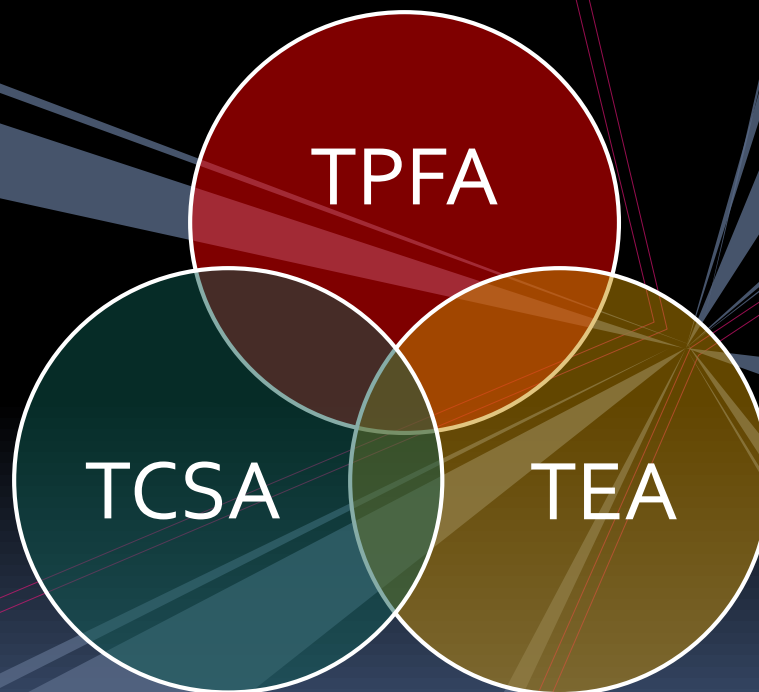


Texas Credit Enhancement Program

A Texas Consortium



A grant provided by the US Department of Education (USDOE)

Presenters/Webinar Host

Presenters

- Lindsey Gordon, General Counsel , TCSA
- John Hernandez, Deputy Director, TPFA
- Robert Jocius, Senior Program Manager, TPFA

Webinar Host

- Paula Moeller, Ed.D., Director of Training Services, TCSA

Today's Webinar

- Introductions
- Background
- Program Benefits
- Loan Purposes
- Status of Reserve Account
- Minimum Criteria
- TCEP Application
- Evaluation and Award
- Timeline
- Contacts
- Questions



Background and Purpose

USDOE Grant

- U.S. Department of Education Grant
 - Purpose
 - Provide grants to eligible entities to permit them to enhance the credit of charter schools so that the charter schools can access private-sector and other non-Federal capital in order to acquire, construct, and renovate facilities at a reasonable cost



Background and Purpose

TCEP Grant Facts

- Texas consortium
- Initial grant funding
- Grant administration
- Purpose of TCEP grant
- Use of grant reserve funds
- Reserve account earnings
- Reserve fund non-declining
- Access to credit
- Limitations on charter holder guarantee
- Role of the Charter School Finance Corporation



Program Benefits

Potential Benefits to Charter Schools

- Increase capacity to offer public school choice
- Better serve students in geographical areas with greatest need
- Assist charter schools in meeting facility needs
- Improve charter school credit profile and access to capital
- Help leverage charter school funds
- Facilitate financing by identifying potential lending sources
- Improve financing terms
- Acquisition of facilities through bonds

Allowable Uses of Grant and Bond Funds

Allocation of TCEP Guarantee

For Bonds Issued Or To Be Issued to Finance

- 1) The acquisition (by purchase, lease, donation, or otherwise) of an interest in improved or unimproved real property that is necessary to commence or continue the operation of a charter school
- 2) 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

Status of Reserve Account

Funds Available to Pledge

Available Grant Funds (as of March 15, 2017)

Federal Grant	\$10,000,000
TEA Contribution	\$ 100,000
Interest Earnings	<u>\$ 1,683,192</u>
Total Available Funds	\$ 11,783,192
Funds Committed (as adjusted)	<u>\$ 6,362,950</u>
Funds Available to Pledge	<u>\$ 5,420,242</u>

Texas Open-Enrollment Charter Schools

Minimum Criteria

- Bond financing (e.g., issued or to be issued)
- Meet federal definition of “charter school”
- Hold status of “accredited”
- Academic rating of acceptable or higher for last 2 years
- Satisfactory School FIRST rating for most recent prior year

Instructions and Application

Information Packet

- Instructions
- Application

Application/Instructions Located at:

http://www.tpfa.state.tx.us/csfc/TCEP_Grant_Program.aspx

Access to Grant Funds

- Awards based on a combination of elements, including a complete and correct application, agency staff recommendations, and other criteria decided upon by the CSFC board
- The CSFC board has removed the \$1m and \$3m maximum award(s)
- The CSFC board may elect to award a credit enhancement in an amount less than the requested amount.

Timeline

For Charters Seeking Credit Enhancement Only or Credit Enhancement and Financing Through TPFA CSFC

Processing Timeline*

Approval of Application Process
Notice to Charter Schools
Charter Applications Due
Review Completed by Consortium
CSFC Board Distribution
CSFC Board Meeting/Award
BRB Notice of Interest
BRB Application Due
BRB Planning Session
BRB Board Meeting

Tentative Dates

Fri., February 24, 2017
Fri., March 24, 2017
Wed., May 24, 2017
Mon., June 5, 2017
Thu., June 8, 2017
On or after June 15, 2017

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*Processing times may vary during the year and are subject to the Charter School Finance Corporation (CSFC) and Bond Review Board (BRB) calendars, which may change at the discretion of both boards. BRB approval is not required if a Charter School is seeking only credit enhancement, and not financing through the TPFA Charter School Financial Corporation Board.

**The BRB dates are applicable if CSFC is the conduit issuer of the bonds. Refer to the BRB website for specific dates: www.brb.texas.gov

For Additional Information/Resources

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Questions?

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