

mutually agreeable to the authorized public chartering agency and the charter school.

### Competitive Preference Priority

Under 34 CFR 75.105(c)(2)(i) the Secretary awards additional points to an application that proposes to increase the capacity of charter schools to offer public school choice in those communities with the greatest need for this choice. The Secretary awards up to an additional 15 points to an application, depending on how well the application addresses the following factors:

- The extent to which the applicant would target services to geographic areas in which a large proportion or number of public schools have been identified for improvement, corrective action, or restructuring under Title I of the Elementary and Secondary Education Act as amended by the No Child Left Behind Act;
- The extent to which the applicant would target services to geographic areas in which a large proportion of students perform poorly on State academic assessments; and
- The extent to which the applicant would target services to communities with large proportions of low-income students.

**Selection Criteria:** In evaluating applications for grants under this competition, the Secretary will use the following project selection criteria. The Secretary gives distinct weight to the listed criteria. Within each criterion, the Secretary evaluates each factor equally.

The maximum score for all of the selection criteria is 100 points. The maximum score for each criterion is indicated in parenthesis.

The selection criteria address two important questions:

A. Does the applicant have the ability to carry out the proposed grant project?

B. Has the applicant proposed a grant project that will make a significant contribution toward meeting the purpose of the Credit Enhancement for Charter School Facilities Program and thereby increase charter schools' access to facilities financing?

A. The selection criteria related to the applicant's capacity to carry out the proposed grant project include:

1. *The business and organizational capacity of the applicant to carry out the grant project (35 points).*

- The amount and quality of experience the applicant has in carrying out the activities it proposes to undertake in its application, such as enhancing the credit on debt issuances, guaranteeing leases, and facilitating financing;

- The applicant's financial stability;
- The adequacy of the applicant's policies and procedures regarding loan underwriting, portfolio monitoring, and financial management to protect against unwarranted risk;

- The adequacy of the applicant's standards of conduct and organizational structure to prevent conflicts of interest; and

- The resources to be contributed by each co-applicant (consortium member), partner, or other grant project participant to the implementation and success of the grant project.

- For State governmental entities, the extent to which steps have or will be taken to help charter schools within the State obtain adequate facilities.

2. *The grant project team (15 points).*

- The qualifications, including relevant training and experience, of the project manager and other members of the grant project team, including consultants or subcontractors; and

- The adequacy and appropriateness of the applicant's staffing plan for the grant project.

- For non-profits only, an IRS Form 990 and the qualifications, including relevant training and experience, and independence of members of the board of directors.

B. The selection criteria related to the potential contribution of the proposed grant project to achieving the purpose of the Credit Enhancement for Charter School Facilities Program include:

1. *The quality of the design and potential significance of the proposed grant project (35 points).*

- The extent to which the grant project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the Credit Enhancement for Charter School Facilities Program;

- The extent to which the grant project implementation plan and activities, including the partnerships established, are likely to achieve the objectives sought by the project;

- The extent to which the proposed grant project is likely to produce results that will be documented and helpful to others nationally in providing facilities financing assistance to charter schools;

- The extent to which the grant project will use appropriate criteria for selecting charter schools for assistance and for determining the type and amount of assistance to be given;

- The importance or magnitude of the results or outcomes likely to be attained by the proposed grant project (e.g., the number and variety of charter schools assisted that would not have been able to meet their school facility needs

absent the assistance and the amount of capital leveraged); and

- The extent to which the requested grant amount and the project costs are reasonable in relation to the objectives, design, and potential significance of the proposed grant project.

2. *The quality of the services (15 points).*

- The extent to which the services to be provided by the proposed grant project reflect the needs of the charter schools to be served;

- The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the grant project;

- The extent to which the technical assistance and other services to be provided by the proposed grant project involve the use of cost-effective strategies for increasing charter schools' access to facilities financing; and

- The extent to which the services to be provided by the proposed grant project are focused on assisting quality charter schools that have the greatest needs for assistance under the program.

**Waiver of Proposed Rulemaking:** It is the Secretary's practice, in accordance with the Administrative Procedure Act (5 U.S.C. 553), to offer interested parties the opportunity to comment on proposed rules. Section 437(d)(1) of the General Education Provisions Act (GEPA), however, allows the Secretary to exempt from rulemaking requirements rules governing the first grant competition under a new or substantially revised program authority (20 U.S.C. 1232(d)(1)). This program authority was substantially revised under the No Child Left Behind Act of 2001 and this would be the first grant competition under that revised authority. The Secretary, in accordance with section 437(d)(1) of GEPA, has decided to forego public comment in order to ensure timely grant awards. These rules would apply to the FY 2003 grant competition only.

**For Applications Contact:** Education Publications Center (ED Pubs), P.O. Box 1398, Jessup, MD 20794-1398. Telephone (toll free): 1-877-433-7827. FAX: (301) 470-1244. If you use a telecommunications device for the deaf (TDD) you may call (toll free): 1-877-576-7734.

You may also contact ED Pubs at its Web site: <http://www.ed.gov/pubs/edpubs.html>.

Or you may contact ED Pubs at its e-mail address:

[edpubs@inet.ed.gov](mailto:edpubs@inet.ed.gov).

If you request an application from ED Pubs, be sure to identify this competition as follows: CFDA number 84.354A.