

**U.S. DEPARTMENT OF EDUCATION**  
Office of Elementary and Secondary Education  
Washington, DC 20202



**Fiscal Year 2023**

**Application for New Grants Under the Expanding Opportunity  
Through Quality Charter Schools Program -- Credit Enhancement  
for Charter School Facilities Grants Program**

Assistance Listing Number (ALN): 84.354A

Approved OMB No. 1810-0775

Expiration Date: 1/31/2026

**Dated Material - Open Immediately**  
**APPLICATION CLOSING DATE: June 26, 2023**

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## PAPERWORK REDUCTION ACT OF 1995

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According to the Paperwork reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is: 1810-0775. Public reporting burden for this collection of information is estimated to average 80 hours per response, including the time for reviewing instructions, searching existing data resources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is voluntary. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Education, 400 Maryland Ave., SW, Washington, DC 20210-4537, or email [ICDocketMgr@ed.gov](mailto:ICDocketMgr@ed.gov). Please do not return completed applications to this address.



**UNITED STATES DEPARTMENT OF EDUCATION**  
Office of Elementary and Secondary Education

Dear Applicant:

Thank you for your interest in the Credit Enhancement for Charter School Facilities Program (Credit Enhancement Grants Program), administered by the Charter Schools Program (CSP) in the Office of Elementary and Secondary Education at the U.S. Department of Education. The Credit Enhancement Grants Program, authorized under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act of 2015 (ESSA) (20 U.S.C. 7221c), provides grants to 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.

This application package includes vital instructions and guidance that govern the submission of applications. These instructions must be followed in order to apply for a grant from the U.S. Department of Education. An application will not be evaluated for funding if the applicant does not comply with all the procedural rules that govern the submission of the application or if the application does not contain the information required under the program ([34 CFR§75.216](#) (b) and (c)).

Applications for this competition must be submitted via <http://www.grants.gov>. We encourage that early in the process of compiling an application for submission you familiarize yourself with Grants.gov and register or identify who has access to your entity's registration within your entity. Also, it is highly recommended that you do not wait until the last day of the competition to submit your application. The deadline for submitting applications is **June 26<sup>th</sup>, 2023**; late applications will not be accepted.

Please visit our program website at [Credit Enhancement Applicant Info and Eligibility](#) for further information. The program website includes the date of the pre-application webinar as well as other helpful information. If you have any technical questions about the program after reviewing this application package, please contact Clifton Jones by telephone at (202) 205-2204 or via e-mail at [charter.facilities@ed.gov](mailto:charter.facilities@ed.gov). For questions or problems concerning the Grants.gov system, please call the Grants.gov helpdesk at **1-800-518-4726**.

We look forward to receiving your application and appreciate your efforts in assisting and expanding the number of high-quality charter schools across the nation.

Sincerely,

/s/

Anna Hinton, Ph.D. Director  
Charter Schools Program

## **A BRIEF OVERVIEW OF THE APPLICATION PROCESS**

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The following is a brief overview of the application process for the Credit Enhancement Grants Program.

### **Getting Started**

All interested applicants should first thoroughly review this application package and the Notice Inviting Applications (NIA) for FY 2023 Credit Enhancement Grants Program published in the Federal Register and on the Department's website at: [Credit Enhancement Applicant Info and Eligibility](#).

The NIA will orient applicants to the Credit Enhancement Grants Program by providing details associated with, but not limited to, the following information:

- Purpose of Program;
- Background;
- Definitions;
- Award Information;
- Eligibility Information;
- Application Submission Instructions;
- Selection criteria (and assigned points); and
- Award Administration Information.

Applicants should pay close attention to the selection criteria as applications will be evaluated and scored against these criteria.

### **Completing and Submitting Your Application**

Once the application is complete, it must be submitted electronically using the Grants.gov system. A complete application consists of the following components:

- Project Abstract – where applicants provide a brief overview of the proposed project including primary goal and key objectives and activities.
- Project Narrative – where applicants respond to application requirements and selection criteria.
- Budget Narrative – where applicants provide the ED-524 and Table 3 – Budget Form: Grant Funds Expenditures along with an itemized breakdown and narratives for project costs in the ED-524 and Table 3.

- Other Attachments and Forms – where applicants provide other required items and supplementary documents, including:
  - Table 1 - Non-Grant Funds Projected to be Generated
  - Table 2 - Applicant Activity Table for the Most Recently Completed Fiscal Year
  - Table 4 - Risk Level of Charter Schools Served (required of past grantees only)
  - Consortium agreements
  - Resumes/Curriculum Vitae
  - Other Supplementary Documents (example: letters of commitment from financial partners)
- Required Standard Forms, Assurances and Certifications
  - SF 424 Form – Application Form for Federal Assistance;  
 Note: Please do not attach any narratives, supporting files, or application components to the Standard Form (SF 424). Although this form accepts attachments, the Department of Education will review only materials/files attached to the section labeled “Other Attachments Form.”
  - ED Supplemental Form for SF 424;
  - ED 524 Form and Instructions – Budget Information, Non-Construction Programs - Sections A & B only;
  - SF-LLL – Disclosure of Lobbying Activities;  
 Note: For those who the SF-LLL does not apply, mark N/A in the appropriate fields.
  - General Education Provisions Act (GEPA) Requirements – Section 427;
  - SF 424B Form – Assurances, Non-Construction Programs

Electronic copies and instructions for the standard forms can be downloaded at the following address: <https://www2.ed.gov/fund/grant/apply/appforms/appforms.html> and can be found in the Grants.gov submission package.

### **Tips for Submitting Your Application**

- Thoroughly review the “Important Tips & Reminders” section in the subsequent pages of this application package.
- All Credit Enhancement Grants Program applications must be submitted electronically via Grants.gov unless an applicant qualifies for one of the exceptions to the electronic submission requirement and submit, no later than two weeks before the application

deadline date, a written statement to the Department that you qualify for one of these exceptions. Please refer to the NIA for more information on the exceptions to electronic submission.

- Before you are ready to submit your application familiarize yourself as early as possible with Grants.gov.
- Please ensure proper browser support. The latest versions of Microsoft Internet Explorer (IE), Mozilla Firefox, Google Chrome, and Apple Safari are supported for use with Grants.gov. However, these web browsers undergo frequent changes and updates, so we recommend you use the latest version when submitting your application via Grants.gov. Legacy versions of these web browsers may be functional, but you may experience issues. For additional information or updates, please see the Grants.gov Browser information in the Applicant FAQs:  
<http://www.grants.gov/web/grants/applicants/applicant-faqs.html#browser>.
- Do not wait until the last day to submit your application. The time it takes to upload the narratives for your application will vary depending on several factors including the size of the files and the speed of your Internet connection. If you try to submit your application after 11:59:59 p.m. Eastern Time on the deadline date, the Grants.gov system will not accept it.
- Late applications will not be accepted. The Department is required to enforce the established deadline to ensure fairness to all applicants.
- All applications must be received on or before June 26<sup>th</sup>, 2023. No changes or additions to an application will be accepted after the deadline date and time.

### **Addressing Your Questions**

The Department provides an avenue for interested applicants to ask questions to clarify their understanding of the Credit Enhancement Grant Program competition and process. Applicants should keep in mind that the Department cannot provide guidance on specific applications. The Department cannot provide guidance or recommendations on an applicant's proposed approach, plan, or response to program requirements, and selection criteria. Interested applicants may send all other questions to [charter.facilities@ed.gov](mailto:charter.facilities@ed.gov).

## THE CREDIT ENHANCEMENT GRANTS COMPETITION

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### **Applications Available**

May 10, 2023

### **Intent to Apply**

Applicants are strongly encouraged but not required to submit a notice of intent to apply by May 25, 2023. To do so, please email [charter.facilities@ed.gov](mailto:charter.facilities@ed.gov) with the subject line “Intent to Apply,” and include the applicant’s name, a contact person’s name and email address, and the ALN – 84.354A. Applicants who do not meet this deadline may still apply.

### **Deadline for Transmittal of Applications**

All applications must be received on or before 11:59:59 p.m. Eastern Time, on June 26, 2023. Late applications will not be accepted. The Department is required to enforce the established deadline to ensure fairness to all applicants. No changes or additions to an application will be accepted after the deadline date and time.

### **Competition Overview**

Estimated Available Funds: \$50,000,000.

Estimated Range of Awards: \$2,000,000 to \$20,000,000.

Estimated Average Size of Awards: \$11,000,000.

Maximum Award: We will not award a grant for more than \$20,000,000 for a grant project.

Estimated Number of Awards: 4.

Project Period: From the start date indicated on the grant award document 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.

### **Credit Enhancement Authorizing Legislation**

Section 4304 of the ESEA (20 USC 7221c: Facilities financing assistance)

### **Program Purpose**

The purpose of the Credit Enhancement Grants Program is to provide grants to 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.



## **Application Requirements**

Applicants are required to follow the Common Instructions for Applicants to Department of Education Discretionary Grant Programs, published in the *Federal Register* on December 7, 2022 (87 FR 75045) and available at <https://www.federalregister.gov/d/2022-26554> which contain requirements and information on how to submit an application.

## **Eligibility Information**

### 1. Eligible Applicants:

- (A) a public entity, such as a State or local government entity;
- (B) a private nonprofit entity; or
- (C) a consortium of entities described in (A) and (B).

**Note:** If you are a nonprofit organization, under 34 CFR 75.51, you may demonstrate your nonprofit status by providing: (1) proof that the Internal Revenue Service currently recognizes the applicant as an organization to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code; (2) 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; (3) a certified copy of the applicant's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or (4) any item described above if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate.

- 2. Cost Sharing or Matching: This program does not require cost sharing or matching.
- 3. Subgrantees: A grantee under this competition may not award subgrants to entities to directly carry out project activities described in its application.

## **Intergovernmental Review<sup>1</sup>**

This competition is subject to Executive Order 12372 and the regulations in 34 CFR part 79.

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<sup>1</sup> See Appendix I for further details on the Intergovernmental Review

## **Funding Restrictions<sup>2</sup>**

- (1) An eligible entity receiving a grant must, in accordance with State and local law, directly or indirectly, alone or in collaboration with others, deposit the funds received, other than funds used for administrative costs, in a reserve account established and maintained by the eligible entity.
  
- (2) 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 allowable objectives.
  - i. The acquisition (by purchase, lease, donation, or otherwise) of an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property that is necessary to commence or continue the operation of a charter school.
  - ii. 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.
  - iii. Assist charter schools with the predevelopment costs required to assess sites for the purpose of acquiring (by purchase, lease, donation, or otherwise) an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property or constructing new facilities, or renovating, repairing, or altering existing facilities, and that are necessary to commence or continue the operation of a charter school.
  
- (3) Grantees must ensure that all costs incurred using funds from the reserve account are reasonable.

## **Open Licensing Requirements**

Unless an exception applies, if you are awarded a grant under this competition, you will be required to openly license to the public grant deliverables created in whole, or in part, with Department grant funds. (*See the NIA for the full text associated with the open licensing requirements.*)

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<sup>2</sup> See Appendix II for a full description of Funding Restrictions

## **Reporting**

If you apply for a grant under this competition, you must ensure that you have in place the necessary processes and systems to comply with the reporting requirements in 2 CFR part 170 should you receive funding under the competition. This does not apply if you have an exception under 2 CFR 170.110(b). *(See the NIA for the full text associated with the reporting requirements.)*

## **Performance and Project-specific Measures**

The Department has established the following performance measures for the Credit Enhancement Grants program: (1) the amount of funding grantees leverage for charter schools to acquire, construct, and renovate school facilities; and (2) the number of charter schools served. Grantees must provide information that is responsive to these measures as part of their annual performance reports. In addition, applicants must propose project-specific performance measures and performance targets consistent with the objectives of the proposed project. *(See the NIA for more information pertaining to project specific measures.)*

## **Application Selection Criteria & Content Requirement**

The Secretary will select for funding under the Credit Enhancement Grants Program from those applications that are deemed of 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. Each criterion includes factors the reviewers will consider in determining how well an application meets the criterion. Reviewers will use their own professional judgment to assess the quality of each application against these criteria.

Selection Criteria: The selection criteria for this competition are from 34 CFR 225.11 and are as follows:

- (a) Quality of project design and significance (35 points). In determining the quality of project design and significance, the Secretary considers—
  - (1) The extent to which the grant proposal would provide financing to charter schools at better rates and terms than they can receive absent assistance through the program;
  - (2) The extent to which the project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program;
  - (3) 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;
  - (4) The extent to which the project is likely to produce results that are replicable;

- (5) 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;
- (6) 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 facilities needs more than would be accomplished absent the program;
- (7) The extent to which the project will serve charter schools in States with strong charter laws, consistent with the criteria for such laws in section 4303(g)(2) of the ESEA; and
- (8) 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.

(b) Quality of project services (15 points). In determining the quality of the project services, the Secretary considers—

- (1) The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served;
- (2) The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the project;
- (3) 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
- (4) 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.

(c) Capacity (35 points). In determining an applicant's business and organizational capacity to carry out the project, the Secretary considers—

- (1) 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;
- (2) The applicant's financial stability;
- (3) The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management;
- (4) The applicant's expertise in education to evaluate the likelihood of success of a charter school;
- (5) 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;
- (6) If the applicant has co-applicants (consortium members), partners, or other grant project participants, the specific resources to be contributed by each co-applicant (consortium member), partner, or other grant project participant to the implementation and success of the grant project;
  - (7) For State governmental 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
  - (8) For previous grantees under the charter school facilities programs, their performance in implementing these grants.

**Note:** The 35 available points under this selection criterion will be allocated evenly among the factors applicable to a particular applicant. For example, for an applicant for which none of factors (6)–(8) apply, the 35 available points will be allocated among the first five factors. Similarly, for an applicant that is a State governmental entity that is a previous grantee under the charter school facilities programs, the 35 available points will be allocated evenly among factors (1)–(5), (7), and (8).

(d) Quality of project personnel (15 points). In determining the quality of project personnel, the Secretary considers—

- (1) The qualifications of project personnel, including relevant training and experience, of the project manager and other members of the project team, including consultants or subcontractors; and
- (2) The staffing plan for the grant project.

Content Requirement: Each Credit Enhancement Grants Program application must include the following specific program elements:

- (1) A statement identifying the activities proposed to be undertaken with grant funds (the “grant project”) and the timeline for the activities, including how the applicant will determine which charter schools will receive assistance, how much and what types of assistance these schools will receive, the type of schools to be served, and what procedures the applicant will use for documenting grant project procedures and results.
- (2) A description of the involvement of charter schools in the application's development and design of the proposed grant project.

- (3) A description of the applicant’s expertise in capital markets financing and organizational capacity to implement the proposed grant project successfully. (Consortium applicants must list information for each of the participating organizations.)

This description must include the applicant’s:

a. Operational Capacity and Risk Mitigation Strategies as evidenced by:

i. Age of Organization

Identify how long the organization has been in existence. (Consortia should identify the ages of each of the participating organizations.)

ii. Policies and Procedures

Provide a brief summary of the following applicant policies and procedures, indicating whether they are approved by the applicant’s governing board and when they were implemented. If they are not currently in place, describe what steps the organization will take to develop and implement such policies and procedures. If the practices differ from the policies and procedures, explain.

- Underwriting Standards for Participants: Process for evaluating the creditworthiness of charter school participants, including criteria for providing guarantees or other credit enhancement.
- Portfolio Monitoring: Monitoring process, risk rating methodologies, and debt restructuring, collections, and write-off policies.
- Financial Management/Risk Mitigation: Internal controls and operating policies for safeguarding assets, including cash management; maintaining liquidity and operating reserves; likely reserve account investments; and risk mitigation strategies(e.g., portfolio diversification, adopting internal lending limits, establishing and adjusting debt loss reserves, and seeking third-party insurance against default by the applicant).
- Underwriting Standards for Participants: Process for evaluating the creditworthiness of charter school participants, including criteria for providing guarantees or other credit enhancement.
- Portfolio Monitoring: Monitoring process, risk rating methodologies, and debt restructuring, collections, and write-off policies.
- Financial Management/Risk Mitigation: Internal controls and operating policies for safeguarding assets, including cash management; maintaining liquidity and operating reserves; likely

reserve account investments; and risk mitigation strategies (e.g., portfolio diversification, adopting internal lending limits, establishing and adjusting debt loss reserves, and seeking third-party insurance against default by the applicant).

iii. Standards of Conduct

- Provide a copy of the **standards of conduct** for your organization if they exist. The standards of conduct must, at a minimum, require disclosure of direct and indirect financial or other interests, mandate disinterested decision-making, and indicate corrective actions to be taken in the event of violation.

b. Financial Track Record and Strength as evidenced by:

i. Credit Rating

- Submit the most recent **credit rating and report** prepared for the organization by a major bond rating agency, such as Standard and Poor's, Moody's Investors Service, or Fitch IBCA. If the organization does not have a credit rating, please indicate.

ii. Financial Statements

- Submit **audited financial statements** for the applicant's three most recently completed fiscal years. If audited statements are not available, please provide **financial statements** for the applicant's three most recently completed fiscal years that have been reviewed by an independent Certified Public Accountant (C.P.A.).
- Such documents must include:
  - Balance sheets or statements of financial position;
  - Income statements or statements of activities;
  - Statements of cash flows; and
  - Notes to the financial statements and, if applicable, the auditor's opinion letter and any reports of findings.
- If neither audited nor C.P.A.-reviewed financial statements are available, submit internal financial statements and explain why audited or C.P.A.-reviewed financial statements are not available. If the audited financial statements of the applicant are consolidated with those of its affiliates and do not include separate schedules on the applicant's financial position and separate income statements for the applicant, also submit a separate set of internal financial statements that clearly distinguish the applicant's financial information from that of the affiliates.

- iii. Non-profits: IRS Form 990
  - Provide a copy of the most recently filed IRS Form 990.
- iv. Portfolio Quality
  - Provide a narrative explanation of portfolio performance, particularly explaining the circumstances of any unusually high levels of delinquencies and losses, or loss reserves that appear inconsistent with actual losses. Such explanations should include any steps the organization is taking to remedy identified problems.
  - Also include an explanation of any debt-loss experience with high-risk borrowers.
- v. Financial Track Record
  - Complete the *Applicant Activity Table for the Most Recently Completed Fiscal Year*.
- vi. Financial Projections
  - Applicants must submit a *cash flow pro forma* for the grant project. The pro forma should include both a statement of sources and uses of funds and a projection of annual cash flows during the Project Period. All amounts should be expressed on a cash (year-of-expenditure) basis and should include a narrative describing key assumptions in the business model used to arrive at such estimates. The pro forma should include:
    - Projected cash flows (receipts and disbursements) through the Project Period, including separate line items for each category of allowable uses of reserve account funds (such as facilitating financing or guaranteeing leases). The cash flow must indicate the projected reserve account balance at the end of each year;
    - Administrative cost charges covered by the Federal funds (a maximum of 2.5%) and non-grant sources such as donations;
    - An explanation of the amount and nature of all fees and expenses (including interest on loans) payable by the charter school participants associated with the grant project; and
    - Anticipated interest and other earnings expected to be gained on grant funds.
    - If applicable, the applicant also should calculate the estimated effective financing rate (true interest cost) for charter schools participating in the grant project and compare such percentage rate to other available financing sources.



- In the event that the applicant proposes to charge fees (including interest on loans) to charter schools, the applicant must: indicate whether the fees and interest are in excess of the direct cost to the applicant, identify the size of this excess amount, and describe how this excess amount will be used.
- Furthermore, the applicant must explain how these fees and interest rates are reasonable.

vii. Financial Stability

- Discuss the applicant’s strategy for sustaining its projected operations through earned income, grants, contributions, or other resources. Discuss the applicant’s strategy for capitalizing its loan, guarantee, or investment fund through debt, equity, secondary markets, or other resources. Discuss the extent to which funding sources are diversified and any plans to maintain or increase the diversification of funding sources. Complete the Non-Grant Funds Projected to be Generated Table.

viii. Legal Background

- Non-profit entities: Submit a copy of *articles of incorporation and by-laws*
- Public entities: Submit a copy of *enabling statute and other relevant legislation*
- Previous grantees (both Credit Enhancement for Charter School Facilities Program and Charter School Facility Financing Demonstration Grant Program Grantees): the most recent annual performance report (if the grant has not been in place long enough to have an annual performance report, the most recent half- year report).

ix. Applicable experience financing charter schools (if any), including the number of schools served, the total amount of financing provided, the total amount of financing credit enhanced.

c. Skills and Experience of the Grant Project Management Team as evidenced by:

i. Management and Staff Experience

For each member of the management team and other key staff, submit:

- A description of current and past job responsibilities, and education, experience, and skills, with particular attention to experiences in the fields of finance and education. The description of the individuals’ experience in education must include a

discussion of their expertise in assessing the programs of charter schools. This information may be provided in the form of current resumes or detailed biographical statements. Position qualification statements should be included for staff the applicant plans to hire for the project.

- A description of the duties of the management team and key staff working on the project. Include any staff the applicant anticipates hiring, including through contracts, to work on the project.

ii. Board of Directors:

- Non-profit applicants only: Submit a current list of the governing board members that indicates their tenure and organizational affiliations.
- Discuss the role(s) of the board of directors with respect to the grant project and their qualifications in that regard. Disclose any business and personal relationships between board members and personnel working for the applicant's organization.

- (4) A description of how the proposed grant project will leverage the maximum amount of private-sector and other Non-Federal capital relative to the amount of Credit Enhancement for Charter School Facilities Program funding used, the definition of "leverage" the applicant has used in developing that description, the type of assistance to be provided, how the assistance would sufficiently reduce the costs that charter schools face so that it would enable them to obtain or improve school facilities that they would not be able to obtain or improve absent the assistance, and how the proposed activities will otherwise enhance credit available to charter schools.

Provide a ratio of Federal funds to the anticipated amount of capital leveraged. For instance, if the size of the reserve account is \$1 million and \$5 million in bonds would be guaranteed using funds in the reserve account, the ratio is 5:1. Describe how the leveraging ratio is calculated and how the assistance provided to charters schools will be sufficient to assist them in meeting their school facility needs that could not have been met absent this assistance.

Provide an explanation of the number and characteristics of charter schools to be served by the Project (e.g., size, demographics, and age of school -- start-up or experienced, etc.) Include an explanation of the types of services they will receive.

- i. A description of how the applicant possesses sufficient expertise in education to evaluate the likelihood of success of a charter school for which facilities financing is sought.
- ii. In the case of an application submitted by a State governmental entity, a description of current and planned State funding policy and other forms of financial assistance that will help charter schools meet their facility needs.

### **Application Review Information: Selection Criteria**

The selection criteria will evaluate the potential contribution of the proposed grant project to achieving the purpose of the Credit Enhancement for Charter School Facilities Program include:

#### Quality of project design and significance (35 points)

This criterion 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 would serve charter schools in States with strong charter school laws. This criterion also addresses the grant project's potential impact on the national need for charter school facilities and, in that regard; it is potential as a model for others.

The most successful applicants are likely to provide services to a number of charter schools, including start-ups. 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 account funds may be used. They will describe the partnerships they plan to develop to help further the purposes 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 from the reserve account and provide an estimate of the earnings they expect from these investments, and from fees, interest, or other sources.

The materials reviewers will consider when rating against this selection criterion include:

- The budget form and other budget information (including the consistency of numbers, the accuracy of any mathematical functions, and the clarity of any explanations);
- Information on fees and lending terms, including how they might vary with interest rate fluctuations;
- The cash flow pro forma; and
- The logic models.

Factors used to assess the project's quality of design and significance include:

- The extent to which the grant proposal would provide financing to charter schools at better rates and terms than they can receive absent assistance through the program;
- The extent to which the grant project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program;
- The extent to which the grant 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 proposed grant project is likely to produce results that are replicable;
- The extent to which the grant 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 the private or public sector funding and increase the number and variety of charter schools assisted in meeting their facilities needs absent the program;
- The extent to which the project will serve charter schools in States with strong charter laws, consistent with the criteria for such laws in Section 4303(g)(2) of the Elementary and Secondary Education Act of 1965, as amended;
- The extent to which the requested grant amount and project costs are reasonable in relation to the objectives, design, and potential significance of the project;

**Note:** The applicant should review the Performance Measures section of the notice for information on the requirements for developing project-specific performance measures and targets consistent with the objectives of the program.

### Quality of project services (15 points).

This criterion is concerned with the immediate benefits to be provided to charter schools as a result of the grant project. In this regard, this criterion 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.

The materials reviewers will consider when rating against this selection criterion include:

- Support letters from charter schools; and
- Information on fees and lending terms, including how they might vary with interest rate fluctuations.

Factors used to assess the quality of the services include:

- 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 grant 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 that have the greatest needs for assistance under the program.

Capacity (35 points).

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 risk, expertise in assessing 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.

The materials that reviewers will consider when rating against this selection criterion include:

- Table 1 – Non-Grant Funds Projected to be Generated;
- Table 2 – Applicant Activity Table for the Most Recently Completed Fiscal Year
- Table 4 – Risk Level of Charter Schools Served;
- Audited Financial Statements;
- Credit Rating Reports;
- Standards of Conduct;
- Non-profits: Articles of Incorporation and By-Laws;
- Non-profits: IRS Form 990;
- Public entities: Enabling Statutes and Other Relevant Legislation;
- Letters of commitment from financial partners;
- Previous grantees (both Credit Enhancement for Charter School Facilities Program and Charter School Facility Financing Demonstration Grant Program Grantees): the most recent annual performance report (if the grant has not been in place long enough to have an annual performance report); and
- Applicable experience financing charter schools (if any), including the number of schools served, the total amount of financing provided, the total amount of financing credit enhanced.

Factors that will be considered in assessing the applicant's business and organizational capacity include:

- 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 (consortium members), partners or other grant project participants, the specific resources to be contributed by each co- applicant (consortium member), partner, or other grant project participant to the implementation and success of the grant project;
- For State governmental entities, the extent to which steps have been or will be taken to ensure charter schools within the State receive the funding needed to obtain adequate facilities; and
- For previous grantees under the charter school facilities programs, their performance in implementing these grants.

**Note:** The 35 available points under this selection criterion will be allocated evenly among the factors applicable to a particular applicant. For example, for an applicant for which none of factors (6)–(8) apply, the 35 available points will be allocated among the first five factors. Similarly, for an applicant that is a State governmental entity that is a previous grantee under the charter school facilities programs, the 35 available points will be allocated evenly among factors (1)–(5), (7), and (8).

Quality of project personnel (15 points).

This criterion focuses on the relevant training and 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 Requirements section of this package. 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 biographical statements. The applicant 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.

Factors used to assess the grant project team include:

- The qualifications of project personnel, including relevant training and experience, of the project manager and other members of the project team, including consultants or subcontractors; and
- The staffing plan for the grant project.



## APPLICATION SUBMISSION PROCEDURES

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Applicants are required to follow the Common Instructions for Applicants to Department of Education Discretionary Grant Programs, published in the *Federal Register* on December 7, 2022 (87 FR 75045) and available at <https://www.federalregister.gov/d/2022-26554> which contain requirements and information on how to submit an application.

### **Attention Applicants**

This program **requires** the electronic submission of applications. Specific requirements and instructions can be found in the *Federal Register* NIA announcing this grant competition. Please note that you **must** follow the “Application Submission Instructions” as described in the *Federal Register* NIA for this competition.

To submit an application on the Grants.gov website, hover over the “Applicant” tab. Select the “Apply for Grants” option, and then click on “Download a Grant Application Package.” Type in the ALN (formerly CFDA) 84.354A. Click “Download Package.” For assistance with the use of Grants.gov, please contact the Grants.gov Support Center, at 1-800-518-4726, or email [support@grants.gov](mailto:support@grants.gov). You can access the website at <https://www.grants.gov/web/grants/support.html>.

We will reject your application if you submit it in paper format unless, as described in the common instructions, you follow the procedures outlined for a paper submission, which requires submission of a written notification to the Department no later than 14 calendar days before the application deadline date.

### **Applications Submitted Electronically**

Applications for grants under this program must be submitted electronically using the governmentwide Grants.gov Apply site at <http://www.Grants.gov>. Through this website, you will be able to download a copy of the application package, complete it offline, and then upload and submit your application. You may **not** e-mail an electronic copy of a grant application to the Department.

Your application must be fully uploaded and submitted and must be date and time stamped by the Grants.gov system **no later than 11:59:59 p.m. Eastern Time on the application deadline date**. Except as otherwise noted in *Federal Register* NIA for this competition, we will not consider your application if it is date and time stamped by the Grants.gov system later than 11:59:59 p.m. Eastern Time on the application deadline date.

You should review and follow the *Grants.gov Submission Procedures and Tips for Applicants* for submitting an application through Grants.gov that are included in this application package to ensure that you submit your application in a timely manner to the Grants.gov system.

On December 31, 2017, Grants.gov retired the Legacy PDF format for submitting grant applications. A Grants.gov applicant must apply online using Workspace, a shared environment where members of a grant team may simultaneously access and edit different web forms within an application. An applicant can create an individual Workspace for each application NIA and establish for that application a collaborative application package that allows more than one person in the applicant's organization to work concurrently on an application. The Grants.gov system also enables the applicant to reuse forms from previous submissions, check them in and out to complete them, and submit the application package. For access to further instructions on how to apply using Grants.gov, refer to: [www.grants.gov/web/grants/applicants/apply-for-grants.html](http://www.grants.gov/web/grants/applicants/apply-for-grants.html).

### **Grants.gov Submission Procedures and Tips for Applicants**

To facilitate your use of Grants.gov, this document includes important submission procedures you need to be aware of to ensure your application is received in a timely manner and accepted by the Department of Education.

**Browser Support:** The latest versions of Microsoft Internet Explorer (IE), Mozilla Firefox, Google Chrome, and Apple Safari are supported for use with Grants.gov. However, these web browsers undergo frequent changes and updates, so we recommend you have the latest version when using Grants.gov. Legacy versions of these web browsers may be functional, but you may experience issues. Grants.gov no longer provides support for Microsoft Internet Explorer 9 or below.

For additional information or updates, please see the Grants.gov Browser information in the Applicant FAQs: <http://www.grants.gov/web/grants/applicants/applicant-faqs.html#browser>

### **ATTENTION – Workspace, Adobe Forms and PDF Files**

Grants.gov applicants can apply online using Workspace. Workspace is a shared, online environment where members of a grant team may simultaneously access and edit different web forms within an application. For each funding opportunity announcement (FOA), you can create individual instances of a workspace.

Below is an overview of applying on Grants.gov. For access to complete instructions on how to apply for opportunities, refer to: <https://www.grants.gov/web/grants/applicants/workspace-overview.html>

- 1) Create a Workspace: Creating a workspace allows you to complete it online and route it through your organization for review before submitting.
- 2) Complete a Workspace: Add participants to the workspace to work on the application together, complete all the required forms online or by downloading PDF versions, and check for errors before submission. The Workspace progress bar will display the state of your application process as you apply. As you apply using Workspace, you may click the blue question mark icon near the upper-right corner of each page to access context-sensitive help.
  - a) Adobe Reader: If you decide not to apply by filling out web forms you can download individual PDF forms in Workspace. The individual PDF forms can be downloaded and saved to your local device storage, network drive(s), or external drives, then accessed through Adobe Reader.

NOTE: Visit the Adobe Software Compatibility page on Grants.gov to download the appropriate version of the software at:  
<https://www.grants.gov/web/grants/applicants/adobe-software-compatibility.html>
  - b) Mandatory Fields in Forms: In the forms, you will note fields marked with an asterisk and a different background color. These fields are mandatory fields that must be completed to successfully submit your application.
  - c) Complete SF-424 Fields First: The forms are designed to fill in common required fields across other forms, such as the applicant name, address, and Unique Entity Identifier (UEI) Number. Once it is completed, the information will transfer to the other forms.
- 3) Submit a Workspace: An application may be submitted through workspace by clicking the Sign and Submit button on the Manage Workspace page, under the Forms tab. Grants.gov recommends submitting your application package at least 24-48 hours prior to the close date to provide you with time to correct any potential technical issues that may disrupt the application submission.
- 4) Track a Workspace Submission: After successfully submitting a workspace application, a Grants.gov Tracking Number (GRANTXXXXXXXX) is automatically assigned to the application. The number will be listed on the Confirmation page that is generated after submission. Using the tracking number, access the Track My Application page under the Applicants tab or the Details tab in the submitted workspace.

For additional training resources, including video tutorials, refer to <https://www.grants.gov/web/grants/applicants/applicant-training.html>.

Helpful Reminders:

- 1) **REGISTER EARLY** – Grants.gov registration involves many steps including registration on SAM ([www.sam.gov](http://www.sam.gov)), which usually takes approximately 7 to 10 business days, but can take longer depending on the completeness and accuracy of the data entered into the SAM database by an applicant. You may begin working on your application while completing the registration process, but you cannot submit an application until all of the Registration steps are complete. Please note that once your SAM registration is active, it will take 24-48 hours for the information to be available in Grants.gov, and before you can submit an application through Grants.gov. For detailed information on the Registration Steps, please go to: <http://www.grants.gov/web/grants/register.html>. Please note that your organization will need to update its SAM registration annually.

To register in SAM.gov, click on the “Get Started” link under the “Register Your Entity...” heading in SAM.gov. Grantees, and other entities wanting to do business with the U.S. Department of Education (e.g., entities applying for a grant), that are not already registered in SAM.gov must complete the “Register Entity” registration option and NOT the “Get a Unique Entity ID” option. The “Get a Unique Entity ID” option, which is not a full registration, is only available to entities for reporting purposes. Failing to complete the “Register Entity” option may result in loss of funding, loss of applicant eligibility, and/or delays in receiving a grant award. Information about SAM is available at [www.SAM.gov](http://www.SAM.gov). To further assist you with registering in SAM or updating your existing SAM registration, see the [Quick Start Guide for Grant Registrations](#) and the Entity Registration Video at <https://sam.gov/content/entity-registration>.

- 2) **SUBMIT EARLY** – **We strongly recommend that you do not wait until the last day to submit your application. Grants.gov will put a date/time stamp on your application and then process it after it is fully uploaded.** The time it takes to upload an application will vary depending on a number of factors including the size of the application and the speed of your Internet connection, and the time it takes Grants.gov to process the application will vary as well. If Grants.gov rejects your application (see step three below), you will need to resubmit successfully to Grants.gov before 11:59:59 p.m. Eastern Time on the deadline date.

You must provide the UEI on your application that was used when you registered as an Authorized Organization Representative (AOR) on Grants.gov. This UEI is assigned to your organization in SAM at the time your organization registers in SAM. If you do not enter the UEI assigned by SAM on your application, Grants.gov will reject your application.

- 3) **VERIFY SUBMISSION IS OK** – You will want to verify that Grants.gov received your application submission on time and that it was validated successfully. To see the date/time your application was received, login to Grants.gov and click on the Track My Application link. For a successful submission, the date/time received should be earlier than 11:59:59 p.m. Eastern Time, on the deadline date, AND the application status should be: Validated, Received by Agency, or Agency Tracking Number Assigned. Once the Department of Education receives your application from Grants.gov, an Agency Tracking Number (PR/award number) will be assigned to your application and will be available for viewing on Grants.gov’s Track My Application link.

If the date/time received is later than 11:59:59 p.m. Eastern Time, on the deadline date, your application is late. If your application has a status of “Received” it is still awaiting validation by Grants.gov. Once validation is complete, the status will either change to “Validated” or “Rejected with Errors.” If the status is “Rejected with Errors,” your application has not been received successfully. Some of the reasons Grants.gov may reject an application can be found on the Grants.gov site: <http://www.grants.gov/web/grants/applicants/encountering-error-messages.html>. For more detailed information on troubleshooting Adobe errors, you can review the Adobe Reader Software Tip Sheet at: <http://www.grants.gov/web/grants/applicants/adobe-software-compatibility.html>. If you discover your application is late or has been rejected, please see the instructions below. Note: You will receive a series of confirmations both online and via e-mail about the status of your application. Please do not rely solely on e-mail to confirm whether your application has been received timely and validated successfully.

Submission Problems – What should you do?: If you have problems submitting to Grants.gov before the closing date, please contact Grants.gov Customer Support at 1-800-518-4726 or email at: [support@grants.gov](mailto:support@grants.gov) or access the Grants.gov Self-Service Knowledge Base web portal at: [HHS Grants.gov Service Portal - Grants.gov Self Service Portal \(servicenowservices.com\)](https://www.grants.gov/web/grants/applicants/self-service-portal)

We discourage paper applications, but if electronic submission is not possible ( e.g., you do not have access to the internet), (1) you must provide a prior written notification that you intend to submit a paper application and (2) your paper application must be postmarked by the application deadline date. If you submit your prior written notification by email, it must be received by the Department no later than 14 calendar days before the application deadline date. If you mail your notification to the Department, it must be postmarked no later than 14 calendar days before the application deadline date (See the [2022 Common Instructions](#) for detailed instructions regarding this procedure).

Helpful Hints When Working with Grants.gov: Please go to <http://www.grants.gov/web/grants/support.html> for help with Grants.gov. For additional

tips related to submitting grant applications, please refer to the Grants.gov Applicant FAQs found at this Grants.gov link: <http://www.grants.gov/web/grants/applicants/applicant-faqs.html> as well as additional information on Workspace at <https://www.grants.gov/web/grants/applicants/applicant-faqs.html#workspace>.

**Slow Internet Connections:** When using a slow internet connection, such as a dial-up connection, to upload and submit your application, it can take significantly longer than when you are connected to the Internet with a high-speed connection, e.g., cable modem/DSL/T1. While times will vary depending upon the size of your application, it can take a few minutes to a few hours to complete your grant submission using a dial up connection. Failure to fully upload an application by the deadline date and time will result in your application being marked late in the G5 system. **If you do not have access to a high-speed internet connection, you may want to consider following the instructions in the Federal Register notice to obtain an exception to the electronic submission requirement no later than 14 calendar days before the application deadline date.** (See the Federal Register notice for detailed instructions and the [2022 Common Instructions](#).)

**Attaching Files – Additional Tips:** Please note the following tips related to attaching files to your application:

- When you submit your application electronically, you must upload any narrative sections and all other attachments to your application as files in either Portable Document Format (PDF) or Microsoft Word. Although applicants have the option of uploading any narrative sections and all other attachments to their application in either PDF or Microsoft Word, we **recommend** applicants submit all documents as read-only flattened PDFs, meaning any fillable PDF files must be saved and submitted as non-fillable PDF files and not as interactive or fillable PDF files, to better ensure applications are processed in a more timely, accurate, and efficient manner.
- Grants.gov cannot process an application that includes two or more files that have the same name within a grant submission. Therefore, each file uploaded to your application package should have a unique file name.
- When attaching files, applicants should follow the guidelines established by Grants.gov on the size and content of file names. Uploaded file names must be fewer than 50 characters, and, in general, applicants should not use any special characters. However, Grants.gov does allow for the following UTF-8 characters when naming your attachments: A-Z, a-z, 0-9, underscore, hyphen, space, period, parenthesis, curly braces, square brackets, ampersand, tilde, exclamation point, comma, semi colon, apostrophe, at sign, number sign, dollar sign, percent sign, plus sign, and equal sign. Applications submitted that do not comply with the Grants.gov guidelines will be rejected at Grants.gov and not forwarded to the Department.
- Applicants should limit the size of their file attachments. Documents submitted that contain graphics and/or scanned material often greatly increase the size of the file attachments and can result in difficulties opening the files. For reference, the average discretionary grant application package with all attachments is less than 5 MB. Therefore, you may want to check the total size of your package before submission.

## IMPORTANT TIPS & REMINDERS

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### Tips for Submitting the SF 424 Forms

- These forms require basic information about the applicant and the application. Please provide all requested applicant information, including name, address, e-mail address, and UEI number.
- When applying electronically via Grants.gov, you will need to ensure that the UEI number entered on your application is the same as the UEI number your organization used when it registered in SAM.
- Applicants are advised to complete the SF 424 Form – Application Form for Federal Assistance (SF 424) first. By doing so, Grants.gov will automatically insert the correct ALN and program name automatically wherever needed on other forms.

**Note:** Do not attach any narratives, supporting files, or application components to the SF 424. Although this form accepts attachments, the Department will only review materials/files attached in accordance with the instructions provided within this application.

### Tips for Submitting the Narratives and Appendices

When attaching files, applicants should limit the size of their file names. Lengthy file names could result in difficulties with opening and processing your application. We recommend your file names be less than 50 characters. **Please note that Grants.gov cannot process an application that includes two or more files that have the same name within a grant submission.**

Please ensure that only U.S. Department of Education approved file types are attached. See the NIA for a detailed description of these files (read-only, non-modifiable .pdf files). Also, do not upload any password-protected files to your application.

### ED Abstract Narrative Form Instructions

The ED Abstract is to be attached to the “ED Abstract Attachment Form” in the application package in Grants.gov.

The abstract narrative must include the name and address of your organization and the name, phone number, and e-mail address of the contact person for the project.

The abstract narrative must not exceed one page and should use language that will be

understood by a range of audiences. For all projects, include the project title (if applicable), goals, expected outcomes and contributions for research, policy, practice, etc. In addition, address how your application meets the purpose of the Credit Enhancement for Charter School Facilities program as stated in the Notice Inviting Applications for New Awards.

**Note:** Grants.gov may include a note that indicates that the project abstract may not exceed one page, however, a project abstract of more than one page may be uploaded.

### **Project Narrative Form Instructions**

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. Please upload the program narrative as one document.

**Before preparing the project narrative, applicants should review the NIA, the program statute, and regulations for specific guidance and requirements on the program website at [Credit Enhancement Applicant Info and Eligibility](#). Note that 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. The recommended page limit applies only to the project narrative, it does not apply to the cover sheet; the budget section, including the budget narrative; the forms, assurances and certifications; the one-page abstract; or the items listed under “Other Attachments Form”. Refer to the NIA for additional information regarding page formatting.**

### **Budget Narrative Form Instructions**

This part of the application contains information about the Federal funding you are requesting. You must fill in the ED 524 budget form. For the ED524, applicants only need to fill out Row 8 (titled "Other") in Project Year 1. The amount listed in row 12. Total Costs should reflect the total amount of grant funds requested.

If you choose to claim indirect costs, the sum of your indirect costs and your other administrative costs may not exceed the allowable 2.5% of the total funds requested.

Applicants are also required to fill out Table 3 and provide narrative explanations and comments necessary to interpret the information/costs included in the ED-24 budget form and Table 3.



Both of these forms (the ED 524 Form and Table 3) and the narrative will be uploaded in the Budget Form Section

In accordance with 34 CFR 75.232, 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, budget should only include costs that are reasonable, allowable, and necessary for carrying out the objectives of the Credit Enhancement Grants Program project. Rules about allowable costs are set out in 2 C.F.R. 200, as adopted by the Department at 2 C.F.R. 3474. We may delete or reduce costs from the budget during this analysis.

### **Other Attachments Form Instructions**

Applicants should attach tables 1, 2 and 4; consortium agreements; resumes/curriculum vitae; and other supplementary documents to the “Other Attachments Form” in the application package in Grants.gov.

To facilitate the review of the application, please organize your attachments in the following order:<sup>3</sup>

- Table 1 - Non-Grant Funds Projected to be Generated
- Table 2 - Applicant Activity Table for the Most Recently Completed Fiscal Year
- Table 4 - Risk Level of Charter Schools Served (required of past grantees only)
- Consortium Agreements
- Resumes/Curriculum Vitae
- Other Supplementary Documents (example: letters of commitment from financial partners)

#### Consortium Agreements:

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. All members of the consortium must then enter into an agreement that details the activities that each member of

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<sup>3</sup> See Appendix III for templates of the attachments to include in your application.

the group plans to perform and that binds each member to the application statements and assurances. This consortium agreement must be submitted as part of the consortium's application. The Department's administrative regulations at 34 CFR sections 75.127--129 provide more details about the requirements that govern group/consortium applications.

Resumes/Curriculum Vitae:

Provide resumes/curriculum vitae for the project director as well as any key personnel identified in the application.

**General Education Provisions Act (GEPA) Requirements**

Effective April 3, 2023, applicants are required to complete the new GEPA 427 form in Grants.gov. Previously, applicants created a general statement in response to the GEPA requirement.

The updated form requires responses to four questions. These four questions will assist applicants in identifying specific barriers to equitable access by describing in detail how the applicant will address those barriers consistent with GEA 427.

The updated GEPA Section 427 form is electronically integrated into the Grants.gov system, and applicants are generally no longer required to upload a separate PDF document but will electronically complete and submit the form with the application package in Grants.gov. When completing the form:

- Applicants may identify any barriers that may impede equitable access and participation in the proposed project or activity, including, but not limited to, barriers based on economic disadvantage, gender, race, ethnicity, color, national origin, disability, age, language, migrant status, rural status, homeless status or housing insecurity, pregnancy, parenting, or caregiving status, and sexual orientation.
- Applicants are not required to have mission statements or policies that align with equity in order to submit an application.
- Applicants may have already included some or all this required information in the narrative sections of their applications or their State Plans. In responding to this requirement, for each question, applicants may provide a cross-reference to the section(s) and page number(s) in their applications or State Plans that includes the information responsive to that question on this form or may restate that information on this form
- Applicants must respond to each question using the associated text box. Each text box allows approximately 4000 characters; therefore, if copying and pasting into the text box from another document be sure to check that everything copied.

- Applicants should use the “check for errors” button before they save the form. Applicants will receive an error message if any response is missing and will not be able to submit the application due to the missing information.
- Applicants that have already undertaken steps to address barriers must still provide an explanation and/or description of the steps already taken in each text box, as appropriate, to satisfy the GEPA Section 427 requirement.
- Applicants that believe no barriers exist must still provide an explanation and/or description to each question to validate that perception, as appropriate, to satisfy the GEPA Section 427 requirement.

Applicants are encouraged to take the computer-based training, Ensuring Equitable Opportunities Under the GEPA 427 on the ED.gov website at [Grants Training and Management Resources, Online Grants Training Courses \(ed.gov\)](#) and to visit the [Department of Education Equity Action Plan](#). Instructions for completing the GEPA 427 Form can be found on the ED.gov website at [Grant Application and Other Forms \(ed.gov\)](#).

## **APPLICATION PACKAGE CHECKLIST**

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Applicants should review this checklist once they believe they have completed their applications. The Application Checklist is optional; however, applicants are strongly encouraged to fill in the checklist or something similar, to ensure that all requirements have been addressed and to ensure that program staff and peer reviewers can find the information in the application that addresses each applicable element from the NIA.

### **ED Standard Forms**

- SF 424 Form – Application Form for Federal Assistance (Core Form)
- ED Supplemental Form for SF 424
- ED 524 Form and Instructions – Budget Information, Non-Construction Programs - Sections A & B only

### **Assurances and Certifications**

- General Education Provisions Act (GEPA) Requirements – Section 427
- SF 424B Form – Assurances, Non-Construction Programs
- Grants.gov Lobbying Form
- SF-LLL – Disclosure of Lobbying Activities

### **Application Narratives**

#### **Forms**

- ED Abstract Narrative Form
- Project Narrative Form
- Budget Narrative Form (ED-524 and Table 3)

### **Other Attachments Form**

- Table 1 - Non-Grant Funds Projected to be Generated
- Table 2 - Applicant Activity Table for the Most Recently Completed Fiscal Year
- Table 4 - Risk Level of Charter Schools Served (required of past grantees only)
- Consortium agreements
- Resumes/Curriculum Vitae
- Other Supplementary Documents (example: letters of commitment from financial partners)

## APPENDIX I: EXECUTIVE ORDER 12372 – INTERGOVERNMENTAL REVIEW OF FEDERAL PROGRAMS

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This program falls under the rubric of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the regulations in 34 CFR Part 79. One of the objectives of the Executive order is to strengthen federalism--or the distribution of responsibility between localities, States, and the Federal government--by fostering intergovernmental partnerships. This idea includes supporting processes that State or local governments have devised for coordinating and reviewing proposed Federal financial grant applications.

The process for doing this requires grant applicants to contact State Single Points of Contact for information on how this works. Multi-state applicants should follow procedures specific to each state.

Further information about the State Single Point of Contact process and a list of names by State can be found at: [https://obamawhitehouse.archives.gov/omb/grants\\_spoc](https://obamawhitehouse.archives.gov/omb/grants_spoc)

Absent specific State review programs, applicants may submit comments directly to the Department. All recommendations and comments must be mailed or hand-delivered by the date indicated in the actual application notice to the following address: The Secretary, EO 12372-- ALN# [commenter must insert number--including suffix letter, if any], U.S. Department of Education, room 7E200. 400 Maryland Avenue, SW., Washington, DC 20202.

Proof of mailing will be determined on the same basis as applications (see 34 CFR §75.102). Recommendations or comments may be hand-delivered until the closing date indicated in this notice.

**Important note:** The above address is not the same address as the one to which the applicant submits its completed applications. **Do not send applications to the above address.**

## APPENDIX II: FUNDING RESTRICTIONS (FULL DESCRIPTION)

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### Funding Restrictions:

- 1) Reserve accounts. An eligible entity receiving a grant must, in accordance with State and local law, directly or indirectly, alone or in collaboration with others, deposit the funds received, other than funds used for administrative costs, in a reserve account established and maintained by the eligible entity. Amounts deposited in such account must be used by the eligible entity for one or more of the following purposes:
  - a) Guaranteeing, insuring, and reinsuring bonds, notes, evidences of debt, loans, and interests therein.
  - b) Guaranteeing and insuring leases of personal and real property.
  - c) Facilitating financing by identifying potential lending sources, encouraging private lending, and other similar activities that directly promote lending to, or for the benefit of, *charter schools*.
  - d) Facilitating the issuance of bonds by *charter schools*, or by other public entities for the benefit of *charter schools*, by providing technical, administrative, and other appropriate assistance (including the recruitment of bond counsel, underwriters, and potential investors and the consolidation of multiple charter school projects within a single bond issue).
  - e) 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 funds received must be deposited in the reserve account and used in accordance with this program per ESEA section 4304(f).
- 2) Charter school objectives. 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:
  - a) The acquisition (by purchase, lease, donation, or otherwise) of an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property that is necessary to commence or continue the operation of a charter school.
  - b) 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.
  - c) The predevelopment costs required to assess sites for purposes of paragraph (1) or (2) and that are necessary to commence or continue the operation of a charter school per ESEA section 4304(e).
- 3) Other. Grantees must ensure that all costs incurred using funds from the reserve account are reasonable. Under 20 U.S.C. 7221c(g), an eligible entity may use not more than 2.5 percent

of the funds received under this grant for the administrative costs of carrying out its project responsibilities. We specify unallowable costs in 34 CFR 225.21.

No financial obligation of a grantee under this program (such as an obligation under a guarantee, bond, note, evidence of debt, or loan) shall be an obligation of, or guaranteed 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.

Applicants that are selected to receive an award 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.

Grantees must maintain and enforce standards of conduct governing the performance of their employees, officers, directors, trustees, and agents engaged in the selection, award, and administration of contracts or agreements related to this grant. The standards of conduct must mandate disinterested decision-making.

The Secretary, in accordance with chapter 37 of title 31 of the United States Code, will collect all or a portion of the funds in the reserve account established with grant funds (including any earnings on those funds) if the Secretary determines that: (1) the grantee has permanently ceased to use such funds to accomplish the purposes described in the authorizing statute and the Performance Agreement; or (2) not earlier than two years after the date on which it first receives these funds, the grantee has failed to make substantial progress in undertaking the grant project.

- 4) We reference additional regulations outlining funding restrictions in the Applicable Regulations section of the NIA.

**APPENDIX III: TEMPLATES TO INCLUDE WITH APPLICATION**

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**Table 1 – Non-Grant Funds Projected to be Generated**

<b>Source</b>	<b>Project Year 1</b>	<b>Project Year 2</b>	<b>Project Year 3</b>	<b>Project Year 4</b>	<b>Project Year 5</b>	<b>Remaining Years</b>	<b>Total</b>
1. Donations							
2. Fees not associated with grant							
3. Interest not associated with grant							
4. Borrowed funds (including lines of credit to be used)							
5. Appropriated funds							
6. Other							
<b>Total</b>							

*The purpose of this table is to determine amount and expected source of revenues for the applicant.*



**Table 2 – Applicant Activity Table for the Most Recently Completed Fiscal Year**

<b>Outstanding credit enhanced debt</b>	<b>Total activity</b>
Number of debt issues with credit enhancement	
Dollar amount of debt issues with credit enhancement (includes debt structured using a senior/subordinate debt structure)	\$
<b>Outstanding leases guaranteed</b>	
Number of leases guaranteed or insured	
Dollar amount of leases guaranteed or insured	\$
<b>Other means of facilitating financing (including both lending and the issuance of bonds) for the most recently completed fiscal year</b>	
Number of clients assisted by facilitating financing <sup>1</sup>	
Amount of funds spent on facilitating financing (including both lending and the issuance of bonds)	\$

*Please provide a narrative associated with this table that briefly describes the types of assistance provided and the types of clients served, paying particular attention to any clients related to education, including charter schools. Each member of a consortium should complete this table separately.<sup>4</sup>*

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<sup>4</sup> Includes activities in Section 4304(f)(1)(C) and (D).

**Table 3 -Budget Form: Grant Funds Expenditures**

Budget categories	Project Year 1	Project Year 2	Project Year 3	Project Year 4	Project Year 5	Remaining Years	Total
A. Administrative funds (2.5%)							
A.1. Indirect costs							
A.2. Administrative costs other than indirect costs							
A. Total administrative costs							
B. Reserve account earnings							
C. Reserve account (97.5%)							
C.1. Grant funds spent on guaranteeing and insuring debt and leases <sup>1</sup>							
C.1.a. Personnel and fringe benefits							
C.1.b. Payments to third parties to guarantee or insure debt							
C.1.c. Other payments associated with guaranteeing and insuring debt and leases							
C.1. Total Guaranteeing and insuring debt and leases payments							
C.2. Grant funds spent on facilitating financing (including facilitating lending and the issuance of bonds) <sup>2</sup>							
C.2.a. Personnel and fringe benefits							
C.2.b. Contractual							
C.2.c. Other payments associated with facilitating financing							
C.2. Total grant funds spent on facilitating financing (including facilitating lending and the issuance of bonds)							
C.3. Total reserve account costs (lines C.1. and C.2.)							

*The purpose of this table is to determine the amount of Federal grant funds that the applicant intends to spend on activities to cover costs associated with the Credit Enhancement for Charter School Facilities Grant. The table should include funds from the reserve account only in the year they are spent. The table should not include funds that remain in the reserve account and are used to directly guarantee or insure debt or leases.<sup>5 6</sup>*

<sup>5</sup> Includes activities in Section 4304(f)(1)(A) and (B).

<sup>6</sup> Includes activities in Section 4304(f)(1)(C) and (D).

## **Instructions for Table 3 -- Budget Form: Grant Funds Expenditures**

### A. Administrative funds:

Indirect costs: Many organizations have indirect cost rates established with the U.S. Department of Education which allow those organizations to spend a portion of their grant funds on a share of the total organization costs such as rent and utilities. For this grant you may choose to claim indirect costs, but the total amount may not exceed the 2.5% allowed by statute. Also, if you choose to claim indirect costs, the sum of your indirect costs and your other administrative costs (line A.2.) combined may not exceed the allowable 2.5%.

Administrative costs other than indirect costs: Administrative costs include such items as preparing reports. Administrative cost funds are capped by the program's authorizing statute at 2.5% of the award amount. Administrative costs may be spread out over the project period, but the total amount may not exceed 2.5% in total. Also, if you choose to claim indirect costs, the sum of your indirect costs and your other administrative costs (line A.2.) combined may not exceed the allowable 2.5%.

A. Total administrative costs: The total for this line should include the sum of lines A, A.1. and A.2. This line cannot exceed 2.5% of the award amount for the entire project period.

B. Reserve account earnings: Earnings include the total interest earned per year on reserve account funds as well as all fees charged in association with the project, because fees must also be added to the reserve account and used for the four allowable purposes of the grant.

### C. Reserve account expenditures

#### C.1. Grant funds spent on guaranteeing and insuring debt and leases

C.1.a. Personnel and fringe benefits: All costs associated with paying personnel who will receive reserve account funds for their direct involvement with guaranteeing and insuring debt and leases. (We expect that this will not be a significant portion of the total request.)

C.1.b. Payments to third parties to guarantee or insure debt: All payments made with reserve account funds to third parties such as fees for guaranteeing or insuring debt.

C.1.c. Other payments associated with guaranteeing and insuring debt and leases: Any other costs paid for with reserve account funds that are not covered in C.1. a-b that can be directly attributed to guaranteeing and insuring debt and leases.

C.1. Total Guaranteeing and insuring debt and leases payments: The sum of lines C.1.a., C.1.b., and C.1.c.

C.2. Grant funds spent on facilitating financing (including facilitating lending and the issuance of bonds)

C.2.a. Personnel and fringe benefits: All costs associated with paying personnel who will receive reserve account funds for their direct involvement with facilitating financing. (We expect that this will not be a significant portion of the total request.)

C.2.b. Contractual: All costs associated with paying contractors that will receive reserve account funds for their work facilitating financing.

C.2.c. Other payments associated with facilitating financing: Any other costs paid for with reserve account funds that are not covered in lines C.2. a-b that can be directly attributed to facilitating financing.

C.2. Total grant funds spent on facilitating financing (including facilitating lending and the issuance of bonds): The sum of lines C.2.a., C.2.b., and C.2.c.

C.3. Total reserve account costs (lines C.1. and C.2.): The sum of lines C.1. and C.2. The amount in the total column for this row cannot exceed the sum of the request on Form ED 424 (the Application for Federal Education Assistance) plus reserve account earnings and would likely be less.

**Table 4 – Risk Level of Charter Schools Served – (required of past grantees only)**

<b>Type of charter schools served through previous Credit Enhancement grants from the US Department of Education as of September 30 of the most recent year</b>	<b>Number of charter schools</b>
Number of charter schools served through all Credit Enhancement grants	
Number of charter schools served through Credit Enhancement grants that have educated students for three years or less	
Number of charter schools served through Credit Enhancement grants receiving credit enhancements of leasehold improvement loans	
Number of charter schools served through Credit Enhancement grants that are independent of Charter Management Organizations, networks, or “chains” of charter schools	
Number of charter schools served through Credit Enhancement grants providing personal guarantees	
Number of charter schools served through Credit Enhancement grants in connection with other grantees under the program	
Number of charter schools served through Credit Enhancement grants receiving guarantees through other Federal programs	