

Senate Draft Proposal for the Elementary and Secondary Education Act Reauthorization Overview of Title V, Part D: Charter Schools Program

On October 20, 2011, the Senate Health, Education, Labor and Pensions (HELP) Committee passed the draft Elementary and Secondary Education Act (ESEA) reauthorization out of committee by a vote of 15-7 with bipartisan support. This bill, among other things, would reauthorize Title V, Part D, the Charter Schools Program. The draft proposal is sponsored by Chairman Harkin (D-IA) and Senator Enzi (R-WY). The National Alliance for Public Charter Schools (NAPCS) includes below a brief overview of the key parts of this section as well as ongoing concerns that NAPCS continues to address with Members of the Senate and the charter sector. For a complete section-by-section summary of Part D, [visit the NAPCS website](#).

What You Should Know

Subpart 1: Successful Charter Schools Program

- 85% of the total Charter Schools Program funds will be used to carry out this subpart.
- It establishes an award program for the purpose of providing grants to create, expand or replicate high-performing charter schools by providing subgrants to developers.
- Allowing the replication and expansion of high-performing charter schools is an important development that does not exist in current law.
- Entities that can apply for funds from the U.S. Department of Education include:
 - State educational agency;
 - Not less than 65% of funds must be awarded to state educational agencies.
 - Local educational agency (LEA), except a charter school that is considered a LEA under state law;
 - Charter school authorizer; or
 - Charter management organization;
- Additionally, not more than 2.5% may be reserved for National Activities, which include research, development, data collection, technical assistance, outreach and dissemination activities.
- Accountability is strengthened throughout this subpart, including a specific focus on improving and sustaining authorizer quality.
- Oversight and closing low-performing charter schools is also a focal point of the proposal including new reporting requirements related to student achievement and requiring clear policies in place for approval, monitoring, renewal and closing of low-performing charters.

Subpart 2: Charter School Facility Acquisition, Construction and Renovation

- 15% of the total Charter Schools Program funds will be used to carry out Subpart 2.
- This program awards grants to eligible entities to improve access to facilities and facilities financing for high-performing charter schools and assisting such schools to address the cost of acquiring, constructing, and renovating facilities.
- Entities that can apply for these funds from the U.S. Department of Education include:
 - State educational agency;
 - Local educational agency;
 - Nonprofit entity;
 - State financing authority; or
 - Consortium of any entities described above
- Not less than 65% of the funds will be used to support the Credit Enhancement Grants, which assist charters in obtaining loans or bond financing for facilities needs.
- Not more than 35% of funds can be used to support other facilities grants including supporting states with per-pupil facilities aid programs and innovative grants like open-facilities access programs for high-performing charters.

Areas of Concern

- *Definition of High-Performing Charter School: NAPCS is concerned that the definition in this proposal might be too narrow and that it could limit the mission of many charter schools. Among the factors included are student retention rates, graduation rates and rates of persistence at higher education institutions. This could be difficult for states that do not track this data.
- Requiring Renewal Once Every Five Years: In this proposal, states must put in place a process that reauthorizes or renews a charter not less than once every five years. This is not in line with many state laws that allow longer renewal periods.
- Credit Enhancement Program Requirements: This proposal has new reporting requirements tied to student achievement. Lenders often loan for the initial timeframe, before achievement is met or before the data is available. The application also requires that lenders detail how they will support high-performing schools when applying for the grant, ignoring that some of these schools might be new schools with no record yet of achievement.
- Supporting Proven Intermediaries in New School Creation: The eligible entities included in the non-state educational agency competition should be expanded even further to include nonprofit intermediary organizations with a track record of success in developing high-quality charter management organizations.
- Ensuring Eligible LEAs Demonstrate Cooperation with the Charter Sector: In allowing LEAs to be eligible for grants, the bill should require further assurances that LEAs are actively supporting environments for charter schools. This could be demonstrated through such measures as having district-wide plans for charter growth and enhancing the ability of loans or bond financing for facilities.

*The term 'high-performing charter school' means—

(A) in the case of a charter school that was not open or did not enroll students in the preceding school year, a charter school that has a written performance contract with a charter school authorizer that includes, for the students enrolled at the school as a whole and for each subgroup described in section 1111(a)(2)(B)(ix) for the most recent year for which such data are available—

(i) student academic achievement and growth goals (as measured, in the case of a charter school that is an elementary school or secondary school, by performance on the statewide academic assessments required under section 1111(a)(2) and individual academic growth, consistent with section 1111) that are higher than the average student academic achievement and growth results, consistent with section 1111, in demographically similar schools in the State;

(ii) student retention goals that are similar to, or greater than, the average student retention rates in demographically similar schools in the State; and

(iii) if the charter school is a high school, goals for graduation rates, rates of student enrollment at institutions of higher education, and rates of student persistence at institutions of higher education that are higher than such average rates in demographically similar schools in the State; or

(B) in the case of a charter school that was open and enrolled students for the preceding school year, a charter school that has, for the students enrolled at the school as a whole and for each subgroup described in section 1111(a)(2)(B)(ix) for the most recent year for which such data are available—

(i) student academic achievement and growth results (as measured, in the case of a charter school that is an elementary school or secondary school, by performance on the statewide academic assessments required under section 1111(a)(2) and individual academic growth, consistent with section 1111) that are significantly higher than the average student academic achievement and growth results, consistent with section 1111, in demographically similar schools in the State;

(ii) student retention rates that are similar to or higher than the average student retention rates in demographically similar schools in the State; and

(iii) if the school is a high school, higher graduation rates, rates of student enrollment at institutions of higher education, and rates of student persistence at institutions of higher education than such average rates in demographically similar schools in the State.