

Charter School Grant Administrative Fees

Purpose

The purpose of this technical assistance paper is to clarify the regulations regarding the deduction of funds for indirect costs, including administrative fees or expenses, from a sub-grant awarded to an eligible applicant.

Discussion

The No Child Left Behind Act (NCLB) amended the Federal Charter School Program by adding a specific provision prohibiting local educational agencies (LEAs) from deducting funds for indirect costs, including administrative fees or expenses, from a sub-grant awarded to an eligible applicant, unless the eligible applicant enters voluntarily into a mutually agreed upon arrangement for administrative services with the relevant LEA. If indirect costs or other administrative fees to be used by the school district are included in the project budget, a statement regarding the agreement between the district and the charter school must be included in the budget narrative. Absent such approval, the LEA shall distribute all such sub-grant funds to the eligible applicant without delay.

LEAs may not pressure or threaten schools into signing an agreement they do not wish to sign. Such cases will be considered involuntary and shall not allow for deduction of indirect costs. (ESEA §5204(f)(4)(B))

Contacts for Additional Information

Information on Federal Policy on Administrative Fees can be found at:

<http://www.ed.gov/policy/elsec/leg/esea02/pg62.html>

The Florida Department of Education, Office of Independent Education and Parental Choice, website can be found at: <http://www.floridaschoolchoice.org>

For questions and information on charter schools, contact Karen Hines-Henry at 850-245-0502 or karen.hines@fldoe.org

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Independent Education
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