

Why GAO Did This Study

The number of charter schools is growing, spurred by demand for innovation and federal incentives, such as the Race to the Top Fund, which favors states supportive of charter schools. However, states often define charter schools differently than traditional public schools. Some charter schools operate as a school district, while others are part of a school district and some are for-profit entities. These differences could complicate eligibility determination for federal administrators. GAO was asked: (1) To what extent do charter schools apply for federal discretionary grant programs and what challenges do they face, if any, in doing so? (2) What role has the U.S. Department of Education played in helping charter schools establish their eligibility for federal discretionary grant programs? GAO identified grant programs governmentwide for which charter schools are eligible to apply, surveyed a stratified random sample of charter school officials, and interviewed federal agency officials. We also visited charter schools, school districts, charter school associations, and state educational agencies in 3 states.

What GAO Recommends

GAO recommends that Education clarify grant opportunities for charter schools, highlight charter schools' eligibility in relevant grant announcements, and post its grant application guidance for charter schools on its Web site. Education agreed with our recommendations.

CHARTER SCHOOLS

Education Could Do More to Assist Charter Schools with Applying for Discretionary Grants

What GAO Found

Based on our survey of charter schools, approximately 7 percent of all charter schools applied for federal discretionary grants during school year 2008-2009, the most recent information about grant applications available at the time of our survey. The types of charter schools that applied differed. For example, 8 percent of charter schools designated as their own local educational agency (LEA) applied for grants compared to 2 percent of schools that are part of a larger school district or LEA. Based on their responses to our survey, some of the schools that are part of a larger school district believed they needed an LEA designation to be eligible for federal discretionary grants and did not apply because of their charter school status. We identified 47 discretionary grant programs for which charter schools are potentially eligible. Both charter schools designated as their own LEA and individual charter schools were potentially eligible for the majority of the 47 programs. The Department of Education administered 33 of the 47 programs. Given the range of application rates in 2008-2009, some charter schools may be unaware that they can apply directly for these grant programs. On the other hand, charter schools that are part of a larger LEA were not eligible to apply for grants that did not designate a public school or a nonprofit organization as an eligible applicant and may not have applied for that reason. In addition to a lack of resources and a lack of experienced and knowledgeable staff available to prepare competitive grant applications, officials also indicated their lack of awareness about the grant opportunities available to charter schools was a major reason their school infrequently applied for discretionary grants. Several officials we surveyed expressed a desire for an improved means of learning about grant opportunities that address their school's needs.

While the Department of Education has taken steps to encourage charter schools to apply for grants, information about opportunities may not reach all charter schools. Education has inserted language into grant announcements of 17 of the department's 33 grant programs for which charter schools are potentially eligible in order to explicitly alert those charter schools authorized as LEAs of their eligibility to apply for grants. Of the programs for which surveyed charter schools applied, most included such language in their grant announcements. Education has not taken steps to clarify grant eligibility for charter schools that are part of a larger LEA. As public charter schools, these schools could apply for grants for which individual public schools are eligible. Although Education uses multiple methods to publicize grant opportunities, such as the *Federal Register*, <http://grants.gov>, and Education's Forecast of Grant Opportunities, these mechanisms are directed toward all schools and do not target outreach to charter schools. Furthermore, for 16 of the 33 grant programs for which charter schools are potentially eligible, grant announcements sent to potential applicants through these mechanisms do not explicitly identify charter schools as eligible applicants. Education has published a guidebook to accessing federal programs for charter schools, but charter schools cannot access it through the Charter School Program's Web page on Education's Web site.