

Charter School Planning Grant

Supporting High-Quality Charter Schools

February 5, 2019

Agenda

- ▶ Background
 - Grant purpose, Definitions, Eligibility
- ▶ Funding
- ▶ Application Components
 - Management Plan, Budget, and Narrative
- ▶ Resources
- ▶ Tips
- ▶ Reminders

The Charter School Program Grant

Michigan has been awarded funds through the Federal Charter School Program (CSP) grant to...

1. “(expand) opportunities for all students, particularly traditionally underserved students, by providing financial assistance for the planning and implementation of new, replicating or expanding high-quality charter schools”
2. “provide technical assistance to eligible applicants and authorized public chartering agencies...”

The Charter School Program Grant

- ▶ The CSP grant is a reimbursement program- recipients are reimbursed following proof of expenditures on allowable, approved tasks.
- ▶ Allowable activities include those described in the ESEA, title V, part B, section 5204(f)(3).
- ▶ The execution of allowable activities will occur in one of three phases: Planning, Implementation I and Implementation II.
- ▶ As noted, projects must meet the Federal definition of high quality/and underserved.

Specific Requirements to Apply

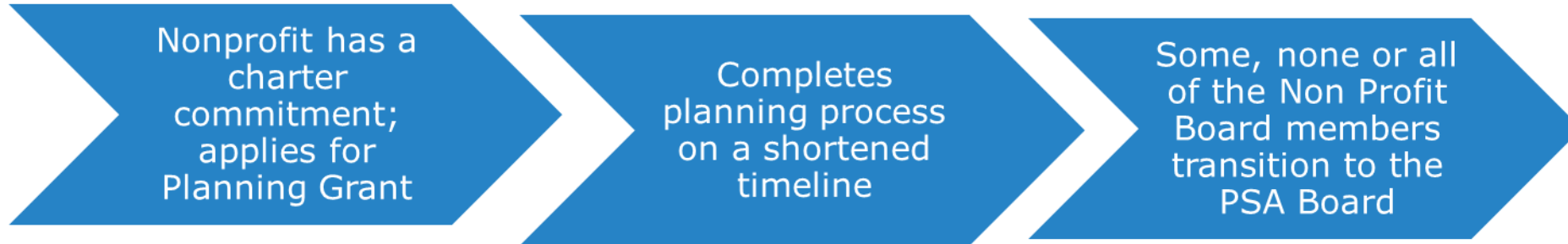
- ▶ Must be a non-profit
- ▶ Must have an executed or promise charter contract
- ▶ Step One of the application process
 - ▶ Submit the “Intent to Apply” (by February 12, 2019)
 - ▶ Submit to PSAGrants@Michigan.gov (this will generate return email)
 - ▶ Upload application to Epicenter
- ▶ Must submit the FINAL application and all assurances into the MEGS+ system by April 3, 2019.
 - ▶ Note: Review all assurances IN ADVANCE of Deadline
 - ▶ Applications received late WILL NOT BE REVIEWED!
- ▶ Must be eligible and able/willing to participate in technical assistance and comply with reporting requirements
- ▶ If a previous recipient, must be for NEW activities.

Funding Amounts

- ▶ Planning: Up to \$150,000
- ▶ Implementation I: Up to \$500,000
- ▶ Implementation II: Up to \$350,000
- ▶ Incentive Funding: Up to \$250,000- for projects in areas of high need (no or limited high-performing educational option/high schools/other types of flexible options)
- ▶ Completion of TA and reporting requirements must be completed prior to encumbering next phase funds. (includes Final Expenditure Report- {FER})

Two Possible Timelines Scenarios

Scenario 1 Planning and Implementation I and II



Scenario 2 Combo 1+ Combo 2



Definitions

- ▶ **Development Team** includes everybody involved in the project.
- ▶ **Non-Profit Board** is the Board of Directors of the organization that received the *planning* subgrant award. Board members are VOLUNTEERS and are NOT PAID for their services.
- ▶ **Partners** are entities that intend to have an enduring, non-paid relationship from the grant award through opening and operation of the school. Defined responsibilities as they work with and for the new school.
- ▶ **Vendors** are individuals or corporations hired or selected by the Non-Profit Board to provide **specific goods or services for a specific fee.**
 - Vendors with long-term relationships are contracted through a written agreement, approved and signed by the appropriate Non-Profit Board representative as designated by Board Policy.

Definitions (Con't)

- ▶ PSA Board Members
 - Potential PSA Board Members may be current Non-Profit Board members.
 - Potential PSA Board Members may be interested community members not currently involved in the grant.
 - Potential PSA Board Members should not be current vendors or individuals associated with current vendors (i.e., related-party transactions).

Pre and Post Charter Relationships

Pre-Charter

- ▶ Non-Profit Board (Subgrantee-Planning)
- ▶ Non-Profit Employees
- ▶ Partners
- ▶ Vendors
 - Vendor Employees
- ▶ MDE PSA Office

Post-Charter

- ▶ Academy Board (Subgrantee-Implement)
- ▶ Academy Employees
- ▶ Partners (w/ responsibilities)
- ▶ Vendors
 - Vendor Employees
- ▶ Authorizer
- ▶ MDE PSA Office

The First Phase: Planning

In accordance with ESEA 4303 (d)(1)(B)

- ▶ This is a pre-operational phase-before opening
- ▶ For a maximum of 18 months- Can be reduced
- ▶ Focuses on Establish/Refinement/Development of Systems, Procedures/Policies and Capacity of the project
- ▶ Often includes:
 - Financial Accounting/Office Systems & Processes
 - Handbooks and manuals
 - Curriculum/Assessment/Instruction Capacity
 - Acquiring Subject Matter Support (Facility/Financial/Legal/Education/Community Relations)
 - Community Engagement Plans
 - Board and staff development and technical assistance
- Compensation of staff can **ONLY** occur during Planning

Implementation Phases: Implementation I and II

- ▶ This is the operational phase of an open school.
- ▶ Maximum of 12 months per implementation phase
- ▶ Some staff and operational development
- ▶ Board training
- ▶ One time purchase of equipment and supplies
 - Consider how to maximize the funding available in I and II

MEGS +

- ▶ MEGS+ handout
- ▶ Must acquire the necessary MEIS account
- ▶ Must submit the level 5 security form
- ▶ At least one Level -5 “Grant Administrator” must be a non-profit Board member or designated employee of the non-profit subgrantee Board. (MEGS+ allows two level 5s).
- ▶ [Michigan Education Information System \(MEIS\)](#)
- ▶ [Michigan Electronics Grant System Plus \(MEGS+\) Login](#)

Grant Application Components

- ▶ **Management Plan**
 - Activities you will accomplish with the grant funds
 - Upload into MEGS+ line by line
 - Details go here
- ▶ **Budget**
 - Aligned to management plan
 - Upload into MEGS+ line by line
 - Less detail here
- ▶ **Narrative Responses**
 - Answers to 28 questions
 - Upload into MEGS+ as a PDF or Word Doc

Management Plan

- ▶ The Management Plan is completed online. It can be cut and pasted from another document task by task (just not all at once).
- ▶ Management Plan is linked to the budget electronically.
- ▶ Developers with limited experience in developing management plans may wish to use Word Tables or Excel Spreadsheets during the initial development of the those plans.

Management Plan

- ▶ In the early stages of development, you might want to start by listing everything you want to do with the first item being the first action or activity you intend to participate in.
- ▶ Put them in logical order recognizing that some tasks must be accomplished on an ongoing basis. That means place those tasks to be accomplished first, then second, then third, etc.
- ▶ Assign a cost figure to each task recognizing that the total planning grant is up to \$150,000. (Implementation and Combo grants will be more.) The Development team must then decide which tasks it will accomplish itself and which ones it will have to pay for.

Management Plan

- ▶ Start at the top of your list and add the cost of each item until you reach \$50,000 (or half the allocation for Implementation/Combo grants). The first \$50,000 (or first half of other allocation) will be period 1 of the phase. Number the tasks 1-1, 1-2, etc.
- ▶ The remaining tasks will part of period 2. Number the tasks 2-1, 2-2, 2-3, etc.
- ▶ The second part of Planning will include \$100,000 (or half the award if it's an Implementation/Combo).
- ▶ Place all tasks on the management plan template with the task number identification clearly identified (e.g., 1-1 Hire a consultant to complete teacher evaluation processes-\$50 per hour for 25 hours)

Management Plan Detail

- ▶ All tasks must be sufficiently documented to include the following:
 - Please identify the fee rate or schedule (e.g., \$50/hour for 5 hours/week)
 - Who is providing the service (name of individual or corporate entity) or how will that vendor be selected, including selection criteria
 - Unit cost breakdown
 - Defined/tangible deliverables (what will the board have in hand when the task is complete)
 - NO: research, overseeing, coordinating, meeting, successful program
 - YES: written report, operations manual, decision making matrix, comparison chart, curriculum maps for K-5 science

Budget and Function Code Detail

The completion of the budget within MEGS+ will require some level of knowledge regarding school accounting function codes. Each task identified in the management plan will need to be assigned a function code in the budget. There is no standard way of assigning function codes. However, here are some simple rules:

- All Curriculum and Assessment Work (111-Elementary, 112-Middle School, & 113-High School)
- All Legal fees (231)
- All Professional Development for the Development team, Board, Administrators (231)
- All Office Equipment and Supplies (232)
- Grant Management (233)
- All Accounting (252)
- Technology Training & Purchases (283)
- Student Information Systems (284)
- Community Relations & Awareness (331)

Budget

- ▶ Another component of the budget is the actual placement of the total costs in the appropriate columns. The columns are identified as:
 - FTE/Hours
 - Salaries (1000)
 - Benefits (2000)
 - Purchased Services (3000, 4000)
 - Supplies and Materials (5000)
 - Capital Outlay (6000)
 - Other Expenditures (7000, 8000)
- ▶ Examples and explanations can be found on the following pages.

Budget

Function Codes	Function Titles	Salaries 1000	Benefits 2000	Purchased Services 3000, 4000	Supplies and Materials 5000	Capital Outlay 6000	Other Expenses 7000, 8000	TOTAL
110	Basic Programs	\$43,000	\$11,000					\$54,000
120	Added Needs							
210	Support Services - Pupil							
220	Support Services - Instructional Staff							
230	Support Services - General Administration							
240	Support Services - School Administration							
250	Support Services - Business							
280	Support Services - Central			\$456				\$456
	SUBTOTAL	\$43,000	\$11,000	\$456				\$54,456
410	Payments to Other Public Schools Within the State of Michigan							
450	Facilities Acquisition							
	TOTAL	\$43,000	\$11,000	\$456			\$0	\$54,456

FTE/Hours

- ▶ FTE = Full Time Equivalent is defined as a whole or part of a whole full time person or persons. A full time person is defined as somebody that will work 2080 hours in one work year. An employee working 520 hours can be referred to as a 0.25 FTE. This column is populated when an employee or employees is/are being funded from this grant. It is not populated for purchased services (contractors). Less than full time FTE will require time sheets.

Salaries 1000

- ▶ The column is populated based on the total cost of salary for an employee or group of employees. If salaries are being charged against the grant, then an annotation in the FTE/Hours and Benefits columns should also be made. It is acceptable to have employee benefits charged against other accounts or grants.
- ▶ Salaries and Benefits must be for planning grant activities only. Time sheets will be required.

Benefits 2000

- ▶ Benefits are defined as taxes, retirement, insurance, and fees related to employment. If an employee is being paid a salary from this grant, benefits must be paid and accounted for. However, those benefits don't necessarily have to be charged against this grant. Additionally, if a full-time employee works half-time on this grant and their salary is charged against this grant, then it is reasonable to prorate benefits accordingly.

Purchased Services 3000, 4000

- ▶ Purchased services includes fees for professional services including legal, accounting, business, real estate, curriculum, grant management, technology, library, professional development, training, consulting and student information systems.
- ▶ Planning grant funds **CANNOT** be used to support leases of any kind.
- ▶ Purchased services contracts must be fee for service. Flat rate contracts are **NOT ALLOWABLE**.
- ▶ We highly recommend that subgrantees use this grant to acquire technical assistance. Technical assistance must be focused on building staff, operational, systemic, and governance capacity.

Supplies and Materials 5000

- ▶ This is where the purchase of materials is normally documented. Items documented here include office equipment and supplies, technology, marketing supplies & materials, and software (including licenses). Some of these items are considered durable goods and must be properly documented as property for audit purposes.
- ▶ The focus of the planning grant should be **PLANNING**, so expenses related to the purchase of items for classrooms should be limited to those supplies and materials which are absolutely necessary for teachers/staff to participate in the planning process.

Capital Outlay 6000

- ▶ Use of this column should be limited as the planning grant specifically identifies most traditional capital outlay expenses as unallowable.
- ▶ **Planning and implementation grants can not be used to make capital improvements in facilities or for building fixtures.**

Other Expenditures 7000, 8000

- ▶ This column is used primarily by subgrantees to document travel and mileage expenses. Other miscellaneous expenses can also be charged here including fees for the rental of meeting rooms, parking fees, and other expenses that don't appear to fit within the other areas.
- ▶ Board Policies and Procedures must be developed, approved and in effect before reimbursement for travel or expenses can be issued. The IRS establishes mileage reimbursement rates for business and volunteers. A sample set of policies will be provided.

Grant Narrative (Hints)

- ▶ When composing the narrative, **restate the questions** in a way that a reviewer can easily recognize them.
- ▶ Be as specific and detailed as possible. The reviewers won't know what you are thinking or what you have accomplished thus far unless you tell them. Avoid using superlative adjectives unless clear evidence is provided.
- ▶ Pictures, charts and graphs are helpful and you should consider accompanying them with a narrative that analyzes or interprets them in clear language.
- ▶ If you wish to receive full credit for your narrative, please provide detailed explanations about what you plan to do.

Grant Narrative (Hints)

- ▶ Make sure your application is formatted properly with each question and answer numbered correctly.
- ▶ Provide evidence of significant activities or performances whenever possible.
- ▶ If you wish to list the names of authors/research describe what specific aspect of the work referenced.
- ▶ Every question within the narrative is different. It is unlikely an answer to a previous question is sufficient as an answer to a subsequent question. Though they can build upon one another. Make sure the narrative has **page numbers**, including any addendums, annexes, or ancillary materials.
- ▶ Have somebody you trust use the rubric to help you improve your narrative.

Grant Narrative (Hints)

- ▶ If a high performing school is selected for modeling, the applicant must explain what aspect or aspects of the high performing school will be modeled (be specific as to how it meets the Federal definition of High-Quality).
- ▶ Ensure adherence to all applicable state and federal laws, including EDGAR and the Uniform Guidance Document.
- ▶ Eliminate **“Real or Apparent Conflicts of Interest.”**
- ▶ If a waiver or exception to the law, please make sure you already have the necessary approval(s). We can not provide grant funds to entities attempting to open schools that are **currently** illegal.

Grant Protocols

- ▶ Ensure costs are ***necessary and reasonable*** –consultant costs exceeding what is reasonable and customary will require additional justification from the **subgrantee BOARD**. Contractors should be hired only when they provide the best value for the work to be performed. Management plans, budgets and vendor contracts must be approved by the board of directors.
- ▶ MDE has the authority to question any purchase or expenditure of grant funds. Board's must be able to justify each and every expenditure of grant funds as ***necessary and reasonable***.
- ▶ Ensure vendors are selected based on the best interest of the school and contracting is completed in accordance with Board Policy and state law–**no conflicts of interest and board protocols are followed**. MDE is not in the business of training vendors or contractors, so please hire somebody who already knows what they are doing.
- ▶ Avoid contracts with vendors in which the vendor keeps all resources and materials.
- ▶ A review of past grants indicates that a normal grant manager receives no more than 5% of the grant in compensation.

Board Tips for working with Management Companies

Board's planning to use a management company should:

- ▶ Ensure that they are not paying twice for the same activity. *For example, it would not make sense for a Board to pay the salary of a grant manager when the Board has already contracted for business management services (including grant management) from the same management company.*
- ▶ Ensure that the board does not enter into fixed rate contracts.
- ▶ Ensure that the management *company* is implementing Board-approved policies.
- ▶ Ensure that the management company implements the Board-approved budget and management plans.
- ▶ Ensure the Board does not attempt to delegate its fiduciary responsibility to any corporate entity, regardless of the conditions.
- ▶ EDGAR 75.701

Funding Expectations

- ▶ ***Work performed before or after the project period is NOT reimbursable with CSP grant funds.***
- ▶ Successful Applicants will be Required to Provide Monthly Status Reports, Regardless of Activity Level.
- ▶ Successful Applicants Must Establish a Financial Management System that Collects and Tracks All Invoices, Purchase Orders, Sales Receipts, Requests for Reimbursement, Contracts, and **Cancelled Checks.**
- ▶ Successful applicants use all of their time to accomplish tasks. No development team should be dependent upon the receipt of planning and/or implementation grant funds to open a successful school.
- ▶ The planning grant is designed to ADD Value, it is not large enough to pay for all of the activities necessary to open and sustain a charter school.

Reminders

- **Do NOT spend or otherwise obligate any grant funds until you receive an award letter from the Interim State Superintendent, Sheila A. Alles.**
- As requested by our auditors (March 2013) vendor contracts must now contain the following language:

Suspension and Debarment Certification

Contractor certifies and affirms that it is not included on the federal Suspension and Debarments list of Excluded Parties List; nor is contractor affiliated with any party that is included on the federal Suspension and Debarments list or Excluded Parties List.

Conclusion

- ▶ The grant funds cannot be used to write or pay to have a grant writer complete the application.
- ▶ **These grant funds can not be used to apply for other grants.**
- ▶ Your application will be reviewed and scored by volunteers from across the education community. **The PSA unit staff does not score** your application, we use a peer reviewer process. If you would like to participate in the peer review process, please send us an email along with a copy of your resumé.
- ▶ The grant is not designed to support activities that could be seen as supplanting.
- ▶ Sweep contracts will make it difficult to justify allowable expenses.
- ▶ Items funded by the grant, belong to the board/school.

Resources

www.michigan.gov/charters

- Webinar
- Resources for Developers
 - Help docs for MEGS+, EEM, LARA, DUNS, FEIN
 - Electronic copy of this presentation
 - Pupil Accounting Manual
 - State Aid

MEGS+ Application Overview

- ▶ [Michigan Electronics Grant System Plus \(MEGS+\) Login](#)
- ▶ Upload the narrative and rubric into MEGS+
- ▶ Letter of intent posted on the website
- ▶ Authorizer letter

Points of Contact

- ▶ Jill Thompson, Secretary thompsonj17@michigan.gov
- ▶ Neil Beckwith, Consultant beckwithn@michigan.gov
- ▶ Tammy Hatfield, Manager hatfieldt@michigan.gov

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<http://www.michigan.gov/charters>