

Charter School Program Grant Frequently Asked Questions

Who is eligible to apply for the Charter School Program Grant?

- Only Michigan Non-Profits with three or more board members may apply
- Only those boards that have an executed charter contract with an authorizer

What types of schools are supported and can use the Charter School Program Grant?

- **New High-Quality Charter Schools;** new schools need to provide data and evidence around opening a high-quality school.
- **Expanding High-Quality Charter Schools;** which are those that add at least 3 grade levels to an existing high-quality school, or by adding another school site to a district with high-quality charter schools. The expectation and the goals are that the expansion should be 50% of the current student enrollment. The expansion is for those grades that are not currently covered by the contract and have three years of successful data. Expansion schools are eligible for planning and implementation. The Expansion can occur in a slow growth model agreed to by the MDE/PSA unit and the authorizer.
- **Replicating High-Quality Charter School;** at or above 50% on the State Index at a new location that receives a new school/district code. The replication school/district must have 3 years of successful data. The Replication can occur in a slow growth model agreed to by the MDE/PSA unit and the authorizer.

What is the definition of High-Quality Charter Schools?

- Shows evidence of strong academic results, which may include strong student academic growth as determined by a State;
- Has no significant issues in the areas of student safety, financial and operational management, or statutory or regulatory compliance;
- Has demonstrated success in significantly increasing student academic achievement, including graduation rates where applicable, for all students served by the Charter school; and
- Has demonstrated success in increasing student academic achievement, including graduation rates where applicable, for each of the subgroup of students, as defined in section 1111 (c)(2) of the ESEA.

What should be considered when opening a high quality school?

- Staff front office training in records maintenance and record requests
- Necessary front office supplies
- Parent access and volunteer protocols

How will a NEW School provide evidence to demonstrate high-quality?

- If they are using a management organization, discuss any data from other schools that are similar within the organization.
- What and how will the school start with the characteristics of high-quality.
- The authorizer can evidence that the new school will function as high quality.

What is expected of grant recipients?

A minimum expectation is to file monthly status reports, identify and participate with research-based technical assistance around identified gap areas and reporting on the results and

implementation of this assistance, preparation for on-sight reviews and all other grant related activities.

What are the steps in the application process for the Charter School Program Grant? And, do I need to complete all of them to be eligible for the CSP grant?

Eligible Applicants (those meeting the High-quality definitions above) must complete all of the following steps. If the applicant **has not** participated in the steps prior to the MEGS+ submission for peer review they will be deemed ineligible for that round:

- Submit a letter of intent to apply at MDEPSAGrant@michigan.gov **for review of eligibility**
- Submit a letter from the authorizer stating that an applicant must have an executed or promised charter from an authorizer. Additionally, the authorizer is asked to indicate support of the contents of the application, provide guidance related to the timing and execution of the qualifying project, and provide necessary contract amendments to align with the project. The letter will inform the MDE they are approving of the submission at this time, the applicant has a contract/amendment or the contract/amendment has been moved to the board of trustees for a timely approval
- Access the application guidelines (this includes the narrative questions that will be submitted as part of the final application) from the Public School Academy Unit (PSAU) website. www.michigan.gov/charters
- Register in the MEGS+ system
- Receive an invitation to register in Epicenter for the At-Risk review
- Register in Epicenter
- Complete the narrative portion of the application and a budget summary overview and submit for the At-Risk review using the Epicenter platform
- Incorporate and feedback to strengthen the application received as feedback in the At-Risk review.
- Enter final application into MEGS+, include all assurances, checklists items, and other identified requirements listed in MEGS+.

What types of expenses are allowable for reimbursement funding under the CSP grant?

Guidance for this is described in ESEA title V part B 5204 and 5205 and summarized as follows:

An eligible applicant receiving a (subgrant) may use the funds only for—

- (A) post-award planning and design of the educational program, which may include —
 - (i) refinement of the desired educational results and of the methods for measuring progress toward achieving those results; and
 - (ii) professional development of teachers and other staff who will work in the charter school; and
- (B) initial implementation of the charter school, which may include—
 - (i) informing the community about the school;
 - (ii) acquiring necessary equipment and educational materials and supplies;
 - (iii) acquiring or developing curriculum materials; and
 - (iv) other initial operational costs that cannot be met from State or local source.

Can funds be used for transportation related expenses?

Yes, the grant can support one-time expenses related to transporting students including the purchase of a bus(es).

Can CSP funds be used to support all costs related to running a charter school?

No, funds can only be used for approved, one-time expenses (not ongoing expenses such as utilities or maintenance) related to starting a new, replicating, or expanding high quality charter school.

Can a school receiving CSP funds hire a management company to oversee educational services?

Yes, charter school boards can hire, through a written contract, either a FOR profit or a NON-profit educational management company. Schools choosing to do so must demonstrate to the Michigan Department of Education that they and their governing boards are independent and that all fees and agreements are fair, reasonable and in the best interest of the public. For purposes of the CSP grant, **Federal law prohibits a “SWEEP-TYPE” service provider contract where the management company receives all funds which inhibits the charter board’s ability to directly administer or supervise each (CSP) project as required in e-CFR 76.701.** (A State or a subgrantee shall directly administer or supervise the administration of each project.) State law also requires these contracts to be reviewed by the authorizer and determined to NOT be illegal.

When can the grant activities be applied to the CSP for funding if the application is approved?

- The PSAU will only make an initial \$50,000 available to each subgrantee to monitor initial grant activity and verify board and grant manager veracity as it executes allowable activities.
- Allowable/approved activities can be reimbursed through the CSP grant from the date of final submission to MDE, nothing purchased outside of that timeline, nor in the grant narrative will be reimbursed.
- It should be noted, that no reimbursements are guaranteed until a final management plan and budget have been approved by the PSA Unit.

How often will the MDE run the CSP Grant Competition?

The plan is to run grant competitions 2 times a year.

How many years will MDE have the grant?

The MDE is eligible to offer subgrants for up to 5 years, contingent upon satisfactory performance results at the end of years two and three.

What if I receive the grant in year 5, will all the money be available to our school?

Planning grants will not be awarded in year five. Applicants who qualify (high-quality project with a fully executed charter contract) to go directly into implementation year I or applicants who were awarded during year four, can receive funds in year 5.

How many grants will be awarded in each round?

The MDE application listed an estimation of a total of 34 awards over the five year period with a target of more replications and expansions than new schools as defined by the CSP Federal application. The MDE has provided the USDEO an estimation for funding based on 11 new and 23 expansions/replication

How long will we have to execute the grant?

Once grant funds are released, the subgrantee will have a maximum of up to 40 months to close-out all three stages of the grant. The planning phase is limited to 18 months and Implementation I and II are limited to 12 months each.

Do I need to take all 18 months for the planning phase?

No, the planning phase can be closed out when allowable tasks are completed and when final expenditure reports are approved.

How will the MDE monitor the execution of the grant?

Each subgrantee will submit monthly monitoring reports to Public School Academy Unit (PSAU) staff. The PSAU will also conduct site visits around grant activity implementation, board meetings, conduct stage FER, desk audits, verification of requested technical assistance activities and collaborative conversations with the authorizer.

How many applications do I do?

Each applicant completes only one application which is peer reviewed. If the application is awarded, not further applications are required although there are meetings with MDE/PSA staff at each additional funding release phase identifying any budget changes or modifications to the plan.

Can CSP funds be used for Salaries?

Salaries may be applied to the grant during the planning phase up to the opening of the school doors. The salaries must be related to the completion of start-up tasks to open of the new, expanding or replicating school. Time and Effort sheets must be documented and maintained for each individual paid by the grant with the noted percentage of work that is related to grant activities.

What is supplanting and what can the grant pay for?

If something is statutorily required to be provided or if the educational management company contract already indicates it will be provided, the grant cannot pay for any of those activities.

How long does it take for a new school to open or receive a contract from an authorizer?

It can take up to 18 months or longer to work with an authorizer and gain a charter to open a new school. Authorizers have a timeline that is different from the grant window. Contact the authorizer you are interested in working with to gather this information.

I have been promised a charter in about 6 months am I eligible?

No, each applicant must have an executed contract or a contract that is on the agenda of the authorizing board for approval at an upcoming meeting. The PSA unit will be in contact with the authorizing agent to access the timeline for the new contract. If you have a contract and the school is not opening until the following year, the school is eligible to apply for planning. **If you are promised a contract or have not been moved to the authorizer phase II of the contract application you are not eligible to apply.**

When will funds be released?

All components of the subgrantee application must be satisfied before funds are released. With the addition of the feedback provided at the At-Risk review, most applications should be at a level 4 on the PSA rubric and those that receive the highest score will receive funding. Additionally, no funds will be released without Board Policies that deal with procurement, accounts payable, signatures for payment, etc.

How will the awards be determined?

The subgrantees that receive the highest scores in each category that MDE informed the USDOE they would fund will be awarded dollars. This round has funding available for 2 new schools and 4 replication or expansion.

Will I be eligible for all \$1,000,000 and the bonus?

The MDE/PSA unit has the ability to award up to \$1,000,000 if the budget and narrative align to the new school project, but can reduce the amount based on identified need. At each funds release stage of the grant, the MDE will evaluate the progress and need for additional funding. Funds may be reclaimed, frozen for further evaluation or reduced based on grant monitoring of allowable activities. Eligibility for bonus money will be determined during the implementation II phase.

Who is the subgrantee in charge of grant oversight?

The school board is in charge of the grant and all contracted relationship with the vendors. The board will need to provide documentation on how they selected the provider, what processes they used to advertise, vet and select the entity and how will there be an arms-length relationship, along with the process they will implement to determine and evaluate vendor success.

Who can manage the grant?

The board can hire a grant manager to help to work and manage daily/monthly/yearly grant activities. The MDE will require that grant activities are discussed and noted at and in monthly board meeting minutes to verify direct board oversight.

How do we identify or determine conflict of interest or the appearance of a conflict of interest?

The Federal definition includes language that specifically states to avoid conflicts of interest and apparent conflicts of interest. You will need to identify any and all relationships with vendors.

Who writes the CSP grant?

The board may hire a grant writer to apply for the CSP, but the grant cannot fund the writing or application to the grant.

Can the grant be used to pay for construction?

The grant can assist in making the building operational and may help meet OSHA compliance issues. If construction is done, it should be for items that are moveable and do not enhance the value of the building. The landlord of the building should not be using the grant to increase the value of the building or be profiting from the grant. Know that the grant cannot pay for major repairs or building improvement. The subgrantee should not enter into leases where the landlord can remove them from the building and require additional funding for improvement. End dates of lease agreements should be aligned to the length of terms identified in the charter contract. Also, the landlord should not require additional expectations for services beyond the lease. The MDE and the authorizer may review the lease contract for any hidden expenses or mandatory maintenance fees over and above what is reasonable and prudent based on the cost analysis of the area in which the school is opening.

What happens when I sign a lease and they want language about the grant dollars included?

The expenditures and maintenance timeline with the subgrantee and the landlord should be part of the contract. Determine what is reasonable for repair and use maintenance. Evaluate the

location and needed repairs prior to selecting that location (what is the condition of the roof and/or does the boiler and air conditioner need to be updated, etc.) Payment for major expenses should be negotiated with the property owner on a yearly basis and cannot be applied to the grant. (example: update a leased building to have central air instead of window units is not acceptable use)

How do I budget for the opening of the school?

The PSAU recommends that applicants prioritize what is needed each year and make purchase during the appropriate phase of the grant.

Who will be required to have access to MEGs+?

The school board president or treasurer must be the Level 5 for the CSP grant. They may indicate that the grant manager can be the additional level 5, and some level 4 individuals can prepare documents and provide them to the level 5 for submission and approval.

How might the charter contract application support the CSP grant narrative?

You may be able to take some of the answers you used in the phase 1 and 2 of the contract application with the authorizer to answer the narrative.

What if I am a grant recipient and need to change my budget?

You will work with the PSA team to identify areas that need to be changed and the field service consultant will be part of the fund release process and will assist in realignment of all resources available to the subgrantee. There will need to be alignment to the grant narrative and to the school improvement plan submitted to the state.

What is considered a reasonable and customary rates fee?

The application narrative and budget must provide rationale on the vendor cost, location and services. The PSAU and authorizer will determine if it aligns to the contract goals, and verify if the rate is reasonable and customary.

Can I purchase food with the CSP grant?

Food cannot be reimbursed from the CSP grant. Look at the use of other funding to do food events for parent engage activities.

Can we charge indirect costs to the CSP grant?

No, the grant cannot pay for any subgrantees indirect costs.

Are state waivers required to be submitted with the grant application?

Yes, any state waivers that will be included in the application narrative will need to be identified in the grant application. Two common waivers are the seat-time waiver (<https://fs28.formsite.com/pf98Hd/form1/index.html>) and the pre Labor Day start waiver (http://www.michigan.gov/documents/mde/waiver_labor_day_1-23-08_224652_7.pdf).

Who can participate in the peer review process?

Participants for the peer review are Volunteer reviewers and are sought from the public school community of educators and others around the state. Participants typically include: public

school board members, administrators, teachers, parents, charter school authorizers, school consultants, current and past subgrantees, and staff of the Michigan Department of Education.