TO: Members of the State Board of Education

FROM: Karen B. Salmon, Ph.D.

DATE: January 29, 2018

SUBJECT: U.S. Department of Education Charter Schools Program Grant

PURPOSE:

The purpose of this item is to provide an update on the recent award of the Charter Schools Program grant to the Maryland State Department of Education (MSDE) from the U.S. Department of Education (USED).

BACKGROUND:

The Charter Schools Program of USED manages several competitive grant programs. This award is part of the State Entities program. Eligible applicants were State Education Agencies, statewide nonprofits supporting charter schools, and Governor’s offices. For this competitive award process 21 state agencies or other entities applied. Nine awards were made. The MSDE received previous grants in this program in 2004 and 2007.

The initial award of the USED Charter Schools Program Grant is $5,490,859 for a two year period, October 1, 2017 through September 30, 2019. The total award is $17,222,222 over five years through September 30, 2022. Grants for years three through five will be dependent on federal appropriations.

EXECUTIVE SUMMARY:

In the weeks since receiving notice of the award, staff has worked with USED to provide clarifying information and meet start-up requirements. Over the next several months, the MSDE will initiate the first subgrant competition and engage providers to implement the plan for technical assistance activities.

Ninety percent of the funding will be awarded in subgrants to nonprofit organizations operating or seeking to operate public charter schools in Maryland. The grants will be available for the start-up costs of new, expanding, or replicating charter schools that have been approved by the local boards of education. Subgrants will be awarded on a competitive basis. The MSDE projects three rounds of grant awards and approximately 20 awards.
The draft Application for the grant program is under review. The MSDE anticipates the first round of the grant application process to occur in mid-2018. The next step is for USED to review and approve the grant application to ensure that it adheres to federal requirements.

Technical Assistance activities will be developed to support the expansion, replication or creation of high quality public charter schools. Current and new charter operators will be offered assistance to determine readiness for replication or to launch a school, strategic leadership, and addressing the needs of all students. Local School Systems will also benefit from technical assistance and professional development opportunities to help ensure that application and renewal processes are rigorous.

**ACTION:**

For information purposes only.

KBS/cb
Maryland Public Charter Schools
U.S. Department of Education Grant

STATE BOARD MEETING
January 29, 2018
<table>
<thead>
<tr>
<th>Grant Award</th>
<th></th>
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<tbody>
<tr>
<td><strong>Initial Award</strong></td>
<td>$5,490,859</td>
</tr>
<tr>
<td>Initial Grant Period (2 years)</td>
<td>10/1/17 through 9/30/19</td>
</tr>
<tr>
<td><strong>Total Award</strong></td>
<td>$17,222,222</td>
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<tr>
<td>Years 1 and 2</td>
<td>$5,490,859</td>
</tr>
<tr>
<td>Year 3</td>
<td>$5,160,613</td>
</tr>
<tr>
<td>Year 4</td>
<td>$4,273,289</td>
</tr>
<tr>
<td>Year 5</td>
<td>$2,297,461</td>
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*Funding in Years 3 through 5 is contingent on Federal Appropriations.*
Grant Objectives

The award of the USED Charter Schools Program grant will enable Maryland to:

• Support the startup, expansion, and replication of public charter schools, and
• Promote quality through technical assistance activities for charter school applicants and local school systems.
## Projected Growth of Maryland Charter Schools

### Current Number of Charter Schools
- Number of Charter Schools in Maryland 2017-2018: 50
- Number of Students Enrolled: 22,551

### Project Growth in Number of Charter Schools

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Charter Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2018</td>
<td>50</td>
</tr>
<tr>
<td>2018-2019</td>
<td>51</td>
</tr>
<tr>
<td>2019-2020</td>
<td>57</td>
</tr>
<tr>
<td>2020-2021</td>
<td>65</td>
</tr>
<tr>
<td>2021-2022</td>
<td>65</td>
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</tbody>
</table>
Projected Timeline - Immediate

January 2018
- Charter School Advisory Meeting

February 2018
- LEA Liaison Meeting

March 2018
- Technical Assistance: Needs Assessment and Planning

April 2018
- Technical Assistance Activities for LEA authorizing staff and charter school staff
- LEA Liaison Meeting
- Charter School Advisory Meeting

May 2018
- Subgrant Competition – Round 1
- Subgrant Application Review and Approval by USED
Projected Timeline – Long Term

- Subgrant Competition Round 1: Oct 2017 – Sept 2018
- Subgrant Competition Round 2: Oct 2018 – Sept 2019
- Technical Assistance activities for Local School System authorizing staff: Oct 2020 – Sept 2021
- Technical Assistance activities for Charter School developers, Charter School staff, board members, and leaders: Oct 2021 – Sept 2022
- State Conference

TA: Needs Assessment
Subgrant Process

Subgrants

- 90 percent of funding is for subgrant awards
- Competitive grant for start-up costs of new, expanding and replicating public charter schools, approved by local boards of education
- Estimated grants: 21 projects. Average award $740,000
- Maximum grant: $900,000 for up to 3 years

Application and Review

- USED must review and approve the subgrant application
- Peer reviewers will rank applications
- Interviews optional
- Three rounds of grant awards over five year grant period
Subgrant Application - Eligibility

- Existing Charter Schools in first two years of operation at time of application
- Existing Charter Schools seeking expansion to increase number of seats by at least 30 percent
- Developing Charter School with approval of the Local Board of Education
- Developing Charter School with full charter application submitted to the Local Board of Education
- Developing Charter School on appeal of a denied charter application
Sugrant Application - Priorities

Competitive Priorities

- Confirmed location has median income below that of the County/City
- Creation of innovative high school options (e.g. early college, career preparation)
- Evidence-based school-wide strategies with a focus on outcomes for educationally disadvantaged students
Allowable Costs

Subgrant Activities: Open and Prepare for the Operation of a Charter School

- Preparing teachers, leaders, and staff
  - Professional Development
  - Hiring and compensating during the planning period
- Acquiring supplies, training, equipment, technology
- Minor facilities repairs (not construction)
- One time start up costs associated with transportation
Subgrants - Timeline

- Subgrants will have a term of up to 3 years
- A maximum of 18 months may be used for planning period

Planning Period - Up to 18 Months

Implementation Period – Year 1 of operations

Implementation – Year 2 of operations

School Opens

18 months for planning and first 18 months of operation = 3 years

12 months for planning and first 24 months of operation = 3 years
Subgrant Monitoring

Key elements
• Ensure that measurable goals are established in the grant proposal
• Post award technical assistance for financial management
• Combine written reporting requirements and site visits
• Coordinate with local school system monitoring and renewal processes

<table>
<thead>
<tr>
<th>Monitoring Activity</th>
<th>Timing/Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review Financial Controls</td>
<td>Once – post award</td>
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<tr>
<td>Invoicing</td>
<td>Monthly</td>
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<tr>
<td>Reports on progress toward goals</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Site Visit</td>
<td>At least Annually</td>
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<tr>
<td>Annual Financial Report</td>
<td>Annual</td>
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</tbody>
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