

**ED, CharterRegs**

From: Hanna, Tomas <Hannat@casdschools.org>
Sent: Friday, October 15, 2021 4:47 PM
To: ED, CharterRegs
Cc: Creedon, Melissa; Alex Rahn
Subject: [External] Coatesville Area School District Proposed Rulemaking
Attachments: CASD Senders 10-14.xlsx; Proposed Rulemaking - Gov Wolf Oct. 2021.pdf

ATTENTION: *This email message is from an external sender. Do not open links or attachments from unknown sources. To report suspicious email, forward the message as an attachment to CWOPA_SPAM@pa.gov.*

Colleague:

Attached please find Coatesville Area School District's comments for the proposed regulation which clarifies elements of the Charter School Law and sets conditions that emphasize accountability, equity, quality, and transparency.

Tomás Hanna
Superintendent
Coatesville Area School District



October 14, 2021

Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101
RA-EDCharterRegs@pa.gov

To Whom It May Concern:

I am submitting comments for the proposed regulation, which clarifies elements of the Charter School Law (CSL) and sets conditions that emphasize accountability, equity, quality, and transparency on behalf of the Coatesville Area School District, where I serve as Superintendent.

I am also including information that shows close to 500 of our residents sent over 10,000 letters and emails in support of Charter school reform.

As you know, the regulation establishes a minimum standard for charter school, regional charter school and cyber charter school applications: better ensures non-discriminatory student enrollment policies as required by the CSL; clarifies that charter and cyber charter school boards of trustees are subject to the Public Official and Employee Ethics Act; requires standard fiscal management and auditing practices; details the tuition payment redirection process for charter schools entities and school districts; and specifies minimum standards for the provision of health care benefits

This proposed rulemaking is a step in the right direction, but more work is needed. The current charter school funding formula was established in 1997 and has become fundamentally flawed because it is based on a school district's expenditures and not what it actually costs to educate a child in the charter school. Specifically, the calculation for charter special education tuition is unfair because it is also based on the special education expenditures of the school district rather than the charter school; and, although the General Assembly revised the special education funding formula in 2014 to target special education resources more accurately for students identified with high, medium, and low needs, this formula was applied only to school districts and not to charter schools. Because the tuition rate calculations are based on the school district's expenses, they create wide discrepancies for tuition paid by different districts for the same charter school education and result in drastic overpayments to charter schools.

Another contributing factor to our issue is the Special Education Charter School Tuition Rate calculation. That calculation assumes all Districts have only 16% of their student's in charter schools, but the charters have diagnosed, correctly or not, almost 20% of the students they draw from CASD as in need of Special Education. We are trying to do all that we can to contain costs, but when the cost of charter school reimbursements grows by \$3 to \$4 million annually, it is difficult to balance the budget without having a direct impact on our constituents. These unfair

payments to charter schools have led to many of them having extra funds, while CASD has an increasing our structural deficit that has forced us to increase taxes.

We are grateful to have received federal funding to address COVID-19 related challenges; however, our structural deficit cannot be addressed using relief funds. This is the rationale for an \$8 million request to the legislature for special funding, whether a state or federal allocation to address this gap. As the 2022-2023 fiscal year approaches, we are preparing for an increase of over \$9 million dollars to our debt obligation. If there is no adjustment to the funding formula or if we do not receive additional funds, we will be forced to reduce staff by a significant amount and increase class sizes throughout the district in addition to making other draconian reductions that would see even more students flee to charter schools or other educational institutions.

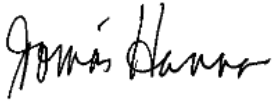
It should also be noted that the charter schools are located outside of Coatesville, approved by neighboring school boards, burdening our school board to pass on the costs to our residents. Over the past two funding cycles, the increasing costs of charter schools have left us in the difficult position of asking homeowners to carry an increasingly large percentage of the school funding bill as have cut programs and/or making elementary class sizes larger by further cuts to positions.

CASD is now second in the state for total charter expenses and when public dollars are already stretched thin, charter schools have a major impact on our budget due to mandated reimbursement rates. This reform is even more critical because as you know CASD was facing a significant deficit for this fiscal year prior to the pandemic and 2022-2023 will present unprecedented challenges with an increase of over \$9 million dollars in our debt obligation.

The current CASD administration and Board have taken tremendous steps to reduce costs and restructure finances. In addition to reforms to Charter School payments, CASD is also seeking any additional recurring special funding that will allow the school district to remain viable during these trying times and alleviate future tax increases to our residents.

Please feel free to contact me or Alex Rahn our Government Affairs Consultant (717-378-3388) if you need further information.

Sincerely,



Mr. Tomás Hanna
Superintendent
Coatesville Area School District

Cc: The Honorable Tom Wolf
PDE Secretary Noe Ortega
Members of PA House of Representative
Members of PA Senate