

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

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# California State Board of Education May 2024 Agenda Item #10

## Subject

California’s Application to the United States Department of Education for Funds Available through the 2024–29 Federal Charter Schools Program – Grants to State Entities: Discussion and Consideration of Proposed Content and Submission.

## Type of Action

Action, Information

## Background

The federal Charter Schools Program (CSP) is a competitive, discretionary grant program that enables State Entities (SEs) to provide financial assistance, through subgrants to eligible applicants, for the purpose of opening new charter schools and replicating and expanding high-quality charter schools. SEs may also use grant funds to provide technical assistance opportunities for charter schools and authorizers related to successful charter school practices. SEs may use a portion of CSP funds to carry out technical assistance directly or through subgrants, contracts, or cooperative agreements with partner agencies and organizations. In fiscal year (FY) 2022–23, California received its final annual allocation under the 2020–23 CSP grant award and is currently operating on rollover under a No-Cost Extension.

On April 24, 2024, the U.S. Department of Education issued a notice inviting SEs to apply for the CSP grant. Grant applications are due on or before June 13, 2024. In order for California to apply for continuous CSP funding, the California Department of Education (CDE) is seeking approval from the California State Board of Education (SBE) to submit a 2024–29 CSP application.

## Recommendation

The CDE recommends that the SBE approve and direct the CDE to apply for up to $93.8 million under the federal CSP for a five-year grant award period.

The CDE also recommends the SBE direct the CDE, in consultation with the Executive Director of the SBE and/or the SBE liaisons, to perform all necessary activities required to finalize California’s CSP application.

The amount requested will allow the CDE and the SBE, and its partners, to provide support services and technical assistance for charter schools and authorizers, and permit funding for new, expanding, and replicating charter schools that meet the eligibility and competitive requirements for CSP funding. Should the United States Department of Education (ED) award California a grant, the ED may elect to award a grant amount for less than the $93.8 million amount requested.

## Brief History of Key Issues

The ED awards federal CSP grant funds to SEs for the purpose of opening new charter schools and replicating and expanding high-quality charter schools. SEs also may use grant funds to provide technical assistance to eligible applicants and authorized public chartering agencies in opening new charter schools and replicating and expanding high-quality charter schools, and to work with authorized public chartering agencies in the State to improve authorizing quality, including developing capacity for, and conducting, fiscal oversight and auditing of charter schools. SE grant funds may also be used for grant administration, which may include technical assistance and monitoring of subgrants for performance and fiscal and regulatory compliance, as required under [2 CFR 200.332(d)](https://www.ecfr.gov/current/title-2/section-200.332#p-200.332(d)). The CSP SE program is funded under Title IV, Part C of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (20 United States Code [U.S.C.] sections 7221-7222j).

The major purposes of the CSP are to (1) expand opportunities for all students, particularly traditionally underserved students, to attend high-quality public charter schools and meet challenging State academic standards; (2) provide financial assistance for the planning, program design, and initial implementation of charter schools; (3) increase the number of high-quality charter schools available to students across the United States; (4) evaluate the impact of charter schools on student achievement, families, and communities; (5) share best practices between charter schools and other public schools; (6) encourage States to provide facilities support to charter schools; and (7) support efforts to strengthen the charter school authorizing process.

The Secretary of Education has outlined the following specific selection criteria by which CSP grant applications will be evaluated:

* Quality of the Project Design – The project rationale; performance measures related to intended outcomes; ambitiousness of the SE’s objectives; and extent to which projected subgrant awards are supported by evidence of demand and need, and extent to which the subgrant award amount is supported by the need of applicants.
* Quality of Eligible Subgrant Applicants – The likelihood that eligible applicants receiving sub-grants under CSP will meet the state’s objectives for the quality charter school program and improve educational results for students.
* State Plan – The State Plan to adequately monitor subgrants, work with authorized charter school agencies, and provide technical support for eligible applicants and quality authorizing efforts; solicit and consider parent and community input in the implementation and operation of charter schools in the State; and the degree of flexibility afforded to charter schools under state education code and how the SE will work to maximize flexibility provided to charter schools under law.
* Quality of Management Plan – The adequacy of the management plan, appropriate staffing and time commitments, procedures for ensuring feedback and continuous improvement.

## Proposed Charter Schools Program Application and Rationale for the 2024–29 CSP Application

The CDE recommends applying for a five-year grant in the 2024 CSP grant application, which would ensure more rounds of funding to be completed, as sub-grants provide funding to charter schools for up to 36 months.

The CDE proposes to provide the following program elements through the CSP local assistance and administrative funds, in accordance with allowable use of CSP funds: Planning, Implementation, Replication, and Expansion Subgrants (Local Assistance Funds, 90 percent of the Grant Award)

Consistent with past practice, CSP funding will be used for four types of subgrants:

1. Planning subgrants for new start-up charter schools prior to the first day of student instruction.
2. Implementation subgrants for schools in the first two years of operation.
3. Replication subgrants for charter schools under a charter management organization, non-profit organization, or governing board which governs one or more high-quality charter school(s).

Replicate, when used with respect to a high-quality charter school, means to open a new charter school, or a new campus of a high-quality charter school, based on the educational model of an existing high-quality charter school, under an existing charter or an additional charter, if permitted or required by state law (20 U.S.C. Section 7221i[9]).

1. Expansion subgrants for existing high-quality charter schools, which have been open for at least three years, to provide funding to cover the costs of adding new grade levels or increasing enrollment by at least 25 percent.

#### Subgrant Competitions

The CDE will conduct at least one competition each year for charter schools to apply for a subgrant. Charter schools awarded subgrants will be required to comply with state and federal law, and eligibility requirements of the subgrant. The subgrant program is a competitive funding opportunity and applications received will be evaluated against a published rubric.

#### Subgrant Awards

The CDE proposes the following base subgrant awards over a maximum 36-month subgrant award term using the following funding formula:

Table 1. New & Replicating Charter Schools Proposed Subgrant Base Amounts

| **Year** | **New & Replicating Charter Schools** |
| --- | --- |
| Year 1 | $300,000\* |
| Year 2 | $300,000 |
| Year 3 | $200,000 |
| **Maximum Subgrant Base Award** | **$800,000\*\*** |

\* Planning phase maximum.

\*\* The CDE notes the recommended $800,000 base award is increased from the current grant cycle’s $600,000 base award to reflect the higher costs of planning, establishing, and operating a charter school in 2024.

Table 2. Expanding Charter Schools Proposed Subgrant Base Amounts

| **Year** | **Expanding Charter Schools** |
| --- | --- |
| Year 1 | $200,000 |
| Year 2 | $200,000 |
| Year 3 | $100,000 |
| **Maximum Subgrant Base Award** | **$500,000** |

#### Supplemental Funding

The 2024 grant proposes to expand supplemental funding based on the charter school applicant meeting specified criteria. The criteria are based the following considerations:

* Encourage the use of different and innovative teaching methods pursuant to *EC* Section 47601(c).
* Provide parents/guardians and their students with expanded choices in the types of educational opportunities that are available within the public school system pursuant to *EC* Section 47601(e).
* Provide additional support for high-cost areas of charter school operations.

The CDE recommends the Supplemental Funding amounts to charter school applicants that meet the following criteria:

Table 3. Proposed Supplemental Funding Amounts

| **Criteria** | **During the Term of the Subgrant** | **Implementation and Replication Subgrants** | **Expansion Subgrants** |
| --- | --- | --- | --- |
| Students with Disabilities | The charter school meets or exceeds the district in which the charter school is physically located or the state on the percentage of enrollment and academic performance of students with disabilities. | $200,000 | $100,000 |
| English Learners | The charter school meets or exceeds the district in which the charter school is physically located or the state on the percentage of enrollment and academic performance of English Learner students. | $200,000 | $100,000 |
| Socioeconomically Disadvantaged | The charter school meets or exceeds the district in which the school is physically located or the state on the percentage of enrollment and academic performance of socioeconomically disadvantaged students. | $200,000 | $100,000 |
| Career Technical Education (CTE) | The charter school offers a sequence of two to three courses that align to a pathway within one of the fifteen industry sectors in California. Fifty-one percent or more of the standards being taught in the courses align with the California CTE Model Curriculum Standard. | $200,000 | $100,000 |
| Innovation & Sharing Best Practices | The charter school provides evidence of a multi-year collaboration agreement with a California school district, county office of education, special education local plan area, community college, and/or public institute of higher education for the purpose of improving academic performance of students in an innovative way and sharing its best practices. | $100,000 | $50,000 |
| High School | The charter school serves more than 100 students in grades nine through twelve. | $100,000 | $50,000 |
| Enrollment | The charter school serves more than 100 students in its first year of operation or, for expansion applicants, the planned expansion is for 100 or more students. | $100,000 | $50,000 |
| **Maximum Supplemental Funds** | **Not Applicable** | **$1,100,000** | **$550,000** |

#### Subgrant Pipeline

The CDE proposes awarding approximately 70 subgrants over the 5-year grant term through the following projected pipeline:

Table 6. Projected Pipeline

|  |  |  |
| --- | --- | --- |
| **Year** | **Planning, Implementation, and Replicating Charter Schools** | **Expanding**  **Charter Schools** |
| 2024–25 | 6 | 3 |
| 2025–26 | 8 | 4 |
| 2026–27 | 10 | 5 |
| 2027–28 | 10 | 5 |
| 2028–29 | 14 | 5 |
| **Total Projected Awards** | **48** | **22** |

The CDE based its projected pipeline of awards on several factors:

* **Trends in the Number of New Charter Schools Opened:** The number of new charter schools was reduced by approximately 58 percent from 2019–20 to 2020–21, coinciding with the moratorium on the establishment of nonclassroom-based schools under *EC* Section 47612.7(a) and the COVID-19 pandemic. *EC* Section 47612.7(a) is currently active through January 1, 2026. The CDE notes an increase of 43 percent in the number of new charter schools that opened in California from 2022–23 to 2023–24 and projects continued increases in the number of charter schools opening.
* **Number of CSP Awards:** The trends in the number of new charter schools opened have directly impacted the pipeline of subgrants awarded under the current 2020 CSP grant cycle, averaging roughly eight subgrants awarded per year. Under the previous 2016 CSP grant cycle, roughly 23 subgrants were awarded annually.

**Charter Establishment and Subgrant Award Data**

The following tables outline the number of charter schools that opened in recent years and the number of subgrants awarded under the current 2020 CSP grant cycle:

Table 4. Number of New Charter Schools that Opened in California 2019–24

| **Year** | **New Charter Schools** |
| --- | --- |
| 2019–20 | **45** |
| 2020–21 | **22** |
| 2021–22 | **19** |
| 2022–23 | **7** |
| 2023–24 | **10 (to date)** |

Table 5. Number of Subgrants Awarded Under the Current 2020 CSP Grant Cycle

| **Year** | **Planning, Implementation, and Replicating Charter Schools** | **Expanding**  **Charter Schools** |
| --- | --- | --- |
| 2020–21 | 10 | 0 |
| 2021–22 | 11 | 2 |
| 2022–23 | 5 | 0 |
| 2023–24 | 2 | 1 |
| **Total** | **28** | **3** |

#### This data suggests that the CDE’s projected pipeline for the proposed 2024 CSP grant cycle, an average of 14 subgrants per year, is realistic given the current realities within California.

### Technical Assistance (7 percent of the Grant Award)

The CDE intends to expend 7 percent of the subgrants awarded each FY to provide technical assistance to eligible applicants and to work with authorized public chartering agencies to improve quality and fiscal oversight of charter schools. Technical assistance activities may be supported through subgrants, contracts, or cooperative agreements. The CDE proposes to continue to provide technical assistance to charter schools through activities which may include professional learning communities, dissemination of best practices, and partnership research projects. The proposed activities build upon successful technical assistance efforts in the current 2020-23 CSP grant described below which provide direct technical assistance to subgrantee schools and two technical assistance subgrant programs: the Charter Authorizer Support Initiative (CASI) and the Regional Technical Assistance and Coaching (RTAC).

#### Charter Authorizer Technical Assistance

Under the current 2020–23 CSP grant, CASI subgrants were awarded to the Santa Clara County Office of Education (SCCOE) and the California Charter Authorizing Professionals (CCAP) in December 2021, working in collaboration to provide trainings and disseminate good practices in charter authorizing and oversight. Since beginning activities in February 2022, CASI subgrantees have provided approximately 21 monthly Charter Chats (virtual), 13 Quarterly Regional Trainings (virtual and in-person, hosted at county office of education partner hubs), and 15 Authorizing and Oversight 101 presentations at statewide conferences. As of November 2023, CASI trainings have been attended by more than 2,500 participants from current or potential district or county office of education charter school authorizers, charter schools, and non-authorizer education partners. CASI participants represent 171 current districts or county offices of education that authorize charter schools, exceeding the CSP goal of reaching 50 percent of California’s 331 authorizers. CASI trainings were attended by an additional 28 districts and county offices of education that do not currently authorize charter schools but may become authorizers in the future. All CASI virtual trainings are recorded and publicly posted as well as disseminated through a listserv of over 2,100 members including all district and county superintendents. These activities are well aligned with the 2024 invitation for CSP applications which require a SE to demonstrate that it has taken steps to ensure that all authorized public chartering agencies implement best practices for charter school authorizing.

Under the proposed 2024–29 CSP grant, the CDE intends to continue to provide technical assistance to all school districts and county offices of education through the activities that began under CASI. Additional targeted support will be provided through activities which may include trainings, research, and the development of resources for authorizing agencies that are new, oversee a small number of charter schools, and/or oversee nonclassroom-based charter schools.

#### Charter School Technical Assistance

Under the current 2020–23 CSP grant, RTAC subgrants were awarded to the Chapman University Thompson Policy Institute on Disability (Southern California), Navigator Schools (Central California), and 360 Accelerator (Northern California) in July 2022. RTAC subgrantees disseminate best practices through (1) recruitment and facilitation of Critical Friend Group (CFG) professional learning communities to develop high-quality charter schools and (2) provision of best practice workshops for both charter and district schools to improve academic achievement for all students. In FY 2022–23, RTAC subgrantees provided 41 CFG meetings and 7 best practices workshops to a total of 442 participants from 68 charter schools as well as district schools and other education partners.

CDE and SBE staff are committed to building partnerships within California to provide technical assistance to assist charter schools and authorizers and to maximize statewide dissemination that supports the objectives of the CSP grant and the Local Control Funding Formula eight state priorities. It is the intent of CDE and SBE staff to collaborate with and provide dissemination opportunities with agencies and organizations that demonstrate successful education leadership, provide best practices, initiate successful models for college and career readiness, and support activities for underserved areas. CDE and SBE staff anticipate working collaboratively with partner organizations to leverage dissemination to support access, equity, and improved student outcomes.

### Program Oversight (Administrative Funds, 3 percent of the Grant Award)

The CDE may expend up to 3 percent of the subgrants awarded each FY for administrative activities. This funding provides the resources for administrative staff to manage the CSP, including conducting subgrant competition peer reviews; desk-and site-visit monitoring; program evaluation and reporting; and training required of the grant.

CDE and SBE staff will continue to collaborate on the management of all aspects of the grant.

### High-Quality Applicants and High-Quality Charter Schools

Federal grant funds can be used for the operation of new charter schools and to replicate and expand existing high-quality charter schools as defined in 20 U.S.C. Section 7221i(8)(A) through (D). For the purposes of the grant application, the CDE defines “high-quality” criteria, which aligns with federal CSP requirements, as follows:

#### 20 U.S.C. Section 7221i(8)(A)

* For existing charter schools applying for subgrants to replicate or expand, the CDE has defined “strong academic results” as those schools that:
  + Meet the “high performing” track for renewal based on *EC* Section 47607 criteria, as adopted by the Legislature in Assembly Bill 1505, or
  + Meet the “middle performing” track for renewal based on *EC* Section 47607 criteria and:
    - Meet or exceed the district in which the charter school is physically located on academic performance indicators for English language arts and math.

#### 20 U.S.C. Section 7221i(8)(B)

* The charter school has no significant issues in the areas of student safety, financial and operational management, or statutory or regulatory compliance.

#### 20 U.S.C. Section 7221i(8)(C-D)

* Evidence of increasing academic achievement for all students and each subgroup of students served by the charter school based on the charter school’s Local Control and Accountability Plan (LCAP).
* Evidence of increasing graduation rates, if applicable, for all students and each subgroup of students served by the charter school.

All applicants for Replication and Expansion subgrants must meet the high-quality criteria in order to be awarded funds. All charter management organizations or non-profit organizations with authority over more than one charter school are only eligible to apply for Replication or Expansion subgrants and must meet the high-quality criteria for the charter school being replicated or expanded.

For all applicants, the CDE will use the charter school’s petition and subgrant application to evaluate if the charter school is highly likely to be successful in implementing the plans put forth in the CSP subgrant application. In order to meet eligibility requirements, all subgrant applicants must do the following:

1. Provide evidence of meeting the federal definition of a charter school under 20 U.S.C. Section 7221i(2).
2. Provide all students in the community with an equal opportunity to attend the charter school.
3. Have an approved charter petition by the application due date.
4. Maintain an active registration with the Secretary of State, which reflects the entity as a non-profit and in "good standing.”
5. Provide registration in the System for Award Management database, which is located on the System for Award Management website at [www.sam.gov](http://www.sam.gov/), reflecting the correct legal business name, charter school name, and Unique Entity Identifier.
6. Describe a proposed growth plan with a minimum year one enrollment of 80 students.
7. Provide organization charts, bylaws, and other documents to demonstrate how subgrant awardees will comply with the requirements of Senate Bill 126 (Chapter 126, Statutes of 2019), the full text of which is provided on the California Legislative Information website at <https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB126>.

One preference point for competitive application scoring will be awarded for applicant schools that meet the following criterion:

1. Located in a district with fewer than 5 charter schools or county with fewer than 10 charter schools.

## Summary of Previous California State Board of Education Discussion and Action

The SBE approved the Charter Schools Division applying on behalf of the SBE for CSP grant funds in 1995, 1998, 2001, 2004, 2007, 2010, 2016, and 2020.

California has received federal CSP grant funds since 1995. Total grant award amounts in recent years are as follows:

* 2004–07: $81,000,000
* 2007–10: $108,614,390
* 2010–15: $273,438,398
* 2016–19: $49,899,243
* 2020–23: $41,666,666

## Fiscal Analysis

If funded at the levels proposed, this grant application will result in up to $84.4 million in local assistance funds to award 70 Planning, Implementation, Replication, and Expansion subgrant awards over five years. The funding request would also include approximately $9.4 million in funding to provide both technical assistance activities and administrative oversight. The CDE is basing the requested level of funding on pre-2020 charter school opening trends and CSP historical award data.

## Attachment

None.