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Pennsylvania House Appropriations and Education Committees Hearing

Tuesday, October 24, 2023

Good afternoon, ladies, and gentlemen, and thank you for the opportunity to appear before you today on a very important subject.

My name is Lawrence Jones, and I am the founding Chief Executive Officer of the Richard Allen Preparatory Charter School located in Southwest Philadelphia, which opened in September 2001. Over the past twenty-one years, I have been involved in advocating for public schools and public charter schools on the local, state, and federal level. I would like to speak briefly today about three important aspects of charter schools in Pennsylvania that impact African American operated and populated schools more dramatically. Specifically, I will be addressing equitable authorization, technical assistance/intermediate units, and funding inequities.

Equitable Accountability

In 1954, the *Brown v. Board of Education of Topeka* case forever changed public education in the United States. This legislation endeavored to ensure that children of all backgrounds and races have equal access to education. Almost 70 years later, that endeavor has not been achieved, and the legislation has unintended consequences. After the *Brown* decision, more than 38,000 Black teachers lost their jobs because of the integration of schools. Schools that were once led by Black people with hiring authority disappeared, and with their disappearance came the loss of Black educators that can be felt generations later, as states like Pennsylvania continue to see the percentage of Black teachers in the single digits statewide.

In 1997, the charter school law provided people of all races, religions, and socio-economic backgrounds educational choice. Additionally, the law provided disenfranchised communities and groups the opportunity to create schools with the agency and autonomy to hire representative staff members, contract with representative vendors, and promote culturally beneficial practices and policies. In Philadelphia, Black-operated charter schools provided educational options, community benefits, and social upliftment. Let's take a moment to clarify what is meant by a Black-operated charter school; this is a school where at least two of the following conditions exist:



- The Founder or majority of Founding Team members are Black.
- The majority of board members are Black.
- The CEO and/or majority of decision-making administration are Black

This delineation allows a school to not only serve students of color, but to ensure that decision making authority resides with individuals who are representative of the children served or intended population.

Black charter schools flourished in Philadelphia. But around 2010, things changed with a new format for authorizing and reviewing charter schools aimed at increasing accountability and quality was introduced. Some scholars have referred to this change as over-regulation of charter schools, a concept that has had disastrous effects on charter schools, specifically single site, and minority operated schools. A recent study from Johns Hopkins University and the University of Arkansas states that, “Empirical analyses indicate that independent and Black and Latino applicants are disproportionately and negatively impacted by increasing regulation.” (Kingsbury et al., 2020) This national study did not include Pennsylvania schools, but the problem has been confirmed in our state.

In Philadelphia, 20% of charter schools are operated by minorities, yet 87% of schools recommended for closure or non-renewal are minority operated, with the vast majority being African American schools. There has not been a new minority operated charter school approved in Philadelphia in more than a decade. The independent study looking at the disparate treatment of black and minority operated charter schools commissioned by the School District of Philadelphia identified systemic bias, conflicts of interest, inappropriate use of executive sessions, disproportionate use of surrender clauses in Black schools, a lack of DEI, and a burdensome authorization framework that is the primary tool used to close Black schools.

Technical Assistance and Intermediate Units

The investigative report identified the lack of technical assistance as an impediment for schools, specifically single site and Black-operated schools. It should be noted that a mechanism for technical assistance exists for Philadelphia charters but has been virtually inaccessible. This mechanism is the Intermediate Unit.

Act 102 of 1970 created the system of 29 intermediate units (IU) which replaced county superintendents as of July 1, 1971. Intermediate units were developed to achieve economies of scale in the provision of educational services. In 1997, twenty-six years after the inception of intermediate units, the General Assembly created a Joint State Government Commission to study intermediate units. The twenty-nine-page report was presented in December of 1997. That report had no mention of charter schools which came into existence in that same year in Pennsylvania. It has been another twenty-six years since that joint commission and charter schools have expanded to serve more than 160,000 students across the



commonwealth. However, there has been no serious consideration of how intermediate units serve charter schools and the students they enroll.

In Philadelphia, charter schools receive very few services from their intermediate unit (IU 26). In fact, many charter schools are forced to go to surrounding intermediate units to purchase services and resources. A recent survey of Philadelphia charter schools revealed that 79% of schools surveyed indicated receiving no technical support, guidance, or services from IU 26. Of the 21% that reported receiving services, the services provided were state reporting guidance, a monthly meeting, data reporting, and training on PVAAS and analyzing district-wide survey results. 74% of responding schools reported purchasing services from other intermediate units. These services included professional development, special education training, coaching, contracted teachers, software, student placement, and data analysis. For twenty-six years, Intermediate Unit 26 has received significant funding (generated in part by charter school students) to provide services to charter schools, but very few services have ever been granted. It's time that the commonwealth created Intermediate Unit 30, an Intermediate Unit servicing charter schools in Philadelphia County. A proper accounting of how much funding is received by the current IU from charter school enrollment and a full reporting of the services extended should be provided to inform the creation of IU #30.

Funding Issues:

Considering the lack of resources provided to charters as evidenced by Intermediate Units, I find it hard to believe that many school boards, superintendents, and special interest groups are vocal about reducing funds for charter schools but are silent when it comes to more serious and long-standing issues of funding inequity. For example, real estate redlining and deed restrictions that created communities of affluence and areas of poverty. While these practices have been uncovered and made illegal, the fact that school funding is driven by property taxes means that a legacy of inequity exists for public education in our commonwealth. Many suburban school districts that continue to benefit from these practices have passed resolutions related to reducing charter school funding, yet they are silent on issues of inequity brought about by red lining. This hypocrisy is made worse by the fact that charter schools disproportionately enroll poor and minority students and are most likely found in districts with high poverty rates, and the calls for reduced charter school funding would once again divert public funds from the students most in need.

In short, the majority of charter school funding is in the form of a per pupil allotment that is based on the previous year expenditures of the local school district in which each student resides. The allotment is the aggregate of district expenditures less a set of deducted line items. The resulting amount is divided by the average daily membership of the district. The resulting allotment is approximately 78% of what students in district schools receive. These funds must pay for all charter school facilities, utilities,



insurances, personnel costs, supplies, materials, and services. Public charter schools do not receive facilities funding, nor do they have access to any bond intercept provisions that would enhance credit ratings and significantly reduce any debt service payments used to obtain and/or renovate facilities. Additionally, because charter school funding is based upon district expenditures any annual or accrued revenues over expenditures are not passed on to charters. This means the more than \$5 billion in district fund balances are insulated from charter schools. The concept of charters being over-funded is simply false and that falsehood harms single-site Black-operated schools more dramatically.

In closing, I would like to present a few suggested solutions:

1. An independent authorizer to ensure equitable authorization of charter schools and a moratorium on charter non-renewals in Philadelphia until a bias free system has been established.
2. Reviewing the provision of services to charter schools by Intermediate Units
3. Creating Intermediate Unit #30 to service Philadelphia charter schools
4. Ensuring real and meaningful charter school representation and input in funding formula development

I thank you for the opportunity to speak before you this afternoon and am available for any questions you may have.



October 17, 2023

Dear State Legislator,

As you may be aware, the School District of Philadelphia Board of Education recently released the long-awaited report on the investigation into disparate outcomes and treatment of Black operated charter schools in the authorization and renewal process. Our review of the document substantiates our assertions that the charter oversight and renewal process in Philadelphia is broken - contrary to the Philadelphia Board of Education's assertions. The report, coupled with the data initially presented by our organization related to disparate outcomes for Black operated schools, shows that the charter school authorization process needs to be completely overhauled. Specifically, the report identifies systemic flaws, inherent conflicts of interest, issues with lack of transparency and inappropriate uses of school board executive sessions, and the Board of Education's reliance on a charter evaluation framework that is burdensome, inequitable, and flawed.

Our organization, the African American Charter School Coalition (AACSC), believed that a fair and balanced report corroborating our claims would lead to improvements in the charter authorization process that would create an equitable system of accountability in Philadelphia. We expected the Board of Education would work collaboratively to solve any problems identified in the report; however, the Philadelphia School Board chose to manipulate the report's findings in their communication with the media and the public. The Board sees absolution in the report because no *intentional*, overt acts of bias against a charter leader were identified. The report did not clear the Board of unintentional or covert acts and went further to identify multiple systemic issues and disparities in the charter renewal process resulting in disparate outcomes for Black-operated schools. The report presented multiple recommendations, including the creation of an independent authorizer to eliminate the inherent conflict of interest that School District of Philadelphia has acting as authorizer and competitor.

We are seeking your assistance in ensuring that the issues raised in the report are acknowledged and addressed in a meaningful and transparent manner. We seek to eliminate systemic bias in the authorization process for charter schools and all district functions.

In support of the recommendations we submitted to the Board of Education over one year ago and in alignment with the recommendations provided by the District's own investigation findings into systemic bias and disparities impacting minority led charter schools, we are requesting your assistance to implement the following three recommendations:

- 1) *Creating an independent authorizer*
- 2) *Eliminating the use of surrender clauses, and*
- 3) *Establishing a moratorium on the use of the District's evaluation framework and on non-renewals of charters until the entire process and system can be revamped.*

The investigation report is approximately 190 pages. Enclosed you will find a very high level summary of the investigation teams findings and recommendations for changes to authorizing practices as well as recommendations from the AACSC. On behalf of our member schools and the children they serve, we thank you for your consideration of this important matter.

The AACSC is a nonprofit organization made up of African American founded and led public charter school leaders and parents whose children attend these schools with the purpose of creating an **unbiased and equitable system of charter oversight, renewal, and expansion**. The Coalition has identified 21 African American founded and led public charter schools and 18 are a part of our organization representing over 15,000 children and working-class families across the city of Philadelphia. On behalf of our member schools and the families they serve, we thank you for your consideration of this important matter.

Sincerely,

The African American Charter School Coalition



Philadelphia School Board of Education
Investigation Report Summary
Provided by AACSC
October 17, 2023

Investigation Findings

- The District had concerns regarding authorizing practices impacting minority led charter schools since 2017 and they were also aware of racial disparities in its charter authorizing practices since 2017 but did not engage in meaningful efforts to investigate the issues and took no action to address the concerns or issues raised by SRC and school board members.
- In 2019, the CSO looked into concerns about racial bias and authorizing practices and the number of closures of charter schools that were led by leaders of color and presented its findings to the Board of Education which indicated there were a higher number of school closures of minority led schools than non minority led schools but the Board took no meaningful action to address the concerns or findings until AACSC began it's advocacy efforts in 2020 and 2021.
- The investigation revealed several systemic issues in Philadelphia's Charter Renewal and Authorization Process including but not limited to:
 - The regulatory structure of the charter school system in Philadelphia results in inherent conflicts of interest.
 - Black led charter schools are more likely to face barriers to accessing resources to support their charter schools.
 - The renewal process is burdensome with complex compliance regulations and is in need for additional transparency.
 - The evaluation framework is flawed, inconsistent, lacks transparency and clarity. While the framework was intended to provide an objective means for evaluating charter schools. It fails to provide charter school leaders and the general public with accessible details regarding charter school performance.
 - The use of surrender clauses mostly and negatively impacts Black led charters at a higher rate than any other type of charter school in the sector.
 - Neither the CSO nor the Board of Education receive implicit bias training as part of their onboarding nor are internal audits routinely utilized to ensure equitable decision making.
 - Standalone brick and mortar schools encounter difficulty meeting administrative demands to comply with the framework which means if you are part of a CMO, you have an advantage to your counterpart who is not because their are additional resources available to meet the demands of the ever changing and complex nature of the evaluation framework which changes every year.
 - The hearing officer hiring process for non-renewals creates a perception of unfairness because the person is hired at the sole discretion of the President of the Board and although the officer is supposed to objectively oversee non-renewal proceedings, they serve at the pleasure of the Board and findings from the investigation highlighted that the hearing officer has never rendered a recommendation contrary to what the Board's initial vote was to begin nonrenewable proceedings.
 - The Board of Educations use of Executive Sessions at crucial stages of the renewal process decrease transparency in the process, engenders mistrust in the charter sector, and borders on the lines of meeting the Sunshine Act requirements. One former SRC member stated that their executive session meetings were inappropriate and a misuse of executive session function because they Board wanted to use the proceedings to deliberate on how they would vote in public which is an illegal use of executive session function. Furthermore, the Board President would instruct the CSO on what action it planned to take with charter schools after executive session before an actual vote was taken in public which indicates their decisions were already affirmed before a public meeting which we believe is unethical.



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Recommendations by the Investigative Team

- To ameliorate inherent conflicts of interest, the District should petition the PA General Assembly to hold hearings regarding whether certain change to the charter school law are necessary. In the interim, the District should separate charter support and evaluation functions.
- Stakeholders should petition the general assembly to hold hearings to evaluate amending the charter school law to provide an alternate authorizing model. The Philadelphia School District should no longer be in the business of authorizing and or evaluating charter schools.
- The Board of Education should separate the CSO's support and authorizing functions into discrete offices to alleviate the concerns associated with inherent conflicts of interest that the investigation team identified.
- The Board of Education should vary the hearing officers utilized for non-renewal proceedings and should consider a model wherein the charter schools are provided the opportunity to opine on the process or selecting hearing officers. The officer at a minimum should have no connection or existing business relationship with the district and should be a fair and impartial person.
- The Board of Education should take steps to increase transparency in the charter renewal process and provide charter schools with opportunities to be heard prior to a public vote to initiate nonrenewable proceedings.
- The Board of Education and the CSO should implement implicit bias trainings and conduct routine audits to ensure that the discretion afforded in the framework does not result in a disproportionate negative impact upon Black-led charter schools.
- The CSO should consider changes to the framework to increase accessibility, consider equity, reduce burdensome compliance requirements and account for student improvement.
- The board of Education should outline in a public document how it intends to implement AACSC's recommendations that were accepted by the Board and respond to the recommendations submitted over a year ago to make improvements to the authorizing system.
- The Board of Education and the District should continue to evaluate its charter school renewal practices and at a minimum, commit to conducting a periodic equity audit.

Recommendations by AACSC

- City Government & our State Legislature should host public hearings on the findings and recommendations by the investigation team.
- Immediate actions should be taken to implement a moratorium on non-renewals and use of the framework until changes can be implemented to address the investigative teams findings and address the issues AACSC made over a year ago to correct the problems within the framework to create a more fair and equitable process for all charters in the sector.
- Philadelphia needs an independent authorizer that removes the function of authorizing, evaluation and oversight from the Board of Education and Charter School Office.
- The state needs to eliminate the use of surrender clauses which impacts minority led charters at a higher rate than any other type of charter in the sector.
- The entire process of authorizing in functions of the CSO needs a complete overhaul which requires the state legislature to intercede and make updates to the charter school law or amendments that can be implemented in the school code.
- The recommendations we submitted to the Board of Education over one year ago, even prior to this report being released should be implemented by the CSO and Board of Education.
- The Board of Education and CSO need greater accountability and checks and balances in place.