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**Office of Elementary and Secondary
Education—Public Charter Schools
Program (PCSP); Notice Inviting
Applications for New Awards for Fiscal
Year (FY) 2001; Notice**

DEPARTMENT OF EDUCATION

[CFDA No.: 84.282A]

Office of Elementary and Secondary Education—Public Charter Schools Program (PCSP); Notice inviting applications for new awards for fiscal year (FY) 2001

Purpose of Program: The purpose of the PCSP is to expand the number of high-quality charter schools available to students across the Nation by providing financial assistance for the planning, program design, and initial implementation of charter schools; evaluating the effects of charter schools; and disseminating information about charter schools and successful practices in charter schools.

Eligible Applicants: (a) State educational agencies (SEAs) in States with a specific State statute authorizing the establishment of charter schools. The Secretary awards grants to SEAs to enable them to conduct charter school programs in their States. SEAs use their PCSP funds to award subgrants to "eligible applicants," as defined in this notice, for planning, program design, and initial implementation of a charter school; and to support the dissemination of information about, and successful practices in, charter schools. A charter school may apply for funds to carry out dissemination activities, whether or not the charter school has applied for or received funds under the PCSP for planning or implementation, if the charter school has been in operation for at least three consecutive years and has demonstrated overall success, including—

- (1) Substantial progress in improving student achievement;
- (2) High levels of parent satisfaction; and
- (3) The management and leadership necessary to overcome initial start-up problems and establish a thriving, financially viable charter school.

(b) An authorized public chartering agency in partnership with a charter school developer is eligible to receive funding directly from the U.S. Department of Education (Department) if the SEA in the State elects not to participate in the PCSP or does not have an application approved under the program. If an SEA's application is approved in this competition, applications received from non-SEA eligible applicants in that State will be returned to the applicants. In such a case, the non-SEA eligible applicant should contact the SEA for information related to its subgrant competition.

Note: The following States currently have approved applications under this program:

Alaska, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Hawaii, Idaho, Illinois, Kansas, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Puerto Rico, South Carolina, Utah, Virginia, and Wisconsin. In these States, only the SEA is eligible to receive an award under this competition. Eligible applicants in these States should contact their respective SEAs for information about participation in the State's charter school subgrant program. Non-SEA eligible applicants in States that are not listed above must apply directly to the Department on or before the *Deadline for Transmittal of Applications* in order to be considered for funding in this competition.

Applications Available: December 7, 2000.

Deadline for Transmittal of Applications: February 9, 2001.

Deadline for Intergovernmental Review: April 7, 2001.

Estimated Available Funds: \$90,000,000.

Note: The amount of funds, if any, available under this competition is contingent upon congressional appropriation of FY 2001 funds for these purposes.

Estimated Range of Awards: State educational agencies: \$500,000–\$5,000,000 per year.

Other eligible applicants: \$25,000–\$150,000 per year.

Estimated Average Size of Awards: State educational agencies: \$3,000,000 per year.

Other eligible applicants: \$150,000 per year.

Estimated Number of Awards: State educational agencies: 10–12.

Other eligible applicants: 30–50.

Note: These estimates are projections for the guidance of potential applicants. The Department is not bound by any estimates in this notice.

Project Period: State educational agencies: Up to 36 months.

Other eligible applicants: Up to 36 months.

Note: Grants awarded by the Secretary directly to non-SEA eligible applicants or subgrants awarded by SEAs to eligible applicants will be awarded for a period of up to 36 months, of which the eligible applicant may use—

- (a) Not more than 18 months for planning and program design;
- (b) Not more than two years for the initial implementation of a charter school; and
- (c) Not more than two years to carry out dissemination activities.

Applicable Regulations and Statute: The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 75 (except § 75.210), 76, 77, 79, 80, 81, 82, 85, 86, 97, and 99. Title X, Part C, Elementary and Secondary Education Act of 1965 (ESEA), *as amended*, 20 U.S.C. 8061–8067.

SUPPLEMENTARY INFORMATION: As part of wider education reform efforts to strengthen teaching and learning, charter schools can be an innovative approach to improving public education and expanding public school choice. While there is no one model, public charter schools are exempted from most statutory and regulatory requirements in exchange for performance-based accountability. They are intended to stimulate the creativity and commitment of teachers, parents, students, and citizens and contribute to better student academic achievement.

Congress reauthorized the PCSP in October 1998, by enacting the Charter School Expansion Act of 1998. Under the new legislation, SEA applicants for funding are required to include in their applications descriptions of how the SEA will (a) inform each charter school in the State about Federal funds the charter school is eligible to receive and Federal programs in which the charter school may participate; (b) ensure that each charter school in the State receives the charter school's commensurate share of Federal education funds that are allocated by formula each year, including during the charter school's first year of operation (see December 22, 1999 final regulations at 64 Fed. Reg. 71,964); and (c) disseminate best or promising practices of charter schools to LEAs in the State. The new legislation also added a requirement that SEA applicants as well as non-SEA eligible applicants include in their applications descriptions of how charter schools that are considered to be LEAs under State law and LEAs in which a charter school is located will comply with sections 613(a)(5) and 613(e)(1)(B) of the Individuals with Disabilities Education Act. Additional information regarding the required contents of applications, diversity of projects, and waivers are provided in the application package for this program.

The following definitions, selection criteria, priority criteria, amount criteria, authorized uses of funds for dissemination activities, and allowable activities are taken from the Public Charter Schools Program authorizing statute, in Title X, Part C of the ESEA. They are being repeated in this application notice for the convenience of the applicant.

Definitions

The following definitions apply to this program:

(a) *Charter school* means a public school that—

- (1) In accordance with a specific State statute authorizing the granting of charters to schools, is exempted 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 definition;

(2) 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;

(3) Operates in pursuit of a specific set of educational objectives determined by the school's developer and agreed to by the authorized public chartering agency;

(4) Provides a program of elementary or secondary education, or both;

(5) Is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;

(6) Does not charge tuition;

(7) 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, and part B of the Individuals With Disabilities Education Act;

(8) 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 than can be accommodated;

(9) Agrees to comply with the same Federal and State audit requirements as do other elementary and secondary schools in the State, unless the requirements are specifically waived for the purposes of this program;

(10) Meets all applicable Federal, State, and local health and safety requirements;

(11) Operates in accordance with State law; and

(12) Has a written performance contract with 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.

(b) *Developer* means an individual or group of individuals (including a public or private nonprofit organization), which may include teachers, administrators and other school staff, parents, or other members of the local community in which a charter school project will be carried out.

(c) *Eligible applicant* means an authorized public chartering agency participating in a partnership with a

developer to establish a charter school in accordance with this program.

(d) *Authorized public chartering agency* means a State educational agency, local educational agency, or other public entity that has the authority under State law and is approved by the Secretary to authorize or approve a charter school.

Selection Criteria for SEAs

The maximum possible score for all of the criteria in this section is 140 points. The maximum possible score for each criterion is indicated in parentheses following each criterion. In evaluating an application from an SEA, the Secretary considers the following criteria:

(a) The contribution that the charter schools grant program will make in assisting educationally disadvantaged and other students to achieve State content standards, State student performance standards, and, in general, a State's education improvement plan (20 points).

(b) The degree of flexibility afforded by the SEA to charter schools under the State's charter schools law (20 points).

(c) The ambitiousness of the objectives for the State charter school grant program (20 points).

(d) The quality of the strategy for assessing achievement of those objectives (20 points).

(e) The likelihood that the charter schools grant program will meet those objectives and improve educational results for students (20 points).

(f) The number of high quality charter schools created under this part in the State (20 points).

(g) In the case of State educational agencies that propose to use grant funds to support dissemination activities under section 10302(c)(2)(C) of the ESEA, the quality of those activities and the likelihood that those activities will improve student achievement (20 points).

Selection Criteria for Non-SEA Eligible Applicants

The maximum possible score for all of the criteria in this section is 140 points. The maximum possible score for each criterion is indicated in parentheses following each criterion. In evaluating an application from an eligible applicant other than an SEA the Secretary considers the following criteria:

(a) The quality of the proposed curriculum and instructional practices (20 points).

(b) The degree of flexibility afforded by the SEA and, if applicable, the local

educational agency to the charter school (20 points).

(c) The extent of community support for the application (20 points).

(d) The ambitiousness of the objectives for the charter school (20 points).

(e) The quality of the strategy for assessing achievement of those objectives (20 points).

(f) The likelihood that the charter school will meet those objectives and improve educational results for students (20 points).

(g) In the case of an eligible applicant that proposes to use grant funds to support dissemination activities under section 10302(c)(2)(C) of the ESEA, the quality of those activities and the likelihood that those activities will improve student achievement (20 points).

Priority Criteria

In awarding grants for FYs 1999, 2000, and 2001 from funds appropriated under section 10311 of the ESEA that are in excess of \$51 million for the FY, the Secretary gives priority under this competition to States to the extent that the State meets the criteria described in paragraph (a) below, and one or more of the criteria described in paragraphs (b) through (d) below (20 points).

(a) The State provides for periodic review and evaluation by the authorized public chartering agency of each charter school, at least once every 5 years unless required more frequently by State law, to determine whether the charter school is meeting the terms of the school's charter, and is meeting or exceeding the academic performance requirements and goals for charter schools as set forth under State law or the school's charter.

(b) The State has demonstrated progress, in increasing the number of high quality charter schools that are held accountable in the terms of the schools' charters for meeting clear and measurable objectives for the educational progress of the students attending the schools, in the period prior to the period for which a State educational agency or eligible applicant applies for a grant under this competition.

(c) The State—

(1) Provides for one authorized public chartering agency that is not a local educational agency, such as a State chartering board, for each individual or entity seeking to operate a charter school pursuant to such State law; or

(2) In the case of a State in which local educational agencies are the only authorized public chartering agencies, allows for an appeals process for the

denial of an application for a charter school.

(d) The State ensures that each charter school has a high degree of autonomy over the charter school's budgets and expenditures.

Amount Criteria

In determining the amount of a grant to be awarded under this competition to a State educational agency, the Secretary shall take into consideration the number of charter schools that are operating or approved to open in the State.

Allowable Activities

An eligible applicant receiving a grant or subgrant under this program may use the grant or subgrant funds only for—

(a) Post-award planning and design of the educational program, which may include—

(1) Refinement of the desired educational results and of the methods for measuring progress toward achieving those results; and

(2) 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—

(1) Informing the community about the school;

(2) Acquiring necessary equipment and educational materials and supplies;

(3) Acquiring or developing curriculum materials; and

(4) Other initial operating costs that cannot be met from State or local sources.

Use of Funds for Dissemination Activities

A State educational agency may reserve not more than 10 percent of the

grant funds to support dissemination activities. A charter school may use such funds to assist other schools in adapting the charter school's program (or certain aspects of the charter school's program), or to disseminate information about the charter school, through such activities as—

(a) Assisting other individuals with the planning and startup of one or more new public schools, including charter schools, that are independent of the assisting charter school and the assisting charter school's developers, and that agree to be held to at least as high a level of accountability as the assisting charter school;

(b) Developing partnerships with other public schools, including charter schools, designed to improve student performance in each of the schools participating in the partnership;

(c) Developing curriculum materials, assessments, and other materials that promote increased student achievement and are based on successful practices within the assisting charter school; and

(d) Conducting evaluations and developing materials that document the successful practices of the assisting charter school and that are designed to improve student achievement.

For Applications and Further Information Contact: Donna M. Hoblit, U.S. Department of Education, 400 Maryland Avenue, SW., Room 3C148, Washington, DC 20202-6140. Telephone (202) 205-9178. Internet address: Donna_Hoblit@ed.gov

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Note: The official version of a document is the document published in the **Federal Register**.

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Dated: December 1, 2000.

Michael Cohen,

Assistant Secretary for Elementary and Secondary Education.

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