

## **SEA COMMUNITIES OF PRACTICE: LEARNING MORE ABOUT THE 2011 UPDATED NONREGULATORY GUIDANCE**

Webinar Summary

May 25, 2011

This National Charter School Resource Center webinar provided elaboration on the U.S. Department of Education's Charter Schools Program (CSP) nonregulatory guidance issued in April 2011 and was led by Associate Assistant Deputy Secretary and Acting CSP Director Scott Pearson and SEA CSP Project Officer Richard Payton.

The webinar focused on key updates to the guidance, including allowable expenses, lottery exemptions, charter school board and for-profit management organization relationships, factors determining whether a school is new or an expansion, and relationships between charter and private schools.

"We want where possible to give SEAs (State Education Agencies) and charter schools greater flexibility in administering the program to better meet the specific local circumstances," Pearson said. The guidance does not contain everything needed to comply with CSP requirements and federal regulations.

Regarding allowable expenses, for example, CSP funds, although provided for costs associated with school start-up and implementation, can be used to cover costs incurred over multiple years as long as the costs are associated with start-up and properly justified. A principal could, for example, use CSP funds to cover the time they devote in the second year of operation to hiring teachers for grades being added, according to Pearson. But the time and effort devoted to that purpose would need to be shown in their accounting.

CSP funds cannot be used for construction expenses, even for work to comply with the Americans with Disabilities Act (ADA). Work related to ADA, such as adding handrails, had been considered to be an exception to the rule, according to Pearson. So construction that already has been approved to be done or has been completed can be covered with CSP funds, Pearson said.

Regarding those exempted from admission lotteries, it was noted that the guidance adds the children of teachers and staff of a charter school, so long as it is a "small percentage" of the enrollment, and students living in the attendance area of a public school at the time it is converted to a charter school. Payton said 10 percent "seems like a small percentage," but said a specific number has not been set.

Regarding charter school boards and for-profit management companies, it was noted, for example, that for-profit companies cannot receive a CSP grant but can have a contract with a non-profit charter that does have a grant. But the non-profit's board must be independent of the for-profit company and pay the for-profit only "reasonable" fees. What's "reasonable" is up to the SEAs, Payton said.

Factors to be considered to determine whether a school is new or an expansion include whether there are separate performance agreements with the authorizer and separate facilities and staffs. "If an SEA wishes to fund multiple schools that have an admission pipeline (e.g. a new middle school that receives students from an affiliated "feeder" elementary school) it must request a waiver from the provision in ESEA (Elementary and Secondary Education Act) 5202 (d)(1) that limits a charter school to receiving just one subgrant," according to the Department of Education.



Operating both a private school and a charter school are not prohibited, but the charter must be separate and no CSP funds can be used to pay for any shared resources.  
Pearson encouraged the submission of questions to the CSP for further clarification of issues.

