

Senate Bill 904 Testimony

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Good afternoon Chairman Piccola, Chairman Dinniman, and members of the Senate Education Committee. My name is Thomas Darden, and I am the Deputy Chief of the Office of Strategic Programs at The School District of Philadelphia. In this capacity, I oversee the 67 charter schools and 13 Renaissance charter schools located throughout the City of Philadelphia. On behalf of my office and the School District, thank you for the opportunity to provide testimony on Senate Bill 904.

First, the School District applauds the Committee for taking on this important work. We also want to emphasize, up front, that the School District believes that we should all be committed to a common goal of developing a strong public charter school law. Since 1997, charter schools have served, and will continue to serve, as an integral component of a robust school choice environment for families in Philadelphia. Since 1997, the School District has supported

one of the largest and broadest portfolios of charter schools in the country. This school year, there will be 80 operating charter schools in the City of Philadelphia.

We would like to offer a few statistics that validate the School District's ongoing support of the charter school movement:

From the 2008-2009 school year to the 2011-2012 school year, the number of charter schools in The School District of Philadelphia has grown from 63 schools to 80, a 27% increase. Over this same 4-year period, the authorized enrollment of Philadelphia public school students in charter schools has increased from over 35,000 to almost 53,000, an increase of almost 33%. In addition, for this upcoming school year, approximately one in four Philadelphia public school students will attend a charter school.

This growth illustrates that the School District of Philadelphia has not only supported the charter school movement, but has led the way in increasing the number of high quality public school options available to Philadelphia parents and students.

It is important to note that Philadelphia charter school growth exceeds that of most large school districts in the country, and to ensure that the School District can continue to lead the way, we want to speak with you today about how we can all work together to ensure that Pennsylvania enacts a Charter Law that will be recognized as “**the**” best charter law in the country.

We have reviewed the practices of some of the largest charter school authorizers in the nation and consulted policy organizations with expertise in charter school authorization practices. Organizations such as The National Association of Charter Schools Authorizers (“NACSA”) and The National Alliance of Public Charter Schools have been recognized for their leadership in the development **of** the key criteria necessary to evaluate whether Senate Bill 904 meets the rigorous standards required for the bill to ultimately be labeled one of “**the best**” charter laws in the country.

We are sure the Committee is aware of organizations such as NACSA who have developed nationally-recognized best practices around high-quality standards for charter authorizing. These organizations have provided input on

best practices in areas such as Accountability and Performance Agreements, Authorization, Governance, Charter Expansion and Financial Management, and we would like to suggest some changes to SB 904 that are consistent with nationally-recognized best practices in each of these areas:

1. ACCOUNTABILITY AND PERFORMANCE AGREEMENTS

Accountability and performance metrics are perhaps the most essential component that NACSA and other organizations identify as key criteria of a strong charter law. Best practices would suggest that Senate Bill 904 should require charter authorizers to establish accountability frameworks which clearly sets forth educational, financial, and operational performance indicators that guide the authorizer's evaluation of each charter school. Best practices in the area of accountability establish performance standards that require charter schools to meet minimum academic targets.

Performance frameworks should also incorporate a variety of non-academic **and** organizational indicators, as well as allow

for the inclusion of indicators developed by the charter school.

Senate Bill 904 could be further enhanced if performance agreements incorporated the key provisions of the charter school application, which should include clear objective performance frameworks, requirements for monitoring and ongoing oversight and, importantly, specific terms and conditions the charter school must meet as conditions of renewal. In addition, if there is evidence of severe underperformance or violation of law, the bill should explicitly articulate the charter authorizer's responsibility to make merit-based decisions that result in either revoking a school's charter during the term of the charter or to not renew the charter at the end of the charter term.

2. AUTHORIZATION

NACSA and other researchers on best practices also consider high-quality charter authorizing to be one of the primary elements of a successful charter law. Best practices would suggest that Senate Bill 904 should seek to be transparent in describing the expectations and standards for quality authorizing. Best practices in the area of

authorization codify the authorizer's roles and responsibilities, as well as powers and duties, and include provisions that detail and, importantly, do not impede, a charter authorizer's authority over high-stakes, and oftentimes, complex decisions.

Another important area for Senate Bill 904 to address in terms of best practices in charter school authorizing is the Bill's establishment of a new independent State Commission on Charter Schools and Cyber Charter Schools ("Commission") whose composition and assignment of seats runs the risk of politicizing the oversight of authorizers. The Commission, as proposed, may also impair an authorizer's ability to exercise oversight over charter schools.

Specifically, the School District believes that the proposed Commission's primary charge should be to develop and promulgate chartering policies and practices that are consistent with nationally recognized principles and standards for high quality charter authorizing in all major areas of authorizing oversight.

Senate Bill 904 also eliminates the Charter School Appeals Board, and its responsibilities are shifted to the new Charter School Commission. Best practices suggest that a better alternative would be to maintain an independent Charter Appeals Board that clearly separates the responsibility for the promulgation of high quality charter authoring policy from judgments on the proper implementation of those policies.

Another area of Senate Bill 904 we should explore in terms of best practices in charter school authorizing is in the area of renewals. The Bill requires an initial charter for a term of five years and a renewal term of ten years. This provision, especially the ten-year renewal charter term, has significant implications that best practices would suggest impair high quality authorization, as well as accountability. Specifically, if an authorizer has identified academic, financial or operational irregularities or deficiencies during the renewal process, the authorizer should be provided the flexibility to extend a charter for a provisional two-year period so that the deficiencies can be re-evaluated.

3. CHARTER EXPANSION

The third area that national organizations and charter school researchers have identified as important in creating a national leading charter law is in the expansion of charter schools and increases in enrollment. Notably, Senate Bill 904 speaks strongly to a policy that allows charter schools the right to expand. However, to meet the test of national best practices, Senate Bill 904 could be significantly enhanced if it addressed charter school expansions with specifics that link expansion to an outcome-driven and student-focused academic performance framework that clearly designates a school as high-quality, and thus worthy of expansion.

Contrary to best practices, Senate Bill 904 provides that enrollment of students in a charter school would *not* be subject to enrollment restrictions or otherwise limited by any past or future action of a board of school directors or school reform commission, regardless of the school's quality.

Best practices would suggest that Senate Bill 904 require a charter school to meet some minimum measure of school quality in order to qualify for expansion. Once a charter school qualifies, the school's expansion should then be

evaluated by an authorizer based upon a defined, objective and commonly accepted standard of student academic performance. If the school meets or exceeds the defined performance standards, then it should be granted the right to educate additional students.

4. FINANCIAL

The fourth area that national organizations and charter school researchers have identified as important in creating a leading charter law is in the area of financial management. Common wisdom would suggest that a charter school that cannot meet its financial obligations will ultimately have trouble delivering a high quality educational program for its students. To be “the best”, we believe Senate Bill 904 should be transparent in describing generally accepted standards of financial management and include language that ensures that no individual or entity is receiving inappropriate gain from operating a charter school.

There are other provisions in SB904 that cause concerns for The School District of Philadelphia.

For example, both school districts and charter schools should be given the ability to carry out reasonable enrollment planning activities for the schools they operate, so that public resources are not wasted on staff, contracts and facilities that are ultimately not needed. In addition, School districts also need time to analyze enrollment trends and reorganize the programs and facilities they directly operate to reflect changes in enrollment trends over time due to charter school growth so that students remaining in the district are not negatively impacted by that growth.

To this end, Senate Bill 904 would be enhanced if every charter school were required by its authorizer to propose year-by-year enrollment targets as part of its initial application, and these targets should be incorporated into the charter agreement of that school. In the event that a school exceeds its academic achievement goals by the end of its third year in existence, the charter may propose a year-by-year plan to increase enrollment above the level granted in the original charter.

Senate Bill 904 could also be enhanced if it included provisions that stipulate that if an entity other than a local

board of school directors are granted the right to authorize the creation of a charter school within the boundaries of that school district, then the Commonwealth should agree to provide all public funding for the authorized charter school from sources other than the budgets of the school districts in which the students attending that charter reside.

In general, the charter funding formula set forth in the Commonwealth's current charter law achieves its intended result of ensuring that a charter receives per student funding that is equivalent to the per student amount the charter student's resident school district spends on its students.

Therefore, the basic formula should be retained except for these possible revisions:

1. Charter schools should have their unrestricted accumulated fund balances capped, which is consistent with the way school districts are treated
2. Charter schools should be required to spend at least 90% of the additional funding they receive for students with special needs on services provided to those students.

3. Cyber charters should be reimbursed at 75% of the per pupil amount provided to other “brick and mortar” charters in recognition of their lower operating costs.

In closing, we are hopeful that the Commonwealth’s final product will be consistent with aforementioned best practices in the areas of Accountability, Performance Agreements, Authorizing, Expansion and Enrollment, and Financial Management. Given that this is the first major proposed revision of the Charter Law in Pennsylvania since it was first enacted in 1997, and as we work together to ensure high quality charter school options for parents and students, the School District of Philadelphia encourages the Committee to take full advantage of this opportunity to benefit from our experiences and the best practices of other cities and states around the country. Indeed, research suggests that implementing best practices in each of these areas is critical for a strong bill.

Again, the School District of Philadelphia applauds the Committee for undertaking this important and challenging initiative to enact “**the**” best charter law in the country. It is our hope that this bill will be used as a model that leverages

core principles of accountability to raise the bar for both ***high quality*** and ***transparency*** across Pennsylvania's entire K-12 educational system.

Thank you, Chairman Piccola and Chairman Dinniman, and members of the Committee for the opportunity to speak today.