



NATIONAL  
CHARTER SCHOOL  
RESOURCE CENTER

# Developing and Updating Performance Agreements for Credit Enhancement Grantees

## *Webinar*

April 16, 2020 | Virtual Presentation

[charterschoolcenter.ed.gov](https://charterschoolcenter.ed.gov)

# Agenda

1. COVID-19 Resources from NCSRC
2. Review of TA for CE Grantees
3. Department Priorities
4. Process to Developing PAs
5. Components of a PA
6. PA Template
7. SMART Goals and Measurable Objectives
8. CSP Q & A



## On the Call Today

- Clifton Jones, Program Officer, Charter School Programs
- Sandra Toro, Program Officer, Charter School Programs
- Carol Cohen, National Charter School Resource Center
- Courtney Leigh Beisel, National Charter School Resource Center
- Aubrey DeBoer, National Charter School Resource Center

## COVID-19 Resources from NCSRC

- Visit NCSRC Website: [charterschoolcenter.ed.gov/covid-19-resources](https://charterschoolcenter.ed.gov/covid-19-resources)
- Have questions? Contact your program officer or [contact-us@charterschoolcenter.org](mailto:contact-us@charterschoolcenter.org)



## Technical Assistance (TA) to Credit Enhancement (CE) Grantees

The Department issued two separate contracts that each involve TA to CE Grantees. Available TA includes:

- The post-award process for new grants (grants established in 2019 and later)
  - NCSRC will provide TA.
- Continued activity work for existing grants (grants established in 2002–2018)
  - The CE TA contract will provide TA.

# The Department's Priorities for Performance Agreements

## Overview of CSP purpose for Performance Agreements (PAs):

- PAs define the grantee's obligations under the program and commitments in carrying out its awarded grant project.
- One PA must be developed for each CE grant in partnership with your Program Officer.
  - NCSRC will provide TA to develop measurable objectives for new CE grants.
- The Department aims to update all current PAs over a four-year period.
  - CE TA contract will provide TA to update existing PAs.

## The Department's Priorities for Performance Agreements (Cont.)

The Department has four key program-related goals that relate to success in:

1. Leveraging CE funds in the financing of charter school facilities
2. Obligating CE funds to support a certain number of charter schools
3. Re-obligating CE funds as they become available after being used in previous transactions
4. Supporting communities with the greatest need for school choice

## Poll: The Department's Priorities for Performance Agreements

Which of the following is NOT a Department priority for PAs?

- a) Establishing four program-related goals
- b) Developing one PA per CE grant
- c) Deleting old goals and measurable objectives
- d) Updating all current PAs over the next four years



# Technical Assistance to Develop and Update Performance Agreements

The Department is providing TA to CE grantees under two distinct vehicles to develop and update PAs:

- Creating PAs for new grants (2019 and later)
  - Grantees work with their CSP Program Officer to create the PA
  - NCSRC will provide TA on SMART objectives and performance measures
- Updating PAs for existing grants (2002–2018)
  - The Credit Enhancement TA contract will provide TA to update PAs.
  - Grantees will verify and update information in an editable PA template and project activities over the next five years.

# Performance Agreement Components: Overview

There are four components to a PA:

- Preamble
- Sections 1–8 (sometimes 9)
- Exhibit 1
- Exhibit 2



# Performance Agreement Components: Preamble

The preamble identifies:

- Grantee organization name,
- Grant award amount,
- Date of the GAN, and
- Date of the most recent amendment to the PA (header).

INSERT DATE - MM/DD/YYYY

## Credit Enhancement of Charter School Facilities Program

### PERFORMANCE AGREEMENT

#### PREAMBLE

THIS CHARTER SCHOOL CREDIT ENHANCEMENT PROGRAM PERFORMANCE AGREEMENT (the "Agreement") is entered into by the **GRANTEE ORGANIZATION NAME** ("Grantee") in consideration of the conditional grant award of **GRANT AWARD AMOUNT** from the United States Department of Education ("ED") in a letter to the Grantee dated **GAN DATE**.

WHEREAS, pursuant to its submission of a grant application the Grantee was selected by ED to receive a federal education assistance grant pursuant to the Charter School Credit Enhancement Program, Title V, Part B, Subpart 2 of the Elementary and Secondary Education Act, as such may be amended from time to time, (the "Act"); and

WHEREAS, the Grantee proposed to use the Grant funds to pursue an application proposal originally submitted by the Grantee for the financing of Charter Schools pursuant to the Act; and

WHEREAS, the Grantee, by execution of this Agreement, hereby accepts the Grant funds for eligible uses under the terms and conditions herein;

NOW, THEREFORE, as a condition of receiving the Grant funds, the Grantee hereby agrees to the following statement of goals and conditions:

## Performance Agreement Components: Sections 1–8

- Section 1: SCOPE OF THE AGREEMENT AND PROJECT MODIFICATIONS
- Section 2: **PERFORMANCE GOALS**
- Section 3: DEFAULTS AND REMEDIES
- Section 4: ASSURANCES
- Section 5: REPORTING AND AUDIT PROCEDURES
- Section 6: PROJECT TIMELINE AND BUDGET
- Section 7: NO THIRD-PARTY RIGHTS; INDEMNIFICATION
- Section 8: EFFECTIVENESS; AMENDMENTS AND WAIVERS; GOVERNING LAW; SEVERABILITY

# Performance Agreement Components: Exhibit 1

Exhibit 1 is comprised of six components:

- Grant Project Description
- Flow of Funds chart
- Budget Form
- Budget Narrative
- Cash Flow Pro-Forma
- Timeline

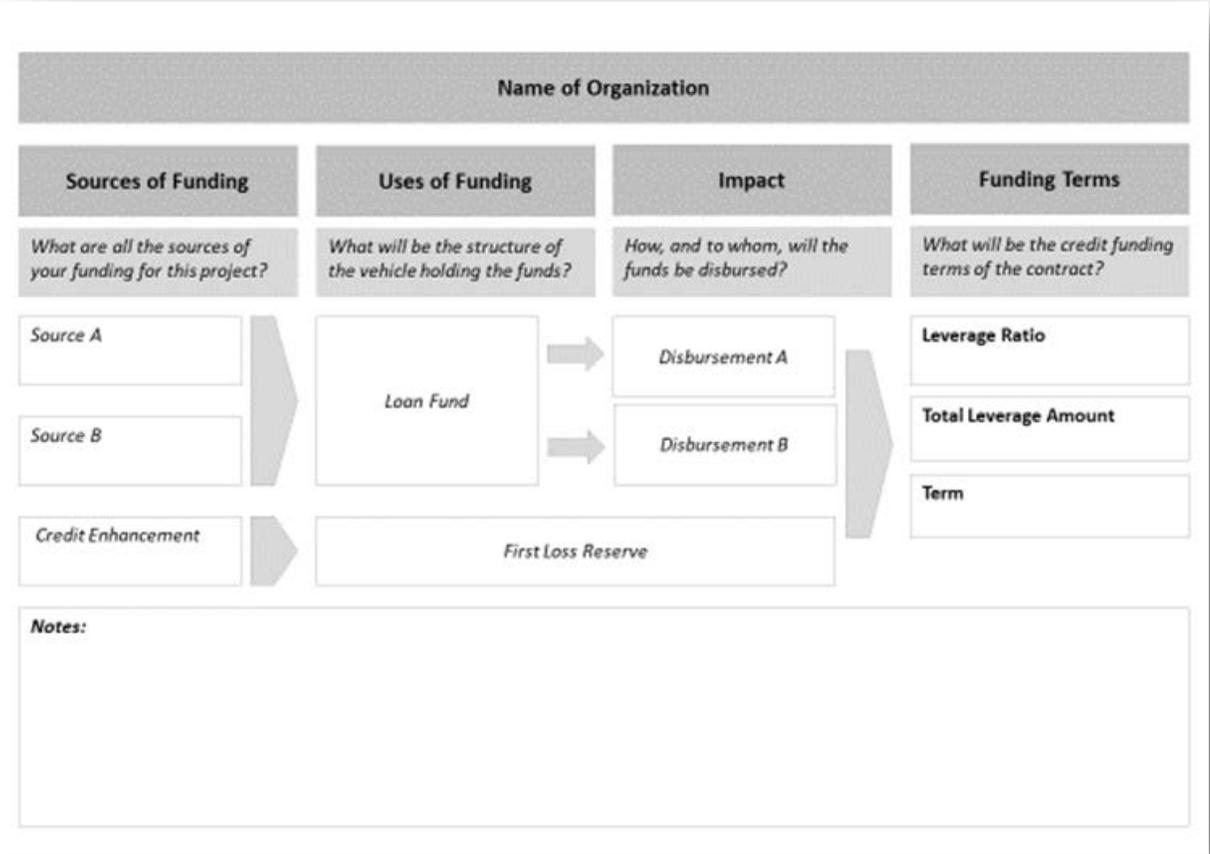


## Performance Agreement Components: Exhibit 1, Grant Project Description

- **Grantees drafting an original PA** use the abstract from the original application and conditions in the GAN as the basis for the development of the Grant Project Description within the PA.
- **Grantees updating a PA** use the grant project description in the existing PA as the basis for the information to be included in the draft.

# Performance Agreement Components: Exhibit 1, Flow of Funds

CSP created a **Flow of Funds** template that grantees drafting or updating a PA can use. This is a helpful tool, though you are not required to use this template.



# Performance Agreement Components: Exhibit 1, Budget

CSP has provided a template for the **Budget Form** and **Budget Narrative**, which set five-year projections for spending. The budget must be consistent with the new or updated goals and measurable objectives.

**BUDGET NARRATIVE**

**Line C.1.a - Personnel and Fringe Benefits**  
 INSERT INFORMATION ABOUT PERSONNEL AND FRINGE

**Line C.1.c - Other payments associated with guaranteeing and insuring debt and leases**  
 INSERT INFORMATION ABOUT OTHER PAYMENTS

**Line C.2.a - Personnel and fringe benefits**  
 INSERT INFORMATION ABOUT PERSONNEL AND FRINGE

**BUDGET FORM: GRANT FUNDS EXPENDITURES (PLEASE COMPLETE THE CHART)**

| 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>B. Reserve account earnings</b>   |                |                |                |                |                |                 |       |
| <b>C. Reserve account (97.5%)</b>  |                |                |                |                |                |                 |       |
| 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

# Performance Agreement Components: Exhibit 1, Cash Flow Pro-Forma

CSP has provided a template for the **Cash Flow Pro-Forma**. The grantees provide updated budget and cash flow pro forma information in the APR. The information that the grantees include in these sections will be reviewed against the information in the current agreement and the APR.

**CASH FLOW PRO-FORMA (PLEASE COMPLETE THE CHART)**

| Reserve Account Categories                         | Project Year<br>XX (20XX-<br>20XX) |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Reserve Account Beginning Balance                  |                                    |                                    |                                    |                                    |                                    |
| *Transfers out for C.1 and C.2 expenses            |                                    |                                    |                                    |                                    |                                    |
| *Interest income                                   |                                    |                                    |                                    |                                    |                                    |
| *Credit Enhancement fee income                     |                                    |                                    |                                    |                                    |                                    |
| *Surrendered enhancement due to defaults           |                                    |                                    |                                    |                                    |                                    |
| Reserve Account Ending Balance                     |                                    |                                    |                                    |                                    |                                    |
|  |                                    |                                    |                                    |                                    |                                    |
| Average annual interest rate earned - all accounts |                                    |                                    |                                    |                                    |                                    |

# Performance Agreement Components: Exhibit 1, Timeline

CSP has provided a template for the **Timeline**. The Timeline summarizes the information that is contained in goals 1–3 of the Department’s four program-related goals.

**TIMELINE** (PLEASE COMPLETE THE CHART BASED ON THE COMPLETED GOALS AND MEASURABLE OBJECTIVES)

| Task Timeline  | Deadline       |
|--|----------------|
| Obligate a minimum of \$XXX in credit enhancement on behalf of XXX schools and leverage XXX in facility projects or loans. | September 20XX |
| Obligate a minimum of \$XXX in credit enhancement on behalf of XXX schools and leverage XXX in facility projects or loans. | September 20XX |
| Obligate a minimum of \$XXX in credit enhancement on behalf of XXX schools and leverage XXX in facility projects or loans. | September 20XX |
| Obligate a minimum of \$XXX in credit enhancement on behalf of XXX schools and leverage XXX in facility projects or loans. | September 20XX |
| Obligate a minimum of \$XXX in credit enhancement on behalf of XXX schools and leverage XXX in facility projects or loans. | September 20XX |

# Performance Agreement Components: Exhibit 2

- Exhibit 2 includes standard language defining terms used within the PA.
- The template highlights the areas that grantees verify their unique information:
  - Grantee Organization name
  - Date of GAN
  - Grant award amount

## EXHIBIT 2

### SECTION 1. DEFINITIONS

For purposes of this Agreement, the following terms will have the following meanings:

- “Act” means the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA) of 2015, which authorizes the Program.
- “Agreement” means this Performance Agreement, which includes the exhibits and which incorporates by reference all terms and conditions of the Grant to which this Agreement is appended.
- “Application” means the written application seeking grant funds through the Program as initially submitted by the Grantee to ED and as it may have been subsequently revised by the Grantee and approved by ED.
- “Budget” means the schedule and accompanying narrative setting forth estimated expenditures of grant funds by the Grantee for the Grant Project. The Budget is included in Exhibit 1 of this Agreement.
- “Charter School” means a public school that meets the definition of a charter school contained in section 4310 of the Act (the Public Charter Schools Program authorizing statute).
- “Charter School Loan Fund” means the Grantee’s loan program that is secured in part by the Grant Reserve Account.
- “Default” means a material breach of the terms of this Agreement that is not (1) waived by ED in writing or (2) cured by the Grantee within 90 days of being notified of such breach by ED.
- “ED” means the United States Department of Education.
- “EDGAR” means the Education Department General Administrative Regulations (EDGAR), codified at (34 CFR Parts 75, 77, 79, 82, 84, 85, 86, 97, 98 and 99) and 2 CFR Part 200.
- “Eligible School Project” means a capital project to be undertaken by or for a Charter School with financing supported by the Program for:
  - 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 (including ancillary personal property) that is necessary to commence or continue the operation of the Charter School; or
  - The construction of new facilities, or the renovation, repair or alteration of existing facilities, plus ancillary personal property that may be necessary to commence or continue the operation of the Charter School.
- “Grant” means the \$XXXX of grant funds awarded by ED to the Grantee under the Program, subject to this Agreement and the conditions contained in a letter dated **DATE OF GAN**, and relevant provisions of EDGAR and OMB Circular A-122.
- “Grant Project” means the activities committed to be undertaken by the Grantee, including use of the grant funds, as described in the Application and pursuant to the Grant. The Grant Project is generally described in summary form in Exhibit 1 to this Agreement.



## Section 2: A Close Look at Goals and Measurable Objectives

- Goals are high-level statements about what will be achieved through the project.
  - The Department has identified four key program-related goals.
  - Project-specific goals that are unique to each grant may also be included.
- Measurable objectives are quantitative indicators, statistics, or metrics used to gauge program performance.
  - Each goal has one measurable objective per year of the grant.

## Section 2: A Close Look at Goals and Measurable Objectives (Cont.)

The Department format for goals and measurable objectives:

- **Goal 1: Leverage \$30 million on behalf of charter school facility projects or loans.**
  - ***Measurable Objective 1.1:***  
Leverage \$8 million in facility projects or loans during project year 1.
  - ***Measurable Objective 1.2:***  
Leverage \$8 million in facility projects or loans during project year 2.
  - ***Measurable Objective 1.3:***  
Leverage \$5 million in facility projects or loans during project year 3.
  - ***Measurable Objective 1.4:***  
Leverage \$5 million in facility projects or loans during project year 4.
  - ***Measurable Objective 1.5:***  
Leverage \$4 million in facility projects or loans during project year 5.
  - ***Measurable Objective 1.6:***  
Leverage \$30 million in facility projects or loans by 2025.

## Section 2: SMART Measurable Objectives



### Specific

Objectives are clearly and concisely stated, reducing the potential for misunderstanding or misinterpretation.



### Measurable

Objectives are measurable using valid and reliable data that are readily available and can be tracked at least annually.



### Achievable

Objectives are achievable and ambitious, reflecting an understanding of organizational capabilities and environments.



### Relevant

Objectives align with project goals and reflect the mission and values of the CSP and grantee.



### Timebound

Objectives occur within a timeframe or by a target date for achieving the outcomes for long-term goals and short-term objectives.

## Section 2: Sample SMART Goal and Measurable Objectives

- **Goal 1: Leverage \$30 million on behalf of charter school facility projects or loans.**
  - ***Measurable Objective 1.1:***  
Leverage \$8 million in facility projects or loans during project year 1.
  - ***Measurable Objective 1.2:***  
Leverage \$8 million in facility projects or loans during project year 2.
  - ***Measurable Objective 1.3:***  
Leverage \$5 million in facility projects or loans during project year 3.
  - ***Measurable Objective 1.4:***  
Leverage \$5 million in facility projects or loans during project year 4.
  - ***Measurable Objective 1.5:***  
Leverage \$4 million in facility projects or loans during project year 5.
  - ***Measurable Objective 1.6:***  
Leverage \$30 million in facility projects or loans by 2025.

## Activity: SMART Goals and Measurable Objectives

Write your own SMART goal and measurable objective:

- *Supporting communities with the greatest need for school choice*



## Activity: SMART Goals and Measurable Objectives (Cont.)

Here are examples of what SMART measurable objectives for *supporting communities with the greatest need for school choice* look like:

- During project years 1–5, the Grantee will credit enhance 12 charter schools that meet at least one of the following criteria:
  - Located in a school district and/or county where at least 50% of students do not meet the State standard for proficiency in either math or language on the state assessment; or
  - Located in a school district with 60% or more of the student population eligible for free or reduced-price lunch.
- During project years 1–5, the grantee will utilize CE funds on 5 loans for new or early stage schools.

# Example Approach for Revising Goals & Measurable Objectives to be SMART

| Original Measurable Objective | Criteria   | SMART Measurable Objective |
|-------------------------------|--|----------------------------|
| Goal 1:                       | <ul style="list-style-type: none"> <li><input type="checkbox"/> Specific</li> <li><input type="checkbox"/> Measurable</li> <li><input type="checkbox"/> Achievable</li> <li><input type="checkbox"/> Relevant</li> <li><input type="checkbox"/> Timebound</li> </ul> |                            |
| Measurable Objective 1a:      | <ul style="list-style-type: none"> <li><input type="checkbox"/> Specific</li> <li><input type="checkbox"/> Measurable</li> <li><input type="checkbox"/> Achievable</li> <li><input type="checkbox"/> Relevant</li> <li><input type="checkbox"/> Timebound</li> </ul> |                            |
| Measurable Objective 1b:      | <ul style="list-style-type: none"> <li><input type="checkbox"/> Specific</li> <li><input type="checkbox"/> Measurable</li> <li><input type="checkbox"/> Achievable</li> <li><input type="checkbox"/> Relevant</li> <li><input type="checkbox"/> Timebound</li> </ul> |                            |

## What SMART Means for CE

1. In general, grantees may not remove a measurable objective that was included in the original application, but grantees may clarify and specify measures to make them SMART.
  - Subject to ED review/approval
2. Grantees cannot add new activities to their PA goals than what was originally accepted in the grant application.
  - Subject to ED review/approval
3. Grantees cannot remove goals that have been approved by the Department.
4. Measurable objectives must directly relate to the applicant's original goals.
5. Grantees need to establish annual measures to review progress towards the end result.
6. At least one measurable objective per goal must be able to be reported on annually.

## Resources

What resources will the Department provide to support CE grantees in developing and updating performance agreements?

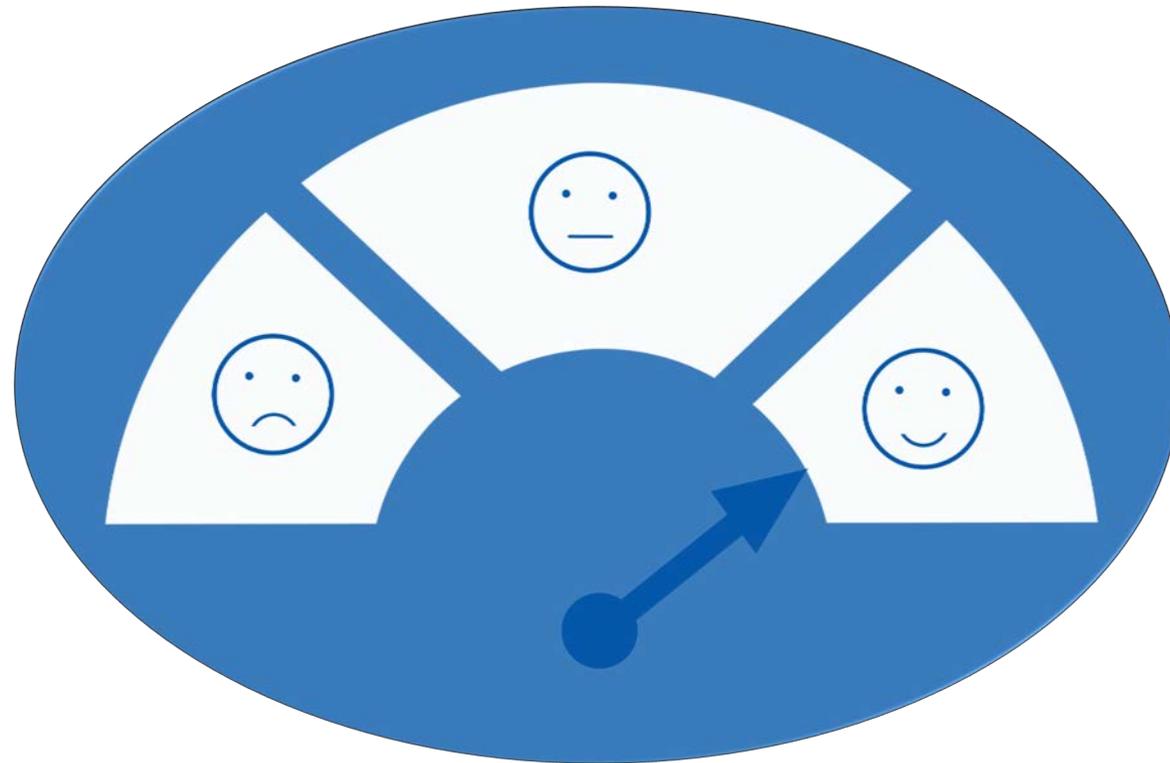
- TA to new grantees on PAs (grantees from 2019 and later)
- TA on existing PAs (grantees from 2002–2018)
- [SMART Objectives Toolkit](https://charterschoolcenter.ed.gov/) on <https://charterschoolcenter.ed.gov/>
- [SMART Webinar](https://charterschoolcenter.ed.gov/) on <https://charterschoolcenter.ed.gov/>
- Capacity to provide TA generally
- PD meeting notices

# CSP Q & A



# Participant Survey

Please let us know how we did!



# Contact Us

| <b>NCSRC<br/>Contact Information</b>   | <b>Credit Enhancement<br/>TA Contract</b>  |
|--|--|
| <p>charterschoolcenter.ed.gov<br/>contact-us@charterschoolcenter.org</p>           | <p>CE-TA@manhattanstrategy.com</p>   |
|  |  |

