

Charter School Community Impact Analysis and Management Contracts

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RESPONSE TO PUBLIC COMMENTS

The Department of Education (ED) solicited comments on a proposed new information collection in a notice that published in the **Federal Register** on April 22, 2022 (87 FR 24144). ED received a total of three public comment submissions, and we describe and respond to these comments below.

BACKGROUND:

ED, in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)), provides the general public and Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps the Department assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand the Department's information collection requirements and provide the requested data in the desired format.

On March 14, 2022, the Department solicited comments on proposed priorities, requirements, definitions, and selection criteria for CSP SE Grants, CMO Grants, and Developer Grants, Assistance Listing Numbers (ALNs) 84.282A, 84.282B, 84.282E, and 84.282M. This notice contained new information collection activities for applicants associated with new requirements for conducting a community impact analysis and submitting information on management contracts with for-profit education management organizations, including non-profit charter management organizations operated by or on behalf of for-profit entities.

ED is especially interested in public comment associated with these new requirements addressing the following issues: (1) Is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology?

PUBLIC COMMENTS AND RESPONSES

1. Community Impact Analysis

Comments:

Two of the three comments received offered strong support for the community impact analysis. One commenter noted that the proposed requirement ensures due diligence in the selection of grantees and will help peer reviewers make sound decisions. The other supportive commenter said the requirement will provide vital information regarding the possible success of the project, and added that its inclusion will not place an undue burden on applicants. Both commenters recommended that we add to this requirement a request from applicants for a profile of the students with disabilities and English language learners (ELLs) in their community, along with an assurance that they will provide a full range of services to meet the needs of students with disabilities and ELLs; and, that applicants include a signed affidavit from the district or state education department officials attesting to the accuracy of the information provided in the application. One of these commenters also suggested that schools only report district demographics from which the charter will draw a minimum of 35% of its students. One of these commenters also recommended that we request applicants to itemize the costs included in the impact analysis like fixed and overhead costs, transportation costs, existing pension obligations. This commenter added that itemizing these costs will help ensure transparency in financial disclosures.

Only one commenter stated strong opposition to the community impact analysis requirement, noting that the requirement is not necessary and that they do not believe the information obtained will be processed and used in a timely manner.

Response:

The goal of this requirement is to ensure that CSP applicants clearly address the need for their proposed projects and the anticipated benefits to the community in which the charter school is or would be located. Many notices inviting applications for new awards under the Department's discretionary grant programs require applicants to address the need for the project and the potential impact of the project on the community, including several school choice and place-based discretionary grant programs, such as the Magnet Schools Assistance and Full-Service Community Schools programs. As stewards of taxpayers' dollars, we hold a fundamental belief that all applicants for Federal financial assistance should be able to articulate the need for their proposed project and its potential impact on the community that it would serve. This requirement allows applicants flexibility to present relevant and applicable data that is most suitable for the types of projects they are proposing. While we appreciate the feedback on burden and the recommendations for changes to the priority, we decline to make the suggested revisions.

II. Management Contracts with For-Profit Entities

Comments:

Only two commenters responded to the new information collection requirement about

management contracts with for-profit entities. Both commenters offered strong support for the requirement suggesting that is necessary to ensure that new strategies are not used to evade statutory provision prohibiting for-profit entities from accessing Federal funds. Both commenters said the requirement is reasonable and necessary. These commenters also recommended that we add language to the new requirement clarifying that the requirement applies to all related corporations doing business with the charter school.

Response:

ED appreciates the feedback and support for the new information collection activity. We strongly believe it is important for CSP grantees and subgrantees to exercise fiscal transparency by disclosing their contractual relationships with for-profit management organizations.