



Karen B. Salmon, Ph.D.
State Superintendent of Schools

TO: Members of the State Board of Education
FROM: Karen B. Salmon, Ph.D.
DATE: April 24, 2018
SUBJECT: U.S. Department of Education Charter Schools Program Grant

PURPOSE:

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

BACKGROUND:

The Charter Schools Program grant will enable the Maryland State Department of Education (MSDE) to provide subgrants to eligible applicants to open and prepare for the operation of high quality public charter schools.

EXECUTIVE SUMMARY:

The USED has reviewed Maryland's subgrant application and approved it. The MSDE anticipates the first round of the grant application process to occur in mid-2018. The subgrants will be awarded for a term of up to three years, and for up to \$900,000 over the grant period.

The MSDE staff have been asked to investigate if a state education agency with a Charter Schools Program Grant may award a grant prior to a school receiving final approval of its charter from the local school system. Under the Every Student Succeeds Act, Maryland may choose to initiate the grant award to a successful grant application whose charter application is pending. Conditions related to the award will be provided.

ACTION:

For information and consideration of proposed additions to the subgrant application.

KBS/cb

Maryland Charter Schools Program



STATE BOARD MEETING
April 24, 2018

Status of Maryland's Subgrant Application

Subgrant Application was reviewed and approved by the U. S. Department of Education (USED).

- USED provided one comment for consideration regarding inclusion of rural schools and students in the discussion of meeting the needs of diverse students and communities.

Any revisions to the subgrant application will be submitted to USED.

Charter Schools Program Grants

Purpose

- Support the startup of new charter schools, the replication of high quality charter schools, and the expansion of high quality charter schools.
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- Award grants to eligible applicants to open and prepare for the operation of new charter schools.

Allowable Grant Activities

Allowable uses of funding include:

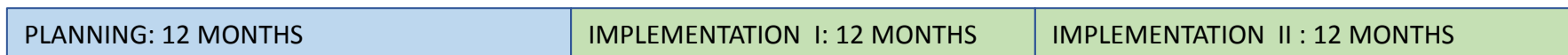
- Preparing teachers, leaders through professional development;
- Acquiring supplies and equipment;
- Minor renovations;
- One time startup costs related to transportation;
- Community engagement; and
- Other appropriate non sustained costs related to opening.

Required Timelines for the Subgrant

Total subgrant period: Maximum of 36 months

- Planning and Program Design Period: Up to 18 months before school opening
- Implementation: Up to 36 months less the Planning and Program Design Period

Examples:



Question: If a subgrant applicant has submitted its charter application to a local board, but has not yet been approved, can the Maryland State Department of Education (MSDE) award the subgrant?

Yes

- Under ESSA, Sec. 4310 (6), the term “eligible applicant” means a developer that has—
 - (A) applied to an authorized public chartering authority to operate a charter school; and
 - (B) provided adequate and timely notice to that authority.

Start date for Planning Period may begin:

- When the charter is approved by the local board of education; or
- Before the final approval of charter by the local board of education

Consideration of Subgrant Start Date Pre-Charter Approval

PROS

- Provides funding to the charter school developer
- Planning activities begin
- May influence approval of the charter
- May accelerate final charter approval, if preliminary approval includes start up benchmarks

CONS

- Federal funds expended with some risk of school not opening
 - Impact on performance measures if school does not open
 - Possible finding in monitoring
 - May impact awarding of future grants from USED
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Practice of States

States with a Charter School Program (CSP) Grant typically require that the grant Planning Period begin *after* final approval of the charter.

26 active state CSP grantees since 2009:

- 17 require charter approval before approval of spending on the grant. Two of these have a simultaneous process.
 - 7 (including MD) states are new to the grant process.
 - 2 allow spending before final approval of the charter.
 - NJ: Planning period is capped at 7 months and \$150,000. A deadline is set for securing final charter approval.
 - IL: Allows spending but the conditions are not defined.
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Recommended Change to Current Subgrant Application

Applicant submits a full application which includes Planning and Implementation.

Amount of Funding for Planning pre-charter approval is capped.

- Up to 10% of total award
 - Example: \$90,000 if total grant award is \$900,000
- Divide planning period activities and expenses
 - Pre-charter approval phase and post-charter approval phase

Timeline is limited.

- Charter approval must be secured within 6 months of notice of grant approval.
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Subgrant Application Additional Language For Review by USED

Existing language:

If a grant application is approved, the grant planning and program design period may begin up to 18 months before the opening of the proposed charter school. Typically, this is the period between approval of the charter and the opening of the school.

Language to be added:

If the subgrant application is approved, the applicant may propose that the planning and program design period begin before final approval of the charter by the local board of education. The applicant will be required to present a breakdown of the Planning and Program Design Period into two phases: the period from grant approval to final approval of the charter and the period from charter approval to the opening of the charter school.

The amount of grant funding available for the Planning and Program Design Period before final approval of the charter by the local board is capped at 10% of the total grant award. For example, if the approved grant is \$900,000, up to \$90,000 will be available for approved expenses in this phase.

The charter approval must be secured within six months of the notice of grant approval. In special cases, the MSDE will consider an extension of up to three months.