**PCSP Overview and Requirements**

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| Revision Dates: | 3-7-07, 4-20-07<br>Public Charter Schools Program Title V, Part B, Subpart 1 of the No Child Left Behind Act of 2001; Charter Schools Program Title V, Part B Non-Regulatory Guidance July 2004a |
| Key Words: | Public Charter Schools Program |
| Summary: | Contents include information regarding the purpose of the program, eligibility requirements, the types of grants available, application guidance, peer review process, time lines and additional grant requirements. |

## Application and Contract Submission Deadlines

**All completed superintendent approved PCSP applications must be submitted through the Comprehensive Continuous Improvement Plan (CCIP) by noon on Tuesday, May 15, 2007.** Any application submitted after the deadline will not be considered for funding. **There will be NO EXCEPTIONS**. Applicants are encouraged to submit their applications early.

**Schools wanting to submit a federal start-up grant (PCSP) application must have their Contract to the Office of Community Schools by noon on Monday, April 16, 2007.** Any contract submitted after the deadline will not be considered for funding. **There will be NO EXCEPTIONS**.

### Purpose of the Grant

The Public Charter School Program (PCSP) was authorized in October, 1994, under Title X, Part C of the Elementary and Secondary Education Act (ESEA) OF 1965, as amended, 20 U.S.C. 8061-8067. The program was amended again in October 1998 by the Charter School Expansion Action 1998 and further amended in January 2001 by the No Child Left Behind Act of 2001. The program provides support for the planning, program design, and initial implementation of charter schools and is intended to enhance parent and student choices among public schools, giving more students the opportunity to learn to challenge standards. This program is administered by the U.S. Department of Education, Office of Innovation and Improvement.

The PCSP is a competitive (discretionary) grant; therefore, some applications may not be funded. There is no guarantee that the submission of an application will result in funding or that the award amount will be at the level requested. It is the intent of the Ohio Department of Education's (ODE) charter school program (known in Ohio as community school program) to infuse innovative reform into Ohio's public school system that will help all students, including those who are educationally disadvantaged and/or have special needs, to meet the State Board of Education's academic content and performance standards. These funds will be used to support the creation of high-quality community schools that promote school choice in areas where students are having difficulty meeting student achievement and Ohio academic content standards. The funds will also be used to assist in the development and implementation of several different community school models that service K-12 students in urban, suburban, and rural areas.

The purpose of the PCSP is to expand the number of high-quality community schools, to enhance school choice and to provide financial assistance for the planning and initial implementation of community schools. The ODE will strive to fund high quality community schools throughout Ohio that will:

- Promote school choice in areas where students are having difficulty meeting student achievement and state academic achievements;
- Assist in the development and implementation of several diverse school models; and
- Serve K-12 students in urban, suburban and rural areas.

Further, according to the Section 5201 of the ESEA, the purpose of the PCSP is to increase national understanding of the community schools model by:

- Providing financial assistance for the planning, program design, and initial implementation of the community schools;
- Evaluating the effects of such schools, including the effects on students, student academic achievement, staff and parents; and
- Expanding the number of high-quality community schools available to students across the Nation.

**Eligibility Requirements**

Community schools are established according to individual State community school laws. Chapter 3314 of the Ohio Revised Code contains the rules and regulations regarding the establishment and operation of community schools. However, to receive PCSP funds, a school must meet the federal charter school definition which can be found in Section 5210(1) of the ESEA, which is as follows:

"The term 'charter school' means a public school that:

A. In accordance with a specific State statute authorizing the granting of charters to schools, is exempt from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph [the paragraph that sets forth the Federal definition];
B. Is created by a developer as a public school, or is adapted by a developer from an existing public school, and is operated under public supervision and direction;
C. Operates in pursuit of a specific set of educational objectives determined by the schools developer and agreed to by the authorized public chartering agency;
D. Provides a program of elementary or secondary education, or both;
E. Is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;
F. Does not charge tuition;
G. Complies with the Age Discrimination Act of 1975, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the
Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, and Part B of the Individuals with Disabilities Education Act;
H. Is a school to which parents choose to send their children, and that admits students on the basis of a lottery, if more students apply for admission that can be accommodated;
I. Agrees to comply with the same Federal and State audit requirements as do
other elementary and secondary schools in the State, unless such requirements
area specifically waived for the purpose of this program [the PSCP];
J. Meets all applicable Federal, State, and local health and safety requirements;
K. Operates in accordance with the State law; and
L. Has a written performance contract wit the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.

The July 2004 Charter Schools Program Non-Regulatory Guidance states that to be eligible to receive PCSP funds, "that any newly created public school must be just that; it cannot be a continuation of a private school under a different guise. The public charter school must be separate and apart from any private school. It must be established as a public school, and comply with applicable State and Federal laws regarding public schools. In its creation, development and operation, the charter school must not have any affiliation 'with a sectarian school or religious institution' (§ 5210(1)(E) of ESEA). Because a newly created public school would not have any 'previously enrolled' students, *all* students would need to apply for admission and would have to be selected by lottery if there are more applicants than spaces available. Similarly, the charter school must inform the community of its public school status and have a fair and *open* admissions process."

The Non-Regulatory Guidance also states, "a for-profit entity does not qualify as an eligible applicant for purposes of the CSP. A charter school receiving CSP funds may, however, enter into a contract with a for-profit entity to have the for-profit entity manage the charter school on a day-to-day basis. The charter school also must supervise the administration of the CSP grant and is directly responsible for ensuring that grant funds are used in accordance with statutory and regulatory requirements."

**To be eligible for funding consideration, all PCSP applicants must have a copy of their executed contract submitted to the OCS no later than noon on Monday, April 16, 2007. Applicants who submit a copy of their contract to the OCS after noon on April 16, 2007 will not be considered for funding.** Before PCSP funds can be awarded to a successful applicant, the applicant must have a valid community school contract that has been reviewed and approved for statutory compliance by the ODE. If upon review, any deficiencies are found, the applicant will have to address any identifiable deficiencies before a grant award can be made.

**Types of Sub Grants**

Two different types of sub grants will be awarded under this application: start-up and implementation.

- **Start-up Sub Grant**
    - Community schools with a valid contract and which are not yet open are eligible to apply for a start-up sub grant. A start-up sub grant consists of three 12-month phases (36 months). Phase I funds are to be used for planning and program design. Phase I funds can be used to complete or refine the design of the educational program, prepare for the opening of the school, provide training for developers and/or staff, and to cover one-time costs that cannot be met using state or local resources. Phase II and III funds are to be used during the initial implementation of the school. A community school must be open and providing learning opportunities to a minimum of 25 full-time students for at least 920 hours per school year to be eligible to receive additional funding (Phases II and III).
- **Implementation Sub Grant**
    - A community school that has a valid contract, is open, operating, and providing learning opportunities to a minimum of 25 full time students for 920 hours per school year (ORC (§ 3314.03) and has not received a start-up sub grant may apply for funds under this application. An implementation sub grant consists of two 12-month (24 months). Implementation sub grant funds may be used to inform the community about the school, acquire necessary equipment and educational materials and supplies, develop or purchase curriculum materials, provide professional development to staff, and to cover other initial allowable costs that cannot be met using state or local resources. Schools that have been open for more than three (3) years are not eligible for an implementation grant.

**Size of Awards**

Community schools are limited to receiving one start-up or implementation sub grant award. Start-up and implementation sub grant awards will be limited to a maximum of $450,000 over the length of the grant period. Start-up sub grant recipients will receive no more than $450,000 over a 36-month period. Implementation sub grant recipients will receive no more than $450,000 over a 24-month period. First year grant awards for start-up sub grant recipients will not exceed $150,000. First year grant awards for implementation sub grant recipients will not exceed $300,000. Project funding in subsequent years will be contingent upon the school being open, satisfactory progress in achieving the prior year's goals, the successful completion of a continuance grant application, approval by the ODE, and appropriations made by the U.S. Congress. Funding of all community school sub grants is contingent upon Federal appropriations.

**Available Funds**

The Office of Community Schools (OCS) administers the program for the ODE. The OCS submits a grant application to the U.S. Department of Education (USDOE) once every three years for a new three year appropriation to support the continued development of high-quality community schools throughout Ohio. The OCS recently submitted an application for years 2008-2010. For fiscal year 2008, the OCS requested approximately $17.9 million for its Public Charter School Program. The awarding of all PCSP awards is contingent upon funding from the USDOE.

**Grant Period Limitations**

In accordance with Section 5202 (c) of the ESEA, start-up sub grants awarded by the ODE to eligible applicants will not be for a period of more than 36 months (3 years). The eligible applicant may use no more than 18 of the 36 months for planning and program design and no more then 2 years for the initial implementation of a community school. Implementation sub grant awards will not be for a period of more than 24 months (2 years).

The 36 month period of eligibility begins on the start date of the first grant project period. For example, the first grant project period for successful applicants under this grant competition will be July 1, 2008 to June 30, 2009. The period of grant eligibility would begin July 1, 2008. For start-up sub grant recipients, the period of grant eligibility will end 36 months later on June 30, 2011. For implementation sub grant recipients, the period of grant eligibility will end 24 months later on June 30, 2010.

**Use of Sub Grant Funds**

Section 5204 (f)(3) of the ESEA outlines allowable sub grant activities. An eligible applicant may use the funds only for the following:

(A) POST-AWARD planning and design of the educational program, which may include:

- refinement of the desired educational results and of the methods for measuring
- progress toward achieving those results; and
- professional development of teachers and other staff who will work in the charter school; and

(B) initial implementation of the community school, which may include:

- informing the community about the school
- acquiring necessary equipment and educational materials and supplies
- acquiring or developing curriculum materials
- other initial operational costs that cannot be met from State or local sources

The PCSP sub grant funds are restricted and may only be used for the purposes outlined in the federal statutes authorizing the program. These funds are to be used for one-time costs associated with establishing a school. **The PCSP funds are not intended to support ongoing operational costs associated with the daily operation of the community school.** Daily operational costs would include, but are not limited to, instructional costs such as teacher salaries and benefits, building rent/lease payments, utilities, and food service/catering.

Examples of allowable expenses include (but are not limited to):

- Purchasing books, curriculum, software, classroom furniture
- Completion of the school's policies, procedures, and educational program
- Purchasing computers and computer equipment
- Reasonable accounting fees for planning, development, system implementation, and training of key staff
- Advertising the school
- Training teachers and staff

- Administrative costs totaling no more than five percent of the grant award
- Minor facility renovations to bring the facility up to health and safety code and into compliance with the Americans with Disabilities Act. It is expected that new community schools first attempt to address all necessary building and space renovations through the lease negotiations process

Examples of unallowable expenses include (but are not limited to):

- Real property purchases
- New construction
- Lease payments
- Debt service payments
- Purchase of motor vehicles, tractors, bobcats
- Costs associated with preparing and delivering the grant application
- Elevators and water main valves in leased facilities

**Application Deadline**

**All completed, superintendent approved PCSP applications must be submitted through the Comprehensive Continuous Improvement Plan (CCIP) by noon on Tuesday, May 15, 2007.** Any application submitted after the deadline will not be considered for funding. **There will be NO EXCEPTIONS**. Applicants are encouraged to submit their applications early.

**Accessing the Grant Application & Application Guidance**

The PCSP grant funding application can be found on the ODE's Comprehensive Continuous Improvement Plan (CCIP) website. The CCIP website can be accessed directly by entering: http://ccip.ode.state.oh.us or it can be accessed through the ODE home page: www.ode.state.oh.us. After the ODE home page opens, click Finance & Grants from the left menu, grants, Comprehensive Continuous Improvement Plan (CCIP) and then the CCIP home page will open.

**Competitive Review Process**

As a condition for funding consideration, all applicants are required to provide the name and contact information of a reader nominee who will serve as a grant reader and evaluator. One person cannot represent more than one grant application on a single day. Applications will first be reviewed by the ODE to ensure eligibility and that all application requirements are met. The ODE will select a group of reviewers that are representative of eligible applicants and will provide them with training that clearly articulates the program goals and priorities. The training will include extensive directions on the use of the scoring instrument. Readers will be required to recuse themselves from evaluating any application with which they have personal knowledge or a perceived or actual conflict of interest. Each grant will be reviewed and scored by at least three different peer reviewers using common scoring criteria. Peer review scores will be run through a statistical program, which will normalize individual peer reviewers' scores. The score sheets will undergo a comprehensive analysis by a third-party contractor to determine the ranking of each application.

**Applications submitted, but not represented by a peer reviewer during the competitive review process, will not receive funding consideration.**

**Funding Decisions**

If the amount of funding requested exceeds the amount available, the ODE will strive to fund high quality community schools throughout Ohio that will:

- Promote school choice in areas where students are having difficulty meeting student achievement and State academic content standards

- Assist in the development and implementation of several models of community schools

- Service K-12 students in urban, suburban, and rural areas.

The ODE reserves the right to limit the number of approved applications per developer.

**Notification of Award**

It is anticipated that the competitive peer review process will be completed and final funding decisions will be made prior to July 1, 2007. Applicants will receive notification of funding decisions via CCIP.

**Required Work Products**

Sub grant recipients are required to submit a Final Expenditure Report (FER) and an Annual Performance Report (APR) at the conclusion of each phase of the grant. If an applicant fails to complete either report and is eligible for additional PCSP funds, the school will not receive the additional funds until both reports have been submitted to and approved by the ODE. The FER and APR are located in the CCIP.

**Record-keeping and Audit Requirements**

Maintenance of records regarding the expenditure of the federal sub grant funds will be the responsibility of the sub grant recipient. Sub grant recipients shall maintain auditable records (records that show how grant funds are expended, such as purchased orders and receipts) and other evidence pertaining to the costs incurred. The accounting records must be maintained and coded in accordance with the Uniform School Accounting System *(*USAS). The records shall be kept and made available to the ODE during the project period and thereafter for five (5) years following the date of the sub grant's closure. The ODE must be permitted to audit, review and inspect the sub grantee's activities, books, documents, papers and records relating to the award expenditures. Failure to cooperate with the ODE may result in the termination of the grant.

The PCSP grant funds must be kept in a separate fund and are not to be co-mingled with funds from any other source. Schools are permitted to use funds from multiple sources to purchase a portion of a service or good. However, the financial records must clearly delineate what portion of the service or good was purchased using each funding source (e.g., separate purchase orders and separate expenditure records).

**Sub Recipient Monitoring**

Sub grant recipients must cooperate with federal and state audits as well as grant monitoring site visits from state and federal staff. If any finding of misuse of funds is discovered, the sub grant award must be returned to the ODE. The ODE may terminate a sub grant award with 30 days of notice if the ODE determines the sub grant recipient's funding activities are not supporting the purpose of the grant program or are not in compliance with the federal guidelines.

The ODE will select a sampling of sub grant recipients to visit while their grants are open. The purpose of these visits is to offer technical assistance and to monitor progress on specific grant projects. In addition, a portion of sub grant recipients will be selected to participate in desk audits and record reviews. Failure to cooperate with the ODE's monitoring efforts will result in early termination of the sub grant. In addition, the grant award will need to be returned to the ODE.

**Information and Technical Assistance**

**Office of Community Schools**
**Ohio Department of Education**
25 South Front Street, Mail Stop 405
Columbus, Ohio 43215
**Phone:** (614) 644-3573 or (888) 510-3941 (toll free)
**Fax: (**614) 752-5551
**Email:** eva.szabo@ode.state.oh.us

**NOTE:** All technical assistance provided by the Office of Community Schools is considered general information and is not a guarantee of funding.