

Charter School Programs
Credit Enhancement for Charter School Facilities Program
Annual Performance Report

Public Burden Statement

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Grantee: _____

Grant Number: _____

Reporting Year: _____

REPORTING ON NEW TRANSACTIONS

In Sections A, B, C, and D, fill in data on facility financing transactions that used Credit Enhancement (CE) grant funds which closed in the reporting year, and the benefitting schools.

A. Information on School(s) Benefitting

If more than one school is benefitting from a transaction, please respond to the questions in this section for each school.

- 1. Please provide the name and NCES Identification Number of the school benefitting from the transaction.**

Definitions and Other Information

School benefitting from the transaction refers to the school directly benefitting at the time of the transaction.

School name is the name of the school as listed in the federal NCES database (<https://nces.ed.gov/ccd/schoolsearch/>).

Responses will allow for NCES ID not available and reason for unavailability:

- a. School is a new school and does not have an NCES ID number yet
- b. Other reason NCES ID number is not available (specify)

2. Please provide the name of the school's campus if different from the school name.

Definitions and Other Information

In some cases, a school may have multiple campuses that share the same NCES ID number. If the campus that is being served has the same NCES ID but a different name, please enter the name of the campus being served. This question is not applicable if the name of the school campus does not differ from the school name.

3. Please provide the address of the school facility or property for which the transaction took place.

4. Please provide the name of the charter school's authorizer.

5. At the time of the financing transaction, was the school served by a charter management organization (non-profit) or education management organization (for-profit)?

- a. No
- b. CMO (name) _____
- c. EMO (name) _____
- d. Don't know

Definitions and Other Information

A *charter management organization* (CMO) is a nonprofit organization that operates or manages a network of charter schools linked by centralized support, operations, and oversight.

An *education management organization* (EMO) is a management organization with a for-profit tax status.

Do not include service providers that do not have management control of the school, such as those that provide only back-office accounting.

B. Information on Facility Project

1. Please select the type of project this transaction supported. Select all options that apply. Allow for clarifying comments for any option selected.

- a. The acquisition by purchase of an interest in improved or unimproved real property that is necessary to commence or continue the operation of a charter school

- b. The acquisition by lease of an interest in improved or unimproved real property that is necessary to commence or continue the operation of a charter school
- c. The acquisition by donation of an interest in improved or unimproved real property that is necessary to commence or continue the operation of a charter school
- d. The construction of new facilities necessary to commence or continue the operation of a charter school
- e. The renovation, repair, or alteration of existing facilities (including leasehold improvements) necessary to commence or continue the operation of a charter school. If this option is selected, was this project for:
 - i. Expansion of an existing building? (yes/no)
 - ii. Work on an existing building without physical expansion? (yes/no)
- f. The predevelopment costs required to assess sites for the acquisition, construction, renovation, repair, or alteration of facilities necessary to commence or continue the operation of a charter
- g. Other – please specify

Definitions and Other Information

Options a. - f. are those listed in 20 USC 7221c (e).

Guaranteeing or insuring leases would fall under “b. The acquisition by lease of an interest in improved or unimproved real property that is necessary to commence or continue the operation of a charter school.”

Refinancings, enhanced refinancings (refunding for bonds) and transactions that substitute grant funds for existing debt reserves after-the-fact would fall under the purpose of the original financing.

2. Was this a refinancing for a facility project?

- a. Yes
- b. No

3. Was this facility project for a charter school facility incubator?

- a. Yes
- b. No

Definitions and Other Information

A *facility incubator* is a facility that provides temporary space for charter schools, usually early-stage charter schools.

If the answer to this question is yes, the school(s) identified in Section A should be the specific school(s) that, as of the time of the closing of the financing, are occupying or expected to occupy the facility. If no specific school has been identified to occupy the facility, then do not enter any schools in Section A.

4. Did the facility project increase the number of students who can be served at the school?

(yes/no)

A. If yes, how many additional students can be served?

Definitions and Other Information

For estimating how many additional students can be accommodated, use projections from the school's financing application or underwriting.

5. (For expansion projects or work on an existing building without physical expansion - optional for new construction projects or leases) **Did the financing contribute to new features in the school that support the school's programming?** Yes/No. If yes, select all that apply:
- a. Additional classrooms
 - b. Science or computer labs
 - c. Art rooms
 - d. Library
 - e. Cafeteria
 - f. Preparatory kitchen
 - g. Gymnasium
 - h. Auditorium
 - i. Hallways
 - j. Open space
 - k. Playground
 - l. Athletic fields
 - m. Other (please specify)

Definitions and Other Information

Do not include improvements to school building infrastructure. This is addressed in the following question.

6. (For expansion projects or work on an existing building without physical expansion - optional for new construction projects or leases) **Did the financing contribute to improvements in school infrastructure?** Yes/No. If yes, select all that apply:
- a. Roofs
 - b. Framing, floors, foundations
 - c. Exterior walls, finishes
 - d. Windows, doors
 - e. Interior finishes, trim
 - f. Plumbing, lavatories
 - g. Heating system
 - h. Air conditioning system

- i. Ventilation/filtration system
- j. Electrical system
- k. Interior or exterior lighting
- l. Energy management system
- m. Life safety features
- n. Security systems
- o. Internal communication systems
- p. Technology infrastructure
- q. Other (please specify)

Definitions and Other Information

Energy Management System: A control system (often computerized) designed to regulate the energy consumption of a building by controlling the operation of energy consuming systems, such as the heating, ventilation, and air conditioning (HVAC), lighting, and water heating systems. These systems are sometimes referred to as mechanical control systems or building automation systems. Include improvements made for energy efficiency purposes.

Life Safety Features: Includes sprinklers, fire alarms, and smoke detectors.

Security Systems: Includes surveillance cameras, perimeter intrusion alarms, metal detectors, and door controllers.

Internal Communication Systems: Intercom and/or phone systems enabling communication with academic and administrative areas of the school individually and collectively.

Technology Infrastructure: Facility access to voice, video, and data transmission (such as broadband internet access) in classrooms and administrative areas of the school. Includes wiring for computer workstations and other electronic equipment in program areas.

C. Information on Transaction Financing and Use of Credit Enhancement

1. **Please select the type of financing support provided using CE grant funds for this facilities project** (select all that apply):

- 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. Other (specify)

Definitions and Other Information

Options a. - d. are those listed in 20 USC 7221c (f)(1).

2. **Please provide the name(s) of the entities providing financing for this transaction.**
 - A. **Is this entity for-profit or non-profit?**
 - B. **Is this entity related to the Credit Enhancement grantee?** (if yes, explain)
3. **Please provide the name(s) of any other Credit Enhancement grantees providing credit enhancement for this transaction.**
4. **Please provide the closing date on this transaction.**
5. **How were the CE grant funds committed by the grantee to the transaction?**
 - a. Specific CE grant funds were committed to individual financing transactions
 - b. A pooled funds structure was used where multiple transactions may be enhanced by the same pool of CE grant funds
 - c. Other (specify)
6. **What was the amount (in \$) of CE grant funds committed by the grantee to this transaction at the time of the closing of the financing (i.e., when the loan begins rather than when the loan closes).**
 - A. **If this amount is from a pooled fund, please state how the amount of CE grant funds committed is determined (e.g., 100% of First Loss Reserve).**
7. **What is the maximum amount of CE funds that could be lost in case of default under this transaction at the time of the closing of the financing (i.e. when the loan begins rather than when the loan closes).**
8. **What was the amount of fees paid by charter schools to the grantee related to the obligation of grantee credit enhancement funds in this transaction?**

Definitions and Other Information

Amount of fees paid by charter schools to the grantee is defined as any fees that either have or will be paid by charter schools to the grantees either for the benefit of the credit enhancement or other service(s) offered provided by the grantee to the charter school. Include fees for services that might not necessarily tie to services provided under the Federal grant.

9. What was the **amount of financing directly leveraged** by the credit enhancement committed at the time of the closing of the financing (i.e., when the loan begins rather than when the loan closes).

Definitions and Other Information

Amount of financing directly leveraged is the private-sector financing capital from a source of non-federal financing relative to the amount of CE grant funds used to secure or credit-enhance that source of financing in this project. **For example**, if the credit enhancement committed by the grantee to the transaction secured \$500,000 of a total \$1 million loan, then the amount of financing directly leveraged that should be reported is \$500,000.

For lease transactions, enter the amount of that part of the lease that is guaranteed or secured by the CE grant funds. **For example**, if the credit enhancement committed by the grantee to the transaction secured \$500,000 of a lease valued at \$1 million, then the amount of financing directly leveraged that should be reported is \$500,000.

For pre-development expenses before senior debt has been finalized, enter the portion of total estimated project costs supported by the credit enhancement. **For example**, if the credit enhancement committed by the grantee to the transaction secured \$500,000 of a total project cost of \$1 million, then the amount of financing directly leveraged that should be reported is \$500,000.

- A. What was the **direct leverage ratio** for the CE grant funds committed to this project?

Definitions and Other Information

The direct leverage ratio is the amount of financing directly leveraged divided by the amount of credit enhancement committed. **For example**, if \$100,000 of credit enhancement directly leveraged \$500,000 in financing, then the direct leverage ratio that should be reported is 5:1.

10. What was the **total amount of financing leveraged** in this project (including financing not enhanced with CE grant funds) at the time of the closing of the financing (i.e., when the loan begins rather than when the loan closes).

Definitions and Other Information:

Total amount of financing leveraged is the amount of private-sector financing capital from all sources of non-federal financing capital relative to the amount of CE grant funds used in this project. **For example**, if the credit enhancement committed by the grantee to the transaction secured \$500,000 of a total \$1 million loan, then the amount of total amount of financing leveraged that should be reported is \$1 million.

For lease transactions, enter the total lease amount (the nominal sum of all yearly lease amounts). **For example**, if the credit enhancement committed by the grantee to the transaction secured \$500,000 of a lease valued at \$1 million, then the total amount of financing leveraged that should be reported is \$1 million

For pre-development expenses before senior debt has been finalized, enter the total estimated project costs. **For example**, if the credit enhancement committed by the grantee to the transaction secured \$500,000 of a total project cost of \$1 million, then the total amount of financing leveraged that should be reported is \$1 million.

A. What was the total leverage ratio for the CE grant funds committed to this project?

Definitions and Other Information

The total leverage ratio is the total amount of financing leveraged divided by the amount of credit enhancement committed. **For example**, if \$100,000 of credit enhancement leveraged a total financing amount of \$1 million, then the total leverage ratio that should be reported is 10:1.

D. Information on Impacts and Outcomes of the Credit Enhancement Transaction

1. **What was the debt-to-collateral ratio for this project, if applicable?**
2. **What was the interest rate on this financing?**
3. **What was the term of the financing, lease guarantee, or lease insurance? (in years)**
4. **What entity owns the facility at the time of the closing of the financing (i.e., when the loan begins rather than when the loan closes)?** Select all that apply:
 - a. The benefitting school itself
 - b. A non-profit organization or corporation established for the sole purposes of owning the facility for the benefitting school
 - c. The affiliated CMO or EMO of the school benefitting
 - d. A non-profit organization unrelated to the school (may include a non-profit real estate developer)
 - e. A for-profit company unrelated to the school (may include a private real estate developer)
 - f. A public entity (may include a school district or state)
 - g. This is a lease-to-own transaction for the school
 - h. Other
5. **What was the impact of the credit enhancement on the terms and conditions of the financing?** Select all that apply:
 - a. School received financing that it otherwise would not have had access to
 - b. School received better interest rates than it otherwise may have been able to

- c. School received better terms (e.g., amortization structures, amortization schedules, maturity dates) than it otherwise may have been able to (please specify)
 - d. School was able to borrow more money that it may otherwise have been able to
 - e. Credit enhancement allowed a higher debt-to-collateral ratio for this project than may have been possible otherwise
 - f. School did not have to set aside funds for an interest reserve or a lease guaranty, lease payment reserve, or security deposit
 - g. Other (please specify)
- 6. Is the recipient of the transaction still paying off the credit enhanced portion of this transaction?** (report on this question each year until the credit enhanced portion is paid off)
- A. If yes, what is the credit enhanced financed amount outstanding for this school?**
 - B. If yes, please provide the amount of grant funds committed to the project at the end of the reporting period.**
- 7. If no, what happened to the school after the credit enhancement expired?** (only report on this question in the first year after the credit enhancement expired)
- a. The school remains in operation in the building
 - b. The school left the building and is still in operation
 - c. The school is no longer in operation
 - d. Don't know
- 8. Have you received any notice of the probation, suspension, or revocation of the school's charter during the reporting period?**
- 9. Were there any delinquencies or defaults associated with this transaction?**
- A. If yes, what was the cost of the delinquency or default on the credit enhancement funds?**
- 10. If there was a default, what happened after the default?** Select all that apply. (Only report on this question in the first year after the default is resolved)
- a. Another charter school took over the facility.
 - b. Another non-charter school took over the facility
 - c. An entity other than a school took over the facility
 - d. The building was sold
 - e. The school left the building
 - f. Other (please specify)

E. Availability of Credit Enhancement Grant Funds

Report on the requested items in Section E as of September 30th of the reporting year.

1. Please provide the amount of grant funds available to serve additional charter schools, as of September 30th of the reporting year.
2. Please provide the amount of grant funds anticipated to be recycled within the next 12 months.
3. Please provide the approximate number of additional schools to be served within the next 12 months.

F.CE Grant Budget and Reserve Account Values and Earnings

Report on the requested items in Sections F and G for the reporting fiscal year as of September 30th of the year.

Grant Budget

Budget Category/Item	Amount	Comments
Administrative Funds		
1. Grants' indirect costs		
2. Grant's administrative costs other than indirect costs		
Grant Funds Spent on Guaranteeing or Insuring Debt or Leases		
3. Personnel and fringe benefits		
4. Payments to third parties		
5. Other payments		
Grant Funds Spent on Facilitating Financing (including facilitating lending and the issuance of bonds)		
6. Personnel and fringe benefits		
7. Contractual payments		
8. Other payments		

Reserve Account Values and Earnings

Reserve Account Investments (list)*	Value (as of September 30 th)	Earnings from Interest	Earnings from fees charged for the use of CE grant funds
a. (Name)			
b. (Name)			
c. (Name)			
Add rows as necessary			

*List all accounts where CE grant funds are held. Attach bank statement as of September 30th for each account.

G. Progress Toward Grant Goals

Please provide data on your CE grant for the reporting fiscal year as of September 30th.

Goal*	Measurable Objective Target*	Actual
1.		
2.		
3.		
4.		
5.		
Add rows as necessary		

*Insert your grant goals and measurable objective targets for the year as they appear in your performance agreement.

OTHER REQUIRED REPORTING

Submit these narratives to CSP with your Annual Performance Report (templates provided)

1. Executive Summary
2. Budget Narrative