

THE SCHOOL DISTRICT OF PHILADELPHIA
BOARD OF EDUCATION

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MAR 17 2022

Independent Regulatory
Review Commission

March 17, 2022

Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

Comments Regarding Final Form Regulation #6-349: Charter Schools and Cyber Charter Schools

Dear Commissioners;

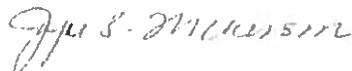
The Board of Education of the School District of Philadelphia appreciates the work the Pennsylvania Department of Education (the Department) has done to craft a strong set of charter school and cyber charter school regulations. On the whole, as the Board of Education stated in October 2021, the regulations provide greater clarity and transparency for authorizers, brick and mortar charter schools, regional charter schools, and cyber charter schools in navigating the requirements of the Charter School Law.

As a general comment, the revised final form regulations address many of the Board of Education's October 2021 comments on the prior version of the proposed regulations. We appreciate the inclusion of language requiring the charter school sector to comply with current law; the removal of certain language related to health care benefits; the new requirements for Boards of Trustees; and the additional clarity on submission requirements and documents for new applications.

The Board of Education understands the Department's desire to balance stakeholder feedback in its final revisions. That said, the Board of Education has a few outstanding concerns with the final regulations. Additional information is below.

Please do not hesitate to reach out with any questions. I can be reached at jwilkerson@philasd.org. Thank you for your consideration.

Sincerely,



Joyce S. Wilkerson
Board President
School District of Philadelphia

Board of Education of the School District of Philadelphia

Comments Regarding Final Form Regulation #6-349: Charter Schools and Cyber Charter Schools

713.2 – Contents of Application

The Board of Education agrees with the provision in section 713.2(a) of the regulations which enable authorizers to issue new charter application forms developed to address authorizer-specific requirements. Unfortunately, the final regulations do not require an applicant to use the locally created application form if it exists. This could result in an authorizer with its own application form receiving multiple applications in the same school year differing in format and contents depending upon which application form the applicant uses.

The Board of Education is also concerned about the lack of clarity around new language added in section 713.2(f) of the regulations, which allows a “charter school or regional charter school” to provide additional information to the authorizer as part of the process to establish or renew a charter school. This provision has been added to the application process section, and thus implies that charter applicants are allowed to supplement the record irrespective of the clear timelines set forth in the Charter School Law related to the authorizer’s evaluation, review and decision on a new application.

Section 713.4 – Random Selection Policies for a Charter School or Regional Charter School

The Board of Education supports the need for regulations requiring the adoption of clear admission policies which are made publicly available. In addition to our Renaissance charter schools, there are a number of charter schools in Philadelphia that under the terms of their charter agreements serve special populations like older students or students living within a specific neighborhood. The Board of Education is concerned that the preference language in the regulations could impact enrollment requirements for these charter schools.

Section 713.7 – Fiscal Management and Audit Requirements

Our understanding is that this section of the regulations requires charter schools to issue financial statements prepared in accordance with GAAP and to obtain independent financial audits that follow GAGAS and GAAS in order to demonstrate efforts to adhere to generally accepted standards of fiscal management and audit requirements. These requirements set the bar for the type of documentation that must be submitted, but do not prohibit authorizers and school districts from analyzing the documentation to make determinations on whether charter schools have met the generally accepted standards of fiscal management and audit requirements under the Charter School Law.

The Board of Education supports the provisions in the regulations requiring all audits to satisfy certain requirements. It is also our understanding that nothing in this section precludes authorizers and school districts from holding charter schools accountable for material findings or financial health concerns discovered in an authorizer’s financial analysis of charter school operations.

The Board of Education believes additional language should have been included in this section related to the standards to determine the materiality of findings and determinations on whether charter schools have met the generally accepted standards of fiscal management and audit requirements under the Charter School Law. The regulations should recognize the need to analyze the short-term and long-term financial health metrics of individual charter schools, including such indicators as average days cash on hand, non-restricted fund balances, and debt ratio.

Section 713.8 – Redirection Process

The Board of Education supports regulations to clarify the redirection process which largely reflects the current procedures used by the Department. However, the Board of Education is very concerned that the term “tuition rate used by the charter school” would allow for claims based on random rate calculations. The regulations must specify that any redirection requests must be based on the school district-specific per pupil tuition rates posted by the Department on PDE’s website.