



## **Testimony to the Basic Education Funding Commission**

November 16, 2023

Dr. Tina Chekan, CEO and Superintendent of Propel Schools

To the Chairs — Sen. Kristin Phillips-Hill and Rep. Mike Sturla — and the other distinguished members of the Basic Education Funding Commission, my name is Dr. Tina Chekan, and I am the CEO and Superintendent of Propel Schools. On behalf of Propel, the largest network of public charter schools in western Pennsylvania serving nearly 4,000 students and their families, I would like to thank each of you for giving Propel and the public charter school sector an opportunity to participate in this important conversation.

In 2003, Propel opened the doors of its first school. I was there as a kindergarten teacher. We were in the basement of a former hospital in Homestead, which is just southeast of Pittsburgh. We barely had furniture that first day, but what we did have was a group of educators who bravely answered the call of local families who felt that a different public school option was needed to prepare their children to be successful in their adult lives. Let me say that another way: Families wanted Propel to open its first school in their community because their assigned public schools were not a good fit for their children. Most of these families did not have the financial resources to move to a different neighborhood where the district schools produced better outcomes or to send their children to a private school.

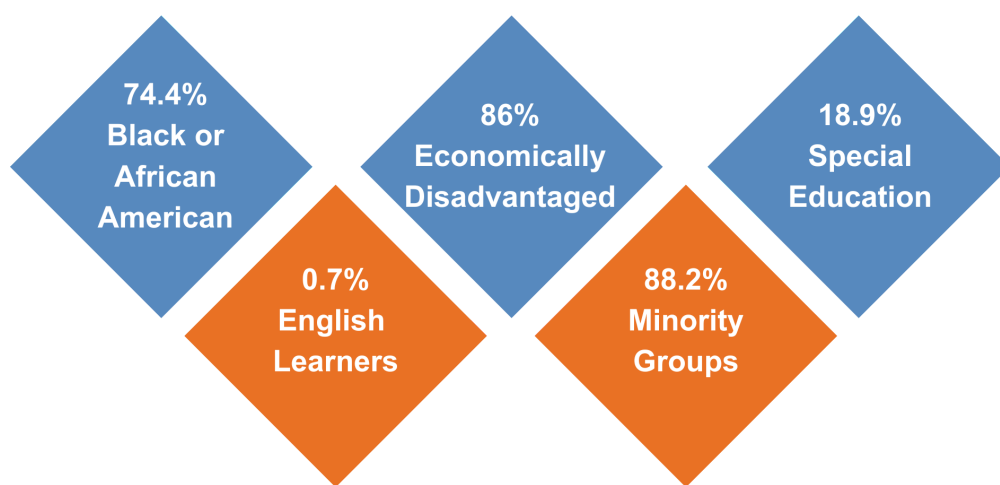
Back then, our enrollment process involved holding a public drawing of names. It was as if families had won the lottery when their names were called. Our lottery process now occurs through a software program that randomly selects applications that are received during our open enrollment period. We only collect very basic information before this random selection process takes place. There is no way to “cherry pick” nor would we want to. Propel exists to offer a high-quality education to the students and families we serve, not the students we select. Demand for our schools continues to remain high, often exceeding our capacity at many grade levels. Right now, there are more than 200 applications on our waitlist. Families must reapply for the following school year if there is no space available. Countless parents have told us that our individualized approach to learning and the success that other families have realized in their own children is why they choose Propel.

### **About Propel Schools and the Students We Serve**

Over the years, our partnerships with families and local communities have fueled the growth of Propel from having just one school, to today operating 13 schools in 10 communities in Allegheny County: Homestead, McKeesport, Turtle Creek, Kennedy Township, Robinson Township, Braddock Hills, Pitcairn, and Hazelwood and Northside in the City of Pittsburgh. Like many urban areas across the Commonwealth, these communities have experienced population declines as businesses and people have left the region. Families that choose Propel tend to live in communities that are characterized by high poverty rates, a lack of investment in community centers and low-performing school districts.

Public brick-and-mortar charter schools are authorized by their local school district, which approves a charter application and decides on a charter’s renewal every five years. Propel’s 13 schools are authorized by six school districts: Pittsburgh School District, Gateway School District, McKeesport Area School District, Montour School District, Steel Valley School District, and Woodland Hills School District.

In total, Propel educates nearly 4,000 students in grades K-12 from diverse backgrounds and socio-economic statuses. Nearly 19 percent of our students have special education needs (which is 3 percent higher than the statewide average), 86 percent qualify for free and reduced lunch and 88 percent of our students are from minority groups. Whether they are coming to us in kindergarten or transferring from another school, many of the students who come to Propel require specialized support to be brought up to grade level learning. I encourage you to reference “Table 1 - Propel Student Snapshot”, included at the end of this testimony, for additional demographic information on the students we serve.



While we have remained humble in our operations, Propel works hard to offer the highest quality education to our students through our STEAM-based curriculum, so that every single student is college- or career-ready. We know that reading is the foundation of all learning, which is why Propel has made a significant investment to ensure that **all** of our students are reading at or above grade level by the time they complete second grade. Based on the science of reading, our literacy initiative is realizing truly amazing results and is building upon the expectation of excellence in our classrooms.

### **Propel Success: Doing More With Less**

The driving forces behind Propel’s success is our student-centered focus and our relentless pursuit of excellence. Propel educators redefine school so that our students can defy expectations. Our blueprint begins with high expectations for students — because we firmly believe that every student is capable of learning and growing.

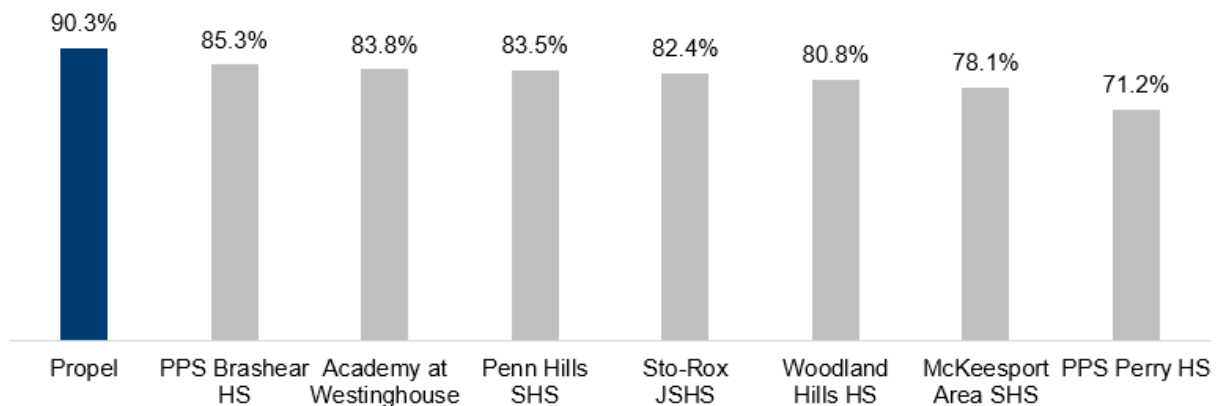
Every day, thousands of students from across Allegheny County walk through the doors of a Propel School that may not be in the neighborhood in which they reside. Our school building teams ensure that our students always find a well-maintained and welcoming space that is conducive to the learning

process. Our schools have grown into unique communities of learning where the answer to the question “Where are you from?” is always, “Propel!”

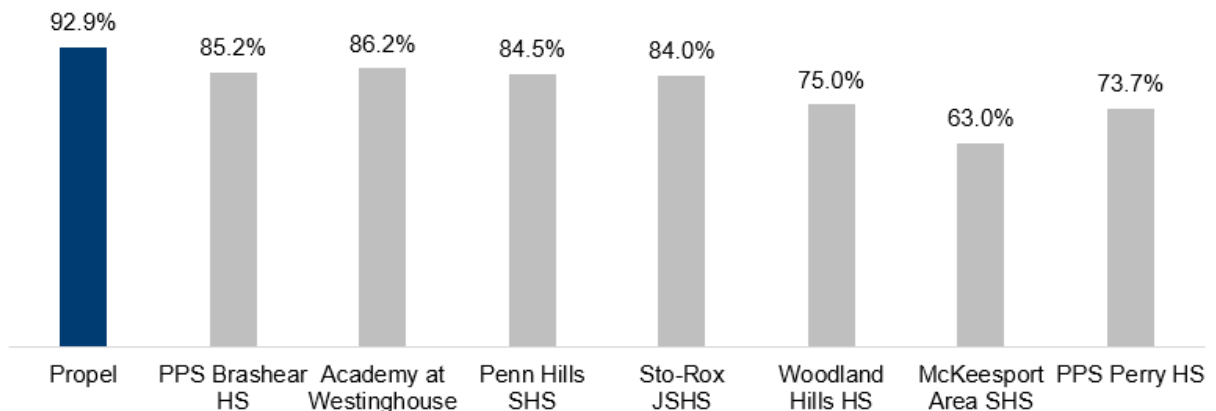
Propel students tend to perform better than their peers in their assigned public schools. I encourage you to review “Table 2: Building Level Scores for Propel Schools and Top Neighborhood Schools Where 75% of Students Reside”, included at the end of this testimony for additional details. When we look at 4-year cohort graduation rates for Propel students compared to the district-run high schools in our area, we are producing better outcomes for all our students and we are particularly proud of our work to ensure historically marginalized students (Black students and economically disadvantaged students) are succeeding in our schools. If we compare Propel’s graduation rates with the rest of the state, we are outpacing the [statewide average](#) by 3 percent.

4-Year Cohort Graduation Rates for Propel Schools and Top Neighborhood Schools Where 75% of 9-12 Grade Students Reside

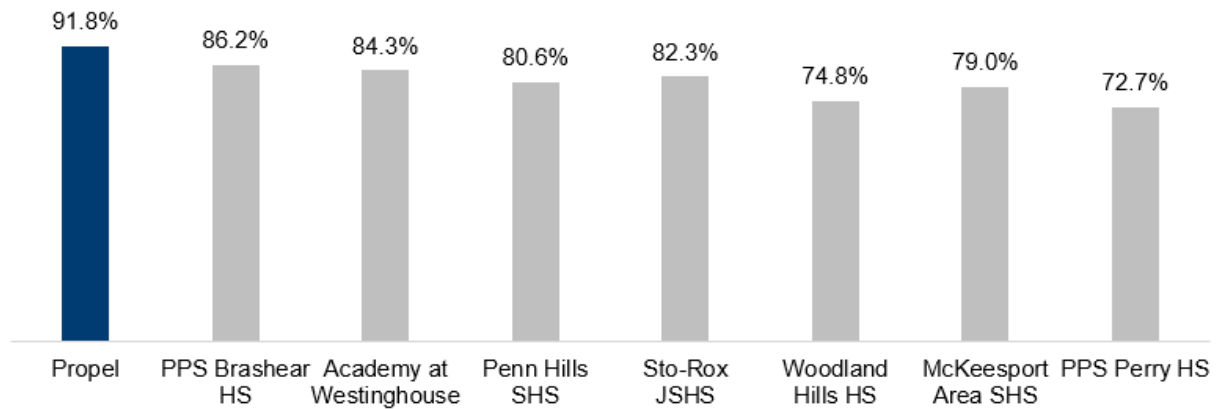
**All Scholar - 2021/22 4 Year Cohort Graduation Rate**



**Black Scholar - 2021/22 4 Year Cohort Graduation Rate**



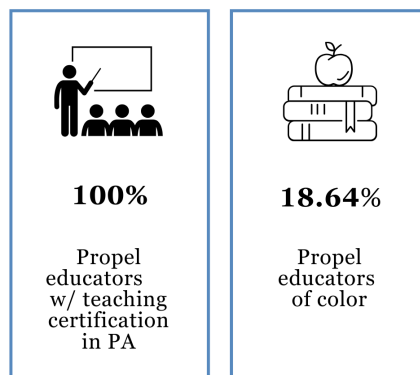
## Econ Dis Scholar - 2021/22 4 Year Cohort Graduation Rate



Arts integration is highly valued at Propel. Involvement with the fine and performing arts creates well-rounded, well-prepared learners. While you'll see the arts embedded in our classrooms, we also offer an innovative, in-house performing arts academy. After students are fully enrolled in a Propel school, those in middle and high school can participate in the Propel Performing Arts Academy. Program participants exhibit improved school attendance and increases in academic achievement. Experiences with the fine or performing arts boost critical thinking and enhance teamwork, improve collaboration, and problem-solving. Students gain essential skills that employers find valuable in our 21st-century economy.

Our students succeed because Propel educators believe in their students and in Propel's mission. Propel's focus is on recruiting and retaining highly talented educators who are committed to bringing out the best in their students. While public charter schools are allowed, by law, to have non-certified teachers in the classroom, 100 percent of Propel's educators are certified to teach in Pennsylvania. Although our educator retention dipped during the pandemic we are making a strong recovery but we struggle with the same staffing challenges as school districts. We know that not only do we need to increase the number of quality educators working in Pennsylvania, we also need to encourage diversity in our teacher workforce. At Propel, it is important that our scholars see themselves in the educators and staff who work in our schools and we are proud that our percentage of educators of color, which is 18.64 percent, is well above the average in the Pittsburgh region.

## QUALIFIED, CARING EDUCATORS



When I think of equity in education, I cannot overemphasize the importance of having the best and most qualified teachers for the students who need them most. The General Assembly and the Governor can play a major role in promoting equity in public schools by providing incentives for educators to teach in high-poverty schools.

On top of Propel's education offerings, we add layers of support that will set the stage for successful learning. Students experiencing hunger are not prepared to learn. We support these students by offering cost-free breakfast and lunch at school. Students who are experiencing challenges in mental or emotional wellness are not ready to learn. We support these students through our "Partners In Wellness" programming that is tailored to each student's unique needs. Students who are not in school – or consistently late to school – are also not ready to learn. We support these students and their families by removing roadblocks to regular, on-time school attendance, such as transportation complications or access to clean school uniform pieces if a family's laundry routine is unexpectedly interrupted. Students headed into the next phase of their educational career may feel daunted by the processes and preparation for post-secondary learning. Our College and Career Counselors demystify access routes to college or career-training pathways. Intentionality, empathy and action are weaved into Propel's foundation.

Our Wellness Center at Propel Northside offers wellness services to students, staff, Propel families and the larger neighborhood, making it a community hub. Twice-monthly access to fresh fruits and vegetables, freshly baked bread from a well-established local company, and personal care items and clothing for the whole family is available at the Free Store. In order to provide these necessities to our students and the community without taking funding away from our educational programs, Propel has worked hard to cultivate a group of amazing local businesses and community organizations to support the Wellness Center:

BlaackOut Project	Northside Common Ministries
Consumer Fresh Produce	One Northside
Charles Street Citizens Council	Project Destiny and Thrive 18
Children's Museum of Pittsburgh	SLB Radio
City of Pittsburgh Bureau of Police Zone 1	Strong Women Strong Girls
Dental Smiles	The Legacy Church
Extreme Hip Hop Step	Pittsburgh Science Workshop
Fineview/Perry Hilltop Citizens Council	United Way
Girls on the Run	UPMC Work Partners
Global Links	UPMC/Mon Yough – Child/Adolescent and
Greater Pittsburgh Community Food Bank	Adult Services
Gwen's Girls	Urban Impact
Healthcorps	Vision to Learn (eye exams and glasses)
Higher Ground	Urban Strategies
Homeless Children's Education Fund	Wesley Family Services
Northside Chamber of Commerce	When She Thrives
Neighborhood Resilience Project	

Families intentionally choose Propel as their partner in education. Families know what they want for their children and why they want it. For families to retain their right to choose the best education for their child, appropriate and equitable funding is a necessity. Families who intentionally partner with public charter schools should not be marginalized or penalized. Their children should not be expected to settle for less funding than their counterparts who opt to attend district-run public schools. By intentionally choosing Propel, families place their trust in us. This motivates us and compels us to be equity advocates for our families – because they deserve no less from us.

At Propel, we put the student at the center of every decision that we make. The same thing needs to happen here. The work of the Basic Education Funding Commission needs to be about students and putting them first.

### **Charter School Funding: 25+ Years of Funding Inequities**

Public charter schools provide students with a high-quality education and are proud pillars in their communities, all while receiving 15-30 percent less funding than their public school counterparts — school districts. On average, the students who attend a Propel charter school receive 25 percent less funding than their peers who attend a district-run school. This Commission has been tasked with addressing the Court’s determination that how Pennsylvania funds its 500 school districts is inequitable, **but the inequities exist at a more granular level between students who attend district-run public schools and charter-run public schools.**

#### How Public Charter Schools Are Funded in Pennsylvania

In 1997, public charter schools were established in Pennsylvania and how they are funded is addressed in [Section 1725-A of the Pennsylvania Public School Code](#), which has not been substantially changed since. The primary distinction between funding for public school districts and public charter schools is that public charters have no control over their annual revenues. School districts, through their elected school boards, have the legal authority to levy local property taxes (with the exception of the Philadelphia School District) to generate additional revenue for special projects, emergency funding needs or to offset structural deficits.

A common misconception about public charter schools is that they set their own tuition reimbursement rates and local school districts have no say over how much is sent to charter schools each month. It’s actually the exact opposite — the accounting and budgeting practices of each school district has a direct impact on the amount of funding a charter student receives through their tuition reimbursement rate. Unlike school districts, which receive their funding through federal, state and local (property taxes) sources, public charter schools receive the bulk of their funding through tuition reimbursements from each student’s home school district. The calculation of the tuition reimbursements is done through the [PDE-363 form](#), which is required to be submitted to the PA Department of Education (PDE) each year by school districts. The per-pupil calculation for regular education and special education students is done by taking each district’s budgeted total expenditures from the previous fiscal year, minus the allowed deductions, divided by the Average Daily Membership of the school district.

It is important to note that charter tuition reimbursements are not a “cost” to school districts, as some would have you believe. Charter school students are included in their home district’s total student count, which is used to allocate state funding, and the school districts act as pass-through entities to provide state funding to a student’s chosen charter school. And just as charter students have a right to their allotment of state funding, they also deserve their share of local funding (aka property taxes) just like students educated by the school district in that community.

The deductions that are allowed to be made to the per-pupil tuition reimbursement rates were included in the law to assist school districts with the “stranded costs” associated with students leaving their schools to attend a charter school. These deductions were also meant to ensure public charter schools didn’t receive funding for programs and services they don’t provide, or receive double the money from certain allocations that the charter received directly. The law allows for seven of these deductions, which include: (1) budgeted expenditures of the district of residence for nonpublic school programs; (2) adult education programs; (3) community/junior college programs; (4) student transportation services; (5) special education programs; (6) facilities acquisition, construction and improvement services; and (7) other financing uses, including debt service and fund transfers as provided in the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems.

The public charter school sector has never argued that certain deductions are reasonable and necessary to ensure funding equity for students educated by districts and charters. However, over time, **abuses of power and financial manipulations have led to students in public charter schools receiving far less than what is rightfully theirs by law.**

#### Exploitation of the Charter Funding System

Over the past 25 years, some school districts (not all) have found ways to exploit the current funding system for public charter schools – with the help of PDE – by utilizing accounting loopholes that decrease the rightful amount of funding that should be going to students in charter schools.

While the Charter School Law allows for [seven deductions](#) to the per-pupil tuition reimbursement rate, as mentioned previously, over time the PDE has expanded the number of deductions a school district can make to its charter reimbursement rate to 24.

- Example #1 - The “other financing uses” deduction allowed for in the law was intended to exclude debt service payments from the charter tuition reimbursement rate calculation. However, PDE has expanded the “other financing uses” deduction to include other expenditures such as “suspense account (5800)” and “budgetary reserve (5900)”. These accounts are loopholes used by some districts to remove eligible expenses from the tuition reimbursement rate calculation and withhold a charter student’s rightful funding. In the 2022 fiscal year, approximately \$270 million was designated as “budgetary reserves (5900)” by school districts.
- Example #2 - The PDE-363 form has 2 deductions for “prekindergarten” expenses. While the school district’s expenses for prekindergarten are removed from the tuition reimbursement rate calculation, the students that are in the district’s prekindergarten program are not removed from the denominator (aka the Average Daily Membership) in the formula — leading to yet another decrease in the district’s per-pupil charter tuition reimbursement rate.

In addition to the inflated deductions that can be made to the tuition reimbursement rate, some school districts move money into different accounts to withhold funding from students in charter schools that were allocated for their education. As previously outlined, public charter school funding is based on a per-pupil calculation and that calculation (cited in [Section 2501\(20\) of the Public School Code](#)) is based on “General Fund” expenditures. Due to the current wording of the law, districts have the ability to move eligible expenses out of the General Fund and into other funds to avoid calculating those expenditures into the charter tuition reimbursement rate.

Unfortunately, the manipulation of how charter tuition reimbursement rates are calculated is not the only way the current funding system for public charter schools is exploited by some school districts for their own gain. Pennsylvania’s Charter School Law requires that school districts that have students enrolled in a charter school, process the tuition reimbursements to “the charter school in twelve (12) equal monthly payments, by the fifth day of each month, within the operating school year”. Despite this clear mandate, many school districts choose to break the law by refusing to make any reimbursement payments to charter schools. To receive the tuition reimbursement their students are legally owed by a district that fails to remit payment, the charter school must dedicate staff hours to navigate a burdensome and lengthy process created by PDE and go through this process each month, even if the district has never paid or indicated they won’t pay. **Currently, of the 30 districts that Propel sends tuition reimbursement invoices to, 11 school districts refuse to make their state-mandated tuition payments and we must rely on PDE redirecting that funding each month.** School districts do not have to beg or jump through hoops to get the funding owed to their students, charter schools should not have to fight to get what their students rightfully deserve.

## **Charter Students Are Public School Students**

As the leader of a network of 13 public charter schools, I am an active and vocal advocate for choice and equity. It is an unfortunate necessity that I (and other charter school leaders) must continually battle those who do not believe that families are capable of choosing the right educational fit for their children. I firmly and unabashedly believe in and stand with the students we educate, the professionals we employ and the communities we serve. I will continue to champion the case for equity — to ensure that our families receive the resources and respect they deserve. I have come before the Basic Education Funding Commission this morning to advocate for public charter school students, especially the 4,000 Propel students that I have the honor to serve. Please do not allow these students and families to be forgotten as you work to create equity in education funding.

There are some who may argue that Judge Jubelirer did not address public charter schools or charter students in her ruling, and that this Commission should only be focused on equitable funding for public school districts. I respectfully disagree and counter that Judge Jubelirer was very clear that her ruling was about equitable STUDENT funding, not the funding of school buildings or institutions.

Combined, public charter schools educate 160,000+ students in Pennsylvania — more than any other school district in the Commonwealth by 41,800 students. As I outlined previously, charter students are already receiving between 15-30 percent less funding than their peers in school districts but they are also victims of inequitable funding and systemic underfunding. In Allegheny County, where Propel operates



its 13 public schools, 10 school districts are among the 100 poorest districts in the state (aka “Level-Up Districts”) according to [Level Up PA](#).

Level Up Districts in Allegheny County	Percentage of Propel Students from Each District
Clairton City SD	2.65%
Duquesne City SD	4.39%
East Allegheny SD	2.88%
Mckeesport Area SD	7.65%
South Allegheny SD	0.60%
Steel Valley SD	3.71%
Sto-Rox SD	11.21%
West Mifflin Area SD	1.83%
Wilkinsburg Borough SD	4.28%
Woodland Hills SD	16.29%

Not only are many Propel students coming from historically underfunded school districts, they are coming from economically distressed communities, and neighborhoods ravaged by drug use and violence. **Yet these students are continually made to feel less-than by a public education system that punishes them, first, for their zip code and, again, for their choice in public school.** We must do better for Pennsylvania students and, based on Judge Jubelirer’s ruling, that includes students in public charter schools: “...the Court concludes it requires that every student receive a meaningful opportunity to succeed academically, socially, and civically, which requires that all students have access to a comprehensive, effective, and contemporary system of public education.”

### **Recommendations for the Commission**

The Commission has been presented with hundreds of pages of written testimony and approximately 30 hours of verbal testimony over the past three months on the financial issues impacting Pennsylvania’s 500 school districts and ideas on how to address those issues. I hope the Commission will consider the following recommendations as it works to redefine what “equitable funding” means and how that definition extends to every public school student in this Commonwealth, including charter students.

#### **Policy Changes That Can Be Made to Cut Costs for Charters and District Schools**

- Standardize the new charter school application process — Currently, Pennsylvania’s Charter School Law allows each brick-and-mortar charter school authorizer (aka the 500 school districts

in the state) to create their own application for the establishment of a new charter school. This has led to inconsistent standards for the establishment of new charters across the Commonwealth, and significant personnel costs on both the district- and charter-side as they struggle to establish standards and meet those standards.

- **Recommendation** — I ask you to support an amendment to the Charter School Law that includes a mandatory standard application and detailed process for the establishment of new brick-and-mortar charter schools. The application process should be thorough but not burdensome on either party, include mechanisms that ensure timely decisions are made and allow for community voices to be heard.
- Standardize the charter renewal process — Currently, Pennsylvania’s public charter schools must go through a renewal process every five years and get the approval of their authorizer to continue operating. The law allows each brick-and-mortar charter school authorizer (aka the 500 school districts in the state) to establish their own renewal application and renewal standards. This lack of standardization has led to inconsistent quality standards, allegations of bias in how renewals are awarded, and excessive taxpayer dollars being spent on legal fees by both districts and charters to litigate renewal decisions.
  - **Recommendation** — I urge the Commission to support an amendment to the Charter School Law that includes a mandatory charter renewal application, a detailed process for the renewal of brick-and-mortar charter schools and a specific set of standards/qualifications to warrant the renewal or nonrenewal of a charter. To avoid duplicative work, the standard renewal application should be mirrored off of the standardized annual reports that every charter must complete, and submit to PDE and their authorizer. Standardizing this process and the qualifications for a renewal will also decrease the number of cases coming before the Charter Appeal Board (CAB), which will result in a cost-savings for PDE and the Department of State whose staff support the work of the CAB.
- Move to a 5-year initial charter terms and 10-year charter renewals — Currently, a new charter school may be approved by their authorizer for an initial period of three to five years and renewals are granted in five-year terms. It is extremely difficult to show any meaningful growth or achievement data for a brand new school after only three years, especially when state standardized testing data is often released seven months after exams are taken. When it comes to renewals, the current process is extremely burdensome on the charter school and often requires months of work by staff who are dedicated solely on meeting the moving targets set by charter authorizers.
  - **Recommendation** — In order to reduce the financial burden on charter school authorizers (aka school districts) and charter schools, the Commission should support an amendment to the Charter School Law that provides for a 5-year charter term for newly established charter schools and 10-year terms for charter renewals. Not only will this result in a cost-savings to school districts and charter schools, it will also decrease the number of cases coming before the CAB which will result in an additional cost-savings to the state.
- Ensure the Charter Appeal Board (CAB) is operating efficiently and effectively — The CAB was [established in the Charter School Law](#) to provide charter school applicants and charter school operators an avenue to appeal decisions made by their authorizer. Unfortunately, the law provides little guidance on how procedures and processes are set by the CAB, and the standards the law

does set around timelines are often disregarded by the CAB with no consequence. The lack of guardrails on the CAB have resulted in unnecessarily long waits for decisions, the outsourcing of duties to hearing officers with no background in K-12 education, CAB appointees serving many years past their term's expiration, the ability for a Governor to "fire" every appointee and halt operations (as Governor Wolf did in April 2021), and conflicts of interest when the legal advisors for CAB are also General Counsel for the Governor (whose appointee chairs the Board). All of these issues with the CAB have led to the unnecessary spending of taxpayer dollars on legal fees by both school districts and charter schools.

- **Recommendation** — I ask the BEFC to call for an amendment to the Charter School Law that provides greater flexibility in who can be appointed to the CAB and deadlines should be put in place for the nomination and appointment of CAB members. The law should require that the CAB contract with an outside law firm to provide unbiased advice to CAB members and that hearing officers must not be state employees under the Governor's jurisdiction to ensure fairness. Finally, the law should prescribe timelines for how cases are to be processed through the CAB and what recourse a charter or district may have if the CAB fails to adhere to those timelines. These changes will result in cost-savings for school districts, charter school applicants and operators, and PDE.
- Mandate relief from duplicative and unnecessary provisions in the law — Public charter schools are required to adhere to all the same accountability and transparency standards as school districts, and the same mandates required by the state and federal government. On top of these mandates, every public charter school must prepare detailed annual reports for PDE and their authorizer, and undergo an onerous renewal process every five years. Some of these mandates are outdated and duplicative, which require schools to allocate staff time or hire additional staff to comply with these requirements.
  - **Recommendation** — I urge you to support the current proposals moving through the General Assembly to provide mandate relief for public schools and ask that, as you consider these proposals, you ensure that public charter schools can also benefit from these mandate relief efforts. I also recommend that the Commission supports efforts to relieve charter schools of duplicative reporting mandates by requiring authorizers to use existing charter annual reports in charter renewal evaluations.

### **Policy Changes That Can Be Made to Cut Costs for Public Charter Schools**

- Close loopholes in the law that prevent the approval of Multiple Charter School Organization (MCSO) — In 2017, a [provision was added](#) to the Charter School Law that allows for the consolidation of two or more public charter schools into an MCSO. The goal of this provision was to put more money back into the classroom by consolidating the management and oversight of multiple charter schools under one administrative team and one board of trustees. Not only would this provision cut the administrative costs for charter schools, it would make it easier for schools to benefit from shared services and future cost-saving measures. Unfortunately, the wording of certain provisions in the law have allowed PDE (who has the sole power to grant an MCSO) to deny every MCSO application that has come before them and deny charters from maximizing their resources to benefit students.
  - **Recommendation** — I urge this Commission to support an amendment to the law that requires PDE to approve MCSO applications that come before them, to ensure public

charter schools can benefit from the same shared services and cost-saving strategies as school districts. I also urge Governor Shapiro to direct PDE to reconsider the denied MCSO applications that have come before them and base their decisions on what is best for charter students.

- Require that IUs serve public charter schools in the same way they serve school districts — I detailed previously the difference in how school districts and public charter schools are funded and the inequities that exist in the current funding structure that cause charter students to receive significantly less funding. To compound these financial inequities, public charter schools do not have the same access to the support, technical assistance, collaboration, shared services and cost-saving initiatives provided to school districts by the 29 intermediate units operating across the Commonwealth. In some regions of the state, the local IU will offer services and support to public charter schools but at a higher cost than what is charged to the local school districts. In Philadelphia, where the IU is the school district, there are no supports or services offered to public charter schools. Not only are public charter schools denied access to cost-saving services by the IUs, our students are being robbed of state and federal funding that is allocated by PDE to IUs to provide targeted support for charter students.
  - **Recommendation** — In reviewing the testimony previously presented to the Commission and the comments made by Commission members, it is clear that cost-savings is going to be a crucial part of the BEFC's recommendations. We already have an amazing structure in place, through the 29 IUs, to support public schools in sharing resources and cutting costs to ensure we are maximizing the taxpayer dollars we have been given. I ask this Commission to support an amendment to the law that requires every IU to treat public charter schools in the same manner as school districts and provide access to all of their services.

#### **Reforming the way charter tuition reimbursement rates are calculated to ensure charter students receive their “fair share” of funding**

- Require PDE to update the PDE-363 form — As I reference previously, public charter schools are primarily funded through tuition reimbursements made by the home school district for their students who attend a public charter school. These tuition reimbursement rates are calculated for each district using a form created by PDE, called the PDE-363 form. Pennsylvania's Charter School Law allows school districts to make seven deductions to the per-pupil charter tuition reimbursement rate but, over the years, PDE has expanded this to 24 deductions. The drastic expansion of these deductions is not only a violation of the law but has resulted in charter students receiving 15-30 percent less funding than their peers in district schools.
  - **Recommendation** — I urge the Commission to call on PDE to update the PDE-363 form to include only the seven deductions provided for in the Charter School Law and include detailed instructions in the form as to what specific expenditures can and cannot be factored into each deduction category by school districts. Furthermore, the Commission should recommend and support legislation that clarifies and prescribes what expenditures can be deducted from a school district's per-pupil charter tuition reimbursement rate. By making this change, students in public charter schools will receive all of the state and local funding that, by law, is rightfully theirs.

- Shift from an expenditure-based tuition reimbursement rate to a revenue-based tuition reimbursement rate — Currently, charter school tuition reimbursement rates are based on each district's total expenditures from the previous fiscal year — so the tuition rates for the 2023-24 school year are based on what each district spent to educate their students in the 2022-23 school year. As I explained previously, there are several flaws and loopholes in the current funding system that have led to significant inequities in funding for students in district schools vs. charter schools.
  - **Recommendation** — To ensure charter students are getting their fair share of the public education funding provided to them, the Commission should call for a shift in how public charter schools are funded from an expenditure-based tuition rate to a revenue-based tuition rate. A revenue-based model offers many benefits: 1) It is a more stable funding model, unlike expenditures that can fluctuate dramatically from year to year; 2) It is a more predictable funding model that will help charter schools budget earlier in the year; and 3) It is a simpler and more transparent funding model that eliminates the opportunity for school districts to hide expenditures in budgetary categories that get deducted from the tuition reimbursement rate calculations.

#### **Additional funding for school districts and charter schools**

- Both school districts and brick-and-mortar charter schools need facilities funding — I agree with previous testifiers that there is a significant need for additional funding to address school facilities. We cannot expect our students to achieve at the highest levels in environments that are unsafe or unsuitable for learning. Just as representatives from school districts have presented to this Commission that they need additional funding for facility repairs, expansions and new buildings, so do brick-and-mortar charter schools. Due to budgetary constraints, the high cost of starting a charter school and the inability to raise revenue, many public charter schools operate out of nontraditional school spaces and often do not own their buildings. This does not mean that brick-and-mortar charter schools do not need facilities funding.
  - **Recommendation** — I ask that the Commission ensure that any recommendation around targeted funding for school facilities include brick-and-mortar charter schools. Additionally, while the PlanCon reimbursement program has been dormant for several years now, it is important to note that this state program — which reimburses districts for construction costs — is not open to public brick-and-mortar charter schools. If this Commission seeks to restart the PlanCon program, I ask that you recommend the inclusion of brick-and-mortar charter schools as eligible participants.
- Both school districts and public charter schools need support to attract and retain educators and school staff — You have heard from school districts that staffing shortages are a significant problem across the Commonwealth and, unfortunately, public charter schools are also suffering from a lack of qualified educators and support staff. It is especially difficult to hire and retain quality staff in schools that serve high-needs students. At Propel, we have engaged with statewide groups, like Teach Plus, to work collaboratively to support the growth and diversity of the educator workforce but we need additional resources.
  - **Recommendation** — I urge the Commission to recommend additional funding earmarked for “Grow Your Own” programs in public schools, stipends/salaries for student teachers, incentives for school staff to become certified teachers, initiatives that attract and support

diverse teacher candidates in post-secondary institutions and opening more non-traditional pathways to becoming a teacher. Again, as you consider a proposal to support the need to get more teachers in Pennsylvania classrooms, I ask that you ensure that public charter schools are not excluded.

- Ensuring students are safely getting to and from school requires additional funding — Currently, the state allocates transportation funding to every school district and districts are required to provide public charter school students with equal access to transportation as their district peers. This means public charter schools must rely on each home district to transport their students to and from school, in the same manner in which they provide transportation to their own students. Rising transportation costs and a lack of bus drivers, have resulted in unstable and unsafe transportation options for both district and charter students. For example, recently the Pittsburgh School District decided that they would no longer be transporting their 6th-12th grade students via school bus due to cost restraints. Instead, each student would receive public transportation passes. The Wilkesburg School District determined that they would provide bus passes to all students, even those as young as 5 years old. Without any say in the matter, Propel students living in Wilkesburg were no longer going to be safely transported to and from school via bus. With our students' safety on the line, Propel decided to contract with a transportation company to provide bus services to our students but we received none of the transportation funding allocated to the Wilkesburg School District for the transportation of our students.
  - **Recommendation** — As the Commission works to redefine “equitable funding” for public education, I ask that you take transportation into account and propose a system that ensures every student receives their share of the transportation funding allocated by the state. Additionally, I ask you to consider earmarking the funding for transportation to ensure school districts use that money for the purposes in which the General Assembly intended and provide public charter schools an option to receive their portion of transportation funding directly.
- Reinstating the Charter Reimbursement line-item in the State Budget — There is an inherent tension between school districts and public charter schools, which the Commission has heard in several testimonies from school district representatives. This tension has mainly centered around funding and has been increasing since the Charter Reimbursement line-item was removed from the State Budget in 2011. The friction between districts and public charters have led to some school districts refusing to make charter tuition reimbursement payments, school districts acting punitively during the charter renewal process and the vilification of families that choose charter schools.
  - **Recommendation** — I support the recommendations of my fellow testifiers that the Commission propose the reinstatement of the Charter Reimbursement line-item in the State Budget. I believe these additional funding will improve relationships between school districts and public charter schools, which will provide opportunities for collaborations, shared services and cost-saving endeavors for both parties.

## Two Final Notes...

### Hold Harmless

I have listened to the testimony given by previous testifiers who represent school districts and I echo their call for predictability and stability in education funding. Eliminating the hold harmless provision, that is currently factored into a school district's basic education funding allocation, all at once would cause financial chaos for many public school districts and public charter schools who serve students in those districts. I encourage this Commission to not only work towards creating equity for students who have been chronically underfunded but also ensure other students are not harmed in the process. Propel serves students from 30 school districts across Allegheny County and the tuition reimbursement rates for each of those school districts will be impacted by the decision to keep the hold harmless provision in place or not. Based on data from the [House Democratic Caucus](#), 26 of the school districts in Allegheny County would be harmed by the elimination of hold harmless and 17 school districts would benefit from the elimination of hold harmless. Here's a look at just the six school districts that authorize Propel's 13 schools and how they would be impacted if the hold harmless provision was eliminated.

<b>Propel's Authorizing School Districts</b>	<b>Impact of Eliminating Hold Harmless</b>	<b>% Change in 2018/19 BEF If All Money Went Through Formula</b>	<b>Percentage of Propel Students From Each District</b>
Gateway School District	Would benefit from the elimination of hold harmless	14% Increase	2.57%
McKeesport Area School District	Would be harmed by the elimination of hold harmless	8% Decrease	7.65%
Montour School District	Would benefit from the elimination of hold harmless	9% Increase	0.31%
Pittsburgh School District	Would be harmed by the elimination of hold harmless	47% Decrease	33.47%
Steel Valley School District	Would be harmed by the elimination of hold harmless	24% Decrease	3.71%
Woodland Hills School District	Would benefit from the elimination of hold harmless	39% Increase	16.29%



I understand that population shifts over time may warrant the elimination of hold harmless but I ask you to consider how this will impact brick-and-mortar charter schools. While school districts may have seen a loss in student populations over the years (like the Pittsburgh SD) demand for brick-and-mortar public charter schools in these areas continue to be consistently high and our student populations have not decreased.

### Charter Funding Reform

It is clear that the way we fund public charter schools in Pennsylvania is not ideal for either the charter sector or school districts, and the fight over funding is distracting from our goal of educating students. That being said, I believe this topic is too complex to address haphazardly or without a thorough study into the nuances of the current funding structure, and the needs of both brick-and-mortar and cyber charters. I would urge this Commission to recommend that the General Assembly create a commission, like the BEFC, to study charter school funding in a comprehensive and unbiased manner. Propel would be happy to assist in that endeavor and continue the conversation around charter funding reform. Cutting funding for public charter school students, who already receive less than their peers in district schools, flies in the face of this Commission's work to achieve funding equity in public education.

Again, thank you to the Commission for giving me an opportunity to come before you and represent the students and families that are served by Propel. We stand ready to assist this Commission in the future, if needed, and would welcome the opportunity to continue discussions around comprehensive charter reform.



Table 1

# PROPEL STUDENT SNAPSHOT

Data by School - Please note that PDE considers each Propel LEA a school. The data below is based on Propel-identified schools.														
LEA	Propel CS-Braddock Hills				Propel CS-East Hazelwood	Propel CS-Homestead		Propel CS-McKeesport	Propel CS-Montour			Propel CS-Northside	Propel CS-Pitcairn	
2023/24 Data by School	Braddock Hills ES	Braddock Hills MS	Braddock Hills HS	East	Hazelwood	Homestead	Andrew Street HS	McKeesport	Montour ES	Montour MS	Montour HS	Northside	Pitcairn	
Total Enrollment	315	152	260	335	226	345	190	315	374	202	223	358	210	
Race/Ethnicity Counts														
Black/African American (not Hispanic)	263	130	199	225	204	282	153	245	209	106	134	311	147	
White/Caucasian (not Hispanic)	12	9	22	65	4	12	14	29	85	59	53	14	32	
Multi-Racial (not Hispanic)	29	10	23	35	13	35	16	29	63	31	30	22	23	
Hispanic (any race)	5	2	10	8	5	11	4	8	15	5	3	8	7	
Asian (not Hispanic)	1	0	1	0	0	0	0	4	0	1	0	0	0	
American Indian/Alaskan Native	5	1	4	2	0	3	2	0	2	0	3	2	1	
Native Hawaiian or other Pacific Islander (not Hispanic)	0	0	1	0	0	2	1	0	0	0	0	1	0	
Race/Ethnicity Percent of LEA Total														
Black/African American (not Hispanic)	83.5%	85.5%	76.5%	67.2%	90.3%	81.7%	80.5%	77.8%	55.9%	52.5%	60.1%	86.9%	70.0%	
White/Caucasian (not Hispanic)	3.8%	5.9%	8.5%	19.4%	1.8%	3.5%	7.4%	9.2%	22.7%	29.2%	23.8%	3.9%	15.2%	
Multi-Racial (not Hispanic)	9.2%	6.6%	8.9%	10.5%	5.8%	10.1%	8.4%	9.2%	16.8%	15.4%	13.5%	6.2%	11.0%	
Hispanic (any race)	1.6%	1.3%	3.9%	2.4%	2.2%	3.2%	2.1%	2.5%	4.0%	2.5%	1.4%	2.2%	3.3%	
Asian (not Hispanic)	0.3%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	0.5%	0.0%	0.0%	0.0%	
American Indian/Alaskan Native	1.6%	0.7%	1.5%	0.6%	0.0%	0.9%	1.1%	0.0%	0.5%	0.0%	1.4%	0.6%	0.5%	
Native Hawaiian or other Pacific Islander (not Hispanic)	0.0%	0.0%	0.4%	0.0%	0.0%	0.6%	0.5%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	
Economically Disadvantaged Counts														
Economically Disadvantaged	289	136	211	262	213	315	154	268	329	162	161	326	188	
Not Economically Disadvantaged	26	16	49	73	13	30	36	47	45	40	62	32	22	
Economically Disadvantaged Percent of LEA Total														
Economically Disadvantaged	91.8%	89.5%	81.2%	78.2%	94.3%	91.3%	81.1%	85.1%	88.0%	80.2%	72.2%	91.1%	89.5%	
Not Economically Disadvantaged	8.3%	10.5%	18.9%	21.8%	5.8%	8.7%	19.0%	14.9%	12.0%	19.8%	27.8%	8.9%	10.5%	
Gender Counts														
Female	156	79	134	194	133	167	104	177	207	102	108	171	110	
Male	159	73	126	141	93	178	86	138	167	100	115	187	100	
Gender Percent of LEA Total														
Female	49.5%	52.0%	51.5%	57.9%	58.9%	48.4%	54.7%	56.2%	55.4%	50.5%	48.4%	47.8%	52.4%	
Male	50.5%	48.0%	48.5%	42.1%	41.2%	51.6%	45.3%	43.8%	44.7%	49.5%	51.6%	52.2%	47.6%	
English Learner Percent of LEA Total														
Is EL	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%	3.2%	1.1%	1.0%	0.4%	1.4%	0.0%	
Not EL	100.0%	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	96.8%	98.9%	99.0%	99.6%	98.6%	100.0%	
Data Sources														
Oct 1 Enrollment Data - PDE PIMS Reports - Student Snapshot Template 10/26/23														

Table 2

## 2022-23 ACT 13 BUILDING LEVEL SCORES FOR PROPEL SCHOOLS AND TOP NEIGHBORHOOD SCHOOLS WHERE 75% OF STUDENTS RESIDE

