A public meeting was held by the School Reform Commission on May 26, 2016 in the Auditorium of the School District of Philadelphia Education Center, 440 North Broad Street.

The meeting was convened at 5:33 p.m. by Chair Neff. Chair Neff stated that the meeting will focus on the critical business of adopting a budget for the 2016-17 school year. She also stated that the SRC is interested in changing the start time for our monthly Action meetings for the upcoming school year. The proposed change would be to begin action meetings an hour earlier starting at 4:30 pm. Chair Neff stated that the SRC will be collecting public feedback on this proposed change through a survey which will go live tomorrow morning on the SRC website. She stated that all input and feedback will be taken into consideration, before making a change. Chair Neff stated that a decision will be made at the next SRC meeting in June.

Chair Neff introduced LaRenz Butler, a Senior at Martin Luther King High School, who provided an overview of the meeting.

Michael A. Davis, General Counsel, stated that the School Reform Commission met in Executive Session on May 25, 2016 to discuss labor relations issues, investigations, and quasi-judicial proceedings, and today to discuss investigations and quasi-judicial proceedings.

**Members present:** Mr. Green (via telephone conference call), Ms. Houstoun, Ms. Jimenez, Ms. Simms, Chair Neff – 5

**Members Absent:** 0

Evelyn Sample Oates, Office of Family and Community Engagement, provided the order of business for today’s meeting of the School Reform Commission. She also stated that the proceedings of today’s School Reform Commission meeting are being streamed live on the internet and recorded by the School District of Philadelphia. Ms. Sample-Oates stated that the School District’s recordings are protected by the copyright laws of the United States.

The following Citation was read and presented:

**PSTV Logo Contest Winners**

WHEREAS, PSTV, the Education Channel for the School District of Philadelphia conducted a student logo contest as a rebranding effort that was open to all students within Philadelphia. The logo contest consisted of a new logo to identify PSTV and two logos to be used as program ID’s for student programs produced at PSTV. The program ID’s would represent student programs from grades K-8 and 9-12. PSTV received over 70 logos designed by students from grades K-12. As PSTV rebrands and relaunches as a student run channel it provides students an opportunity to learn hands on video production in a state of the art production studio and can produce all forms of media and video content that can be seen locally and globally, via Comcast Channel 52, Verizon Fios 20, and online. The logo contest was another great way to highlight student’s visual media talents, their imagination and creativity to express their ideas, and their graphic abilities through graphic design.

WHEREAS, The new PSTV logo was designed by Nnyji Whitfield from CAPA. Congratulations on your design work that now represents PSTV, The Education Channel for the School District of Philadelphia.

WHEREAS, The program ID that was selected for grades K-8 was designed by Nadia Tidman from Stephan Decatur School. Congratulations on your design work. The program ID is used to highlight student media content produced by students in grades K-8 within PSTV studios.

WHEREAS, The program ID that was selected for grades 9-12 was designed by Johan Cordero from Jules E. Mastbaum AVTS. Congratulations on your design work, the program ID is used to highlight student media content produced by students in grades 9-12 within PSTV studios.

RESOLVED, That the School Reform Commission, the Superintendent, The Chief Information Officer, Information Technology Team, The Chief of Academic Support, and PSTV congratulate these outstanding artists, and thank them and their teachers for their exquisite work and support in the rebranding of PSTV, the Education Channel for the School District of Philadelphia.

William R. Hite, Superintendent, provided remarks. He stated that the School District recently released a status report on Action Plan 3.0. He stated that the report includes information of the District’s achievements, and can be viewed on the District’s website. Dr. Hite stated that he attended the School District’s STEM Expo. He stated that over 1,000 7th and 8th grade students participated. Dr. Hite stated that the Citywide Young Artist Exhibition is currently on display at the School District’s Education Center. The Exhibition runs through October. Dr. Hite stated that the District-wide Survey is available through June 27, 2016. He stated that more than 5,000 teachers, 17,000 parents, 60,000 students, and 230 principals have completed the survey. Dr. Hite provided a status report on the District’s efforts to provide safe drinking water in all buildings. Dr. Hite stated that the District will be closed on Monday, May 30, 2016 in observation of Memorial Day.
Chair Neff stated that the Pennsylvania Legislature has adopted a student funding formula.

Uri Monson, Chief Financial Officer, provided a presentation of the proposed Fiscal Year 2016-2017 Budget. Mr. Monson’s presentation included an overview of Action Plan 3.0 and progress made, investments, budget adoption timeline and overview, changes from Lump Sum Statement to Budget Adoption, and Five-Year Plan projections. He stated that the FY16 Amended and FY17 Adopted Budgets show a two-year negative fund balance impact of $35 million. He stated that both the Lump Sum and the FY17 Budget Adoption include approximately $55 million in new FY17 revenues proposed by the Governor. Mr. Monson stated that without the proposed new revenues, the District will face negative ending fund balances by FY18. He stated that in order to assure educational stability, even without the Governor’s new funding in FY17, the District will maintain the same level of spending included in its FY17 adopted budget.

In response to Commissioner Simms’ question regarding school budgets, Mr. Monson stated that school budgets are posted on the District’s website. In response to Chair Neff’s question regarding nurses, Dr. Hite stated that the District will have at least one nurse in every school. Some schools will have more than one nurse, which is based on the number of students. The formula is one nurse per every 1,500 students. In response to Chair Neff, Mr. Monson restated that if the PA Legislature does not pass the Governor’s budget with the additional $55 million, the District would still have a positive fund balance in FY17. The negative fund balance would not hit until FY18. He stated that short term, the District would be able to maintain its investments. In response to Commissioner Green regarding the funding formula, Mr. Monson stated that he does not anticipate a dramatic impact.

A complete copy of Mr. Monson’s powerpoint presentation is on file with the minutes of the School Reform Commission.

The following individuals presented statements in support of the Charter Renewal at Stetson:

- Ines Duran, 8th grade student
- Erica Morales, 8th grade student
- Eva Mendez, student
- Rosemary Estrada, 7th grade student

Sharlynn Soto, YESPhilly student, requested that the District increase the number of slots in accelerated alternative schools.

Aigner Lemay referenced an incident in which a student was apparently assaulted by a School Police Officer at Benjamin Franklin High School on March 5, 2016. Dr. Hite stated that he condemns excessive force used against any student by an adult. He stated that the District is conducting a very thorough investigation, which will be completed before school ends. Dr. Hite stated that a meeting has been set up with staff and the Student Union.

George Jackson, Director of Communications for the PFT, read a statement from Jerry Jordan, PFT President. He stated that May 27, 2016 marks the 1,000th day that the PFT has not had a collective bargaining agreement. He stated that the District is unwilling to negotiate and being blatantly disrespectful. Dr. Hite stated that the District is actively engaged with the PFT and continues to explore options.

Amaris Gonzalez, parent, expressed support of the Charter Renewal at Stetson.

Dwayne Wharton, Director of External Affairs of the Food Trust, applauded the District’s commitment to have three (3) hydration stations in schools. He also advocated for a water bottle policy. He also expressed concerns about the safety of the water.

Catherine Khella, teacher at Franklin Learning Center, described her passion for teaching. She expressed concerns about the lack of a contract and her future.

Jessica Way, medical assistant teacher at Franklin Learning Center, described her experience of being a Career and Technical Education teacher and the financial loss she has experienced due to a lack of a PFT contract.

Tomika Anglin described District failures. She stated the quality education does not matter to the District.

Lynda Rubin, member of the Alliance for Philadelphia Public Schools, expressed concerns about the SRC voting process, citing recent charter actions.

Coleman Poses questioned the varied interpretations of the charter evaluations.

Andrea Gonzalez, Superintendent of ASPIRA Schools of Pennsylvania described the transformation that has occurred at Stetson Elementary and Olney High Schools over the past five years.

Richard Liuzzi, educator and community member of Alexander Wilson Elementary School, stated that the closing of the school in 2013 as well as the conditions under which the school existed before its closing are forms of structural violence perpetrated against the Wilson community and the many others that have faced similar fates.

Diane Payne stated that the SRC’s actions towards public schools and the staff who work in them are not honorable. She cited the lack of a PFT contract, District Counsel that there is no conflict with Commissioner Simms...
and her sister Quibila Devine, Commissioner Jimenez’s employment with the Philadelphia Education Fund, email changes between Commissioner Green and PSP, and recommendations made by the Charter School Office and subsequent SRC votes, and the early renewal of Dr. Hite’s contract. Ms. Payne also stated that the SRC should vote to dissolve itself. Commissioner Jimenez suggested that Ms. Payne look at the website of the Philadelphia Education Fund, which outlines its mission which is entirely about supporting education.

Lisa Haver, retired teacher and member of the Alliance for Philadelphia Public Schools, stated that the financial improprieties and fraudulent activities of ASPIRA, Inc. have been well documented, citing stories in the Philadelphia Daily News and NewsWorks. Ms. Haver questioned the SRC’s postponement of its decision and the role of Ken Trujillo, Schnader Harrison, and recommendations made by the Charter Schools Office.

Diana Thompson described the human toll of school closing/Renaissance Charter experiment.

In response to comments made by George Jackson, Commissioner Green stated that [we] do want to give teachers raises and the Local 32BJ and CASA have made concessions. He stated that the PFT was given the choice of agreeing to concessions related to healthcare in order to avoid layoffs, or make no concessions.

The following resolutions were presented for formal action by the School Reform Commission:

I. SCHOOL REFORM COMMISSION

SRC-1*
Adopts an amended Operating Budget for 2015/2016 and an Operating Budget for 2016/2017
WHEREAS, by Resolution SRC-1, approved on March 24, 2016, the School Reform Commission adopted a lump sum statement of anticipated receipts and expenditures for Fiscal Year 2016-2017 for The School District of Philadelphia (the “School District”); and

WHEREAS, pursuant to Section 12-303(a) of the Education Supplement to the Philadelphia Home Rule Charter, the School District must adopt an operating budget for fiscal year commencing on July 1, 2016, in which the total amount of proposed expenditures shall not exceed the amount of funds available for School District purposes; and

WHEREAS, changes in revenues and obligations have occurred in the Fiscal Year 2015-2016 budget; now be it

RESOLVED, that the School Reform Commission hereby amends and adopts an Operating Budget for Fiscal Year 2015-2016 and hereby adopts an Operating Budget for Fiscal Year 2016-2017, as reflected in the estimate of receipts herein set forth in Exhibit B and the estimates of obligations by expenditure area herein set forth in Exhibit C for Fiscal Year 2015-2016 and 2016-2017; and be it

FURTHER RESOLVED, that upon the transfer of any function from one office, department or organizational unit those portions of the appropriations which pertain to the function transferred; and to transfer funds from undistributed accounts to appropriate departments to implement decisions of the Superintendent, subject to notification to the School Reform Commission, and be it

FURTHER RESOLVED, that the Superintendent and the Chief Financial Officer shall certify that each request they bring to the School Reform Commission for the authorization of hiring, contracting, purchasing or any other obligation of School District resources is consistent with the Operating and Capital Budgets that have been adopted by the School Reform Commission, or else they will propose along with the requested authorization an amendment to the adopted Budgets that will hold the cumulative fund balance of the School District to the level projected at the time of the initial budget adoption or any subsequent thereto.

The vote was as follows:

Yea: Mr. Green, Ms. Houstoun, Ms. Jimenez, Ms. Simms, Chair Neff – 5

Nay: 0

*A complete copy of Resolution SRC-1 with Exhibits is on file with the minutes of the School Reform Commission.

SRC-2*
WHEREAS, by Resolution SRC-2, approved on June 30, 2015, the School Reform Commission adopted a Capital Budget for The School District of Philadelphia (“the School District”), in the amount of $130,055,970 for the Fiscal Year 2016 and a Six Year Program for the Fiscal Years 2016-2021, in the amount of $981,934,308; and

WHEREAS, additional adjustments to reflect the variance between budgets and actual contract awards, the implementation of the reprioritization and revised estimated costs have been prepared; now be it

RESOLVED, that the School Reform Commission hereby amends and adopts the Amended Capital Budget for Fiscal Year 2016, in the amount of $71,732,758, as set forth in the summary exhibit; and be it

FURTHER RESOLVED, that the School Reform Commission hereby amends and adopts the Amended Six-Year Capital Program for Fiscal Years 2016-2021, in the amount of $1,051,121,972, as set forth in the summary exhibit; and
WHEREAS, pursuant to Section 12-304(1) of the Education Supplement to the Philadelphia Home Rule Charter, the School District must adopt a capital program and capital budget for the School District, for fiscal year commencing on July 1, 2016, which capital budget shall at all times conform to the capital program and shall show in detail the capital expenditures to be made or incurred in the next fiscal year in which the total amount of proposed expenditures shall not exceed the amount of funds available for School District purposes; and

WHEREAS, the Proposed Fiscal Year Capital Budget and program which was approved by Resolution SRC-2 has been adjusted to reflect project reprioritization, transfers, and revised estimates; now be it

RESOLVED, that the School Reform Commission hereby adopts the Capital Budget for Fiscal Year 2017 in the amount of $172,742,291, as set forth in the summary exhibit; and be it

FURTHER RESOLVED, that the School Reform Commission hereby adopts the Proposed Six-Year Capital Program for Fiscal Years 2017-2022, in the amount of $1,127,928,536, as set forth in the summary exhibit; and be it

FURTHER RESOLVED, that the individual projects included in the Amended Fiscal Year 2016 and Adopted Fiscal Year 2017 Capital Budgets must be authorized by separate resolutions of the School Reform Commission prior to implementation.

The vote was as follows:

Yeas:  Mr. Green, Ms. Houstoun, Ms. Jimenez, Ms. Simms, Chair Neff – 5

Nays:  0

*A complete copy of Resolution SRC-2 with Exhibits is on file with the minutes of the School Reform Commission.

SRC-3

Approves an agreement with the Philadelphia Intermediate Unit to provide an educational program and auxiliary services to nonpublic school students for 2016/2017

WHEREAS, the School Reform Commissioner of The School District of Philadelphia adopted an Operating Budget for Fiscal Year 2016-2017, including appropriations for the Intermediate Unit #26 in the amount of $365,420,506; now be it

RESOLVED, the School Reform Commission authorizes The School District of Philadelphia, through the Superintendent or is designee to execute, deliver, and perform an agreement with the Intermediate Unit#26 for the School District to provide all professional and non-professional personnel services, all materials, supplies, books and equipment necessary for a complete educational program in Special Education Programs, Transportation for Special Education, and Auxiliary Services to Non-Public Students. All services by the School District shall comply with applicable law and any decrees by a court of competent jurisdiction. The programs provided in conjunction with this contract shall not exceed the following amounts: Special Education - $275,130,506; Transportation for Special Education - $75,823,000; and Auxiliary Services to Non-Public School Students - $14,467,000, for the period commencing July 1, 2016 through June 30, 2017.

The vote was as follows:

Yeas:  Mr. Green, Ms. Houstoun, Ms. Jimenez, Ms. Simms, Chair Neff – 5

Nays:  0

SRC-4*


WHEREAS, it is necessary to revise Section 11(b)(i) and Section 16(a) of the Original Resolution to provide for mandatory redemption of a portion of the Series A Bonds in 2018 and 2019; and

WHEREAS, capitalized terms used in this Resolution and not otherwise defined shall have the meaning ascribed thereto in the Original Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL REFORM COMMISSION OF THE SCHOOL DISTRICT OF PHILADELPHIA AS FOLLOWS:

Section 1. Section 11(b)(i) and Section 16(a) of the Original Resolution shall be revised to reflect the tabular information as shown in Exhibit A annexed hereto and made a part hereof and the revisions set forth in Exhibit A are hereby ratified, confirmed and approved.
Section 2. The amendment to the Original Resolution approved in Section 1 hereof shall be codified by substituting the pages forming Exhibit A to this Resolution for the corresponding pages in the Original Resolution.

Section 3. The Original Resolution, as amended by this resolution, shall be taken and read as a single instrument and, except to the extent amended by this resolution, the Original Resolution is hereby ratified, confirmed and reapproved in all respects.

Section 4. This Resolution shall take effect immediately this 26th day of May 2016.

The vote was as follows:

Yeas: Mr. Green, Ms. Houstoun, Ms. Jimenez, Ms. Simms, Chair Neff – 5

Nays: 0

*A complete copy of Resolution SRC-4 with attachments is on file with the minutes of the School Reform Commission.

Commissioner Houstoun introduced a motion to table resolutions SRC-5 and SRC-6. The vote on the motion to table resolutions SRC-5 and SRC-6 was as follows:

Yeas: Mr. Green, Ms. Houstoun, Ms. Simms – 3

Nays: Chair Neff – 1

Abstention: Ms. Jimenez – 1

SRC-5 (TABLED – NO ACTION TAKEN)

Application for Charter Renewal – John B. Stetson Charter School; ASPIRA, Inc. of Pennsylvania

WHEREAS, in January, 2010, the School Reform Commission (“SRC”) adopted the Renaissance Schools Initiative Policy, which authorized the SRC to grant Renaissance charters as part of the Renaissance Schools Initiative of the School District of Philadelphia (“School District”); and

WHEREAS, the John B. Stetson School had been identified as a School District school which needed fundamental change through the Renaissance Schools Initiative to facilitate a transformation of the learning environment; and

WHEREAS, the purpose of the Renaissance Schools Initiative was to dramatically improve the learning environment in underperforming School District schools to create highly effective schools that provide exceptional opportunities for student academic achievement and preparedness for success in college and the workforce; and

WHEREAS, for charter schools participating in the Renaissance Schools Initiative, in order to adhere to the mission of the Renaissance Schools Initiative and to maintain high levels of accountability, academic requirements could exceed performance targets for non-Renaissance charter schools; and

WHEREAS, pursuant to the Charter School Law, 24 P.S. § 17-1701-A et seq., the SRC granted a charter to JOHN B. STETSON CHARTER SCHOOL; AN ASPIRA, INC. of PENNSYLVANIA SCHOOL (“Stetson” or “Charter School”) in 2010 to operate the John B. Stetson School as a charter school for a five-year term commencing on July 1, 2010; and

WHEREAS, Stetson seeks renewal of its Charter; and

WHEREAS, members of the Charter Schools Office (“CSO”) of the School District have reviewed the academic performance, organizational viability and compliance, and fiscal health and sustainability of Stetson during the existence of the charter school and have concluded that there are grounds for the SRC not to renew the Charter under Section 1729-A of the Charter School Law; and

WHEREAS, the following are causes for nonrenewal of Stetson’s Charter and termination of the charter agreement, pursuant to Section 1729-A(a) of the Charter School Law:

1. During the 2011-2012 school year, 63.5% of Stetson students scored proficient or advanced on the Math PSSA exam. During the 2012-2013 school year, 50.8% of Stetson students scored proficient or advanced on the Math PSSA exam. During the 2013-2014 school year, 36.3% of Stetson students scored proficient or advanced on the Math PSSA exam. Thus, from the 2011-2012 school year to the 2013-2014 school year, the percent of students at Stetson scoring proficient or advanced decreased by 27.2 percentage points on the Math PSSA exam. The percent of students scoring advanced or proficient on the Math PSSA exam in 2013-2014 was the lowest proficiency rate since the first year of operation of the Charter School by ASPIRA.

2. During the 2011-2012 school year, 36% of Stetson students scored proficient or advanced on the Reading PSSA exam. During the 2012-2013 school year, 31.2% of Stetson students scored proficient or advanced on the Reading PSSA exam. During the 2013-2014 school year, 28.3% of Stetson students scored proficient or advanced on the Reading PSSA exam. From the 2011-2012 school year to the 2013-2014 school year, the percent of students at Stetson scoring proficient or advanced decreased by 7.7 percentage points on the Reading PSSA exam. The percent of students scoring advanced or proficient on the Reading PSSA exam in 2013-2014 was the lowest proficiency rate since the first year of operation of the Charter School by ASPIRA.
3. Academic proficiency rates at Stetson reflect an inconsistent trend during the Charter Term. Math and Reading/English Language Arts ("ELA") proficiency rates on the PSSA at Stetson initially increased and then decreased during the Charter Term.

4. The percent of Stetson students scoring proficient or advanced on the Reading/ELA PSSA exam was lower than 2014-2015 SPR peer group averages in three of five years - the 2010-2011 school year, the 2013-2014 school year and the 2014-2015 school year.

5. The percent of Stetson students scoring proficient or advanced on the Science PSSA exam was lower than 2010-2011 school year through 2014-2015 school year.

6. In no year of the Charter Term did Stetson have Math or Reading/ELA proficiency rates on the PSSA exam that met or exceeded charter school averages from the 2010—2011 school year through the 2014-2015 school year.

7. In no year of the Charter Term did Stetson have Reading/ELA proficiency rates on the PSSA exam that met or exceeded School District school averages from the 2010-2011 school year through 2014-2015 school year.


9. Stetson had a federal accountability designation of "Focus" for the 2012-2013 school year and the 2013-2014 school year meaning that Stetson was in the lowest 10% of Title I schools based on having the highest achievement gap for the Historically Underperforming Students annual measurable objective.

10. Stetson’s School Performance Profile ("SPP") score was 57.3 for the 2012-2013 school year and 48.8 for the 2013-2014 school year. Both of Stetson’s scores fall into the lowest SPP category of 60 or below.

11. When comparing Stetson student academic achievement levels to the State’s Annual Measurable Objectives ("AMOs") in Math and Reading for the 2012-13 school year, Stetson did not meet the AMO targets on the Math PSSA exam or on the Reading/PSSA exam for any of the eight student subgroups identified (Historically Underperforming, Individualized Education Plan ("IEP"), English Language Learner, Economically Disadvantaged, Male, Female, Black or African American and Hispanic), except for English Language Learners and Black students on the Math PSSA exam.

12. When comparing Stetson student academic achievement levels to the AMOs in Math and Reading for the 2013-2014 school year, Stetson did not meet the AMO targets on the Math PSSA exam or on the Reading/ELA PSSA exam for any of the eight student subgroups.

13. After the Pennsylvania Bureau of Special Education ("BSE") conducted a compliance monitoring review of Stetson in December 2013, Stetson was required to adopt and implement a corrective action plan for least restrictive environment.

14. Stetson failed to have all special education staff appropriately certified. According to Stetson's 2015 Annual Report, one seventh grade special education teacher at Stetson was not appropriately certified.

15. Stetson does not have fully compliant and equitable student admission policies in accordance with the Charter School Law and the Public School Code in that:
   a. Stetson's enrollment form requires a parent or guardian to provide information about the child's United States citizenship status, the child's social security number, and information on whether the child has physical/educational challenges or an IEP which is not permissible.
   b. Stetson's enrollment form is three pages long and requires parents or guardians to respond to seven short answer questions and requires the student to respond to five short answer questions which is not permissible.
   c. As of February 2016, Stetson's website provided limited time periods when registration and transfers could take place at Stetson. As Renaissance charter school, the school is expected to maintain an ongoing enrollment an transfer process placing students on an ordered waitlist if they have met or exceeded their enrollment cap.
   d. According to Stetson’s enrollment policy, after two to three weeks into the school year, enrollment is opened to all students within and outside the Attendance Zone set forth in Stetson's Charter. As a Renaissance charter school, Stetson is required to enroll students on a first come first serve basis only from the Attendance Zone in the Charter.

16. The rate of serious incidents at Stetson was 7.4 during the 2012-2013 school year and 4.3 during the 2013-2014 school year. Although this reflects a decline, Renaissance performance targets in the Stetson Charter related to the rate of serious incidents were not met in the 2012-2013 school year and the 2013-2014 school year. The rate of serious incidents was 7.4 in the 2012-2013 school year when the target was 3.6, and the rate was 4.3 in the 2013-2014 school year when the target was 1.8.

17. Stetson in the renewal application reported one expulsion in the 2010-2011 school year, one expulsion in the 2012-2013 school year and one expulsion in the 2013-2014 school year. However, the Board minutes for the
2010-2011 school year, the 2011-2012 school year and the 2013-2014 school year do not indicate that the Board of Trustees for Stetson approved any expulsions.

18. In its Charter, Stetson acknowledged and agreed that it had adopted and would follow the School District’s current Code of Student Conduct. In the Stetson student Code of Conduct, however, repeated Level 1 violations may result in a disciplinary placement, while Level 2 violations, including repeated Level 1 violations, indecent assault or exposure, and sexual acts of any kind may result in expulsion. These provisions are not consistent with the School District’s current Code of Student Conduct.

19. The Board of Trustees of Stetson failed to operate in accordance with applicable law, and Stetson Bylaws and policies in that:

a. While the Bylaws state that Board members would serve for three-year terms, two Board members served for more than three years during the Charter Term.

b. The Bylaws state that officers should be elected at the Annual Board Meeting in June. The Board of Trustees did not provide Board minutes, which stated that officers were elected at any Annual Board Meeting during the Charter Term.

c. While the Bylaws describe a Treasurer role that includes overseeing receipt of all funds and monitoring payments, the Board Treasurer for the 2012-2013, 2013-2014, and 2014-2015 school years did not possess a financial background.

d. The Board of Trustees did not consistently approve an annual budget, appoint/dismiss administrators and staff, and approve compensation of staff during the Charter Term as required by the Bylaws.

e. Board minutes do not clearly state the opening and closing of Board meetings specifically for Stetson, as opposed to the other three ASPIRA-managed charter schools; Board meetings for all ASPIRA-managed charter schools are held concurrently with specific business or approvals by individual charter school not clearly delineated.

f. The Bylaws provide for an Executive Committee that “shall have the authority of the Board; except that no such committee shall have the authority to (i) fill vacancies on the Board or any committee thereof; (ii) amend the by-laws; (iii) approve a plan or merger; (iv) dismiss members of the Board.” This raises concerns regarding a subset of Board members acting on behalf on the entire Board on the operations and functioning of the Charter School.

g. During the Charter Term, the Board of Trustees did not fully comply with provisions of the Pennsylvania Sunshine Act concerning the six specific purposes for executive session, and the Board of Trustees did not properly announce the purposes of executive session at the open meetings occurring immediately prior or subsequent to the executive sessions. The Board of Trustees failed to comply with the Sunshine Act requirements concerning executive session during the Charter Term: (i) on at least ten occasions, executive session was called in violation of the Sunshine Act without including a purpose in the Board minutes; (ii) Board minutes indicate that the Board of Trustees went into executive session for financial reporting and general “planning for the 2015-16 school year” which does not fully align with the purposes outlined in the Sunshine Act; and (iii) the Board of Trustees took action regarding Board membership at the 2015 summer retreat, in violation of the Sunshine Act.

h. As public officials under the Pennsylvania Public Official and Employee Ethics Act, members of the Board of Trustees are required to complete Statements of Financial Interest annually by May 1. Stetson did not provide complete Statements of Financial Interest forms for all Board members for all years during the Charter Term.

20. Stetson failed to meet the 100% highly qualified teacher (“HQT”) requirement during the term of the Charter, as required by the No Child Left Behind Act as reported by Pennsylvania Department of Education (“PDE”). In the 2012-2013 school year, only 71% of the PDE specified core academic classes taught at Stetson were taught by highly qualified teachers. In the 2013-2014 school year, only 73% of the PDE specified core academic classes taught at Stetson were taught by highly qualified teachers. In the 2014-15 school year, only 92% of the core academic classes at Stetson were taught by highly qualified teachers.

21. Stetson’s audited financial statements were not issued on or before December 31 as required by the Public School Code for four of the five reporting years in the Charter Term. Stetson’s FY2011 through FY2014 audited financial statements were not issued on or before December 31.

22. Stetson failed to make certain required payments to the Public School Employees’ Retirement System (“PSERS”) during the Charter Term and the amounts of missed payments were subsequently deducted from the School District’s basic education subsidy. The School District recovered from Stetson the following funds, which Stetson failed to pay to PSERS: $1,096 in March 2012, $45,317 in June 2012, and $240 in May 2013.

23. Stetson has failed to meet generally accepted standards of fiscal management and audit requirements in that:
a. Stetson has not adopted and implemented sufficient internal controls policies. The School District’s auditors noted no definitive internal control policy related to the allocation of disbursements servicing more than one charter school.

b. Stetson and ASPIRA employees had debit/credit cards for use in making Stetson school purchases without specific approval and oversight processes. Discrepancies existed between how the Stetson Board of Trustees and school leadership described the process for requesting and approving use of Stetson’s debit/credit card.

c. Monthly invoicing requirements set forth in the management agreement were not followed as specified during the Charter Term.

d. The School District’s auditors noted that transactions between Stetson and related parties (ASPIRA and other ASPIRA-managed charter schools) did not contain an indication of Board approval by Stetson, ASPIRA or other ASPIRA-managed charter schools, where applicable, or appropriate supporting documentation. No written contracts are in place for the majority of funds shifted between related parties outside of the management agreement between ASPIRA and Stetson.

e. Stetson was owed significant funds from ASPIRA, Stetson’s charter management organization, throughout the Charter Term including $495,740 in FY2011, $790,736 in FY2012, $1,877,802 in FY2013, $805,449 in FY2014, and $164,835 in FY2015. As of June 30, 2014, ASPIRA had a deficit net position of $(1,539,090) and owed related parties $3,149,705.

f. As of June 30, 2011, Stetson owed $792,796 to two other ASPIRA-managed charter schools. As of June 30, 2012, Stetson owed $906,545 to three other ASPIRA-managed charter schools. As of June 30, 2013, Stetson owed $1,023,195 to four other ASPIRA-managed charter schools. As of June 30, 2014, while Stetson no longer owed money to other ASPIRA-managed charter schools, Stetson was owed $90,731 by another ASPIRA-managed charter school. As of June 30, 2015, Stetson owed $31,397 to four of its related parties.

g. Stetson has incurred debts and liabilities for entities other than Stetson. As of June 30, 2014, Stetson had security agreements pledging a portion of Stetson’s assets to secure the debt of certain related parties. The holders of the debt and the outstanding liability balances are as follows:
   o ASPIRA: $201,329, assets pledged by Stetson and other entities, guaranteed by Mario de Hostos Charter School.
   o ASPIRA Community Enterprise: $4,662,630, assets pledged by Stetson and other entities, guaranteed by ASPIRA and Antonio Pantoja Charter School.
   o Ace/Dougherty: $9,131,574, assets pledged by Stetson and other entities, guaranteed by Mario de Hostos Charter School in the amount of $500,000.

h. Stetson is a guarantor and has a security interest in debt and obligations totaling $12,750,000 of ACE/Dougherty, LLC. ACE/Dougherty, LLC, is the owner of the building currently housing the Eugenio Mario De Hostos Charter School. While both charter schools have service level agreements with ASPIRA, ACE/Dougherty, LLC, does not provide services or resources that benefit Stetson.

i. Upon request by School District auditors, Stetson failed to produce fully descriptive insurance claims made and insurance claims paid information.

j. ASPIRA management failed to appropriately address questionable sampled attendance items for Stetson after identification by School District auditors.

24. The FY2011 through FY2013 audited financial statements note that Stetson’s Bylaws stipulate that a majority of its members at all times shall be appointees of ASPIRA. Furthermore, the FY2014 consolidated financial statements for ASPIRA and affiliates notes ASPIRA as the parent organization through its control of the board of directors of the affiliated entities. At least three Board members during the Charter Term were appointed to the Stetson Board of Trustees prior to June 2013 without a vote according to Stetson Board minutes. This raises conflict of interest and corporate separateness concerns between Stetson and ASPIRA.

25. A Stetson Board member was affiliated with setting up a mandatory training for staff that was paid for by Stetson, which raises conflict of interest concerns.

RESOLVED, that there are substantial grounds for nonrenewal of the Stetson Charter; and be it

FURTHER RESOLVED, that the SRC will conduct a public hearing on nonrenewal of the Charter School’s Charter commencing on or about ________, subject to rescheduling, at which hearing the School District will present evidence in support of the grounds for nonrenewal of the Charter School’s Charter, and the Charter School will be given the reasonable opportunity to offer testimony and exhibits in support of why the Charter School’s Charter should be renewed; and be it

FURTHER RESOLVED, that the SRC hereby delegates its authority to conduct such public hearing either to a single Commissioner, to a Committee of two Commissioners or to a Hearing Officer to be appointed by the Chair of the SRC; and be it
FURTHER RESOLVED, that the SRC will take formal action on the nonrenewal or renewal of the Charter following the hearing at a public meeting, after the public has had thirty (30) days to provide comments to the SRC.

**SRC-6 (TABLED – NO ACTION TAKEN)**

**Application for Charter Renewal – Olney Charter High School**

WHEREAS, in January, 2010, the School Reform Commission (“SRC”) adopted the Renaissance Schools Initiative Policy, which authorized the SRC to grant Renaissance charters as part of the Renaissance Schools Initiative of the School District of Philadelphia (“School District”); and

WHEREAS, Olney High School had been identified as a School District school which needed fundamental change through the Renaissance Schools Initiative to facilitate a transformation of the learning environment; and

WHEREAS, the purpose of the Renaissance Schools Initiative was to dramatically improve the learning environment in underperforming School District schools to create highly effective schools that provide exceptional opportunities for student academic achievement and preparedness for success in college and the workforce; and

WHEREAS, for charter schools participating in the Renaissance Schools Initiative, in order to adhere to the mission of the Renaissance Schools Initiative and to maintain high levels of accountability, academic requirements could exceed performance targets for non-Renaissance charter schools; and

WHEREAS, pursuant to the Charter School Law, 24 P.S. § 17-1701-A et seq., the SRC granted a charter to OLNEY CHARTER HIGH SCHOOL (“Olney” or “Charter School”) in 2011 to operate Olney High School as a charter school for a five-year term commencing on July 1, 2011; and

WHEREAS, Olney seeks renewal of its Charter; and

WHEREAS, members of the Charter Schools Office (“CSO”) of the School District have reviewed the academic performance, organizational viability and compliance, and fiscal health and sustainability of Olney during the existence of the charter school and have concluded that there are grounds for the SRC not to renew the Charter under Section 1729-A of the Charter School Law; and

WHEREAS, the following are causes for nonrenewal of Olney's Charter and termination of the charter agreement, pursuant to Section 1729-A(a) of the Charter School Law:

1. During the 2012-2013 school year, the first year of Keystone administration for high school students in Pennsylvania, 30.0% of Olney students who took the Algebra I Keystone exam scored proficient or advanced. During the most recent year for which data is available, the 2014-2015 school year, 21.1 % of Olney students who took the Algebra I Keystone exam scored proficient or advanced. Thus, from the 2012-2013 school year to the 2014-2015 school year, the percent of students at Olney scoring proficient or advanced on the Algebra I Keystone exam decreased by 8.9 percentage points.

2. During the 2012-2013 school year, the first year of Keystone administration for high school students in Pennsylvania, 38.0% of Olney students who took the Literature Keystone exam scored proficient or advanced. During the 2014-2015 school year, 25.3 % of Olney students who took the Literature Keystone exam scored proficient or advanced. Thus, from the 2012-2013 school year to the 2014-2015 school year, the percent of students at Olney scoring proficient or advanced on the Literature Keystone exam decreased by 12.7 percentage points.

3. During the 2013-2014 school year, 14% of Olney students who took the Biology Keystone exam scored proficient or advanced. During the 2014-2015 school year, 11% of Olney students who took the Biology Keystone exam scored proficient or advanced. Thus, from the 2013-2014 school year to the 2014-2015 school year, the percent of students at Olney scoring proficient or advanced on the Biology Keystone exam decreased by 3 percentage points.

4. For the 2014-2015 school year, the percent of Olney students scoring proficient or advanced on the Literature Keystone exam was lower than 2014-2015 SPR peer group averages.

5. In no year of the Charter Term, from the 2011-2012 school year through the 2014-2015 school year, did Olney meet or exceed School District school or charter school averages in math/Algebra I, reading/Literature and Biology.

6. Olney did not meet the Pennsylvania academic growth standard, the Average Growth Index (“AGI”), on the Literature Keystone in the most recent three years of the Charter Term, from the 2012-2013 through 2014-2015 school years.

7. Olney did not meet the Pennsylvania academic growth standard, the AGI on the Algebra I or Biology Keystones in the 2014-2015 school year. The general trend for AGI in all three subjects, Literature, Algebra I and Biology, during the Charter Term was negative with growth scores worsening over time.

8. Olney’s graduation rate dropped 24.3 percentage points during the Charter Term from the 2011-2012 school year to the 2013-2014 school year. Olney’s graduate rate was 77.5% in the 2011-2012 school year, 58.2% in the 2012-2013 school year, and 53.2% in the 2013-2014 school year. Olney's graduation rate was lower than 2014-2015 SPR peer group averages in both the 2012-2013 school year and the 2013-2014 school year.
9. Olney had a federal accountability designation of “Priority” for the 2012-2013 school year and the 2013-2014 school year, meaning that Olney was in the lowest 5% of Title I schools based on combined Algebra I/Literature proficiencies for Keystone Exams.

10. Olney’s School Performance Profile (“SPP”) score was 53.5 in the 2012-2013 school year, 49.6 in the 2013-2014 school year, and 39.0 in the 2014-2015 school year. This indicates a decline in SPP score during the three years, a negative trend. All of Olney’s SPP scores were in the lowest SPP category of 60 or below.

11. When comparing Olney student academic achievement levels to the State’s Annual Measurable Objectives (“AMOs”) in Algebra I and Literature for the 2013-2014 school year, the most recent year for which AMO information is available, Olney did not meet the AMO targets on either the Algebra I Keystone exam or the Literature Keystone exam for any of the nine student subgroups identified (Historically Underperforming, Individualized Education Plan (“IEP”), English Language Learner, Economically Disadvantaged, Male, Female, Asian, Black or African American and Hispanic) except Asian students on the Algebra I Keystone exam and Asian and female students on the Literature Keystone exam.

12. When comparing Olney’s 2013-2014 graduation measures to the State’s AMO goal of 85% or a target of a 10% reduction of the difference between the previous year’s rate and the AMO goal of 85%, Olney did not meet the target for any of the nine student subgroups identified except for Asian students.

13. Prior to the 2015-2016 school year, although the Charter School is a Renaissance charter school and is expected to have a mission aligned to the intent of the Renaissance Initiative, Olney changed its mission statement to replace “achievement of academic proficiency and college and career readiness” with “persevere towards excellence”.

14. After the Pennsylvania Bureau of Special Education ("BSE") conducted a compliance monitoring review of Olney in February 2014, Olney was required to adopt and implement a corrective action plan for dropout rates and least restrictive environment.

15. Olney failed to meet all program requirements for English Language Learners (“ELL”) under Section 4.26 of the State Board of Education regulations in that during the 2015-2016 school year, Olney did not have sufficient English Language Learner, Economically Disadvantaged, Male, Female, Asian, Black or African American and Hispanic translation and interpretation services to communicate with parents in different languages and Olney’s exit criteria for ELLs do not fully align with state standards.

16. Although Olney maintains an enrollment of ELLs far greater than the School District average, with 20% of Olney students identified as ELLs in the 2015-2016 school year, there was no annual professional development plan for English as a Second Language staff and the co-teaching instructional model was not fully implemented at the time of the site visit in November 2015.

17. Olney does not have fully compliant and equitable student admission policies in accordance with the Charter School Law and the Public School Code in that:
   a. The Olney application requires an applicant to provide a social security number and information about race/ethnicity, which is not permissible.
   b. The Olney enrollment packet requires additional forms to be provided, such as transcripts, special education records, and physical and dental examination records, beyond the five that may be required.
   c. The Olney enrollment packet did not include a parent registration statement, a required document in accordance with Pennsylvania regulations before completing enrollment of a student.

18. Within year retention at Olney was 83% in the 2011-2012 school year and 85% in the 2014-2015 school year. Although this represents an improvement from year one, Renaissance performance targets in the Olney Charter related to within year student retention were not met by Olney in any year of the Charter Term. Within year retention at Olney was 83% in the 2011-2012 school year when the target was 85.8%; 79% in the 2012-2013 school year when the target was 89.3%; 85% in the 2013-2014 school year when the target was 91.1%; and 85% in the 2014-2015 school year when the target was 92.8%.

19. Renaissance performance targets in the Olney Charter related to rate of violent incidents were not met by Olney in any year of the Charter Term. The rate of violent incidents was 26.9 per 100 students in the 2011-2012 school year when the target was 9.6; 18.4 per 100 students in the 2012-2013 school year when the target was 5.7; 4.2 per 100 students in the 2013-2014 school year when the target was 3.8; and 14.1 per 100 students in the 2014-2015 school year when the target was 1.8.

20. Olney, in the renewal application, reported seven expulsions in the 2012-2013 school year, three expulsions in the 2013-2014 school year and two expulsions in the 2014-2015 school year. However, Board minutes do not indicate that the Board of Trustees for Olney approved these numbers of expulsions in each school year.

21. In its Charter, Olney acknowledged and agreed that it had adopted and would follow the School District’s current Code of Student Conduct. In the Olney student Code of Conduct, however, less serious Level 1 and Level 2 violations could potentially lead to suspension and expulsion, which is not consistent with the School District’s current Code of Student Conduct. These Level 1 and Level 2 violations include without limitation, cutting class, verbal abuse, disruptive behavior, any student assault, and opening doors to allow anyone into the building.
22. Actions that could lead to placement in the in-school alternative placement for behavior incidents, called the Success Academy, were not identified in the 2015-2016 school year Family and Student Handbook. Further, it was reported during the site visit in November 2015 that consequences for the same behavior may vary and staff was unclear on the process for placing students at the Success Academy in 2015-2016.

23. The percent of Olney students attending 95% of more instructional days declined from 20% in the 2013-2014 school year to 18% in the 2014-2015 school year representing a negative trend. The percentile rank in each 2013-2014 (32\textsuperscript{nd}) and 2014-2015 (24\textsuperscript{th}) for Olney was lower than the percentile rank for the school pre-Renaissance (35\textsuperscript{th}) in the 2010-2011 school year.

24. The Board of Trustees of Olney failed to operate in accordance with applicable law, and Olney’s Bylaws and policies in that:
   
a. The Bylaws state that officers should be elected at the Annual Board Meeting in June. The Board of Trustees did not provide Board minutes which stated that officers were elected at any Annual Board Meeting during the Charter Term.
   
b. While the Bylaws state that the President of the Olney Parents Association shall have a seat on the Board of Trustees, an Olney parent did not join the Board until October 2013, apart from a different Olney parent attending as a Board member once in November 2012. All other Olney Board members are not parents of students attending Olney.
   
c. While the Bylaws adopted November 2009 and submitted with the renewal application describe a Treasurer role that includes overseeing receipt of all funds and monitoring payments, the Board Treasurer for the 2012-2013, 2013-2014, and 2014-2015 school years did not possess a financial background.
   
d. The Board of Trustees did not consistently approve an annual budget, appoint/dismiss administrators and staff, and approve compensation of staff during the Charter Term as required by the Bylaws.
   
e. The Bylaws provide for an Executive Committee that “shall have the authority of the Board; except that no such committee shall have the authority to (i) fill vacancies on the Board or any committee thereof; (ii) amend the by-laws; (iii) approve a plan or merger; (iv) dismiss members of the Board.” This raises concerns regarding a subset of Board members acting on behalf of the entire Board on the operations and functioning of the Charter School.
   
f. Board minutes do not clearly state the opening and closing of Board meetings for Olney, as opposed to the other three ASPIRA-managed charter schools. Board meetings for all ASPIRA-managed charter schools are held concurrently with specific business or approvals by individual charter school not clearly delineated.
   
g. During the Charter Term, the Board of Trustees did not fully comply with provisions of the Pennsylvania Sunshine Act concerning the six specific purposes for executive session, and the Board of Trustees did not properly announce the purposes of executive session at the open meetings occurring immediately prior or subsequent to the executive sessions. The Board of Trustees failed to comply with the Sunshine Act requirements concerning executive session during the Charter Term: (i) on at least ten occasions, executive session was called in violation of the Sunshine Act without including a purpose in the Board minutes; (ii) Board minutes indicate that the Board of Trustees went into executive session for financial reporting and general "planning for the 2015-16 school year" which does not fully align with the purposes outlined in the Sunshine Act; and (iii) the Board of Trustees took action regarding Board membership at the 2015 summer retreat, in violation of the Sunshine Act.
   
h. As public officials under the Pennsylvania Public Official and Employee Ethics Act, members of the Board of Trustees are required to complete Statements of Financial Interest annually by May 1. Olney did not provide complete Statements of Financial Interest forms for all Board members for all years during the Charter Term. At least 10 such statements were not submitted for Olney Board members during the Charter Term.

25. Olney failed to meet the 100% highly qualified teacher (“HQT”) requirement during any school year in the term of the Charter, as required by the No Child Left Behind Act as reported by the Pennsylvania Department of Education (“PDE”). In the 2011-2012 school year, only 85% of the PDE specified core academic classes taught at Olney were taught by highly qualified teachers. In the 2012-2013 school year, only 78% of the PDE specified core academic classes taught at Olney were taught by highly qualified teachers. In the 2013-2014 school year, only 91% of the PDE specified core academic classes taught at Olney were taught by highly qualified teachers. In the 2014-2015 school year, only 95% of the PDE specified core academic classes taught at Olney were taught by highly qualified teachers.

26. There was significant teacher turnover between the 2014-2015 and 2015-2016 school years. Almost 50% of the teaching staff, or approximately 70 teachers, in 2014-2015 did not return in 2015-2016 according to information provided by Olney.
27. Olney’s audited financial statements were not issued on or before December 31 as required by the Public School Code for three of the four reporting years in the Charter Term. The FY2012 audit was issued in April 2013, the FY2013 audit was issued in January 2014, and the FY2014 audit was issued in February 2015.

28. Olney failed to make certain required payments to the Public School Employees' Retirement System ("PSERS") during the Charter Term and the amounts of missed payments were subsequently deducted from the School District’s basic education subsidy. The School District recovered from Olney the following funds which Olney failed to pay to PSERS: $34,615 in November 2012 and $13,302 in June 2015.

29. Olney has failed to meet generally accepted standards of fiscal management and audit requirements in that:
   a. Olney reported inadequate cash balances in all but one year of the Charter Term with less than 30 days cash on hand in FY2012, FY2013 and FY2015. In no year did Olney exceed the best practice standard of 60 days cash on hand.
   b. Olney had a positive net position as a percent of revenue during the Charter Term but only met the standard of having at least 16.67% in two of the four years.
   c. Transactions between Olney and related parties (ASPIRA and other ASPIRA-managed charter schools) were not approved by the Olney Board of Trustees or the boards of trustees of the other ASPIRA-managed charter schools and appropriate supporting documentation for such transactions were not provided to the School District or the Charter Schools Office. No written contracts were executed among ASPIRA, the Olney Board of Trustees or the boards of trustees for the other ASPIRA-managed charter schools for the majority of funds shifted between related parties outside of the service level agreement.
   d. The Olney internal controls policy submitted with the renewal application does not specifically state which entity is responsible for which financial management duties, does not clearly outline roles for Olney staff versus ASPIRA staff, and does not indicate which individuals have check signing authority for Olney.
   e. Olney was owed significant funds from ASPIRA and other ASPIRA-managed charter schools throughout the Charter Term including $1.63 million in FY2012, $1.38 million in FY2013, $984,678 in FY2014, and $2.58 million in FY2015. Of the funds owed from related parties, a significant portion was owed by ASPIRA, Olney's charter management organization. ASPIRA, owned Olney $1.5 million in FY2012, $994,705 in FY2013, $984,678 in FY2014, and $2.52 million in FY2015. As of June 30, 2014, ASPIRA had a deficit net position of ($1,539,090) and owed related parties $3,149,705.
   f. Olney owed funds to ASPIRA and other ASPIRA-managed charter schools throughout the Charter Term including $90,469 in FY2012, $116,110 in FY2013, and $324,450 in FY2014.
   g. While Olney’s FY2014 audited financial statement did not have material audit findings, Olney’s renewal application stated that the auditors reported that Olney’s books were not closed timely and that numerous adjusting journal entries were required.
   h. A service level agreement between Olney and ASPIRA was not approved and signed for July 2013; ASPIRA staff reported a continuance of the 2012 agreement. The Olney Board Chair signed the July 2011 agreement in November 2011. The Olney Board Chair did not date the July 2012 agreement, but the ASPIRA Board Chair signed in January 2013. According to ASPIRA staff, for the 2015-2016 school year, the Olney Board of Trustees agreed to a 4% fee increase. However, the Olney Board of Trustees only approved a 2015-2016 Budget for Olney, not a service level agreement, and no approved or signed agreement for the 2015-2016 school year was available as of February 2016 to address the services, and the terms and conditions related to those services, to be provided by ASPIRA to Olney.
   i. Olney failed to be financially independent regarding bank loans. As of June 30, 2014, Olney had security agreements pledging a portion of Olney's assets to secure the debt of certain related parties. The holders of the debt and the outstanding liability balances are as follows:
      o ASPIRA: $201,329, assets pledged by Olney and other entities, guaranteed by Mario de Hostos Charter School.
      o ASPIRA Community Enterprise: $4,662,630, assets pledged by Olney and other entities, guaranteed by ASPIRA and Antonio Pantoja Charter School.
      o Ace/Dougherty: $9,131,574, assets pledged by Olney and other entities, guaranteed by Mario de Hostos Charter School in the amount of $500,000.
   j. In October 2011, a lease agreement was signed between Olney and ACE/Dougherty, LLC, the owner of 6301 North 2nd Street which is the current location of Eugenio Maria De Hostos Charter School, for Olney to operate an Excel Academy for over-aged, under-credited students at 6301 North 2nd Street rather than the Olney school building. The lease outlined minimum rent of 1.2 multiplied by 12% of the landlord’s debt service on the bonds. ASPIRA staff stated that this rent was determined using an enrollment-based pro-rata share of the mortgage expenses. This is a concern as enrollment can vary daily, monthly and yearly. According to the subordination and attornment agreement between ACE/Dougherty, LLC, Olney and PNC Bank, if ACE/Dougherty
defaults under the loan documents, Olney shall continue making lease payments directly to PNC bank. The Excel Academy was housed at Olney during the 2014-2015 school year. Ample space is available at the Olney school building, thus, the Excel Academy program does not need to be located at a different site causing unnecessary occupancy expenses for Olney.

k. Upon request by School District auditors, Olney failed to produce fully descriptive insurance claims made and insurance claims paid information.

l. The Office of Auditing Services reported a 2012-2013 school year attendance finding of $251,255 and a 2013-2014 school year active office roll (AOR) finding of $108,111.24.

30. The FY2012 and FY2013 audited financial statements note that Olney’s Bylaws stipulate that a majority of the members of the Olney Board of Trustees shall at all times be appointees of ASPIRA. The Bylaws submitted to the Charter Schools Office in October 2015 contain the following clause: “The Board of Directors of ASPIRA Inc. of PA shall appoint a majority of the Board of Trustees to a maximum of five such appointees.” The Board of Trustees did not approve amended Bylaws according to Board minutes. Furthermore, the FY2014 consolidated financial statements for ASPIRA and affiliates note that ASPIRA as the parent organization through its control of the board of directors of the affiliated entities. Additionally, at least three Olney Board members during the Charter Term were appointed to the Board of Trustees prior to June 2013 without a vote according to the Board minutes. This raises conflict of interest and corporate separateness concerns between Olney and ASPIRA.

RESOLVED, that there are substantial grounds for nonrenewal of the Olney Charter; and be it

FURTHER RESOLVED, that the SRC will conduct a public hearing on nonrenewal of the Charter School’s Charter commencing on or about __________, subject to rescheduling, at which hearing the School District will present evidence in support of the grounds for nonrenewal of the Charter School’s Charter, and the Charter School will be given the reasonable opportunity to offer testimony and exhibits in support of why the Charter School’s Charter should be renewed; and be it

FURTHER RESOLVED, that the SRC hereby delegates its authority to conduct such public hearing either to a single Commissioner, to a Committee of two Commissioners or to a Hearing Officer to be appointed by the Chair of the SRC; and be it

FURTHER RESOLVED, that the SRC will take formal action on the nonrenewal or renewal of the Charter following the hearing at a public meeting, after the public has had thirty (30) days to provide comments to the SRC.

II. Education Support Services

None Submitted

III. Education Services

None Submitted

The meeting was recessed at 7:25 p.m. and adjourned at 7:26 p.m. following the business of the Intermediate Unit.

Marjorie Neff, Chair
School Reform Commission

William R. Hite
Superintendent
A meeting of the School Reform Commission sitting as the Board of the Intermediate Unit was held on May 26, 2016 in the Auditorium of the School District of Philadelphia Education Center, 440 North Broad Street.

The meeting was convened at 7:28 p.m. by Chair Neff.

Members present: Mr. Green (via telephone conference call), Ms. Houstoun, Ms. Jimenez, Ms. Simms, Chair Neff – 5

Members absent: 0

The following resolutions were presented for formal action by the School Reform Commission:

**IU-1**

Adopts an amended Philadelphia Intermediate Unit Budget for 2015/2016 and a Philadelphia Intermediate Unit Budget for 2016-2017

WHEREAS, changes in revenues and obligations have occurred with regard to the Fiscal Year 2015-2016 budget for Philadelphia Intermediate Unit #26, and

WHEREAS, the Philadelphia Intermediate Unit #26 must adopt an Operating Budget for the fiscal year commencing July 1, 2016, in which proposed obligations shall not exceed the amount of revenues available, now be it

RESOLVED, the Board of Directors of Philadelphia Intermediate Unit #26 hereby adopts an Amended Operating budget for Fiscal Year 2015-2016 and an Operating budget for Fiscal Year 2016-2017, as reflected in the receipts set forth in Exhibit B and the estimate of obligations by functional organization set forth in Exhibit C; and be it

FURTHER RESOLVED, that upon the transfer of any function from one office, department or organizational unit, the Executive Director of the Intermediate Unit is authorized to transfer to the successor office, department or organizational unit those portions of the appropriations which appertain to the function transferred; the Executive Director of the Intermediate Unit is authorized to transfer funds from undistributed accounts to appropriate departments to implement decisions of the Executive Director and Officers of the Intermediate Unit Board of Directors

The vote was as follows:

Yeas: Mr. Green, Ms. Houstoun, Ms. Jimenez, Ms. Simms, Chair Neff – 5

Nays: 0

**IU-2**

Approves an Agreement with the Philadelphia School District to provide an educational program and auxiliary services to nonpublic school students for 2016-2017

WHEREAS, the Philadelphia Intermediate Unit #26 adopted an Operating Budget on May 26, 2016, including appropriations for the Intermediate Unit for the Fiscal Year 2016-17, in the amount of $365,420,506, now be it

RESOLVED, that the Board of Directors authorizes Philadelphia Intermediate Unit through the Executive Director or his designee to execute, deliver, and perform enter an agreement with the School District of Philadelphia for the School District to provide professional and non-professional personal services, all materials, supplies, books and equipment necessary for a complete educational program in Special Education programs, Transportation for Special Education, Management Services and Auxiliary Services to Non-Public students. All services provided by the School District will comply with applicable law and any decrees by a court of competent jurisdiction. The programs provided in conjunction with this contract will not exceed the following: Special Education - $275,130,500, Transportation for Special Education - $75,823,000 and Auxiliary Services to Non-Public School Students - $14,467,000 for the period commencing July 1, 2016 through June 30, 2017.

The vote was as follows:

Yeas: Mr. Green, Ms. Houstoun, Ms. Jimenez, Ms. Simms, Chair Neff – 5

Nays: 0

On motion, the meeting was adjourned at 7:29 p.m.

Marjorie G. Neff, Chair
School Reform Commission

William R. Hite, Jr.
Executive Director