Charter School Planning Grant

Plotting a Course for Success

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Planning

- ☐ Focus on Planning (Not Implementation)
- ☐ Establish/Refine Office Procedures/Policies
- ☐ Establish Financial Accounting Systems & Processes
- ☐ Begin & Complete Evaluation of Curriculum & Assessment
- ☐ Refine Application(s) (CSP Grant & Phase I/II Charter Apps)
- ☐ Conduct Needs Analysis & Establish Planning Processes to Satisfy Needs
- ☐ Acquire Subject Matter Experts for Development Team (Facility/Financial/Legal/Education/Community Relations)
- ☐ Acquire Minimal Office Equipment (Technology)
- ☐ Evaluate & Select Student Information System
- ☐ Visit High Performing Schools (Models and/or Partners)
- ☐ Purchase Office Supplies
- ☐ Plan and Conduct Board Training

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Definitions

- The Development Team includes everybody involved in the project.
- The Non-Profit Board is the Board of Directors of the organization that received the subgrant award.
- The Non-Profit Board members are **VOLUNTEERS** and are **NOT PAID** for their services.
- Partners are entities that intend to have an enduring, non-paid relationship from the grant award through opening and operation of the school.
- Vendors are individuals or corporations hired or selected by the Non-Profit Board to provide specific goods or services for a specific fee.
- Vendors with long-term relationships are contracted through a written agreement, approved and signed by the appropriate Non-Profit Board representative as designated by Board Policy.
- Employees are paid staff of the Non-Profit Board.
- Volunteers are not paid but may be reimbursed for expenses, based upon approved Non-Profit Board policies and procedures.

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Definitions (Con't)

- The Development Team also includes potential PSA Board Members
  - Potential PSA Board Members may be current Non-Profit Board members.
  - Potential PSA Board Members may be interested community members not currently involved in the grant.
  - Potential PSA Board Members should not be current vendors or individuals associated with current vendors (i.e., related-party transactions).
- NOTE: The 501(c)3 label is a federal, Internal Revenue Service designation and has NOTHING to do with the CSP grant. The Non-Profit CSP grant applicant must be a Michigan Non-Profit organization recognized by the Michigan Department of Licensing and Regulatory Affairs, formerly known as the Department of Energy, Labor, and Economic Growth. The Non-Profit status requirement is derived from EDGAR.

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Pre and Post Charter Relationships

- Pre-Charter
  - Non-Profit Board (Subgrantee-Planning)
  - Non-Profit Employees
  - Partners
  - Vendors
    - Vendor Employees
  - MDE PSA Office

- Post-Charter
  - Academy Board (Subgrantee-Implement)
  - Academy Employees
  - Partners
  - Vendors
    - Vendor Employees
  - Authorizer
  - MDE PSA Office

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Grant Application Components

- ☐ Management Plan
  - ■ Activities you will accomplish with the grant funds
  - ■ Upload into MEGS+ as a PDF or Word Doc
- ☐ Budget
  - ■ Aligned to management plan
  - ■ Upload into MEGS+ line by line
- ☐ Narrative Responses
  - ■ Answers to 29 questions
  - ■ Upload into MEGS+ as a PDF or Word Doc

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Management Plan

- ☐ Template available for download
  - ■ www.michigan.gov/charters
  - ■ Follow the "Applications" link
  - ■ The template is the 4th item on the Applications page

Task (What will you do with your grant funds?)	Deliverables (When the task is finished, what will you have?)	Budgeted Cost (by Budget Detail Line #)	Target Date (When will this task be completed?)													
			Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13
1-1 EXAMPLE Grant management functions. Hire ABC LLC to provide service @ $50/hr. Estimate 10 hours. (252)	Provide detailed reports to the Board and to MDE. Ensure data is compiled and available for reporting purposes.	$500	X	X	X	X	X									

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Management Plan

- Start by listing everything you want to do with the first item on the top being the first action or activity you intend to participate in.

- Put them in logical order recognizing that some tasks must be accomplished on an ongoing basis. That means place those tasks to be accomplished first, then second, then third, etc.

- Assign a cost figure to each task recognizing that the total planning grant is $100,000. The Development team must then decide which tasks it will accomplish itself and which ones it will have to pay for.

- Start at the top of your list and add the cost of each item until you reach $35,000. If any of these tasks are recurring, split those tasks into two. This first $35,000 will be stage I. Number the tasks 1-1, 1-2, 1-3, etc.

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Management Plan

- The remaining tasks will be called stage II. Number the tasks 2-1, 2-2, 2-3, etc.
- Stage II will include $65,000 .
- Then identify the month that each task will be completed. If the task is recurring it is acceptable to identify it as such. Place all tasks on the management plan template with the task number identification clearly identified. (e.g., 1-1 Hire a consultant to update the planning grant application to level 4 at a rate of $50/hour for approximately 20 hours).
- Once all tasks and deliverables are included in the management plan, it is now time to move to the budget.

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Budget

☐ The completion of the budget will require some level of knowledge regarding school accounting function codes. Since accountants view things differently, there is no standard way of assigning function codes. However, here are some simple rules:

- All Curriculum and Assessment Work (111-Elementary, 112-Middle School, & 113-High School
- All Legal fees (231)
- All Professional Development for the Development team, Board, Administrators (231)
- All Office Equipment and Supplies (232)
- Grant Management (233)
- All Accounting (252)
- Technology Training & Purchases (283)
- Student Information Systems (284)
- Community Relations & Awareness (331)
- All Facility-Related Planning (451)

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Budget

- The second most important component of the budget is the actual placement of the total costs in the appropriate columns. The columns are identified as:
  - FTE/Hours
  - Salaries (1000)
  - Benefits (2000)
  - Purchased Services (3000, 4000)
  - Supplies and Materials (5000)
  - Capital Outlay (6000)
  - Other Expenditures (7000, 8000)
- Examples and explanations can be found on the following pages.

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Budget

Function Codes	Function Titles	Salaries 1000	Benefits 2000	Purchased Services 3000, 4000	Supplies and Materials 5000	Capital Outlay 6000	Other Expenses 7000, 8000	TOTAL
110	Basic Programs	$43,000	$11,000					$54,000
120	Added Needs							
210	Support Services - Pupil							
220	Support Services - Instructional Staff							
230	Support Services - General Administration							
240	Support Services - School Administration							
250	Support Services – Business							
280	Support Services – Central			$456				$456
	SUBTOTAL	$43,000	$11,000	$456				$54,456
410	Payments to Other Public Schools Within the State of Michigan							
450	Facilities Acquisition							
	TOTAL	$43,000	$11,000	$456			$0	$54,456

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Budget

Funct. Code	Description	FTE / Hours (h)	Salary 1000	Benefits 2000	Purchased Services 3000, 4000	Supplies and Materials 5000	Capital Outlay 6000	Other Expenditures 7000, 8000	Total
112	1-1 Research curriculum offerings by reviewing and analyzing gaps. Includes purchase of curriculum software and review materials				$1,100				$1,100
112	1-2 Curriculum alignment review is conducted with gaps in selected curriculum materials identified and potential courses of action are planned. Includes hiring consultant(s) at an estimated $50/hour for 162 hours. Some of this work will be done by Essayons @ $50/hr. Other work will be done by yet to be identified consultants at the most conservative rate possible.				$8,177				$8,177
112	2-2 Contine review of chosen curriculum against GLCE and Michigan Curriculum Frameworks for all subjects. Estimated consultant cost of 80 hours at $80/hour. Some of this work will be accomplished by Essayons @ $50/hr. Other consultants are being identified at rates below $80/hr.				$3,000				$3,000

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FTE/Hours

□ FTE =Full Time Equivalent is defined as a whole or part of a whole full time person or persons. A full time person is defined as somebody that will work 2080 hours in one work year. An employee working 520 hours can be referred to as a 0.25 FTE. This column is populated when an employee or employees is/are being funded from this grant. It is not populated for purchased services (contractors).

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Salaries 1000

- The column is populated based on the total cost of salary for an employee or group of employees. If salaries are being charged against the grant, then an annotation in the FTE/Hours and Benefits columns should also be made. It is acceptable to have employee benefits charged against other accounts or grants.

- Salaries and Benefits must be for planning grant activities only. Time sheets will be required.

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Benefits 2000

☐ Benefits are defined as taxes, retirement, insurance, and fees related to employment. If an employee is being paid a salary from this grant, benefits must be paid and accounted for. However, those benefits don't necessarily have to be charged against this grant. Additionally, if a full-time employee works half-time on this grant and their salary is charged against this grant, then it is reasonable to prorate benefits accordingly.

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Purchased Services 3000, 4000

- Purchased services includes fees for professional services including legal, accounting, business, real estate, curriculum, grant management, technology, library, professional development, training, consulting and student information systems.

- Planning grant funds **CANNOT** be used to support leases of any kind.

- Purchased services contracts must be fee for service. Flat rate contracts are **NOT ALLOWABLE**.

- We highly recommend that subgrantees use this grant to acquire technical assistance. Technical assistance must be focused on building capacity, primarily with governance functions.

Supplies and Materials 5000

☐ This is where the purchase of things or "stuff" is normally documented. Items normally documented here include office equipment and supplies, technology, marketing supplies & materials, reference materials, and software (including licenses). Some of these items are considered durable goods and must be properly documented as property for audit purposes.

☐ The focus of the planning grant should be PLANNING, so expenses related to the purchase of items for classrooms should be limited to those supplies and materials which are absolutely necessary for teachers/staff to participate in the planning process.

Capital Outlay 6000

□ Use of this column should be limited as the planning grant specifically identifies most traditional capital outlay expenses as unallowable.

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Other Expenditures 7000, 8000

- This column is used primarily by subgrantees to document travel and mileage expenses. Other miscellaneous expenses can also be charged here including fees for the rental of meeting rooms, parking fees, and other expenses that don't appear to fit within the other areas.

- Board Policies and Procedures must be developed, approved and in effect before reimbursement for travel or expenses can be issued. The IRS establishes mileage reimbursement rates for business and volunteers. A sample set of policies will be provided.

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Budget Detail

- All tasks must be sufficiently documented to include the following:
    - Please identify the fee rate or schedule (e.g., $50/hour for 5 hours/week)
    - Who is providing the service (name of individual or corporate entity)
    - Where will the service be provided
    - What is the justification for the expenditure (reasonable and necessary)
    - How will the purchase be made (per board policy)
    - How was the specific vendor selected (per contract or board policy)

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Budget Detail

- All tasks must be sufficiently documented to include the following:
  - What process was used to identify participants
  - Is the service provider an employee, contractor, and/or development team member (needed to validate COI issues)
  - Is there a legacy cost (e.g., unemployment, registration fees, etc.)
  - Is this a lease, rental or purchase
  - How many hours (estimated) will it take to complete the task
  - **PLEASE BE AS SPECIFIC AS POSSIBLE**

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Tips

- ☐ Review previous MDE presentations to ensure all tasks can be funded with grant funds

- ☐ Ensure costs are ***necessary and reasonable*** –consultant costs exceeding $80/hour will require additional justification from the **subgrantee BOARD**.

- ☐ Ensure vendors are selected based on the best interest of the school and contracting is completed in accordance with Board Policy–**no conflicts of interest**

- ☐ Ensure priority planning items are funded first

- ☐ Plan to execute the management plan, then the budget.

- ☐ Make sure development team has capacity to do what can't be funded.

- ☐ Ensure contracts with "Poison Pills" are **AVOIDED**.

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Tips

- ☐ Make sure Grant Writer and Grant Manager have proven success record with this particular grant.

- ☐ MDE is not in the business of training vendors or contractors, so please hire somebody who already knows what they are doing.

- ☐ Make sure your vision for the future is shared by development team members to ensure ulterior motives are exposed early and options for change can be utilized without penalty to the team.

- ☐ Remember-All contracts should be limited in time and scope with very specific deliverables.

- ☐ We encourage you to use professional advocates (attorneys and accountants) to create and review all contracts.

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Tips

- A review of past grants indicates that a normal grant manager receives about 5% of the planning grant in compensation.

- A review of past grants indicates that a normal grant project manager receives between 10% and 15% of the planning grant in compensation, depending on the amount of work they actually do themselves.

- Board members must be cognizant of the fact that specific contractors should be hired only when they provide the best value for the work to be performed. Vendor contracts should be between the Board and the service provider.

- Boards should not use grant funds to purchase equipment, supplies or materials for vendors so that they can complete their work. *If you hired a plumber you wouldn't expect to have to buy him/her wrenches in order for him/her to complete their work.*

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Tips

☐ Boards should not use grant funds to purchase training materials for vendors or to pay for his/her attendance at conferences or workshops. *If you hired a plumber you wouldn't expect to have to send him/her to training in order for him/her to complete their work.*

☐ MDE has the authority to question any purchase or expenditure of grant funds. Board's must be able to justify each and every expenditure of grant funds as **reasonable and necessary**.

☐ MDE will look very unfavorably on any single individual, group of individuals, or corporate entity that appears to be in the process of usurping the authority or responsibilities of the subgrantee Board.

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Tips

- **Board's planning to use a management company should:**
  - Ensure that they are not paying twice for the same activity. *For example, it would not make sense for a Board to pay the salary of a business manager when the Board has contracted for business management services from a management company.*
  - Ensure that the management company is implementing Board-approved policies.
  - Ensure that the management company implements the Board-approved budget and management plans.
  - Ensure the Board does not attempt to delegate its fiduciary responsibility to any corporate entity, regardless of the conditions

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Tips

- **MDE is NOT a party to contracts between service providers and subgrantee Boards, and does not have the authority to pre-approve specific contract terms, conditions, or rates on behalf of any subgrantee or vendor.**

- **Contracts of $10,000 or greater must be presented to the Board for approval.** Evidence of that approval should be included in Board-approved minutes.

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Grant Narrative (Hints)

- When composing the narrative, **restate the questions** in a way that a reviewer can easily recognize them. The most common way is to highlight or bold the questions. Novels may be informative and fun to read they will not be successful in the grant application peer review process.

- **THE NUMBER ONE REASON GRANTS ARE UNSUCCESSFUL: THE APPLICANT DOES NOT ANSWER THE QUESTIONS WHERE THE QUESTIONS ARE ASKED .**

- Be as specific and detailed as possible. The reviewers won't know what you are thinking or what you have accomplished thus far unless you tell them. Avoid using superlative adjectives unless clear evidence is provided.

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Grant Narrative (Hints)

- Ensure that the application includes the name or names of the grant manager(s) and their experience in doing so. We are planning some form of a grant manager training program for later this year.

- Pictures, charts and graphs are nice but they must be accompanied by a narrative that analyzes or interprets them in clear language.

- If you wish to receive full credit for your narrative, please provide detailed explanations about what you plan to do. Stating that you intend to use the NHA model, or the Cornerstone model, or the Green Dot model is not sufficient.

- Make sure your application is formatted properly with each question and answer numbered correctly.

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Grant Narrative (Hints)

- Don't exaggerate or name drop.
- Provide evidence of significant activities or performances whenever possible.
- If you wish to list the names of authors, please describe what specific aspect of the authors' work you are referring to.
- Don't assume that all educators can help you with the development of your charter school, or that former leaders of traditional public schools are capable of leading your charter school.
- Every question within the narrative is different, so don't think that the answer to a previous question is likely to be sufficient as an answer to a subsequent question. If you answer two questions with the same language you are likely missing some part of at least one of the questions.

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Grant Narrative (Hints)

- ☐ Make sure the narrative has **page numbers**, including any addendums, annexes, or ancillary materials.

- ☐ Use the rubric as your writing prompt for each question. Failure to do so will result in a loss of points during the review process.

- ☐ Have somebody you trust use the rubric to help you improve your application.

- ☐ If a high performing school is selected for modeling, the applicant must explain what aspect or aspects of the high performing school will be modeled. (Be specific.)

- ☐ A composite reviewer score on the rubric of more than **70% or a raw score of 79** almost ensures the grant will be awarded.

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Grant Narrative (Hints)

- If the applicant will be seeking to become a new School of Excellence, the application narrative should state so.

- Ensure adherence to all applicable laws, including EDGAR

- Ensure compliance with the Charter School Grant Program requirements

- Eliminate **"Real or Apparent Conflicts of Interest"**

- Make sure the members of the development team are described along with their specific roles. Make sure the non-profit board members and officers are identified.

- If the school you are planning requires a waiver or exception to the law, please make sure you already have the necessary approval(s). We can not provide grant funds to entities attempting to open schools that are **<u>currently</u>** illegal.

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Reminders

- The Non-Profit Board is the subgrantee and that Board is therefore responsible for the disposition of all funds, and is accountable for all materials, supplies and equipment acquired with grant funds.

- EDGAR 75.701 requires MDE to *"ensure that the subgrantee DIRECTLY administers or supervises the administration of the project. Because only non-profits are eligible for subgrants, particular care should be taken with subgrantees who contract with a for-profit third party for the operation and administration of the school. In these cases the subgrantee's Board of Directors should be independent of the contractor, and the contract should be arms-length and able to be terminated with minimal penalties to the charter school."*

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Reminders

- At least one Level -5 "Grant Administrator" must be a non-profit Board member or designated employee of the non-profit subgrantee Board. (MEGS+ allows two level 5s)

- **Failure to follow state and federal law may result in the freezing or withdrawal of funds, especially where a subgrantee fails to demonstrate an awareness of its responsibilities with respect to the administration or oversight of the grant.**

- A **MANDATORY** meeting scheduled for March 21, 2013 will be held in Lansing for all awardees. A Board member and a project manager are recommended to attend. Funds will not be released until a subgrantee Board member participates in one of these awardee meetings.

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Reminders

- Work performed before or after the project period is **<u>NOT</u>** reimbursable with CSP grant funds.

- Successful Applicants will be Required to Provide Monthly Status Reports, Regardless of Activity Level.

- Successful Applicants Must Establish a Financial Management System that Collects and Tracks All Invoices, Purchase Orders, Sales Receipts, Requests for Reimbursement, Contracts, and **<u>Cancelled Checks</u>**.

- Successful applicants use all of their time to accomplish tasks. A development team should not wait to accomplish tasks until they find out if they received the award or not.

- The planning grant is not large enough to pay for all of the activities necessary to receive a charter.

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Reminders

- All contracts must be signed by the contractor and a designated representative of the non-profit Board. They should include:
    - Contract Start and End Dates
    - Pay Rates
    - Total Amount of the Contract
    - Scope of Work, Including Location & Hours
    - Specific Deliverables & Deadlines (if any)
    - Payment Instructions
    - Termination Details
- Fixed rate contracts are not allowed.

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Reminders

- The next round is scheduled is open now and will close on February 5, 2013.
- Project start date for this next round is scheduled for March 21, 2013. Management plans should be developed accordingly.
- This is the third and last round for 2012-2013.
- We are planning the next application round after this one to be open in June 2013.
- The 2013-2014 Planning Grant Application will be slightly different than the 2012-2013 application.
- **Do NOT spend or otherwise obligate any grant funds until you receive an award letter from the State Superintendent, Mr. Mike Flanagan.**

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Reminders

□ Make sure you read the application and follow the directions. Failure to follow directions is the number one reason grant applications fail to meet the minimum eligibility requirements to be reviewed. **This is especially true with regard to providing potential authorizers with applications and notifying them of your intent to apply for the CSP Grant. This a legal requirement and can not be waived.**

□ You should spend some time doing research on the various authorizers and should then select one or more to apply to. You can check with the individual authorizer websites or you can contact the Michigan Council of Charter School Authorizers (www.mccsa.us) for information regarding authorizers that may be accepting applications during this time frame.

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Reminders

- DO NOT agree to have anyone write your grant application without knowing exactly how that person will be paid.

- **These grant funds can not be used to apply for other grants.**

- Your application will be reviewed and scored by volunteers from across the education community. **The PSA unit staff does not score** your application, we use a peer reviewer process. If you would like to participate in the peer review process, please send us an email along with a copy of your resume'.

- The process we use to manage this grant has been identified by US Ed. as a "Best Practice." If a group has difficulty managing this grant, they are likely to have EXTREME difficulty operating a quality public school.

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Things to Avoid

- ☐ Activities that are illegal
- ☐ Activities that are or appear to be self-enriching
- ☐ Activities that could be seen as supplanting
- ☐ Relationships that are restrictive and unnecessarily burdensome (e.g., poison pills or contracts that relinquish fiduciary control from the subgrantee)
- ☐ Contracts that extend past the term of the grant
- ☐ Partnerships or vendor relationships with individuals or entities having dubious track records or reputations
- ☐ Failing to disclose or intentionally misrepresenting the status of relationships between vendors and non-profit board members

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We Seek & Support Quality

- Einstein's Theory About Doing the Same Things and Expecting Different Results- Definition of Insanity

- Keys to Success (Fryer, 2012)

    - Focus on Human Capital

    - Use Student Data to Drive Instruction

    - Provide High-Dosage Tutoring

    - Extend Time on Task

    - Foster a Culture of High Expectations

- "Being Better Is NOT Good Enough"

- Rethink All Paradigms

- Execute With Fidelity

> Extracted from: *Learning from the Successes and Failures of Charter Schools" by Roland G. Fryer, Jr. The Hamilton Project, Decision Paper 2012-06, dated September 2012 (Harvard University, EdLabs)*

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