

On September 30, 2017, the U.S. Department of Education announced \$253 million in awards to support charter school expansion, drawing on funding Congress appropriated in its federal fiscal year (FY) 2017 omnibus appropriations legislation.

<https://innovation.ed.gov/what-we-do/charter-schools/credit-enhancement-for-charter-school-facilities-program/awards/>

Of the total awarded, \$56.25 million was competitively awarded to eight non-profit organizations and two state agencies under the Credit Enhancement for Charter School Facilities Program (Credit Enhancement) competition. A list of grantees is below.

- Building Hope: \$8 million
- California School Finance Authority: \$8 million
- Center for Community Self-Help: \$8 million
- Charter Schools Development Corporation: \$5 million
- Hope Enterprise Corporation: \$8 million
- Low Income Investment Fund: \$8 million
- Massachusetts Development Finance Agency: \$8 million
- Raza Development Fund: \$3.25 million

The Charter School Lenders' Coalition (CSLC) congratulates our members who received a grant this year: Building Hope; Self-Help; Charter Schools Development Corporation; Hope Enterprise Corporation; Low Income Investment Fund; and Raza Development Fund. We would also like to congratulate our partners in the movement to expand high quality charter schools who received awards under the State Entities (\$144.7 million) and CMO Replication and Expansion (\$52.4) programs.

The CSLC applauds the Department and Congress for the acknowledgement of the critical need for facilities financing that this record-level round of Credit Enhancement awards reflects. Authorized by the 2001 reauthorization of the Elementary and Secondary Education Act (ESEA), commonly known as No Child Left Behind, the Credit Enhancement program has been critical to the growth of the charter school sector. But its annual funding level had by FY 2015 fallen to well less than half of the \$30-\$35 million it had received annually in the years immediately following its creation.

As the CSLC has emphasized over the past several years, this reduction reflected neither program ineffectiveness nor a lessening of the need among individual charter schools and charter management organizations (CMOs) for affordable, sustainable options to finance their facilities. In response to the advocacy of the CSLC and our partners, Congress has since FY 2015 steadily and clearly reaffirmed its commitment to facilities financing generally, and to the Credit Enhancement program in particular.

- Most prominently, the landmark Every Student Succeeds Act (ESSA), which reauthorized No Child Left Behind, included facilities financing provisions that targeted 12.5% of overall charter school funding facilities, and a minimum of half of that amount be dedicated to Credit Enhancement.
- In FY 2016, the first budget considered after ESSA's enactment, Congressional appropriators increased the minimum funding for the Credit Enhancement program by 23%, to \$16 million; and
- In FY 2017, the appropriations bill again required the Department to fund the Credit Enhancement program at "no less than" \$16 million, but provided the Department with the flexibility to provide more than that amount.

The CSLC is pleased that the Department took advantage of the opportunity created by record funding for Charter School Programs in the FY 2017 appropriations bill (\$342 million, an increase of \$8 million from FY 2016) to fund an expanded set of highly qualified Credit Enhancement applications.