

Senate Education Committee Testimony
Charter Schools
October, 2019
Joyce Wilkerson, Board President

Good morning Chairman Langerholc and Chairman Dinniman,

My name is Joyce Wilkerson and I serve as the President of the Board of Education for the School District of Philadelphia. Thank you for the opportunity to provide testimony to you today on the topic of charter school authorization.

Philadelphia Landscape

Charter schools are a fundamental part of Philadelphia's public education system, representing almost one-third of all public schools in Philadelphia and educating one out of three public school students. Philadelphia is home to 87 operating charter schools, fully half of the charter schools in the commonwealth.

In our Charter Schools Office, we have an experienced team of 18 individuals who run our charter authorizing program, to ensure that charter schools are providing a quality educational experience to Philadelphia students, are in compliance with applicable laws, are fiscally sound and are operating ethically and transparently. This team evaluates new charter applications, negotiates charter agreements, monitors charter school performance, and makes recommendations on renewal or closure of charter schools. *I have attached an overview of the Philadelphia charter sector and Charter Schools Office here for your reference.*

The Board of Education would like to see a high quality school in every neighborhood, whether district or charter. To achieve this goal we set out to find the highest quality charter applicants, hold schools accountable to the performance expectations in their charter agreements and under applicable laws, and work to close schools that are chronically underperforming, fiscally unsound or operate in a manner that violates the law and public trust.

We are not, as some might suggest, anti-charter school. Last year, in our first year in existence since the elimination of the School Reform Commission (SRC), the Board voted on 9 renewal recommendations for existing charter schools, authorized the expansion of 1,052 new seats in high performing charter schools, and created an expedited renewal process for charter schools that are going through their renewal year and have a track record of high performance.

Unfortunately, while there are many good charter schools in Philadelphia, there are also bad ones. To evaluate the performance of each charter school consistently, the Charter Schools Office has created a performance framework that aligns with federal, state and local laws, and allows the Charter Schools Office to review whether each charter school is upholding

appropriate standards of achievement in the domains of Academic Success, Organizational Compliance and Viability, and Financial Health and Sustainability. *I have attached a copy of this framework here for your information.*

In order to provide charter schools with maximum predictability and consistency, the Charter Schools Office provides every charter school with an Annual Charter Evaluation (ACE) which aligns with the larger renewal report that the school will receive during its renewal year. In this way, the CSO provides each school with maximum transparency and predictability in its renewal process. We want every school to know exactly what it is being evaluated on and whether it is on track for a renewal recommendation.

Despite the significant work being done by the Charter Schools Office and the Board of Education to implement national best practices in charter school authorizing, this work is extremely difficult due to the constraints of the outdated Pennsylvania Charter School Law.

Four of the specific challenges we see due to the Pennsylvania Charter School Law are:

1. The process to close chronically underperforming charter schools is lengthy and expensive

For example, in 2017, our predecessor body, the School Reform Commission, voted to close the Khepera Charter School, which had chronically poor academic performance, with only 2% of students scoring proficient or above on their most recent Math PSSA's, and significant financial and operational issues. Despite its terrible performance, the school appealed its revocation to the State Charter School Appeal Board (CAB). CAB then took 10 months before it heard the appeal. While CAB ultimately voted unanimously to uphold the SRC's recommendation, the appeal process and timeline meant that students were left in an unstable and underperforming school environment for an extra year before the school closed. In fact, when CAB did finally vote on the matter, CAB members expressed concern about whether the school should be closed immediately (mid year) in order to protect students and families.

2. The new charter application process and criteria do not support quality

Philadelphia is a large city both in population and in its geographic size. Across the city, we have areas with great public schools and we have areas in need of great public schools. When we consider adding new schools to Philadelphia, we should be able to include in our considerations whether the proposed school will operate in an area where new, high quality options are needed and whether the school will serve populations of students in need of new, high quality seats. Additionally, when we consider an application from an entity that already manages charter schools, it should be clearly stated that we are able to consider the performance of that provider's currently operating schools.

Finally, we must be able to consider the financial implications of a new charter school when making our decisions. In Philadelphia, we have fought hard for fiscal stability in our public education system. At 30% of our public education system, it is irresponsible to suggest that the cost of charter schools not be considered as we work to improve our

education system. We would not pretend that a new district school has no costs, we must be able to consider the financial implications of charter schools as well.

3. The tie between authorizing and quality has not been firmly established

All authorizing decisions should be tied to clear standards of quality. The current charter school law has none. This leaves charter schools unclear about what standards they will be held accountable to, and it leaves authorizers guessing at what standards will be upheld by CAB and unable to act quickly on schools that such authorizers know are deeply underperforming. The Charter School Law must include a performance matrix that provides clear standards of expected performance and clearly ties authorizing decisions to these standards.

4. Charter schools must be accessible to all students

Finally, the charter school law must be revised to clarify that charter schools must be open to all students, regardless of their needs. We have seen too many examples of charter schools operating with inequitable enrollment practices. This has included schools that refuse to enroll students when the school learns the student has an IEP, schools that do not use clear and transparent waitlists, and schools that request documents from parents applying to the school beyond what is legally allowed. A revised Charter School Law should clarify the requirements for enrollment in charter schools, for creating and maintaining waitlists for charter schools, and for holding schools accountable for not providing access to all students.

Review of House Bills

With this overview in mind, I would like to share our review of the four charter school bills that were passed by the House last year. House Bill 355 (Reese) and House Bill 358 (Marshall), are bills that improve the ethics and conflict of interest provisions in the current law, and expand dual enrollment opportunities for charter school students. We commend these Bills and believe that their passage will significantly improve Pennsylvania's outdated charter school law for its students, families and tax payers.

House Bill 357 (Topper) would limit the District's ability to authorize high-quality charter schools and would adversely impact the hard-won, stable financial position of public education in Philadelphia. Some of our specific concerns include:

1. HB 357 would erode the District's ability to ensure quality choices for students.

The standard application form proposed in the bill lacks information on an applicant's' experience, finances, past performance and operational ability, all of which are necessary to determine whether the applicant can successfully open and operate a school. Districts would be prohibited from requesting additional information that is important to their local context. The renewal process in the bill lacks a comprehensive application and provides only 90 days for review of a charter's student performance, financial health and operations, which we know from experience is not enough time

when reviewing multiple schools. While we already provide for and support a locally defined mid-term amendment process, we oppose making mid-term, discretionary amendments appealable to the Charter Appeals Board, which will only create additional litigation.

2. **HB 357 would negatively impact financial stability for public education in Philadelphia.** The School District of Philadelphia has stabilized its finances and been able to improve academic outcomes for 131,000 students in District operated schools. These bills would allow charter schools - even those with failing performance - to expand enrollment without the knowledge or approval of the local authorizer. Uncontrolled expansion will create significant, unbudgeted new expenses, jeopardizing the District's recent upgrade to an Investment Grade credit rating and imperiling planned improvements to District programs, staffing, and facilities, and undermining long-term financial stability of the entire system.
3. **HB 357 would prevent local authorizers from providing appropriate oversight and protection of their students.** The Board is responsible for the education of all 204,000 Philadelphia public school students, including those in charter schools. The legislation frees charters from oversight that is necessary to ensure they are meeting academic standards, protecting students' civil rights and keeping them free from harm. While some charters are high performing, some perform well below comparable District schools, and have significant financial and operational problems. The bill would make it even harder to close those schools and allow children to move to higher performing schools.

For these reasons, we urge you to vote NO on House Bill 357.

Finally, we are neutral on the proposed HB 356 as long as districts are not forced to sell buildings and are able to receive the appraised value or outstanding debt, whichever is greater, for the property.

Funding Issues

Finally, as I close, I would like to share briefly our priorities and ideas for funding reform that makes sense for both charter and district schools.

- A. Restore the charter school reimbursement program to address stranded costs incurred by school districts due to changes in enrollment.
- B. Create parity in special education funding by applying the three-tiered formula to charter schools and allowing a reasonable transition period for implementing this system. No school should be incentivized to over-identify students with special education needs.
- C. Transfer financial responsibility for cyber charter schools to the Commonwealth where they are authorized and overseen. Local authorizers do not have any say

in the creation or evaluation of cyber charter schools. They should therefore not be paying for them.

- D. Eliminate withholdings from school district subsidies for charter schools enrolling above their enrollment caps.
- E. Eliminate withholdings from school district subsidies for unpaid PSERS obligations of charter schools. Do not force Districts to be debt collectors from charter schools.
- F. Codify that enrollment caps must be elements of a charter and the enrollment cap in the charter school's last signed charter remains in place even when, upon renewal, a new charter is not signed.
- G. Update the charter school payment formula with clear, detailed rules describing how and when the per-pupil charter rates are calculated. These should include:
 - a. Backing out funds which charter schools are already receiving their fair share, which fund activities Charters are not eligible to perform, or are eligible to raise on their own, such as federal payments, private grants, and pre-k funds.
 - b. Formally specifying whether charter payments are based on a school district's formally adopted budget or audited final budget.
- H. In school districts where charter school enrollment accounts for 5% or more of public school enrollment within a district's boundaries, allow authorizers to consider the financial impact of new charter schools and new charter seats on authorizing decisions. This should include deciding whether to hold a new charter application process each year.

Closing

Thank you for the opportunity to testify here today. On behalf of the School District of Philadelphia's Board of Education, I thank you for making reform of our outdated charter school law a priority. We hope to be of service to you in support of this critical goal.