, which is the Elementary and Secondary Education Act.

Next, I'll get into some of the award information. So for this year's competition, the program expects to have an estimated range of awards between \$4 million and \$12 million with about an average size of \$11 million for awards. The program plans to make about four awards this year, and the program has the requirement this year that we will not make an award exceeding \$12 million for any grant award that we make this year.

The project period for these grants will be from the start date indicated on the grant award notification until the Federal funds and earnings on those funds have been expended for the grant purposes, or until financing facilitated by the grant has been retired, whichever is later.

Next, I'll get into some of the eligibility information. In order to apply and to be eligible for a grant under the Credit Enhancement Program, an applicant has to either be a public entity such as a State or a local government entity, a private, nonprofit entity, or a consortium of those two entities.

Note, if you are a nonprofit organization, you may demonstrate your nonprofit status by providing, one, proof that the Internal Revenue Service currently

recognizes you as an organization to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code. Two, a statement from a State taxing body or the State attorney general certifying that the organization is a nonprofit organization operating within the State and that no part of its net earnings may lawfully benefit any private shareholder or individual.

Or three, a certified copy of the applicant's certificate of incorporation or a similar document if it clearly establishes the nonprofit status of the applicant. Or four, any item described above if that item applies to a State or national parent organization together with the statement by the State or parent organization that the applicant is a local nonprofit affiliate.

This program does not have cost sharing or a matching requirement. Grantees that receive an award under this program may use no more than 2.5% of the funds under this program for administrative costs in carrying out the responsibilities of the grant.

Grantees under this competition or under this program are not allowed to provide subgrants with the grant funds. And lastly, once again, to benefit from this program, the charter schools need to meet the Federal definition of a charter school.

So next I'll get into some of the application and submission instructions. These instructions are from the program statute. In order to apply for a grant under the Credit Enhancement Program, an applicant needs to submit a statement identifying the activities that the eligible entity proposes to carry out with funds received, including how the eligible entity will determine which charter schools will receive assistance, and how much and what types of assistance charter schools will receive.

A description of the involvement of charter schools in the application's development and design of the proposed activities. A description of the eligible entities' expertise in capital market financing. A description of how the proposed activities will leverage the maximum amount of private sector finance and capital relative to the amount of government funding used and otherwise enhance credit available to charter schools, including how the eligible entity will offer a combination of rates and terms more favorable than the rates and terms that a charter school could receive without the assistance from the applicant.

A description of how the eligible entity proposes sufficient expertise in education to evaluate the likelihood of success of a charter school program, for which facilities financing is sought. In cases of applications submitted by a State governmental entity, a description of the actions that the eligible entity has taken or will take to ensure that charter schools within the State receive the funding that charter schools need to have adequate facilities.

In the cases of applicants applying as a consortium, applicants must also submit consortium agreements as part of their application package. These applicants must either designate one member of the group to apply for the grant or establish a separate legal entity to apply for the grant. And once again, these application submission instructions are from the program's statute.

So, next, I'm going to get into some of the files that will be submitted. When you go to [grants.gov](https://grants.gov), you'll see these specific files. You'll be able to upload your responses to these specific files.

So first you have to submit an abstract narrative. The abstract narrative includes the name and address of the applicant, phone number and email address, and the name of the contact person for the project.

Also, the abstract narrative should not exceed one page and should use language that will be understood by a range of audiences. For all projects, include the project title, goals, expected outcomes, and contributions for research, policy, practice, etc. Applicants will also have to submit a project narrative. This part of your application contains information responsive to the Project Selection Criteria and the Application Content Requirements.

Make sure your narrative addresses all of the elements. We strongly recommend that the information be organized around and appear in the same sequence as the Project Selection Criteria, which we will cover later in this presentation. Please upload the program narrative as one document. Before preparing the project narrative, applicants should review the NIA, the program statute, and the regulations for specific guidance, and requirements on the program's website, which will be presented later on, or later in this presentation.

Note, the applications will be evaluated according to the selection criteria specified in the NIA. Please limit the project narrative to 40 pages, double-spaced, and number the pages consecutively. Refer to the NIA for additional application submission requirements. Applicants will also have to submit the ED 524 form, which is a budget form.

This part of the application contains information about the Federal funding you are requesting. Applicants only need to fill out Row 8 titled "Other" in Project Year 1, the amount listed in Row 12. Total cost should reflect the total amount of grant funds requested.

The Credit Enhancement has its own forms which are unique to the Credit Enhancement Program. There are four forms that are unique to the Credit Enhancement Program, and you can find those forms in the application package instructions.

So the first form that we're going to cover is a budget form, which is Table 3. All applicants are required to fill out Table 3 and provide a narrative explaining their proposed budget. Both forms, the ED 524 form and Table 3, and the narrative, need to be uploaded to the budget form section in grants.gov.

The Department of Education staff will perform a cost analysis of each project recommended for funding to ensure that costs relate to the activities and objectives of the project are reasonable, allowable, and allocable. Therefore, budgets should only include costs that are reasonable, allowable, and necessary for carrying out the objectives of the Credit Enhancement Program.

Rules about allowable costs were set out in 2 CFR 200 as adopted by the department at 2 CFR 3475. We may delete or reduce costs from the budget during this analysis. So, again, there are two budget forms that need to be submitted as a part of this program's application, the ED 524 form and Table 3, which you could find in the application package instructions document.

Next, there is a other attachments section that you will find when you go to grants.gov to submit an application. Applicants should attach Tables 1, 2, and 3. And so these are the remaining three program-specific forms. Applicants should also submit consortium agreements, resumes, and other supplemental documents to the other attachment form.

And again, consortium applicants must also submit consortium agreements as a part of the application. These applicants must either designate one member of the group to apply for the grant or establish a separate legal entity to apply for the grant. The department plans to post on its website the application project narrative section of successful applications, so you may wish to request confidentiality of business information.

So, please identify any proprietary information, confidential commercial information and financial information in your application. You can provide this

information in your other attachments. So you can let the department know which information you deem confidential in an attachment, so the department knows which information to redact before we post the project narrative to our website.

So next I'm going to go over some of the funding restrictions and it's going to cover kind of how the program operates with the reserve accounts, the objectives, and some other important information. An eligible entity receiving a grant from the Credit Enhancement Program must be in accordance with State and local law directly or indirectly, alone or in collaboration with others, deposit the funds received other than the funds used for administrative costs in a reserve account established and maintained by the eligible entity.

And I mentioned earlier that the purpose of this program is to enhance charter school bonds, loans, and other types of financing, I was referring to the purpose of this program is to allow applicants to receive grant awards, draw down the funds and place the funds into a reserve account, and then use the funds in a reserve account to help charter schools with their facility needs by helping them receive enhanced loans, bond issuances, or guarantees on lease and other strategies for enhancing financing for charter schools.

Grantees may not use the funds that are placed into the reserve account to directly pay for a charter school's construction, renovation, repair, or acquisition, or provide a down payment on facilities in order to secure loans for the charter school.

So, again, applicants are not allowed to use grant funds received under this program to directly pay for a charter school's construction, renovation, repair, acquisition, or to provide a down payment on facilities. An eligible entity receiving a grant must use the funds deposited in the reserve account to assist one or more charter schools to access private sector capital to accomplish one or more of the following objectives.

Acquisition of interest in improved or unimproved real property that is necessary to commence or continue the operation of a charter school. The construction of new facilities, or the renovation, repair, or alteration of existing facilities, necessary to commence or continue the operation of a charter school.

And also the predevelopment costs required to assess sites and that are necessary to commence or continue the operation of a charter school. Funds received and deposited in the reserve account must be invested in obligations

issued or guaranteed by the United States or a State, or in other similarly low-risk securities.

Any earnings on the funds received must be deposited in the reserve account and used for the purpose of the program. Grantees may not use more than 2.5% of the funds received under this grant program to cover administrative costs. No financial obligation of a grantee under this program shall be in obligation of or guarantee in any respect by the United States.

The full faith and credit of the United States are not pledged to the payment of funds that may be required to be paid under any obligation made by a grantee under this program. In the event of a default on any debt or other obligation, the United States has no liability to cover the cost of the default. And also, applicants that receive a grant must enter into a written performance agreement with the department prior to drawing down funds unless the grantee receives written permission from the department in the interim to draw down a specific limited amount of funds.

So some recommended page limits. Please limit applications to no more than 40 double-spaced pages, including the table of contents and submit your files as a PDF.

Applicants should limit the size of their file names. Lengthy file names could result in difficulties with opening and processing your application. We recommend that your file names be less than 50 characters. So, next, I'm going to cover some of the application review information. In this year's competition, we'll score applications based upon four selection criteria.

These four selection criteria are from the Credit Enhancement Program's regulations. The Secretary will select for funding under the Credit Enhancement Program the awards that are deemed the highest overall quality.

Experts in finance, including school facilities finance and credit enhancement will review the applications and assign each application up to 100 points. So the four selection criteria can be thought of as addressing two main questions. The first two selection criteria will address question one, which is, has the applicant proposed a grant project that will make a significant contribution toward meeting the purpose of the Credit Enhancement Program and thereby increase charter schools' access to facility financing?

And the second two selection criteria can be looked at as addressing the question, does the applicant have the ability to carry out the proposed grant

project? So the first selection criteria that I would like to cover is the quality of project design and significance.

Applicants are able to receive 35 points for how well they address the quality of project design and significance. The tax area addresses the goals, objectives, and activities of the grant project, how the applicant will determine the viability of an individual school as an educational enterprise, and therefore, as a target for investment, the number and type of charter schools that the applicant anticipates will obtain facilities as a result of the grant project, the amount and type of assistance they will receive, and the degree to which projects will serve charter schools in states with strong charter laws.

This criteria also addresses the grant project's potential impact on the national need for charter school facilities and, in that regard, its potential as a model for others. The most successful applicants are likely to provide services to a number of charter schools, including startups.

They will accomplish this in part by leveraging a significant amount of capital for investment in charter school facilities. They will clearly document their activities and the resulting outcomes for the different types of schools served and will demonstrate that their grant projects are likely to help other charter schools acquire appropriate facilities in the future.

In addition, successful applicants will provide comprehensive plans with clear goals, objectives, and activities that have specific timelines and that are aligned with the four statutory purposes for which reserve funds may be used. They will describe the partnerships they plan to develop to help further the purpose of the program and how they will leverage private sector and other non-Federal capital for financing charter school facilities.

They will give their projections for the amounts to be leveraged relative to the amount of government funding used. They also will discuss how they will invest funds in the reserve account and provide an estimate of the earnings they expect from these investments and from fees, interest, and other sources. Some of the materials that will be used by reviewers to score the quality of project design significance will be the budget form and other budget information, information on the fees and lending terms, the cash flow pro forma, possibly a logic model.

So in the program's regulations, the Secretary will consider the eight sub factors that are listed on the slide currently when scoring how well applicants have addressed this specific criteria. So, once again, there's eight sub factors.

The extent to which the grant proposal will provide financing to charter schools at better rates and terms, they can receive absent assistance through the program. The extent to which the project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program. The extent to which the project implementation plan and activities, including the partnerships established, are likely to achieve measurable objectives that further the purposes of the program.

The extent to which the project is likely to produce results that are replicable. The extent to which the project will use appropriate criteria for selecting charter schools for assistance and for determining the type and amount of assistance to be given. The extent to which the proposed activities will leverage private or public-sector funding and increase the number and variety of charter schools assisted in meeting their facility needs more than would be accomplished absent the program: The extent to which the project will serve charter schools in States with strong charter laws consistent with criteria for such laws in section 4303(g)(2) of the Elementary and Secondary Education Act as amended by ESSA, which is the Every Student Succeeds Act.

The extent to which the requested grant amount and the project costs are reasonable in relation to the objectives, design and potential significance of the project. So once again, this is from the program regulations, and this information is consistent to previous competitions. The next criterion is the quality of project services. Once again, this is from the program regulations and consistent to previous competitions.

This criteria is concerned with the immediate benefits to be provided to charter schools as a result of the grant project. In this regard, this criteria addresses questions about the fit between the assistance to be provided and the needs of the recipients of the services.

This criterion also considers the cost effectiveness of the services to be provided. Successful applicants will demonstrate that charter schools participated in the development of the grant project and in the identification of the specific needs to be addressed by the grant project. These applicants may have letters of endorsement from charter schools or otherwise document charter school support.

In addition, these applicants will focus on quality charter schools with the greatest need for facilities and an inability to access private sector capital. They are likely to succeed in meeting the needs of charter schools that are just starting up as well as more established charter schools. Applicants should describe how their services would affect the charter schools in terms of burdens, such as fees and paperwork and benefits, financial, and otherwise.

Some of the materials reviewers may use to consider while scoring these criteria would be letters of support from charter schools, information on fees and lending terms, including how they might vary with interest rate fluctuations. And I'm going to cover the four sub factors the Secretary will use in scoring this criteria, which is the quality of project services.

The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served. The extent to which charter schools and chartering agencies were involved in the design of and demonstrate support for the project. The extent to which the technical assistance and other services to be provided by the proposed grant project involve the use of cost-effective strategies for increasing charter schools' access to facilities financing, including the reasonableness of fees and lending terms.

And the extent to which the services to be provided by the proposed grant project are focused on assisting charter schools with a likelihood of success and the greatest demonstrated need for assistance under the program.

So next, I'm going to cover the third selection criterion, which is capacity. And there is a maximum of 35 points available for how well applicants address this criterion. This criterion focuses on the applicant's expertise in capital market financing and its organizational capacity to implement the proposed project.

The applicant will need to document its financial track record and strength, ability to protect against unwarranted financial risks, expertise in accessing credit and evaluating the success of charter schools, and ability to prevent conflicts of interest. The application content requirements section of this package describes some of the specific data and documents the applicant needs to provide regarding business and organizational capacity.

And some of the documents that reviewers will consider when reviewing and scoring the capacity of applicants, they will use Table 1, which is non-grant funds projected to be generated, Table 2 applicant activity table for the most

recently completed fiscal year, and Table 4, which is the risk level a charter school serve.

And so those are three of the program-specific forms that are in the application package instructions document, and are required to be submitted as a part of an application. Reviewers may also consider audited financial statements, credit rating reports, standards of conduct, and letters of commitment from financial partners.

So in determining the capacity, there are eight sub factors that are listed in the programs regulations. So again, these selection criteria are from the program regulations for the Credit Enhancement Program and the eight sub factors are the amount and quality of experience of the applicant in carrying out the activities it proposes to undertake in its application, such as enhancing the credit on debt issuances, guaranteeing leases, and facilitating financing.

The applicant's financial stability. The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management. The applicant's expertise in education to evaluate the likelihood of success of a charter school. The ability of the applicant to prevent conflicts of interest, including conflicts of interest by employees and members of the board of directors in a decision-making role.

If the applicant has co-applicants, possibly consortium members, partners, or other grant project participants, the specific resources to be contributed by each co-applicant, partner, or other grant project participant to the implementation and success of the grant project.

Specific for State entities, the extent to which steps have been or will be taken to ensure that charter schools within the State receive the funding needed to obtain adequate facilities. And for previous grantees under the grant program, their performance in implementing these grants. Note, the 35 available points under this selection criteria will be allocated evenly among the factors allocable to a particular applicant.

For example, for an applicant for which none of the factors 6 through 8 apply, the 35 available points will be allocated among the first 5 factors. For an applicant that is a state governmental entity, that is a previous grantee under the charter school facilities grant program, the 35 available points will be allocated evenly among factors 1 through 5, 7 and 8.

So the last selection criteria is the quality of project personnel and this is worth a maximum of 15 points. And there's two sub factors.

This criteria focuses on the relevant training experience of key grant project personnel, consultants, subcontractors, and for nonprofits, members of the board of directors holding key positions. Successful applicants will plan to use the services of individuals with substantial experience and expertise in facilities financing, charter schools and other appropriate areas.

They will provide the information requested in the application content requirement section of the application. This information will include, among other things, a description of current job responsibilities, the educational background, and the experience and skills of each member of the grant project team as described in current resumes or detailed in biographical statements.

The applicants should describe its staffing plan for the project, including a description of the assignments by activity or service, and the match between the proposed staff and the skills necessary to execute the specific proposal.

In determining the quality of project personnel, the Secretary will consider the qualifications of project personnel, including relevant training and experience, of the project manager and other members of the project team, including consultants and subcontractors, and the staffing plan for the grant project.

So once again, there are a total of four selection criteria for this program, and applicants need to address all of the selection criteria under this program in their application. Next, I'll cover the review and selection process.

Reviewers will read applications, but pair a written evaluation and score the applications assigned to their panel using the selection criteria from the program's regulations. The program will prepare a rank order of applications based on the evaluation of the reviewer or based upon the evaluations from the reviewers.

The Secretary will make final awards after considering the rank order and other pertinent information. So, next, I'm going to cover the award administration information. If your application is successful, we will notify your U.S.

Representative and U.S. Senators and send you a Grant Award Notification or we may send you an email containing a link to access your grant award in G5, which is the department's grant management system.

The email will be sent to both the project director and a certified representative in order for them to review. If neither the project director nor the certifying representative is registered in G5, they will immediately be prompted to register once the link is accessible. At the end of your project period, you must submit a final performance report, including financial information as directed by the Secretary.

The next few slides will cover the program performance measures, project-specific performance measures, project performance targets, and data collection and reporting. The department has established the following performance measures for the Credit Enhancement Program.

One, the amount of funds grantees leverage for charter schools to acquire, construct, and renovate school facilities. And two, the number of charter schools served. Grantees must provide information that is responsive to these measures as a part of their annual performance reports. The Credit Enhancement Program has to annually report these two measures to Congress. In addition, applicants must propose project-specific performance measures and performance targets consistent with the objectives of the proposed project.

You can see the NIA for more specific guidance on how to develop project-specific performance measures. Project performance targets. Each proposed performance targets should be ambitious yet achievable compared to the baseline for the performance measure and when, during the project, the applicant would meet the performance targets.

Note, the Secretary encourages applicants to consider measures and targets tied to their grant activities during the grant period. The measures should be sufficient to gauge the progress throughout the grant period and show results by the end of the grant period.

Data collection and reporting. If you will apply for a grant under this competition, you must ensure that you have in place the necessary process and systems to comply with the reporting requirements in 2 CFR Part 170 should you receive funding under this competition.

This does not apply if you have received an exception under 2 CFR 170.110(b). So next I'm going to cover grants.gov. All applications must be submitted electronically via grants.gov, unless the applicant qualifies for an exception.

Please see the NIA for more detailed information on the allowable exceptions. So there's quite a few steps that applicants will need to undertake in order to

submit a successful application under this program. And these steps can take a while, so the program recommends to begin this process as soon as possible in order to submit an application.

This year, the application window for this program is around 30 days. So the program will close July 23rd and there's the 4th of July holiday in between once the applications were made available and once the application closes.

So it's recommended to start these steps as soon as possible if you plan on submitting your application under the Credit Enhancement Program. So to do business with the department and to submit your application electronically, you have to have a DUNS number and a tax identification number. You have to register your DUNS and your tax identification number with the System for Award Management, which is [sam.gov](http://sam.gov).

And you must provide your DUNS and your tax identification number on your application. The DUNS number is a unique nine-digit number that does not convey any information about the recipient. So, a built-in check digit helps assure the accuracy of the DUNS number. The nine digit of each is the check digit, which is mathematically related to the other digits.

It lets computer systems determine if a DUNS number has been entered correctly. The SAM registration process can take approximately seven days but may take upwards of several weeks depending on the completeness and accuracy of the data entered into the [sam.gov](http://sam.gov) database.

If you are currently registered with SAM, you may not need to make any changes. However, please make certain that your tax identification number associated with your DUNS number is correct. Note, your agency must update its SAM registration annually. So in order to register to [grants.gov](http://grants.gov), you must register as an applicant using the DUNS number your organization used when it registered in SAM and be designated by your organization's EBiz point of contact as an authorized organization representative.

Details for these steps are outlined on the [grants.gov](http://grants.gov) website. So once again, all applications must be submitted through [grants.gov](http://grants.gov) unless the applicant receives one of the allowable exceptions to submitting an application electronically.

And if you go to [grants.gov](http://grants.gov), in the top right, there's a search box. And if you type in "credit enhancement for charter school facility grants program," you'll be able to pull up the application for the program. If you have problems

submitting to grants.gov before the closing date, please contact grants.gov customer support or email grants...

You can call them or you could email them to receive support if you were experiencing trouble with the grants.gov platform. So once again, all applications are due by 11:59:59 p.m. on July 23rd.

Every applicant has to submit their application via grants.gov unless you receive a waiver. Please try to submit your applications early in case you experience any difficulties. Before you can view and complete an application package, you must have Adobe Reader installed.

Application packages are posted in Adobe Reader format. You may receive a validation error using incompatible versions of Adobe. To prevent this error, it is recommended that you uninstall any earlier version of Adobe and install the latest version. At the bottom of the page on grants.gov, once you are able to pull up the application, you'll find the application instructions in the application package.

The applications instructions is a PDF file with helpful information regarding the application package. The application package contains all the mandatory forms you will need to submit and the forms you will use to upload your application narrative. You may download both folders to your desktop or someplace on your computer. You may then work offline, and save, and submit the application when it's finished.

Once you download the application, multiple people can work on it and you can work on the application offline. Please save often. Once the application is complete, then Save and Submit button becomes active. Submit documents in PDF format.

Applicants will receive a confirmation email with a time, and date stamp, and an assigned tracking number from grants.gov. Applicants should receive a validation email from grants.gov. This means the application is ready for the department pickup. Applicants should receive an email with their assigned PR/Award number.

If the application is received late or a validation is not successful, applicants will receive an error email. This email may list the error or applicant can use their tracking number to find the submission error. So just some last important information.

On this slide, you can find the link to the Credit Enhancement Program webpage. On this page, you'll be able to access soon, after this presentation, the recording of this presentation and the application package instructions document.

But please remember, in order to submit an application, you have to submit...and you have to go to grants.gov to submit an application. Also on this page, you'll be able to find the link to the notice for this competition. So you'll be able to find a link to the NIA that was published in the Federal Register. And also on this slide, you'll be able to find a link to grants.gov, so that you can get access to the application package in grants.gov.

If you have any questions about submitting an application, please feel free to reach out to the program officers for the credit enhancement program, myself Clifton Jones. You can reach out to me via email at [clifton.jones@ed.gov](mailto:clifton.jones@ed.gov). You can also reach out to Sandy Toro. Sandy Toro, her email address is [sandra.toro@ed.gov](mailto:sandra.toro@ed.gov).

And so I know that was a lot of information and I wanted to get through a lot of that information and try to leave a few minutes for questions at the end. And I know some questions came in through the chat feature, so right now we'll try to answer as many questions as we can with the available time we have remaining.

- Hi, Clif. So, you are absolutely correct. We did have a number of questions come in through the chat. Firstly, we just had a recent question from an attendee asking about when the grants.gov system will be down for maintenance and when that is on the timeline for the due date for the application.

- So I believe it is listed in the PowerPoint that grants.gov will be down July 17th through the 19th. Let me go through to just confirm that specific time, but that's a few days...it's not exactly before the closing date, but it is a few days before the closing date of July 23rd.

- [Laterica] And the exact dates of when grants.gov will be down are also included in the applications instructions package.

- Thank you both for responding to that question, Clif and Laterica. We also had several questions regarding the priorities, which I know you also mentioned at the beginning. We did have some people join late. So first of all, Clif, could you repeat what you noted earlier about the competitive preference priorities and also note whether there are any invitational priorities?

- So under this year's competition, we do not have any absolute competitive preference or invitational priorities this year. Applications will be scored solely based on selection criteria, which is from the program's regulations. So no absolute competitive preference or invitational priorities this year.

- Thank you so much for reinforcing that. So that responds to all of our attendees' questions about the priorities. We also had two similar questions, whether credit enhancement can be used to enhance the loan used to refinance existing debt or to pay off a line of credit.

- So there are several different ways that the credit enhancement funds can be used. And just to repeat, the credit enhancement funds are not to be used to directly pay for the facility costs but to enhance.

And on our program's website, you'll be able to find guidance on some of the... Let's address some of the nuances between how credit enhancement funds can be used and have been used in the past. And so, credit enhancement funds can be used to help charter schools with... well, charter schools that have already received financing to refinance.

And there was another part. I think the question was, there's another part, can credit enhancement funds be used to pay off a line of credit?

- That's correct.

- So like I said, credit enhancement funds aren't to be used to pay directly for any costs, but credit enhancement funds are allowed to facilitate new financings, to support charter schools' ability to continue operation of their charter school.

- So, Clif, we had one question about whether...the attendee noted, I thought I'd heard that you could not use the funds to directly purchase a building. Could you clarify that?

- So credit enhancement funds are not meant to be a loan to pay for or to directly pay for the acquisition renovations or construction of a facility. Their credit enhancement funds are drawn down and they're placed into reserve accounts, and then the grantees use the credit enhancement funds that are in the reserve accounts to help facilitate financing and attract private sector capital to support the charter schools and other non-Federal capital to support the charter schools.

So the funds aren't used to actually pay for those costs. It's used to attract outside capital that can be used for the benefit of the charter school.

- Thank you so much. There are three more questions that I'm seeing currently. Four more. We just had one more come in. Do you have time for those, Clif, to respond to those?

- I think so. Yeah.

- Perfect. So let's speak on these questions about financing. So one attendee asked, "Do you have any examples of roughly how much this helps lower financing costs?"

- There's several different ways that credit enhancement funds have been used in the past. Some grantees have used credit enhancement funds to reduce the financing that's available to charter schools by 200 to 300 basis points.

Sometimes credit enhancement grantees use the credit enhancement funds to guarantee lease payments. Sometimes credit enhancement funds are used to help charter schools refinance their current existing debt and also provide them additional capital to improve their current facility.

So it really depends on the needs of the charter school. Each facility project is going to be unique. And many times when charter schools are interested in receiving support, they'll reach out to our current credit enhancement grantees and then discuss their needs with that grantee.

Sometimes the grantee feels that it's best to use the credit enhancement. Sometimes they feel like it's not best to use the credit enhancement and they may have another vehicle to support the charter school. And sometimes the grantee may direct the charter school to another credit enhancement grantee that might be able to provide better financing.

So it really depends on the specific charter school, and their needs, and what they're trying to get at with their specific facility project.

- Thank you so much for that explanation. I'm going to ask a couple of quick questions. So is there any way to check to see if someone's institution is already registered with the grants.gov website?

- You would have to go to the grants.gov website to check that. It seems like the person may be from a large organization that somebody else within that

organization may have applied for a grant via grants.gov but the person who asked the question may not have been a part of that process.

So I would say if you're in that situation where you think someone within your organization has a grants.gov registration, you definitely want to check inside your organization to see if anybody has that, but then also yourself is probably just because of the amount of time you have to submit an application, that person should probably also just go ahead and register themselves.

So I would say they should check internally within the organization to see if they have it, and then they should probably just register themselves if they are not already registered.

- Great advice. Thank you so much. Our next question notes that the timing on the submission for applications is tight. So is there any way to extend the application deadline?

- No. Unfortunately, we are under a tight schedule this year.

- Thank you for that very clear answer. There are two more questions that I'm seeing. Is there a monetary cap on how much financing the enhancement will support?

- No. And that's one of the unique benefits of this program is that awards under this program are given to the applicants and then they draw it on the funds and they put them into a reserve account.

They use the grant funds to help support charter schools, and then oftentimes when the charter schools are able to begin paying off their financing that has been supported with the credit enhancement funds, then that grantee doesn't have to use as much or some of the credit enhancement that was applied to that specific transaction, some of that credit enhancement gets to be reduced.

And so then that credit enhancement gets freed up to support new schools. And so pretty much every grant that has been made under this program is still out currently supporting charter school transactions, and their grantees are recycling the funds over a period of time.

So there really isn't a cap on how much funding can be leveraged on the program, but there is a cap on the size of the award an applicant could request this year, which is that \$12 million cap. So at most, an applicant will receive \$12 million under this year's competition, but there is no cap on how much the

grantee can leverage with that grant award because over time they will be able to recycle the funds to continue to support more charter schools, and they'll be able to increase their leverage over time.

- Thank you, Clif. And then the last question that I see submitted asks, "How many of these cycles are there each year and how long after submission before we get a response?"

- So the credit enhancement program typically makes awards every year, but the credit enhancement program doesn't always have a competition every year. So every year since this program was created, the program has made new awards, but the program doesn't have a new competition every year.

Some years we fund on the list of applicants from a previous competition or the most recent competition, and all awards have to be made by the end of the Federal fiscal year, which is September 30th. So the awards will be made by September 30th of this year. So we do make new awards pretty much every year under this program, but we don't necessarily have a new competition every year on this program.

But for this year, we're having a competition and we have to make the awards before the end of the fiscal year, which is September 30th, 2021.

- And we just got one more written question. Are there past awards being funded from the current \$43 million?

- No. So this program is unique in that it doesn't really make continuation awards. So when an applicant requests a grant award under this program, typically, they will receive all their money in the first year.

And then the program doesn't have a need to make a continuation award. Sometimes applicants only get a partial award because we don't have enough to give them their full amount in that year. Oftentimes they may get a supplemental award the next year, but this program doesn't really make continuation awards.

So the current grantees have already received their total awards under this program, and so the money available under this competition will be used solely in this year for this competition to make new awards. It won't go to previous awards that are currently operating, unless there is a need for a supplemental award from a previous competition.

- Thank you, Clif. Our attendees are saying thank you. These are some very clear answers. We're getting a couple more questions in, and one is just to clarify what you noted earlier about how grant funds are recycled. And the attendee asked, "So in theory, there's no end to the grant period. The funds can be recycled indefinitely?"

- Correct. Like I said, all of the previous awards that have been made under this program are still open and they're still currently supporting charter schools. So oftentimes when we receive inquiries from individual charter schools about how to benefit from this program, we tell them to reach out to our current grantees because they already have awards under this program and they're currently supporting charter schools with those awards that were already made.

So all of the grant awards that were made on this program are still supporting charter schools.

- Thank you so much. And I'm just seeing that last question is one that I can field, Clif. So it is possible that we have completed our questions for today.

- Sounds good. I would like to thank everybody for participating in today's webinar. And again, if you have any additional questions you can reach out to myself, which is Clifton Jones at [clifton.jones@ed.gov](mailto:clifton.jones@ed.gov), and also, Sandra Toro at [sandra.toro@ed.gov](mailto:sandra.toro@ed.gov).

And once again, all the information should be posted on our website shortly after this presentation. So the recording of this presentation, the application package instructions document, a link to the Notice Inviting Applications will be posted to our website.

But in order to submit an application, you have to go to [grants.gov](http://grants.gov). And that's where you will complete your application. So helpful information will be posted to our program webpage, but in order to actually work on and submit an application, you have to go to [grants.gov](http://grants.gov). And once again, it's in the applicant's best interest to begin the process of going to [grants.gov](http://grants.gov) and reviewing the information there because there is a short window for this year's competition.

So it's best to try to start that as soon as possible if you're interested in applying for a grant under this program. So if there aren't any additional questions, I'd like to, again, thank everyone for participating in today's webinar and have a wonderful day.

We look forward to reviewing the applications that are submitted.

