

Expanding Opportunity Through Quality Charter Schools

Introduced by Senators Kirk, Landrieu, Alexander, and Bennet

This bill makes smart updates to the federal Charter Schools Program that provides startup, replication, and expansion funding for high-quality public charter schools. Allowing for flexibility in funding, prioritizing access to facilities, and supporting innovation and research in the charter sector, this bill aims to improve educational opportunities for all students by expanding the number of high-quality charter schools.

Program Authorized:

This bill is a comprehensive reauthorization of the Charter School Program (CSP), streamlining the existing Charter School Program and the Charter School Credit Enhancement Program into one cohesive program. The *Expanding Opportunity Through Quality Charter Schools Act* authorizes CSP at \$300 million for fiscal year 2015 and such sums as may be necessary for fiscal years 2016 – 2020. The CSP program will consist of three parts:

- **High-Quality Charter Schools:** Grants to State entities to open new charter schools, replicate or expand high-quality charter schools, and ensure high-quality charter school authorizing—up to 67.5% of CSP funds
- **Facilities Financing Assistance:** Grants to public or private nonprofit entities for innovative credit enhancement methods for financing facilities—12.5% of CSP funds
- **National Activities:** Grants to Charter Management Organizations (CMOs) to replicate and expand high-quality charter schools, technical assistance to states and schools, dissemination of best practices, and program evaluation—not less than 25% of CSP funds, of which not less than 80% must be used on replication and expansion grants

High-Quality Charter School Grants:

Under current law, state entities apply to the U.S. Department of Education for funding to run a competition for new charter schools in their state. New charter schools apply to the state entities for a subgrant. Individual schools can also apply directly to USED for startup funds. In recent years, a CMO competition created through Appropriations has let CMOs apply to USED for replication and expansion funds.

The *Expanding Opportunity Through Quality Charter Schools Act* provides for grants that will be used to:

- Open new charter schools
- Replicate or expand high-quality charter schools
- Provide technical assistance to schools and strengthen charter school authorizers

Organizations receiving subgrants can use them to carry out any necessary activities to open, replicate, or expand a charter school, including building acquisition, expansion, or preparation; hiring teachers; providing transportation for students; and providing instructional materials and professional development for teachers and staff.

- **Startup Grants:** This bill provides competitive grants to State entities upon providing information about how the state will: support and work with new, replicating, and expanding schools, as well as with eligible developers and authorizers, to ensure that schools access all federal funds for which they are eligible; ensure sustainability after CSP dollars expire; maintain inclusion of all students to support

recruitment and enrollment efforts; support efforts to increase quality by strengthening authorizers and holding them accountable; support schools in meeting transportation needs of all students, and in collecting performance, financial, and organizational data.

- Priority will be given to states that: have authorizers other than the state educational agency; have an appeals process if charter applications are denied; provide equitable financing for charters as compared to traditional schools; support charters in accessing suitable facilities; use charter schools as a means for school turnaround; and that give charter schools a high level of autonomy in budget, hiring, and expenditures.

Facilities Finance Assistance:

Current law carves out a separate program to provide credit enhancement, administering grants to help charter schools build their credit and use funds to build or renovate facilities.

The *Expanding Opportunity Through Quality Charter Schools Act* streamlines that program into CSP to award grants to public and private nonprofit entities and organizations for innovative methods in assisting charter schools in acquiring, constructing, and renovating buildings. Upon receiving funding, the charter school can use funds for a loan to enhance credit, acquire a purchase agreement or lease on real property or construction of property, or to implement predevelopment assessments necessary to commence or continue the operation of a school.

Grant applications must address proposed assistance activities, the extent of charter schools' involvement in project development, level of expertise in capital market financing and education, and strategy for leveraging the maximum amount of funding for the proposed project.

National Activities:

Current law requires this program to fund technical assistance for states and schools, dissemination of best practices, and development of national authorizers.

The *Expanding Opportunity Through Quality Charter Schools Act* continues federal support for technical assistance and dissemination of best practices, but will also provide funding for the Replication and Expansion (R&E) grant program. These grants have never been codified into law; the program was created and funded through annual appropriations bills. Additionally, under National Activities, charter schools from states that did not apply for or receive a State grant are eligible to apply directly to USED. Quality authorizing efforts and an impact evaluation of CSP will also be funded through this section.

- Replication and Expansion Grants: CMOs that manage or oversee multiple charter schools will be eligible to apply to USED for R&E funding. Applications must address the following components: objectives for implementing a high-quality school, intended measures of progress, as well as a description of the educational program and plan for inclusion of all students, a multi-year financial plan, a sustainability plan for continuation after CSP funding expires, and information on current schools (year founded, grades served, number of students, academic, financial, and operational performance).
 - Priorities will mirror those of the startup grant applicants, but will also include those organizations that serve primarily low-income students.