

**ACT 44 MANAGEMENT RESPONSES OF THE SCHOOL DISTRICT OF PHILADELPHIA
AND THE SCHOOL DISTRICT'S CHARTER SCHOOLS OFFICE
TO THE DEPARTMENT OF AUDITOR GENERAL'S PERFORMANCE AUDIT
OF THE CHARTER SCHOOLS OFFICE
DATED APRIL 18, 2024**

August 16, 2024

The School District of Philadelphia (School District) and the Charter Schools Office (CSO) provide this Act 44 Response to the Pennsylvania Department of Auditor General's Performance Audit of the CSO (Performance Audit Report) which covers the audit period of the 2021-2022 and 2022-2023 school years. This response is provided within **120 business days** of the publication of the Performance Audit Report on April 18, 2024.

Discussed below are the School District's and the CSO's responses to the Department's recommendations in the Performance Audit Report, or the reasons why certain recommendations have not been adopted in totality.

Finding 1

The Charter Schools Office Complied with Laws, Guidance, and Policies Related to Reviewing New Charter School Applications during the 2021-22 and 2022-23 School Years.

Conclusion

Based on our review, we found that the CSO complied with the applicable laws and provisions of the CSL, PDE's BEC and its other guidance documents, and internal policies and procedures relevant to reviewing new charter applications. The CSO had a comprehensive process to evaluate new charter applications, timelines required by the CSO's procedures and the CSL were met, and evaluation reports were presented to the Board as one factor in the Board's ultimate decision-making. As such, we do not have any recommendations specific to the CSO's review process of new charter school applications.

CSO Management Response (Finding 1) dated March 7, 2024

- The CSO is pleased with the Department's Conclusion on Finding 1 that the CSO complied with the applicable laws and provisions of the CSL, PDE's BEC and its

other guidance documents, and internal policies and procedures relevant to reviewing new charter applications. The CSO has worked hard to develop and implement a comprehensive process to evaluate new charter applications and prepare evaluations reports and to ensure that the timelines set forth in the CSL and Board policies are met.

CSO Management Act 44 Response (Finding 1)

- The CSO continues to implement a comprehensive process to evaluate new charter applications, prepare evaluation reports, and ensure that timelines are met in compliance with the applicable laws and provisions of the CSL, PDE's BEC and its other guidance documents, and internal policies and procedures relevant to reviewing new charter applications.

Finding 2

Finding 2 – The Charter Schools Office Followed Applicable Laws and Other Guidance Related to Monitoring Charter Schools During the Audit Period, But Improvements Could Be Made to the Review Process.

Recommendations for Finding 2

We recommend that the CSO:

- 1. Have an outside agency, such as the National Association of Charter School Authorizers (NACSA), conduct a documented review of the Charter School Performance Framework on a periodic basis to promote consistency with industry best practices.**

CSO Management Response (Finding 2.1) dated March 7, 2024

- The CSO is always seeking to enhance its processes in order to maximize consistency and to implement a Charter School Performance Framework that is aligned with our students' needs, the Charter School Law, and Board policies. As such, the CSO welcomes feedback from diverse perspectives and certainly invites feedback from professional organizations such as NACSA. NACSA has been a long-standing partner of the CSO, and the CSO is committed to formalizing an engagement with NACSA to conduct a review of the Framework on a periodic basis.

CSO Management Act 44 Response (Finding 2.1)

- In conjunction with national best charter authorizing practices and based on feedback and recommendations from key stakeholders (e.g. families, school leaders, and charter board members) and outside entities, including

the Department of Auditor General, the CSO is in the process of reviewing charter performance monitoring models nationally and related processes involved with the analysis of charter school performance in compliance with applicable laws with the expectation of soliciting proposals from qualified organizations for a larger project related to the Framework. As part of this work, initially, the CSO plans to engage consultants experienced in national charter school authorizing to facilitate engagement with stakeholders and to assist in the development of the solicitation process. NACSA, as well as other experienced charter authorizing organizations, may choose to submit a proposal.

2. Consider the results of its monitoring process to determine if the framework should be amended to address high-risk or problematic areas.

CSO Management Response (Finding 2.2) dated March 7, 2024

- The CSO agrees that the outcomes of the CSO’s monitoring processes provide valuable data and insights regarding specific growth areas across the charter sector. This is a practice that the CSO has already implemented and involves a review of compliance ratings and standards across all charter schools to determine which areas, if any, may require additional supports or updates to the Charter School Performance Framework. For example, the CSO’s investment into Professional Learning Communities (PLCs) has been largely based on specific areas of need for charter schools that the CSO has identified from outcome trends across CSO reviews. For example, recently the CSO presented a PLC series regarding Philadelphia Commission on Human Relations Regulation No. 9 and Board Policy 252 on Transgender and Gender Nonconforming Students, and another PLC series related to bullying or harassment.

The CSO will continue to enhance its review of the results of monitoring processes to further inform “high-risk” areas that may warrant updates to the Framework and/or additional support to Philadelphia charter schools. For Example, recently the CSO organized a two-day seminar on preparing for the end of federal Covid funding under the American Rescue Plan Act (ARPA).

CSO Management Act 44 Response (Finding 2.2)

- The CSO is continuing to strengthen its review of compliance ratings and standards across all Philadelphia charter schools to determine which, if any, may require additional supports or may lead to updates to the Charter School Performance Framework.

To address certain high-risk areas identified by the CSO as a result of monitoring charter schools, the CSO has developed eight Professional Learning Communities (PLCs) that will be offered to all Philadelphia charter schools during the 2024-25 school year. The PLC topics to be covered will include: Kooth Implementation (Kooth is a platform for mental health resources, including counseling for students); School Safety and Security Coordinator Training; Special Education - Secondary Transition; Board Governance - Category Review; Board Governance - Board Member Training; Climate and Culture – Truancy; Charter Spotlight – Innovation; and Climate and Culture - Student Discipline and Manifestation Determination. Many of these topics have been identified based on specific areas of need for charter schools that the CSO has identified from outcome trends across CSO reviews.

While not mandatory, these PLCs will provide charter school leaders the opportunity to review content, seek clarity on evaluation, and engage with other charter school leaders. At the end of applicable sessions, charter schools will be provided with examples of compliant template policies that can be implemented for future use.

Additionally, through the previously described solicitation of proposals to assist in the analysis of charter school performance in compliance with applicable laws, the CSO may obtain insight into processes involved with analyses of charter school performance.

3. Conduct more frequent reviews of each charter school’s admission lottery to ensure the charter school is operating the lottery in accordance with the law and its charter. Revisions to the CSO’s review framework could address this issue by requiring increased frequency, additional years of review during the renewal process, and/or data-driven reviews.

CSO Management Response (Finding 2.3) dated March 7, 2024

- The Lottery and Waitlist standards within the Charter School Performance Framework are immensely important for students and families. While the CSO has enhanced the process for both reviews, including a significantly more robust data-driven review, the CSO agrees that the importance of both standards warrants more frequent review. A potential limiting factor would be the CSO staff capacity required to conduct these two reviews for all charter schools on an annual basis. The CSO is committed to devoting available capacity to this recommendation.

CSO Management Act 44 Response (Finding 2.3)

- The CSO agrees that the importance of the Lottery Process Standard and the Waitlist Process Standard warrants more frequent reviews, and the CSO has begun to adjust the frequency of such reviews.

The CSO has previously committed to the charter sector that the CSO would provide notice of any Charter School Performance Framework changes at least one year before they are implemented. At the CSO's Charter Sector End-of-Year Convening in June 2024, the CSO communicated that both the Lottery Process Standard and the Waitlist Process Standard would shift to an annual review beginning in July 2025. Due to this shift, the CSO provided all charter schools with an opportunity to opt-in to a Lottery Process review and Waitlist Process review for the 2024-25 school year enabling the charter schools to receive feedback prior to annual evaluations beginning in the 2025-26 school year. These reviews are still required for charter schools in the 2024-25 renewal cohort.

4. Consider including the charter schools' responses during the preview windows as part of the ACE and ACE-R reports to increase transparency. A final CSO conclusion could be added to conclude on the charter's responses, especially if there is disagreement.

CSO Management Response (Finding 2.4) dated March 7, 2024

- Transparency is a core value of the CSO. As such, the CSO is open to adopting recommendations that seek to maximize transparency and, in this case, additional opportunities for Philadelphia charter schools to ensure that their perspectives are comprehensively represented as part of the monitoring process.

CSO Management Act 44 Response (Finding 2.3)

- Transparency continues to be a core value of the CSO. As such, the CSO is exploring processes to increase transparency in the charter authorizing processes, including ACE and ACE-R reports. The CSO is developing additional opportunities for Philadelphia charter schools to ensure that their perspectives are comprehensively represented as part of the monitoring process.

Status of Prior Audit Findings

Prior Audit Finding 1 – Legal Challenges Have Impacted the District’s Ability to Manage Charter School Costs and Perform Vital Oversight Responsibilities (Resolved)

Prior Audit Finding 2 – The Charter Schools Office Faces Unintended Consequences from the Cigarette Tax Law (Resolved)

Prior Audit Finding 4 – The District Should Improve Its Monitoring Efforts Over the Charter Schools It Authorized (Resolved)

CSO Management Response (Prior Audit Findings) dated March 7, 2024

- The Department conducted a performance audit of the School District covering the period July 1, 2011 through June 30, 2015 and released a report in April 2016. As part of the current performance audit of the CSO, the Department conducted a follow-up on the prior audit findings and/or recommendations related to areas handled by the CSO. The CSO is pleased that the Department has found that in connection with these Prior Audit Findings the CSO has implemented corrective actions and these Prior Audit Findings have been resolved.

CSO Management Act 44 Response (Prior Audit Findings)

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