



Expanding Opportunity Through Quality Charter Schools Program – Grants to State Entities Pre-Application Webinar: *Developing the grant project budget (Part 1)*

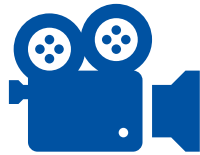
MAY 2024



Webinar Logistics



Session is listen-
only



Session will be
recorded and
posted



Use Q&A function
for questions and
comments



Email
SE_Competition@ed.gov
with follow-up questions



Agenda

- Welcome and Introduction
- State Entity Pre-Award Webinar Series Recap & Grant Eligibility
- Common Budget Pitfalls & the CSP Budget Review Process
 - Q & A
- Administrative, TA, and Subgrant Set-Aside Funding
 - Q & A
- Resources and Reminders
- Pulling Together the Budget Proposal – *Pre-recorded part 2*



State Entity Pre-Award Webinar Series Recap & Grant Eligibility



SE Pre-Award Webinar Series

Webinar Title	Date / Time
Pre-Application Webinar	May 8, 2024 @ 2:00-3:30pm ET
Assessing Organizational Readiness for the State Entity Grant	May 9, 2024 @ 2:00-3:00pm ET
High-Impact TA Activities	May 10, 2024 @ 2:00-3:00pm ET
Developing the Grant Project Budget (Part 1)	May 13, 2024 @ 2:00-3:00pm ET
Developing the Grant Project Budget (Part 2)	Recording posted on the FY24 SE competition webpage
Logic Models and Performance Measures	Recording posted on the FY24 SE competition webpage
Needs Analysis	Recording posted on the FY24 SE competition webpage



Grant Eligibility

Eligible applicants are state entities with a state statute authorizing the establishment of charter schools.

- *A State Entity means:*



A State Education Agency



A State Charter School Board



A Governor of a State



A Charter School Support Organization



Subgrant Eligibility

Eligible Applicant means a developer that has:

- Applied to an authorized public chartering authority to operate a charter school; and
- Provided adequate and timely notice to that authority.

What do we mean by “developer”?

An individual or group of individuals (including a public or private nonprofit organization), which may include teachers, administrators and other school staff, parents, or other members of the local community who will carry out a charter school project.



SE Grantee Readiness

An Important Note:

- There is no grace period for SE grantees to reconsider the pipeline or proposal a different approach
 - Day 1 = first day of your grant.
- Ensure that infrastructure and staffing is in place to support the work related to implementing a federal grant—particularly the financial systems and data collection infrastructure.
- You are accountable for what you put into your application.



Common Budget Pitfalls & the CSP Budget Review Process



Common Budget Pitfalls

- Misalignment between the project narrative, budget narrative, and ED 524 form
- Misunderstanding allowable costs
 - Planning for subgrant expenditures that are sustained costs (vs. non-sustained costs)
- Not accounting for waivers to support existing subgrantees (*if applicable*)
- Not making clear distinctions between administrative and technical assistance (TA) costs in the budget narrative
- Proposing budgets that do not meet the statutory set aside percentages for administrative, TA, and subgrant costs by the end of the project
- Calculation errors in the budget narrative and/or ED 524 form
- Including cents (budgeted amounts less than \$1)



CSP's Budget Review Process

When the Department reviews a budget there are some key questions we ask to begin our review:

- Are all costs allowable, allocable, and reasonable for the grant?
 - Are the costs explained sufficiently in the budget narrative to make this determination?
- Are the costs aligned across the project narrative, budget narrative, and ED 524 form?
- Is at least 90% of the budget allocated to subgrants, at least 7% allocated to TA, and no more than 3% for admin costs?
- Are the subgrant amounts properly justified?
 - Are the subgrant costs the applicant anticipates allowable (e.g., non-sustained costs)?



Allowable Cost Framework

Is it necessary to complete the project?



Is it reasonable?



Is it allocable?



Is it allowable?



Reasonable Costs

- Reasonable costs do not exceed that which would be incurred by a prudent person.
- For more specific guidance about the definitions of allowable, allocable, and reasonable see [2 CFR 200 Subpart E – Cost Principles](#)



If you are unsure if a cost is allowable, allocable, or reasonable – reach out to CSP!





Allocable Costs

- A cost is allocable to a CSP award if it is treated consistently with other costs incurred for the same purpose.

Example: A subgrantee wants to buy 100 laptops six months before the school opens its doors and plans to pay using grant funds.

Is this allocable?

Yes – The laptops are needed to operate the school, can't be paid for with other funding, and are not prohibited under the grant.

- For more specific guidance about the definitions of allowable, allocable, and reasonable see [2 CFR § 200.405 - Allocable Costs](#)



Allowable Costs for Subgrantees

Funds should be spent on items that are:

- necessary to achieve the subgrant objectives
- aligned with grant requirements
- reasonable for the expenditure

Examples of Allowable Costs

Desks and chairs

Textbooks and curriculum

Student and teacher technology

First year audit

Professional development

Travel expenses (e.g., trainings)

Conference registration fees



Unallowable Costs for Subgrantees

- CSP SE subgrant funds are startup funds and cannot be used on sustained costs
- Sustained costs under the CSP SE grant include:
 - Reoccurring costs
 - Items that need to be maintained over an extended period
- CSP's statute (section 4303 of the ESEA) and Uniform Guidance(2 CFR Part 200) provide additional information allowable and unallowable costs

Examples of Unallowable Costs

Ongoing subscriptions and license fees

Sustained personnel costs (e.g., teacher and school administrator positions)

Promotional items and “swag”

Food, beverages, and alcohol

Clothing and uniforms

Capital improvements



Planning vs. Implementation Subgrant Costs

All costs should be one-time, startup expenses for the project being funded and not recurring costs. Some costs are allowed during subgrant planning year(s), while others are allowable during implementation.

This table provides some examples of subgrant planning vs. implementation costs:

Item	Allowable During Planning Period	Allowable During Implementation Period
Community engagement – radio spots, TV ads, outreach consultant	X	X
Consulting Fees	X	X
Furniture		X
Professional Development	X	X
Rent/Facility Payments	X	



Questions

Please use the Q&A feature to submit your questions



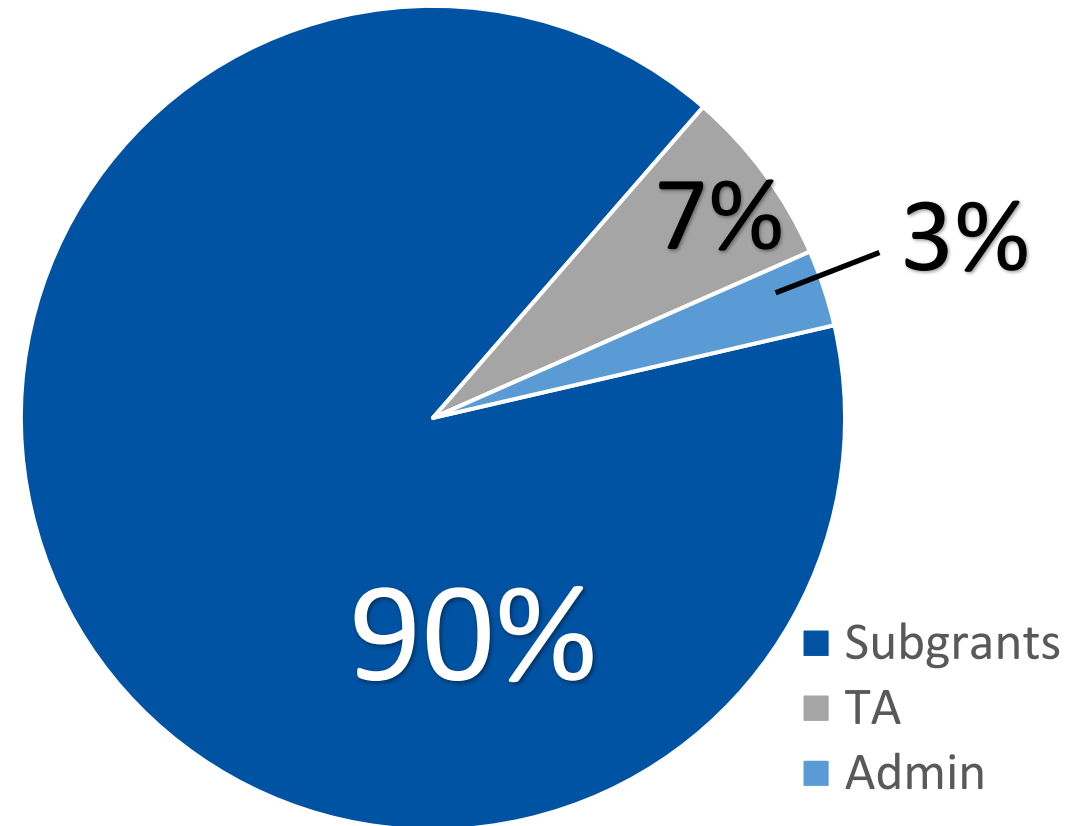
Administrative, TA, and Subgrant Set-Aside Funding



Funding Restrictions

Section 4303(c)(1) of the ESEA indicates that:

- At least 90% of funds **must** be used to provide subgrants
- At least 7% of funds must be used to provide TA to subgrantees **and** authorizers
- Up to 3% of funds can be used for administrative costs



Administrative Costs 3%

Administrative costs include any cost associated with administering the grant, including:

- Personnel
- Monitoring
- Peer Review
- Travel to Project Directors' Meeting and Participation in Other TA Offerings
- Reviewing Reports



Technical Assistance Costs 7%



Avoid using specific contractor names in your application for TA support.

- Grantees under this program must provide technical assistance to:
 - Eligible applicants and authorized public chartering agencies in opening and preparing for the operation of new charter schools, or replicating or expanding high-quality charter schools; and
 - Authorized public chartering agencies in the state to improve authorizing quality, including developing capacity for, and conducting, fiscal oversight and auditing of charter schools.
- At least of 7% of grant funds must be spent on this TA over the course of your grant, but you have flexibility in when the funds are spent. For example, you may spend more in years one and two and less in years three through five.
- Any contract work for administrative purposes cannot be covered with TA funds. TA may be provided in preparation for or as a result of monitoring, but not for actual monitoring.



Subgrants

90%

- At least 90% of CSP funds must be awarded as subgrants to eligible applicants within the state. These subgrants may be used for two primary purposes:
 - (1) Planning, program design, and initial implementation of new charter schools; or
 - (2) Replication or expansion of high-quality charter schools.

A few things to note:

- Subgrantee maximum: \$2,000,000
- Subgrants are no more than 5 years, including no more than 18 months for planning
- The number and type of subgrants (i.e., new, replicated, or expansion schools) should be clearly delineated and justified in the application, including the budget & budget narrative



Subgrantee Access to High-Quality Technical Assistance

- CSP SE grantees are encouraged to ensure that subgrantees have access to high-quality technical assistance to carry the activities noted in section 4303(h) of the ESEA
- In order to do this, SE grantees may choose to:
 - Require that eligible applicants participate in their technical assistance offerings, or
 - Require that subgrantees devote a specific percentage of their subgrant funds to acquiring outside technical assistance



Determining Funding Requests: Subgrants



When determining the number and the types of subgrants, set realistic pipeline goals based on your state context.

Estimation Tip:

- **Question 1:** How many subgrants and what types can we realistically award?
 - How many subgrants have been awarded in previous years (if applicable)?
 - What types of subgrants were awarded (new school, replication, expansion)?
 - Are there subgrantees under a current SE grant that will need to complete their projects? *(If so, you may consider requesting a waiver in your application to continue to support these subgrantees.)*
 - What has enrollment data looked like over the past several years in our state?
 - What information do authorizers, support organizations, incubators, or others have regarding potential new school developers?



Determining Funding Requests: Subgrants *(continued)*



When determining the amount of your subaward proposals, it is important to have clear justifications for the dollar amounts.

Estimation Tip:

- **Question 2:** What is an appropriate max subgrant award amount for each subgrant type (i.e., new, replication, expansion schools, or, if applicable, existing subgrantees) we propose to offer?
 - What amount of CSP funds may be needed considering charter schools' other sources of funds (e.g., Title I, ESSER, etc.)?
 - What *allowable* expenditures do we expect schools to request?
 - How might the needs/expenses of new, replication, and expansion schools differ?
 - How much money is left of the awards of existing subgrantees under the current SE grant (if applicable)?



Example: Estimated Subgrants

New School Subgrants:

- \$2,000,000 each, 10 total (2 per year)
- Obligated at time of subaward
- 3-year subgrant length

Replication Subgrants:

- \$1,500,000 each, 10 total (2 year)
- Obligated at the time of subaward
- 3-year subgrant length

Expansion Subgrants:

- \$500,000 each, 5 total (1 per year)
- Obligated at the time of subaward
- 3-year subgrant length

Type of Subgrants	Number of Subawards each Year	Project Year 1	Project Year 2	Project Year 3	Project Year 4	Project Year 5
New School	2	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Replication	2	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Expansion	1	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
	Total Funds Requested per Year	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000



Supplemental Example: Estimated Subgrants *with* Existing Subgrantees from the Current SE Grant

Existing Subgrants under the current SE grant:

- \$400,000 each, 3 total
- Obligated at the time of subaward
- 1-year remaining for each subgrant

Type of Subgrants	Number of Subawards each Year	Project Year 1	Project Year 2	Project Year 3	Project Year 4	Project Year 5
New School	2	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Replication	2	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Expansion	1	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Existing Subgrants	3	\$1,200,000	\$0	\$0	\$0	\$0
	Total Funds Requested per Year	\$8,700,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000



Estimated Subgrants: Planned Budget Request

New School Subgrants:

- \$2,000,000 each, 10 total (2 per year)
- Obligated at time of subaward
- 3-year subgrant length

Replication Subgrants:

- \$1,500,000 each, 10 total (2 year)
- Obligated at the time of subaward
- 3-year subgrant length

Expansion Subgrants:

- \$500,000 each, 5 total (1 per year)
- Obligated at the time of subaward
- 3-year subgrant length

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Subgrants (≥90%)	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$37,500,000
Administrative (<3%)	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Technical Assistance (≥7%)	\$583,333	\$583,333	\$583,334	\$583,333	\$583,334	\$2,916,667
Total	\$8,333,333	\$8,333,333	\$8,333,334	\$8,333,333	\$8,333,334	\$41,666,667



Funding Request Calculation Scenario

Continuing with the example presented on the previous slides, we determined that we need \$37,500,000 for our new, replicated, and expansion subgrant awards.

\$37,500,000 subgrants must be not less than 90% of grant

$\$37,500,000 / 0.90 = \$41,666,667$ total grant amount

$\$41,666,667 \times 0.07 = \$2,916,667$ for TA costs

$\$41,666,667 - \$37,500,000 - \$2,916,667 = \$1,250,000$ for Admin costs



Be sure to include DETAILED information on how you estimated the number of subgrants you plan to award, including subgrant type, length of subgrant, and amount of each subgrant.

Planned Budget Request	Amount	Statutory Requirement
Subgrants	\$37,500,000	Not LESS than 90%
Administrative	\$1,250,000	Not MORE than 3%
Technical Assistance	\$2,916,667	Not LESS than 7%
Grant Total	\$41,666,667	



Determining Funding Requests

Calculation Tips:

- Step 1: Determine how many subgrants and what types (i.e., new, replication, or expansion schools) can you can we realistically award
- Step 2: Determine the max subgrant award amount for each type of subgrant you propose to offer
 - Add total subgrants per year, based on amount budgeted for each award type
- Step 3: Divide total subgrant amount by 90% (0.90) = total possible grant amount
- Step 4: Multiply total possible grant amount by 7% (0.07) = minimum amount of funds for TA
- Step 5: Subtract that minimum for TA and total subgrant amount from possible grant to determine the maximum amount of funds for administrative expenses (3%)



Estimating Subgrants Overview

- Set realistic goals when estimating subgrants for each year of your grant.
- Subgrant goals should align to the charter pipeline and context of charter school growth in your state.
- Your subgrant estimations must align to the budget in your application.
- You will be accountable for what is listed in your original, approved application, if funded.



Questions

Please use the chat feature to submit your questions



Resources and Reminders



Don't Forget to Check Out

Developing the Grant Project Budget Part 2

- This Part 1 webinar covered the foundations of developing your budget proposal and how CSP approaches reviewing applicants' budgets
- Part 2 of the budget webinar covers the nuts and bolts of pulling together the budget proposal
- It is a pre-recorded webinar, and you can find it on our FY 2024 SE Competition webpage



Resources

Federal Register NIA

Nonregulatory Guidance: The [CSP NRG](#) includes applicable information to the CSP program that addresses additional issues and provides clarification for components specific to CSP grants

- Section D: Allowable Expenses



Uniform Guidance:

- [Subpart D – Post Federal Award Requirements](#)
- [Subpart E – Cost Principles](#)
- [Subpart F – Audit Requirements](#)
- [Title 2 CFR Part 3474](#)
- [Part 180: OMB Guidelines for Debarment and Suspension](#)
- [Part 3484: Non procurement Debarment and Suspension](#)



Applicant Reminders



- You must register at SAM.gov to obtain a Unique Entity Identifier (UEI)
- The deadline to submit an application to Grants.gov is 11:59:59pm on June 13, 2024





THANK YOU!

