



National Alliance for Public Charter Schools

Memorandum

To: Robert Gordon, President-elect Obama Transition Team

From: Nelson Smith

Re: Follow-up

Date: December 9, 2008

Thanks to you and your colleagues for a very substantive and encouraging discussion. Here are some follow-up thoughts on a few of the matters we discussed.

Pre-K Charters

When we offered to look into charter schools offering pre-K programs, we didn't realize how complicated the picture would be – and we're still researching it. Here's what we know so far: There are 403 public charter schools in 28 states that have pre-K offerings. Some of these appear to be funded through state programs (like GA and DC) while others operate solely on philanthropy independent of the charter school (as in NY).

However, several states have prohibited charters from tapping into state pre-K funding streams because the federal definition of a charter school currently does not include pre-K. This problem can be fixed by a simple change in the federal law's wording, which we support. Specifically, we recommend amending section 5210 (1), (D), to say (bolded is new language):

- Provides a program of **pre-kindergarten**, elementary, secondary, **adult education**, or a **combination of the grade configurations**.

Note that "adult education" is also bolded. DC is one of the few jurisdictions that permits adult-ed charters and funds them through the regular formula. As a consequence we have the Carlos Rosario charter, a terrific institution that annually prepares hundreds of adult learners (mostly recent immigrants) for citizenship and participation in the workforce. It's an example that should be emulated in other jurisdictions, and this wording change would encourage that.



Expansion Program for High-Quality Public Charter Schools

HR 5647, the Pell Grants for Kids proposal Rep. Emanuel put forward last year, is attached. The Alliance worked closely with his office in drafting the bill, keeping in mind many of the limitations of the current Charter Schools Program (CSP). HR 5647 would create a new program focused on expanding proven charter models, and we think it offers a good basic model for the kind of program we discussed. It would focus significant resources on replicating and expanding proven charter school models quickly, in areas of highest need (i.e., with many schools in need of improvement). And it makes funding available to support the entire range of critical needs, including facilities.

We strongly recommend maintaining HR 5647's priority criteria around funding flowing to entities that serve areas with a large percentage of students who are enrolled in identified schools (those labeled in restructuring under NCLB) or with a graduation rate of 60% or less. However, we encourage you to remove the eligibility requirements for *students* who are served by the new program; in the current draft they must also come from restructuring schools or those with graduation rates of 60% or less. We think it makes more sense to open the program to all public school students, but focus it on areas with systemically underperforming schools.

We also recommend adding language to clarify that expanding charters (for instance, a charter school expanding from grades 6-8 to grades 6-12) do not have to hold a lottery for all of the seats in each newly-added grade, but must hold one for seats that aren't filled in any grade that is oversubscribed. This would mean, for example, that students enrolled in the 8th grade when a charter expands to the 9th grade could transition to the new high school without going through a lottery. We'll be happy to provide draft language on this point.

Accountability

We appreciate your asking Greg Richmond's views on accountability. We've reviewed NACSA's recommendations on this topic and support them, especially the requirement for a well-defined charter contract that spells out performance standards and conditions for renewal.

In terms of the "authorizer accountability" piece that we discussed, the following is language we jointly developed with NACSA for renewal of the Charter Schools Program, and it may be useful here: "*G) The State has developed an authorizer accreditation, training, or review process; or the authorizer(s) in the State have implemented an accreditation, training, or review process.*" This language creates a new priority criterion for awarding CSP money to states. States without these practices



for their authorizers would score lower on the grant criteria and not be in as strong a position to receive CSP funding.

Allocations

You asked about the most effective and responsible ways to distribute the new funding. Given that many high quality charters want expand, and are experiencing difficulties in doing so under the CSP, we expect that funds for the new replication program will be spent quickly. But as noted, we also want to encourage the continued start-up of strong new charters. So in any given year, it's important that resources be allocated according to where the greatest demand meets the best prospects for high-quality supply.

From our perspective, this argues that the Secretary should be able to make an annual determination of how to allocate federal charter funds. Accordingly, we recommend linking the funding for all the charter programs (the CSP, the State Facilities Incentive Grants, the Credit Enhancement Program and the new replication program) and including new language enabling the department to move funds between all the programs as it deems necessary. Here is some proposed language:

ALLOCATION - In allocating funds under this subpart for any fiscal year, the Secretary shall consider the relative need between the programs under section 5202 {CSP}, Section 5205(c) {State Facilities Incentive Grants}, Section 5206 {Credit Enhancement Program}, and {new replication program}, and the quality of the applications submitted.

- (1) If after a date determined by the Secretary, grant applications for one or more of these programs do not require all of the appropriations allocated by Congress, the Secretary may transfer funding to any one of the other programs in order to fund high-quality applications.

Finally...

There are additional fine points to discuss further (for example, eligible entities, treatment of facilities funds, and how to treat "national activities"), and we'll be happy to talk these through when you get to that point. Of course, feel free to contact me (202-289-9808) or Brooks Garber (202-521-2822) at any time to toss ideas around.

Thanks again for tackling this assignment, and for allowing us "a seat at the table."