

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

oab-csd-sep20item02

# California State Board of Education September 2020 Agenda Item #09

**Subject**

Request to ratify the waiver letter submitted to the United States Department of Education for the federal 2016–19 Charter School Program Grant allowing the California Department of Education to fund existing charter schools in need of financial assistance due to COVID-19 distance learning requirements.

**Type of Action**

Action, Information

**Summary of the Issue**

Beginning in March 2020, nearly all schools in California physically closed in response to California Governor Gavin Newsom’s Executive Order N-33-20, which issued a Statewide “shelter in place” to protect the health and well-being of all Californians and to establish consistency across the state to slow the spread of COVID-19. This created an unprecedented need for local educational agencies, educators, students, and families to engage in distance learning in a rapid manner in order to meet the new learning environment necessitated by the pandemic.

The California Department of Education (CDE) Public Charter School Grant Program (PCSGP) has an unobligated balance of local assistance funding of $5,484,496 from the 2016–19 Charter School Program (CSP) grant award. Usually, these unexpended funds would revert back to the United States Department of Education (ED); however, the ED instead invited states to apply for a waiver to use the funds to support existing high quality charter schools engaged in distance learning and for other COVID-19 expenses.

The CDE waiver request proposes funding up to 100 charter schools at $250 per student for a maximum award of $75,000 per school. Funding priority would be based on the percentage of Educationally Disadvantaged Students (EDS) enrolled in the school at the end of the 2019–20 school year.

Applying charter schools would be required to submit a grant application, a budget proposal and narrative, required assurances, and a copy of the school’s 2019–20 Average Daily Attendance report for the second period of the school year. If approved, the term of the grant would be March 19, 2020, to March 19, 2021.

Since the waiver would allow a charter school to retroactively expend funds, the ED requested that interested states should submit a waiver as soon as possible, therefore, the request was submitted on August 24, 2020.

Recommendation

The CDE recommends that the State Board of Education (SBE) ratify California’s COVID-19 Waiver request to allow unobligated CSP 2016 grant funding to support existing charter schools in need of financial assistance due to COVID-19 distance learning requirements.

**Brief History of Key Issues**

In fiscal year 2016–17, the CDE was awarded approximately $49 million in federal funding to support the development and expansion of high quality charter schools. The CDE is currently operating under a provisional second no-cost extension of the grant award with an end date of September 30, 2021.

COVID-19 has amplified concerns around the digital divide for students from under-resourced populations. Under the requested waiver, the PCSGP funding would provide additional resources to those charter schools with the greatest need for supporting EDS.

The ED requires that all applicants sign off on various assurances, including those applicable to Federal civil rights laws that prohibit discrimination in programs and that the applicant will provide information to the Secretary, as requested, for evaluations that the Secretary may carry out.

## Summary of Previous State Board of Education Discussion and Action

The SBE approved the Charter Schools Division applying on behalf of the SBE for CSP grant funds in 1995, 1998, 2001, 2004, 2007, 2010, and 2016. The 2016 grant award, approved by the SBE in May 2016, concludes on June 30, 2020. Total grant award amounts in recent years are as follows:

* 2004–07: $81,000,000
* 2007–10: $108,614,390
* 2010–15: $273,438,398
* 2016–19: $49,899,243

Additionally, on April 13, 2020, under the federal CSP 2020 grant competition, California applied to receive up to $45 million in federal funds. The application is currently pending.

**Fiscal Analysis**

The CDE is requesting a waiver from the ED to spend down the balance of the local assistance funding and any associated administrative costs. Additionally, the waiver request does not change the level of funding that is available for California charter schools. Rather it supports flexibility, allowing additional opportunities to support existing schools in high povertly areas that are in need of additional assistance.

**Attachment**

* **Attachment 1:** Waiver Request Letter to United States Department of Education, Secretary of Education, The Honorable Betsy DeVos (8 Pages)