Charter Schools Program (CSP)
State Educational Agencies (SEA) Grant Program

Overview of the 2015 CSP SEA Review Process
October 2015

The following describes the U.S. Department of Education's review process of SEA applications. The program is administered by the Department's Office of Innovation and Improvement (OII).

Background on the SEA Program and an Overview of the Review Process

- This program authorizes the Department to award grants to eligible SEAs on a competitive basis to enable them to conduct charter school programs in their States. SEAs use their CSP funds to award competitive subgrants to charter school developers and charter schools (*i.e.*, non-SEA eligible applicants) in their States. CSP subgrants from SEAs to non-SEA eligible applicants are used for two primary purposes:
    - Post-award planning, program design, and initial implementation of new charter schools; and
    - Dissemination of information, including best practices, about successful charter schools.

- The Department invited public comment on proposed priorities, requirements, definitions, and selection criteria for this program in a Notice of Proposed Priorities (NPP) that was published in the *Federal Register* on November 19, 2014 (79 *Fed. Reg.* 68812-68821). A summary of comments received on the NPP and the Department's responses to those comments can be found in the Notice of Final Priorities (NFP) that was published in the *Federal Register* on June 15, 2015 (80 *Fed. Reg.* 34201-34227), simultaneously with the Notice Inviting Applications for New Awards (NIA) for the FY 2015 CSP SEA grant competition (80 *Fed. Reg.* 34228-34238).

- Following a public request for peer reviewers (details below), the Department reviewed over 500 peer reviewer resumes and applications and selected 21 peer reviewers, including alternates. The Department's selection process focused on identifying highly qualified reviewers with a solid understanding of the "charter school movement" and expertise in at least one of the following areas: education strategy and education policy; research and evaluation; charter school development and implementation; and charter school grant administration.

- Panels of independent peer reviewers read and scored applications from 27 SEAs.[1] The peer reviewers evaluated and scored the SEA applications based on the selection criteria and competitive preference priorities that were announced in the NIA for the FY 2015 CSP SEA competition.[2]

- The Department relies on independent peer reviewers to evaluate and score applications. Department staff monitor the grants review process to help ensure thoroughness, fairness, and objectivity. After the peer reviewers have completed their

---

[1] See Appendix B for a list of Applicants for the FY 2015 CSP SEA Grant Program.
[2] See Appendix A for SEA Program Priorities and Selection Criteria for the FY 2015 Competition.

scoring, Department staff conduct second-level reviews of all applications before awards are made to verify, among other things, the eligibility of applicants; that proposed activities are authorized; that costs in the proposed budgets are necessary, reasonable, and allocable to the grants; and the fiscal stability of the applicants and whether there are significant compliance or past performance issues under any prior Department grants.

Peer Reviewer Selection Process and Training

- In May 2015, the Department released an open call for peer reviewers. Individuals wishing to serve as peer reviewers were required to submit their resumes as well as complete an online application.

- After excluding potential peer reviewers with direct conflicts of interest, Department staff reviewed the resumes and completed applications of the remaining applicants, identifying those who were highly-qualified in specific areas of expertise, such as education strategy and policy; research and evaluation; charter school development and implementation; and charter school grant administration. After this review, Department staff checked for availability and selected a final list of 21 peer reviewers, representing a range of charter school and education practitioners, researchers, and evaluators.

- Peer reviewers participated in mandatory training on the SEA program and their responsibilities as peer reviewers. All peer reviewers also received, and were instructed to review, copies of the NIA and training materials.

- Department staff served as "panel monitors" to oversee the application review process and to facilitate discussions amongst peer reviewers at the panel meetings. The panel monitors received training similar to the peer reviewers, focused on the purposes of the SEA program, the selection criteria and competitive preference priorities, and panel monitor responsibilities.

Application Review Process

- The Department preliminarily reviewed all SEA applications received by the application deadline for eligibility, and for assigning them to peer reviewers. The peer reviewers reviewed their assigned applications and assessed how well each application addressed the selection criteria and any relevant competitive preference priorities outlined in the NIA by providing written comments and numerical scores to the Department panel monitor. To preserve the fairness and integrity of the competition, peer reviewers were instructed to score each application based only on information included in the particular application they were reviewing as it related to the published applicable selection criteria and competitive preference priorities.

- All peer reviewers for the SEA competition were required to attend a five-day onsite review process in Washington, DC, beginning on July 27, 2015. Prior to the onsite review, each reviewer had approximately one week to read their assigned applications and submit to program staff draft comments and scores for each application. Panel discussions held onsite included all members of a peer review panel and the panel monitor. There were 27 unique panels of peer reviewers, consisting of three peer reviewers and one alternate reviewer. Each unique panel reviewed one application. No

three reviewers served on a panel together more than once. The final scoring was at the discretion of the peer reviewer. There was no requirement that peer reviewers reach a consensus.

- Based on the reviewers' scores, Department staff prepared a list of the applicants in rank order.

Post-Peer Review Processing

- **CONFIRM ELIGIBILITY**: Department staff conducted a final review of the top-ranked applications to confirm the eligibility of applicants before grants were awarded. In order to be eligible to receive an SEA grant in the FY 2015 competition, applicants had to be an SEA in a state with a charter school law that meets the statutory requirements and applicants had to meet the Absolute Priorities identified in Appendix A.

- **REVIEW BUDGETS**: Prior to awarding grants, Department staff reviewed the proposed budgets of the top-ranked applications to make sure that only necessary, reasonable, and allocable expenses were included in project budgets. Expenses that did not adhere to these and other statutory and regulatory requirements were excluded from total award amounts or adjusted accordingly. In addition, this program has a statutory limit on administrative costs of 5% of the total award; dissemination subgrants may not exceed 10% of the total award; and no more than 10% of the grant award may be used to establish a revolving loan fund. Program staff made appropriate adjustments to ensure that all approved budgets met these requirements (or the conditions of any approved waivers) and were necessary to meet the objectives of the applicants' projects.

- **DUE DILIGENCE**: Program staff, with the help of the Department's Risk Management Service, conducted due diligence risk reviews to assess the potential risk associated with each of the top-ranked applicants (the prospective SEA grantees), based on a number of factors, including the following: financial stability; adequacy of internal, fiscal, and administrative controls; and prior performance under other Department grants. Where concerns were identified, and the risk could be mitigated or addressed, the Department imposed appropriate special conditions on the grants.

Selecting SEA Grantees and Follow Up

- **GRANT AWARDS**: Upon completion of the grants review process described above, the Department approved new grant awards to 8 SEAs for FY 2015. The Department considered a range of factors in determining the number of grant awards, including the amount of available funds, anticipated funding available under the program in future years, the quality of the applications, and applicant performance under previous CSP grants.

- **SPECIAL CONDITIONS**: The Department placed a range of special conditions on the 8 new grant awards. Special conditions reduce the risk of noncompliance by requiring grantees to take additional steps to demonstrate compliance with specific program requirements. Imposing special conditions on a grant underscores the Department's commitment to effective oversight and strong financial accountability, as discussed in

the [Dear Colleague Letter](#) released on September 28, 2015, in conjunction with the announcement of new SEA grant awards for FY 2015.

- **TRANSPARENCY**: The Department has posted the project abstracts, technical review forms, and redacted applications of the 8 SEAs that received new CSP awards in FY 2015 on its [website](#).

- **MONITORING AND SUPPORTING SEA GRANTEES MOVING FORWARD**: As with all Department programs, SEA grantees under the CSP will be monitored and supported by a team of committed Department staff throughout the course of their grant periods. Regular project director meetings, as well as other targeted technical assistance and support, will be provided to help SEA grantees, the Department, and the public understand and assess the progress, impact, and findings of projects funded under this program.

APPENDIX A: SEA PROGRAM PRIORITIES AND SELECTION CRITERIA FOR FY 2015 COMPETITION

Absolute Priorities. Applicants for SEA grants were required to meet the following two Absolute Priorities:

Absolute Priority 1 – Periodic Review and Evaluation.
To meet Absolute Priority 1, an applicant was required to demonstrate that the State provides for periodic review and evaluation by the authorized public chartering agency of each charter school at least once every five years, unless required more frequently by State law, and takes steps to ensure that such reviews take place. The review and evaluation must serve to determine whether the charter school is meeting the terms of the school's charter and meeting or exceeding the student academic achievement requirements and goals for charter schools as set forth in the school's charter or under State law, a State regulation, or a State policy, provided that the student academic achievement requirements and goals for charter schools established by that policy meet or exceed those set forth under applicable State law or State regulation. This periodic review and evaluation must include an opportunity for the authorized public chartering agency to take appropriate action or impose meaningful consequences on the charter school, if necessary.

Absolute Priority 2 – Charter School Oversight.
To meet Absolute Priority 2, an applicant was required to demonstrate that State law, regulations, or other policies in the State where the applicant is located require the following:

(a) That each charter school in the State –
    1) Operates under a legally binding charter or performance contract between itself and the school's authorized public chartering agency that describes the rights and responsibilities of the school and the public chartering agency;
    2) Conducts annual, timely, and independent audits of the school's financial statements that are filed with the school's authorized public chartering agency; and
    3) Demonstrates improved student academic achievement; and
(b) That all authorized public chartering agencies in the State use increases in student academic achievement for all groups of students described in section 1111(b)(2)(C)(v) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(2)(C)(v)) as one of the most important factors when determining whether to renew or revoke a school's charter.

Competitive Preference Priorities and Selection Criteria. The following table lists the competitive preference priorities and selection criteria, including the points an application could receive for each.

Table 1: Competitive Preference Priorities, Selection Criteria, and Points for FY 2015 SEA Competition

Competitive Preference Priorities	*Points*
1. High-Quality Authorizing and Monitoring Processes	*Up to 15*
2. One Authorized Public Chartering Agency Other than a LEA, or an Appeals Process	*0 or 5*
3. SEAs that Have Never Received a CSP Grant	*0 or 5*

Total Possible Competitive Preference Priority Points	25*
Selection Criteria	Points
A. State-Level Strategy	15
B. Policy Context for Charter Schools	5
C. Past Performance (applicable to states with 5 or more years of charter school data)	10
D. Quality of Plan to Support Educationally Disadvantaged Students	15
E. Vision for Growth and Accountability	10
F. Dissemination of Information and Best Practices	10
G. Oversight of Authorized Public Chartering Agencies	15
H. Management Plan and Theory of Action	10
I. Project Design	10
Total Points	100*

*For a detailed description of each competitive preference priority and selection criterion, including their related factors, please see the NIA, available online at: http://www.gpo.gov/fdsys/pkg/FR-2015-06-15/pdf/2015-14392.pdf.

1. Alabama
2. Arizona
3. Arkansas
4. California
5. Colorado
6. Delaware
7. District of Columbia
8. Georgia
9. Illinois
10. Indiana
11. Louisiana
12. Maryland
13. Massachusetts
14. Michigan
15. Mississippi
16. Missouri
17. Nevada
18. New Hampshire
19. New Mexico
20. Ohio
21. Oklahoma
22. Oregon
23. South Carolina
24. Tennessee
25. Texas
26. Utah
27. Wisconsin