

**THE SCHOOL DISTRICT OF PHILADELPHIA
SPECIAL MEETING OF THE SCHOOL REFORM COMMISSION**

JULY 1, 2016

A public special meeting was held by the School Reform Commission on July 1, 2016 in the Auditorium of the School District of Philadelphia Education Center, 440 North Broad Street.

The meeting was convened at 10:19 a.m. by Chair Neff. Chair Neff stated that there will be presentations from the District's Chief Financial Officer and the Executive Director of the Charter Schools Office. Chair Neff also honored Michael A. Davis, General Counsel, as he will be retiring this month after more than 40 years of experience. She stated that Mr. Davis has served as the General Counsel for the School District of Philadelphia for the past 6 years. During his time here, Mr. Davis has led the Office of General Counsel, which is responsible for providing counsel to the School Reform Commission, the Superintendent, School District officers, and other employees. Additionally, Mr. Davis has managed the District's services with outside counsel. Chair Neff stated that Mr. Davis is the longest serving General Counsel for the School Reform Commission. On behalf of the Commission, Chair Neff stated that she would like to take a moment to recognize Mr. Davis' commitment to the School District of Philadelphia with an official citation.

The following citation was read and presented:

Michael A. Davis

WHEREAS, Michael A. Davis has served as General Counsel of The School District of Philadelphia and the School Reform Commission since July 2010, after more than 37 years of practice across a broad spectrum of the legal profession, including service as Chief Counsel of the Pennsylvania Department of Education; and

WHEREAS, Mr. Davis has expertly guided the efforts of the Office of General Counsel, representing the School District and the School Reform Commission; and

WHEREAS, Mr. Davis approached his legal work with the highest ethical standards, earning the respect of his colleagues in the Office of General Counsel and demonstrating the highest level of professionalism in his service; now be it

RESOLVED, that the School Reform Commission and the Superintendent join with the staff, students and parents of The School District of Philadelphia in congratulating Mr. Davis on the occasion of his retirement as General Counsel of The School District of Philadelphia, commending his exceptional leadership and commitment to excellence and wishing him success; and be it

FURTHER RESOLVED that a copy of this Citation be presented to Mr. Davis, who has made a positive mark on the administration.

Chair Neff stated that Mr. Miles Shore will act as Interim General Counsel while the District works to fill the position. She thanked Mr. Shore for serving in this role once again.

Chair Neff also recognized Fernando Gallard, Deputy Chief for the Office of Communications. She stated that Mr. Gallard has served the District for more than 13 years in various roles including being the District's spokesman during some very difficult times. Chair Neff expressed thanks to Mr. Gallard for his service through a formal citation recognizing his dedication to the School District of Philadelphia.

The following Citation was read and presented:

Fernando Gallard

WHEREAS, On this day, colleagues and friends of Fernando A. Gallard come together to commend him on 13 years of service to The School District of Philadelphia; and

WHEREAS, Mr. Gallard joined the School District in 2003 under former Superintendent Paul G. Vallas and now serves as Deputy Chief of the Office of Communications; and

WHEREAS, Mr. Gallard approached his work as School District spokesman with the highest levels of professionalism and integrity in service to the media, schools, students, families, educators and administrators; and

WHEREAS, Mr. Gallard has upheld the highest standards of public service with a commitment to accountability, transparency and excellence; now be it

RESOLVED, that the School Reform Commission and the Superintendent join with the staff, students and parents of The School District of Philadelphia in thanking Mr. Gallard for his dedication, commending his outstanding leadership through extraordinary circumstances and wishing him success; and be it

FURTHER RESOLVED that a copy of this Citation be presented to Mr. Gallard with gratitude.

Miles Shore, Deputy General Counsel, stated that the School Reform Commission met in Executive Session on June 30, 2016 to discuss personnel and employment matters, information or strategy in connection with litigation, namely the case of security and data technology, #12-2393 U.S. District Court for the Eastern District of Pennsylvania, and privileged or confidential matters. Mr. Shore also announced that notice of this meeting was

published June 27, 2016 in the *Philadelphia Daily News* and *Philadelphia Inquirer*, and posted on the District's website.

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

Members Absent: 0

Zachary Epps, Office of the Superintendent provided important information for meeting guests. He stated that at every School Reform Commission meeting, a representative from the Deaf-Hearing Communication Center is here to provide sign language interpretation of the proceedings. Representatives from the Office of Family and Community Engagement are stationed in the lobby to help with interpretation services. Mr. Epps stated that the proceedings of this SRC meeting are being streamed live on the Internet and recorded by The School District of Philadelphia. He stated that the School District's recordings are protected by the Copyright Laws of the United States and may not be used in any manner without the express written consent of The School District. By participating in tonight's meeting, members of the public acknowledge that the School District may use its recordings for any purpose without obtaining permission or paying any compensation.

William R. Hite, Jr., Superintendent, provided remarks. Dr. Hite stated that an agreement was reached with Local Union 634 for a 2 year contract extension. He stated that 99% of hiring goals have been fulfilled. Dr. Hite stated that the Annual Principal End of Year celebration was held, which reviewed accomplishments and previewed investments for the upcoming year. He stated that early literacy and math institutes were conducted for the 1st week of summer vacation for administrators. Dr. Hite provided a Harrisburg legislative update. He stated that he is hoping for the State budget to be passed by the end of day today which will increase funding to the schools. However, House Bill 530, a charter reform bill that is in progress may greatly impact funding for the District. Dr. Hite urged members to vote no to HB 530

Chair Neff stated that the School Reform Commission will be considering the issuance of \$575 million in Tax and Revenue Anticipation Notes to facilitate the maintenance of operations prior to receiving local and state revenues for school purposes. She introduced the School District's Chief Financial Officer, Uri Monson, who provided a presentation on the resolution authorizing this transaction for the TRAN and the note purchase agreement with Bank of America and PNC Bank.

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

I. SCHOOL REFORM COMMISSION

SRC-1*

Authorization of the Issuance and Sale of Tax and Revenue Anticipation Notes of the School District of Philadelphia Fiscal Year 2017

WHEREAS, The School District of Philadelphia, a school district of the first class of the Commonwealth of Pennsylvania ("School District"), has the power and authority, pursuant to the Local Government Unit Debt Act, 53 Pa. C.S.A. §§ 8001 *et seq.* ("Act"), to borrow money from time to time in any fiscal year in anticipation of the receipt by the School District in that fiscal year of current taxes and revenues, and to evidence such borrowing by the issuance and sale of tax and revenue anticipation notes; and

WHEREAS, on December 21, 2001, the Secretary of Education of the Commonwealth of Pennsylvania declared the School District distressed pursuant to Section 691(c) of the Public School Code of 1949, as amended ("School Code"), effective December 22, 2001; and

WHEREAS, pursuant to the School Code, upon a declaration of distress of a school district of the first class under Section 691(c) of the School Code, within thirty (30) days of such declaration, a School Reform Commission ("School Reform Commission" or "Commission") shall be established; and

WHEREAS, effective January 14, 2002, the School Reform Commission was established; and

WHEREAS, pursuant to the School Code, all powers and duties granted to the Board of Education of the School District, including the power to issue tax and revenue anticipation notes, are vested in the School Reform Commission; and

WHEREAS, the cash flow forecast with respect to budget requirements of the School District for the fiscal year ending June 30, 2017 ("2017 Fiscal Year"), indicates that the School District will experience cash flow deficits during the 2017 Fiscal Year pending receipt of taxes and other revenues of the School District; and

WHEREAS, the Commission has found and determined that, in light of the anticipated and potential cash needs of the School District during the 2017 Fiscal Year, it is desirable for the Commission to authorize a tax and revenue anticipation borrowing in one or more series in an aggregate principal amount not to exceed \$575,000,000, the proceeds of which shall be applied to the funding of the School District's cumulative cash flow deficits for the 2017 Fiscal Year; and

WHEREAS, the Commission has determined to authorize, in accordance with the Act, the issuance and sale, in the 2017 Fiscal Year, of tax and revenue anticipation notes evidencing such tax and revenue anticipation borrowing.

NOW THEREFORE, BE IT RESOLVED BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS OF THE SCHOOL REFORM COMMISSION OF THE SCHOOL DISTRICT OF PHILADELPHIA, AS FOLLOWS:

Section 1. Authorization. Authorization is hereby given for the issuance of (a) tax and revenue anticipation notes of the School District in the 2017 Fiscal Year, designated "Tax and Revenue Anticipation Notes, Series A of 2016-2017," issued on or about July 5, 2016 in an aggregate principal amount not to exceed \$250,000,000 comprised of \$125,000,000, aggregate principal amount, Series A-1 of 2016-2017 (the "Series A-1 Notes"), and \$125,000,000, aggregate principal amount, Series A-2 of 2016-2017 (the "Series A-2 Notes" and, together with the Series A-1 Notes, the "Series A Notes"); and (b) tax and revenue anticipation notes of the School District in the 2017 Fiscal Year, designated "Tax and Revenue Anticipation Notes, Series B of 2016-2017," of the School District, issued on or about July 5, 2016 in an aggregate principal amount not to exceed \$125,000,000 comprised of \$62,500,000, aggregate principal amount, Series B-1 of 2016-2017 ("Series B-1 Notes") and \$62,500,000, aggregate principal amount, Series B-2 of 2016-2017 ("Series B-2 Notes" and, together with the Series B-1 Notes, the "Series B Notes"). The Series A Notes and the Series B Notes are being authorized hereby and issued in the 2017 Fiscal Year for the purpose of funding the cumulative cash flow deficits of the School District forecasted to occur in the 2017 Fiscal Year.

Additional series of tax and revenue anticipation notes maturing on June 30, 2017 may be issued from time to time under this resolution, without further action of the Commission, in an aggregate principal amount not to exceed \$200,000,000 ("Additional Notes" and, together with the Series A Notes and the Series B Notes, the "Notes") in accordance with the Act.

The Additional Notes authorized hereby that may be issued in the 2017 Fiscal Year shall be issued for the purpose of funding cumulative cash flow deficits of the School District, if any, that occur or are hereafter forecasted to occur in the 2017 Fiscal Year above the cumulative cash flow deficit currently forecasted to occur in the School District's 2017 Fiscal Year with respect to which the Series A Notes and the Series B Notes are issued.

Any Additional Notes will be equally and ratably secured from the date of issuance of the Additional Notes with the Series A Notes and the Series B Notes, until paid or until deposits for such payment have been made into an account in the Sinking Fund to be established for such Additional Notes, by a pledge of, security interest in and a lien and charge on the taxes and revenues of the School District to be received from the date of issuance of such Additional Notes until the stated maturity date thereof.

The Chief Financial Officer is duly authorized and directed to arrange with Bank of America and PNC for the issuance of Additional Notes as provided in the Series A Note Purchase and Credit Agreement and the Series B Note Purchase and Credit Agreement, as such terms are defined herein, if the School District encounters subsequent cash flow deficits.

Section 2. Term of Notes. Each Series of the Notes shall be dated the date of issuance thereof, and shall be stated to mature on June 30, 2017, which date is within the fiscal year of the School District in which the Notes are authorized and issued.

Section 3. Aggregate Amount of Notes Within Statutory Limit. It is hereby determined that the aggregate principal amount of the Notes does not exceed the lesser of:

(a) Eighty-five percent (85%) of the sum of taxes levied for the 2017 Fiscal Year and current revenues for such fiscal year to be received by the School District during the period when the Notes shall be outstanding and which are pledged for payment of the Notes, as estimated and certified by any member of the Commission, the Superintendent of the School District or the Chief Financial Officer of the School District (collectively, the "Authorized Officials" and individually, an "Authorized Official") in accordance with the Act (said certified estimate being annexed hereto as Exhibit "A" and made a part hereof); or

(b) The maximum anticipated cumulative cash flow deficit of the School District during the 2017 Fiscal Year, as computed by the Chief Financial Officer of the School District in accordance with the Internal Revenue Code of 1986, as amended ("Code"), and the regulations promulgated thereunder (said initial computation being annexed hereto as Exhibit "B" and made a part hereof) and subsequent computations to be prepared in connection with the issuance of Additional Notes.

Section 4. Purchase of the Notes.

(a) It is hereby determined that it is in the best financial interest of the School District to affect a private, negotiated sale of the Series A Notes. The proposal of the Bank of America, N.A. ("Bank of America") to purchase the Series A Notes in a principal amount not to exceed \$250,000,000 and, from time to time, Additional Notes in a principal amount not to exceed \$135,000,000, from the School District for its own account at not less than par on the terms and conditions set forth in the written proposal presented to this meeting, a copy of which shall be filed with the records of this meeting ("Series A Note Purchase and Credit Agreement"), is hereby accepted.

Bank of America has represented to the School District that it is purchasing the Series A Notes for its own account and not with the present intent for further distribution or resale.

Any Authorized Official is hereby authorized to evidence the acceptance authorized hereunder by executing and delivering the Series A Note Purchase and Credit Agreement to Bank of America.

(b) It is hereby determined that it is in the best financial interest of the School District to affect a private, negotiated sale of the Series B Notes. The proposal of the PNC Bank, National Association to purchase the Series B Notes in a principal amount not to exceed \$125,000,000 and, from time to time, Additional Notes in a principal amount not to exceed \$65,000,000 from the School District for its own account at not less than par on the terms and conditions set forth in the written proposal presented to this meeting, a copy of which shall be filed with the records of this meeting ("Series B Note Purchase and Credit Agreement"), is hereby accepted.

PNC has represented to the School District that it is purchasing the Series B Notes for its own account and not with the present intent for further distribution or resale.

Any Authorized Official is hereby authorized to evidence the acceptance authorized hereunder by executing and delivering the Series B Note Purchase and Credit Agreement to PNC.

Section 5. Rates of Interest.

(a) The Series A-1 Notes shall bear interest, payable at maturity, calculated on the basis of actual days elapsed in a 365/366-day year, at the rate of 1.07% per annum.

(b) The Series A-2 Notes shall bear interest at (i) a variable rate equal to 70% of LIBOR (as defined in the Series A Note Purchase and Credit Agreement), plus 65 basis points; or (ii) if Series A-2 Notes are converted to a fixed interest rate, a fixed interest rate, all as set forth in the Series A Note Purchase and Credit Agreement and the Series A-1 Notes.

(c) The Series B-1 Notes shall bear interest, payable at maturity, calculated on the basis of actual days elapsed in a 365/366-day year, at the rate of 1.07% per annum.

(d) The Series B-2 Notes shall bear interest at (i) a variable rate equal to 70% of LIBOR (as defined in the Series B Note Purchase and Credit Agreement), plus 65 basis points; or (ii) if Series B-2 Notes are converted to a fixed interest rate, a fixed interest rate, all as set forth in the Series B Note Purchase and Credit Agreement and the Series B-2 Notes.

(e) Each Series of Additional Notes shall bear interest as either a fixed or variable rate not-to-exceed nine percent (9%) as set forth in such Additional Notes.

Section 6 Pledge and Security Interest. As required by Section 8125 of the Act, the Notes shall be equally and ratably secured by a pledge of, security interest in, and lien and charge on, the taxes and revenues of the School District to be received from the respective dates of issuance of the Notes until the stated maturity date thereof (the "Pledged Revenues"), a certified estimate of the aggregate amount of such taxes and revenues being set forth in Exhibit "A" hereto. Notwithstanding the foregoing, the amounts irrevocably directed by the School District to be deposited on a daily basis directly into the School District's general obligation bond sinking funds ("Daily Sinking Fund Deposits") are not subject to such pledge, security interest, lien and charge. The certified estimate of the aggregate amount of taxes and revenues to be received in the 2017 Fiscal Year set forth in Exhibit "A" does not include the Daily Sinking Fund Deposits.

Any Authorized Official is hereby authorized and directed to prepare or cause to be prepared, on behalf of the School District, in favor of the Fiscal Agent, as secured party on behalf of the holders of the Notes, appropriate financing statements and cause the filing of such financing statements in accordance with the Pennsylvania Uniform Commercial Code in order to perfect such pledge, security interest, lien and charge.

The holders of the Notes shall have the right to enforce such pledge of, security interest in, and lien and charge on, the pledged taxes and revenues of the School District against all state and local public officials in possession of any such taxes and revenues at any time, which revenues and taxes may be collected directly from such officials upon notice by such holders for application to the payment of the Notes, as and when due or for deposit in the Sinking Fund, at the times and in the amounts specified herein and in the Notes, all in accordance with Section 8125 of the Act. The Fiscal Agent shall enforce such pledge, security interest and lien and charge equally and ratably for the benefit of and on behalf of the holders of the Notes, at the expense of the School District, in accordance with the provisions of this Resolution and the Act, including, without limitation, Section 8125 of the Act. The holders of the Notes shall deliver their Notes to the Fiscal Agent upon request of the Fiscal Agent in order to enable the Fiscal Agent to implement such enforcement.

Section 7. Form and Provisions.

(a) The forms and provisions of the Series A-1 Notes, Series A-2 Notes, Series B-1 Notes and Series B-2 Notes shall be substantially as set forth in the forms annexed hereto as Exhibit "C" and made a part hereof, which forms and provisions are hereby affirmed, approved and adopted. Additional Notes issued to Bank of America or PNC shall be in substantially the forms annexed hereto as Exhibit "C", with such changes thereto as are approved by the member of the School Reform Commission executing such note, such approval to be conclusively evidenced by such member's execution thereof.

(b) The Series A-1 Notes, upon original issuance, are to be issued in the form of one fully registered note in the principal amount not to exceed \$125,000,000 registered to Bank of America, N.A.

(c) The Series A-1 Notes are not subject to redemption prior to maturity.

(d) The Series A-2 Notes and each Series of Additional Notes issued to Bank of America shall be issued in fully registered form, registered to Bank of America, N.A. in minimum denominations of \$25,000,000 and any integral multiple of \$5,000,000 in excess thereof.

(e) The Series A-2 Notes and each Series of Additional Notes issued to Bank of America bearing interest at a variable rate shall be subject to prepayment prior to maturity in whole or in part as provided in such Series A-2 Notes or in such Additional Notes and the Series A Note Purchase and Credit Agreement. The interest rate on the Series A-2 Notes and each series of Additional Notes issued to Bank of America is subject to conversion to a fixed interest rate, as set forth in the Series A Note Purchase and Credit Agreement. The Series A-2 Notes and each series of Additional Notes issued to Bank of America bearing interest at a fixed interest rate are not subject to redemption or prepayment prior to maturity.

(f) The Series B-1 Notes, upon original issuance, are to be issued in the form of one fully registered note in the principal amount not to exceed \$125,000,000 registered to PNC Bank, National Association.

(g) The Series B-1 Notes are not subject to redemption prior to maturity.

(h) The Series B-2 Notes and each series of Additional Notes issued to PNC shall be issued in fully registered form, registered to PNC Bank, National Association in minimum denominations of \$25,000,000 and any integral multiple of \$5,000,000 in excess thereof.

(i) The Series B-2 Notes and each Series Additional Notes issued to PNC bearing interest at a variable rate shall be subject to prepayment prior to maturity in whole or in part as provided in such Series B-2 Notes or Additional Notes and the Series B Note Purchase and Credit Agreement. The interest rate on the Series B-2 Notes and each Series of Additional Notes issued to PNC is subject to conversion to a fixed interest rate, as set forth in the Series B Note Purchase and Credit Agreement. The Series B-2 Notes and each Series of Additional Notes issued to PNC bearing interest at a fixed interest rate are not subject to redemption or prepayment prior to maturity.

Section 8. Registration and Transfer.

(a) The School District shall keep, at the designated corporate trust office of the Fiscal Agent, books for the registration, exchange and transfer of Notes and hereby appoints the Fiscal Agent its registrar and transfer agent to keep such books and to make such registrations, exchanges and transfers under such regulations as the School District or the Fiscal Agent may prescribe and as set forth in the forms of the Notes.

(b) The Notes may be transferred upon the registration books upon delivery to the Fiscal Agent of the Notes accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Fiscal Agent, duly executed by the registered owner of the Notes to be transferred or his duly authorized attorney-in-fact or other legal representative, containing written instructions as to the details of the transfer of such Notes. No transfer of any Note shall be effective until entered on the registration books maintained by the Fiscal Agent or its successor. In like manner Notes may be exchanged by the registered owners thereof or by their duly authorized attorneys-in-fact or other legal representative for Notes of authorized denomination or denominations in the same aggregate principal amount.

Section 9. Execution and Authentication of Notes. The Notes shall not be valid or obligatory in the hands of the holders thereof unless: (i) executed in the name and on behalf of the School District by the facsimile or manual signature of any member of the School Reform Commission, with the seal of the School District impressed, imprinted or otherwise reproduced thereon, attested by the facsimile or manual signature of the Secretary or Assistant Secretary or any member of the School Reform Commission; and (ii) authenticated by the manual signature of an authorized officer of the Fiscal Agent.

Section 10. Sinking Fund Depository and Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., having a corporate trust office in Philadelphia, Pennsylvania, is hereby appointed Sinking Fund Depository and Fiscal Agent ("Fiscal Agent") to act as registrar and transfer agent, sinking fund depository, fiscal and paying agent for the Notes. Any successor sinking fund depository and fiscal agent shall be a bank or national banking association with trust powers or a trust company. The Chief Financial Officer of the School District is hereby authorized and directed to contract with the Fiscal Agent for its services. The Fiscal Agent's Agreement between the Fiscal Agent and the School District ("Fiscal Agent's Agreement") substantially in the form presented to this meeting, a copy of which shall be filed with the minutes of this meeting, is hereby approved. Any of the Authorized Officials is hereby authorized and directed to execute and deliver the Fiscal Agent's Agreement in substantially such form, with such changes therein as counsel may advise and the Authorized Official executing the same shall approve, such execution being conclusive evidence of such Authorized Official's approval.

Section 11. Sinking Fund. There is hereby established a sinking fund for the Notes to be designated "The School District of Philadelphia, Pennsylvania, Tax and Revenue Anticipation Notes, Series of 2016-2017 Sinking Fund" ("Sinking Fund"), and, within the Sinking Fund, accounts as follows:

(a) an account designated as the "Series A-1 Account," to be held by the Fiscal Agent separate and apart from all other funds of the School District and the Fiscal Agent;

(b) an account designated as the "Series A-2 Account," to be held by the Fiscal Agent separate and apart from all other funds of the School District and the Fiscal Agent;

(c) an account designated as the "Series B-1 Account," to be held by the Fiscal Agent separate and apart from all other funds of the School District and the Fiscal Agent;

(d) an account designated as the "Series B-2 Account," to be held by the Fiscal Agent separate and apart from all other funds of the School District and the Fiscal Agent;

(e) such other accounts as the School District may direct the Fiscal Agent to establish in connection with the issuance of Additional Notes, if any, such accounts to be held by the Fiscal Agent separate and apart from all other funds of the School District and the Fiscal Agent (the Series A-1 Account, Series A-2 Account, Series B-1 Account, Series B-2 Account and any additional account established within the Sinking Fund are each referred to herein as an "Account" and collectively, as the "Accounts"); and

(f) the accounts established in the Sinking Fund pursuant to Section 2(a) through Section 2(d) shall be held by the Fiscal Agent in trust for the equal and ratable benefit of the holders of the Series A-1 Notes, Series A-2 Notes, Series B-1 Notes and Series B-2 Notes. If any accounts are established for Additional Notes, as provided in the Resolution, such accounts, together with the accounts established in

Sections 2(a) through 2(d) hereof, shall be held in trust from the dates of issuance of such Additional Notes for the equal and ratable benefit of the holders of all of the Notes.

The School District hereby covenants, and the Chief Financial Officer of the School District is hereby authorized and directed, to pay to the Fiscal Agent for irrevocable deposit, on June 1, 2017 (the "Deposit Date") (i) into the Series A-1 Account, \$125,000,000, plus all interest due on the Series A-1 Notes on June 30, 2017 (the "Series A-1 Debt Service Requirement"), (ii) into the Series A-2 Account, the lesser of \$125,000,000 or the principal of the Series A-2 Notes then outstanding, plus all interest due on the Series A-2 Notes on June 30, 2017 (the "Series A-2 Debt Service Requirement"), (iii) into the Series B-1 Account, \$62,500,000, plus all interest due on the Series B-1 Notes on June 30, 2017 (the "Series B-1 Debt Service Requirement"); (iv) into the Series B-2 Account, the lesser of \$62,500,000 or the principal of the Series B-2 Notes then outstanding, plus all interest due on the Series B-2 Notes on June 30, 2017 (the "Series B-2 Debt Service Requirement"); and (v) into any account established within the Sinking Fund in connection with the issuance of any Series of Additional Notes, the principal amount then outstanding of such Series of Additional Notes plus all interest due on such Additional Notes on June 30, 2017 (each, an "Additional Notes Debt Service Requirement"). The Series A-1 Debt Service Requirement, Series A-2 Debt Service Requirement, Series B-1 Debt Service Requirement, Series B-2 Debt Service Requirement and Additional Notes Debt Service Requirement are each referred to herein as a "Debt Service Requirement" and are collectively referred to herein as the "Debt Service Requirements".

The Fiscal Agent shall, no later than Noon, Philadelphia time, on June 2, 2017, determine whether the amounts on deposit in each Account within the Sinking Fund is equal to the applicable Debt Service Requirement. In the event that the Fiscal Agent determines that there is a deficiency in any Account, it shall immediately, and in no event later than 3:00 p.m. on June 2, 2017, notify the School District of the amount of such deficiency. The School District hereby covenants, and the Chief Financial Officer of the School District is hereby authorized and directed, to deposit an amount equal to such deficiency into such Account or Accounts within the Sinking Fund, on a pro-rata basis, no later than Noon, Philadelphia time, on June 5, 2017.

Failure of the School District to make payment in full when due on the final date specified for deposit in the preceding paragraph shall be cause for the immediate enforcement of the pledge, security interest, lien and charge granted in Section 8125 of the Act and in Section 6 hereof. The Fiscal Agent shall enforce such pledge, security interest, lien and charge as provided in Section 8125 of the Act, Section 6 hereof and in the Fiscal Agent's Agreement.

The School District shall have the right, as soon as the amount on deposit in each and every Account in the Sinking Fund is equal to the Debt Service Requirement for the applicable Series of Notes to withdraw from such Account in the Sinking Fund at such intervals as the School District shall direct in writing to the Fiscal Agent any amounts in excess of the applicable Debt Service Requirement; provided that every other Account in the Sinking Fund contains the Debt Service Requirement for the applicable Series of Notes.

Section 12. Investment of Sinking Fund Moneys. At the written direction of the School District, the Fiscal Agent shall, to the extent not required for immediate payment of the Notes, invest the moneys held in the Sinking Fund in: (i) direct obligations of the United States of America or obligations, the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America, and senior debt obligations rated, at the time of investment, "Aaa" by Moody's Investors Service and "AAA" by Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, issued by Fannie Mae or the Federal Home Loan Mortgage Corporation, senior debt obligations of the Federal Home Loan Bank System, and obligations of the Resolution Funding Corporation, which obligations are not guaranteed by the United States of America (collectively, "Government Obligations"); (ii) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, including, without limitation, any such investment company for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from such funds for services rendered, (b) the Fiscal Agent charges and collects fees for services rendered pursuant to this Resolution, which fees are separate from the fees received from such investment companies; and (c) services performed for such investment companies and pursuant to this Resolution may at times duplicate those provided to such funds by the Fiscal Agent or its affiliates; provided, that the following are met: (1) investments of that company are only in the authorized investments listed in clause (i) in this Section 12 and Repurchase Agreements (hereinafter defined); (2) the investment company is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds); and (3) the investment company is rated at the time of investment in the highest category by a nationally recognized rating agency, or (iii) interest bearing deposits in any bank or bank and trust company or national banking association having a combined net capital and surplus in excess of \$100,000,000 (including the Fiscal Agent or any of its affiliates); provided that all such deposits shall, to the extent not insured by a federal agency or instrumentality, be secured as to principal by a pledge of Government Obligations. The Fiscal Agent, in purchasing Government Obligations, may make any purchase subject to agreement with the seller for repurchase of such Government Obligations at a later date, and in such connection may accept the seller's agreement for the payment of interest in lieu of the right to receive the interest payable by the issue of the Government Obligations purchased; provided that: (A) the seller is a bank or bank and trust company or national banking association having a combined net capital and surplus in excess of \$100,000,000 or a government securities dealer approved by the School District; and (B) such Government Obligations shall be pledged as hereinafter provided (such agreements are hereinafter referred to as "Repurchase Agreements").

Proper officers of the School District may direct the Fiscal Agent in writing to enter into agreements with providers approved by the School District for the forward purchase and delivery of Government Obligations.

All Government Obligations and interest bearing deposits shall mature or be subject to redemption at the option of the holder at not less than par or the purchase price therefor on or prior to the date fixed for payment of principal or of interest on the Notes. All Repurchase Agreements shall have a term no greater than thirty (30) days.

Any Government Obligations pledged as security for Repurchase Agreements shall be subject to a perfected first security interest in favor of the Fiscal Agent, free and clear of all claims of third parties and shall be: (i) in the case of direct obligations of the United States which can be pledged by a book-entry notation under regulations of the United States Department of the Treasury, appropriately entered on the records of a Federal Reserve Bank; or (ii) in the case of other Government Obligations, either (A) deposited with the Fiscal Agent or with a Federal Reserve Bank for the account of the Fiscal Agent, or (B) if the Government Obligation is shown on the account of the pledgor on the books of a clearing corporation, as defined in Division 8, Section 102(a) of the Pennsylvania Uniform Commercial Code (13 Pa. C.S.A. §8102(a)), by making appropriate entries evidencing the acquisition of a securities entitlement on the books of the clearing corporation as provided in Division 8, Section 501(b) of the Pennsylvania Uniform Commercial Code (13 Pa. C.S.A. §8501(b)). All Repurchase Agreements entered into by the Fiscal Agent, at the written direction of the School District, shall provide that the required ratio of the market value of the Government Obligations so purchased to the repurchase price thereof shall be 102% and shall further require the market value of all Government Obligations so purchased to be determined daily during the term of each Repurchase Agreement.

Section 13. Application of Sinking Fund Moneys. The Fiscal Agent shall apply the moneys, deposits and investments held in the Sinking Fund only to the payment of principal and interest due to the holders of the Notes, equally and ratably, when the same become due and payable on June 30, 2017, in accordance with the Act and the provisions hereof. Payments from the Sinking Fund shall be applied first to interest and then to principal. When payment in full of the principal and interest due to the holders of the Notes has been made from the Sinking Fund, any balance in the Sinking Fund shall be paid by the Fiscal Agent to the School District, at the written direction of the School District.

Section 14. Acts of the Fiscal Agent. The Fiscal Agent may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of counsel concerning all questions hereunder. The Fiscal Agent may rely and shall be protected in acting on any notice, telegram, request, consent, waiver, certificate, statement, affidavit or other document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Resolution; the Fiscal Agent shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. The Fiscal Agent shall not be answerable for the exercise of any discretion or power hereunder, except only its own willful misconduct or negligence.

Section 15. Covenants in Respect of Federal Tax Laws. The School District hereby covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the holders of the Notes of the interest on the Notes under Section 103 of the Code and the regulations promulgated thereunder. The School District hereby further covenants that it will not directly or indirectly use or permit the use of any proceeds of the Notes or any other funds of the School District, or take or omit to take any action that would cause the Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and that it will comply with all requirements of Section 148 of the Code to the extent applicable to the Notes. In the event that at any time the School District is of the opinion that for purposes of this Section 15 it is necessary to restrict or limit the yield on the investment of any moneys held by the Fiscal Agent, the School District shall so instruct the Fiscal Agent in writing, and the Fiscal Agent shall take such action as may be necessary to comply with such instructions.

Without limiting the generality of the foregoing, the School District shall pay or cause to be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Notes from time to time. This rebate obligation shall survive payment in full or defeasance of the Notes.

Section 16. Notes to be General Obligations of the School District. The Notes shall be general obligations of the School District and, if the same shall not be paid within the fiscal year in which they are issued, shall be deemed to be non-electoral debt of the School District enforceable in the manner of a general obligation which, unless funded pursuant to the Act, shall be included in the budget of the School District for the ensuing fiscal year and shall be payable from the taxes and revenues of such ensuing fiscal year, as required by the Act.

Section 17. Continuing Disclosure Agreements. The School District hereby covenants that it shall continue to comply with its continuing disclosure agreements in effect relating to the debt of the School District incurred under the Act so long as the Notes remain outstanding under the Act.

Section 18. Ratification of Prior Action. All actions heretofore taken and all documents heretofore prepared by all officers of the School District in connection with the Notes and other matters contemplated hereby are hereby ratified, confirmed and adopted.

Section 19. Resolution and Act a Contract; Amendment. This Resolution and the Act as in force on the date hereof shall constitute a contract between the School District and the registered owners from time to time of the Notes. Said contract may be modified without the consent of said registered owners insofar as any such modification does not adversely affect their rights as such, and in other respects it may be modified with the consent of the registered owners of not less than fifty-one percent (51%) in principal amount of the Notes then outstanding; provided, however, that no such modification may be made which would reduce such percentage required for consent, or affect the rights of the owners of less than all of the outstanding Notes, or affect the terms of payment of the principal of, or interest on, or the security interest in the pledged taxes and revenues securing the Notes without the consent of the registered owners of all of the affected Notes. If and for so long as a securities depository is the sole registered owner of the Notes, any amendment that would otherwise require the consent of registered owners

shall require the consent of the beneficial owners of not less than fifty-one percent (51%) or one hundred percent (100%), as applicable, in principal amount of the Notes then outstanding.

Section 20. Appointment of Bond Counsel and Financial Advisor.

(a) The law firm of Eckert Seamans Cherin & Mellott, LLC of Philadelphia, Pennsylvania is hereby appointed Bond Counsel in connection with the Notes.

(b) The financial advisory firm of Phoenix Capital Partners LLP of Philadelphia, Pennsylvania, is hereby appointed Financial Advisor with respect to the Notes.

Section 21. Further Action. The members of the Commission and the Authorized Officials are hereby jointly and severally authorized and directed to take or cause to be taken such further action and to prepare, execute and file such documents and instruments as they may consider necessary or appropriate to implement the purposes of this Resolution, the Series A Note Purchase and Credit Agreement, the Series B Note Purchase and Credit Agreement and the Fiscal Agent's Agreement.

Section 22. Filing with the Pennsylvania Department of Community and Economic Development. Any of the Authorized Officials are hereby authorized and directed to cause the filing of a certified copy of this Resolution, the certificate as to the taxes and revenues remaining to be collected and true copies of the Series A Note Purchase and Credit Agreement and the Series B Note Purchase and Credit Agreement with the Pennsylvania Department of Community and Economic Development, as required by Section 8128 of the Act.

Section 23. Headings. Headings used in this Resolution are for the ease of reference only and do not form a part hereof.

Section 24. Repeals. All resolutions and parts of resolutions, to the extent the same are inconsistent herewith, are hereby rescinded and repealed.

Section 25. Effective Date. This Resolution shall be effective immediately, this 1st day of July, 2016.

The vote was as follows:

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

Nays: 0

SRC-2 (Added 6.29.16)

Authorization to Reimburse the School District from the Proceeds of Debt to be Issued by the School District for Capital Expenditures and Costs of Issuance Temporarily Funded from Revenues or Other Sources

WHEREAS, The School District of Philadelphia ("School District"), desires to undertake capital projects consisting of new construction, capital additions and improvements to, and equipment for, the School District ("Project"); and

WHEREAS, the funds necessary to undertake the Project are expected to be derived from the proceeds of general obligation bonds ("Bonds") to be issued by the School District; and

WHEREAS, the School District intends to be reimbursed (i) for expenditures for the Project made not more than 60 days prior to the date of this Resolution, (ii) for expenditures pertaining to costs of issuance, (iii) for expenditures that do not exceed the lesser of \$100,000 or 5% of the portion of the proceeds of the issue used to finance the Project, or (iv) for expenditures that do not exceed 20% of the portion of the aggregate issue price of the bonds used to finance the Project which constitute preliminary expenditures within the meaning of Treas. Reg. § 1.150-2(f)(2); and

WHEREAS, the School District intends that this Resolution be determined to be a declaration of official intent under Treas. Reg. § 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended ("Code").

NOW, THEREFORE, the School Reform Commission of the School District does resolve as follows:

Section 1. Declaration of Official Intent. The School District hereby declares its intent:

(a) That the issuance of debt by the School District for the Project to be evidenced by the Bonds is expected to be in an amount reasonably expected not to exceed \$200,000,000 in principal amount;

(b) That the School District be reimbursed from the proceeds of debt (i) for expenditures paid for the Project not more than 60 days prior to the date of this Resolution; (ii) for expenditures pertaining to costs of issuance; (iii) for expenditures that do not exceed the lesser of \$100,000 or 5% of the proceeds of the debt issue; or (iv) for expenditures that do not exceed 20% of the aggregate issue price of the debt issue which constitute preliminary expenditures within the meaning of Treas. Reg. § 1.150-2(f)(2);

(c) That this Resolution be determined to be a declaration of official intent under Treas. Reg. § 1.150-2 promulgated under the Code; and

(d) That the reimbursement allocation occur not later than 18 months after the later of (i) the date on which the original expenditure subject to Treas. Reg. § 1.150-2 is paid, (ii) the date on which the Project is placed in service or abandoned, but in no event more than three years after the original expenditure is paid, or (iii) the date otherwise permitted by the Code or Treasury Regulations promulgated thereunder.

Section 2. Effective Date. This Resolution shall take effect this 1st day of July, 2016.

The vote was as follows:

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

Nays: 0

Megan Reamer, Program Manager, Charter Schools Office, provided a presentation of Belmont Charter High School revised Charter Application. Her presentation included an overview of Regulatory Requirements, overview of the Belmont Charter High School Resubmission, which was received May 16, 2016, a summary of the original Application, which was received in November 2015, and approval guidelines.

**A complete copy of Ms. Reamer's powerpoint presentation is on file with the minutes of the School Reform Commission.*

The meeting was recessed at 10:45 a.m. to sign the TRAN, and reconvened at 11:00 a.m.

DawnLynne Kacer, Executive Director, Charter Schools Office provided a presentation on the proposed notice of revocation of the Charter – World Communications Charter School. Ms. Kacer's presentation included a Revocation overview, a review of the timeline, overview of the Charter Schools office recommendation, and an overview of the school's academic Success, organizational viability and compliance, and financial health and sustainability.

**A complete copy of Ms. Kacer's powerpoint presentation is on file with the minutes of the School Reform Commission.*

Commissioner Green stated that he has an alternative resolution for Belmont Charter High School (SRC-5a) which could lead to potential approval of the school with conditions.

The meeting was opened to the public for presentation of statements.

The following individuals provided statements in support of Belmont Charter High School:

- Shahaad Heard, 8th grade student at Belmont Charter School
- Nahyrah Davis, 8th grade student at Belmont Charter School

Karel Kilimnik stated that the School Reform Commission is an unaccountable body and that Dr. Hite has made many inaccurate statements. Ms. Kilimnik asked a series of questions related to a reading and math enrichment program being offered in July: is it actually happening?; how were the more than 2,500 students selected; where are the actual sites; is transportation provided?; is there a summer program for high school students who did not have a "highly qualified teacher for at least two-thirds of the year?; and what is the cost?

Victoria Rivers, Board President, World Communications Charter School, expressed opposition to revocation of the Charter. She stated that World Communications Charter School plans to submit their Intent to Renew by July 28, 2016 and a charter application by August 28, 2016. She expressed hope for a fair and equitable process.

Ilene Poses sang a song to the tune "This Land is Your Land" by Woody Guthrie.

Chris Hanlon, Executive Director of Beat the Streets provided information on the program.

Jeanne DiLeonardo, Director of Family Support Services, Community Education Alliance of West Philadelphia, described services provided to Belmont Charter School, as well as sharing several case histories.

The following individuals expressed support of the proposed Belmont Charter High School:

- Jorgia Darby
- Audra Thorpe
- Rachel Roberts, Out of School Time Program Director and Team Leader at Public Health Management Corporation (PHMC)
- Traci Dumas, grandparent
- Lynda Whitfield, parent of a second grade student
- Ashley Dumas
- Shanisha Mitchell, Athletic Director and Associate Director of the Out of School Time Program
- Dale Ayton, pediatric Primary Care Nurse Practitioner and Mental Health Specialist

Sandra Dungee Glenn, Chief Executive Officer of Harambee Institute of Science and Technology Charter School, thanked the School Reform Commission for granting a five-year renewal of the charter in April 2016. She stated that the school's progress is significant and sustainable. Ms. Dungee Glenn asked that the Charter School Office recommend that the SRC approve the initial 10 seats, but include language in the charter making any additional seats conditioned upon Harambee meeting specific benchmarks.

Belinda Church, Assistant to Councilwoman Jannie Blackwell, read a letter from the Councilwoman expressed support of the proposed Belmont Charter High School.

Virginia Whitfield, grandparent, expressed support of the proposed Belmont Charter High School.

Dr. Hite noted several factual inaccuracies with Karel Kilimnik's statement.

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

SRC-3

Withdrawn by Staff 6.29.16)

SRC-4 (Updated 6.30.16 – Failed)

Request for Charter Amendment (Enrollment Expansion) – Harambee Institute of Science and Technology Charter School

WHEREAS, on or about October 2, 2015, Harambee Institute of Science and Technology Charter School ("Charter School") submitted a charter amendment request ("Amendment Request") within its charter renewal application to the Charter Schools Office of The School District of Philadelphia ("School District") to amend the Charter School's Charter; and

WHEREAS, the Charter School sought an amendment to its Charter from the School Reform Commission ("SRC") to increase the Charter School's authorized enrollment of 525 students in Kindergarten through Grade 8 by an additional 50 seats starting in the 2016-2017 school year; and

WHEREAS, on or about April 27, 2016, the Charter School executed a Charter ("2016 Charter") with conditions and a maximum enrollment of 525 students in Kindergarten through Grade 8 for a period of five years commencing on July 1, 2016; and

WHEREAS, by Resolution SRC-6, approved on April 28, 2016, the SRC renewed the Charter School's Charter with conditions and a maximum enrollment of 525 students in Kindergarten through Grade 8 for a five-year period commencing on July 1, 2016; so be it

RESOLVED, that, pursuant to the representations, statements and materials contained in the Amendment Request, additional documents submitted by the Charter School to the Charter Schools Office, the Charter Schools Office's evaluation reports, the 2016 Charter, and other documents in the record, the Amendment Request is hereby declared MOOT due to the execution of the 2016 Charter; and in the alternative, should the Amendment Request be determined to remain pending, the Amendment Request is hereby DENIED; and be it

FURTHER RESOLVED, that the SRC adopts the attached Adjudication as the basis for its decision.

The vote on the motion to deny the charter amendment request was as follows:

Yeas: Ms. Houstoun, Ms. Jimenez, Chair Neff – 3

Nays: Mr. Green, Ms. Simms – 2

Ms. Gutman, Assistant General Counsel explained the Adjudication.

The re-vote on the motion to deny the charter amendment following the Commissioners review of the Adjudication was as follows:

Yeas: Ms. Houstoun, Chair Neff – 2

Nays: Mr. Green, Ms. Simms – 2

Abstention: Ms. Jimenez – 1

SRC-5* (Updated 6.30.16 – NO ACTION TAKEN)

Proposed Action on Revised Application – Belmont Charter High School

WHEREAS, on or about November 15, 2015, an application ("Application") was submitted for Belmont Charter High School to the Charter Schools Office of The School District of Philadelphia ("School District") to start a charter school;

WHEREAS, by Resolution SRC-1, approved on February 16, 2016, the School Reform Commission ("SRC") denied the Application;

WHEREAS, on May 16, 2016, a Revised Application was submitted to the Charter Schools Office of the School District; and

WHEREAS, the Application is for a five-year charter from the SRC to operate as a school with grades 9-12 starting in the 2017-2018 school year with a maximum enrollment of 500 students in the final year of the charter; now be it

RESOLVED, that, pursuant to the representations, statements and materials contained in the Application and the Revised Application and made during the public hearings on the Application, a Charter is hereby DENIED; and be it

FURTHER RESOLVED, that the SRC adopts the attached Adjudication as the reasons for its decision; and be it

FURTHER RESOLVED, that this decision may be appealed in accordance with the procedures set forth in 24 P.S. § 17-1717-A(f)-(i).

**There was no action on Resolution SRC-5, as the motion was not seconded.*

SRC-5a (Added 7.1.16)

Proposed Action on Revised Application – Belmont Charter High School

WHEREAS, on or about November 15, 2015, an application ("Application") was submitted for Belmont Charter High School to the Charter Schools Office of The School District of Philadelphia ("School District") to start a charter school and public hearings were held on the Application in December 2015 and January 2016; and

WHEREAS, by Resolution SRC-1, approved on February 16, 2016, the School Reform Commission ("SRC") denied the Application; and

WHEREAS, on May 16, 2016, a Revised Application was submitted to the Charter Schools Office; now be it

RESOLVED, that, pursuant to the representations, statements and materials contained in the Application, the Revised Application and the concluding document submitted by Belmont Charter High School and made during the public hearings by representatives for Belmont Charter High School, the School Reform Commission ("SRC") hereby grants a Charter to "Belmont Charter High School " to operate a public charter school serving Grades 9-12 for a four-year period commencing on July 1, 2017 and ending on June 30, 2021, provided that Belmont Charter High School submits the following documentation ("Required Documentation") to the Charter Schools Office no later than December 31, 2016:

1. The executed lease or sublease or executed intent to lease or sublease and information about renovations and maintenance plans and financial responsibilities and commitments related to Belmont Charter High School's use of the facilities at 1301 Belmont Avenue, Philadelphia, PA, in a form acceptable to the Charter Schools Office;
2. The contract between Belmont Charter High School and Belmont Elementary Charter School, Belmont Charter High School's management company, that accurately reflects all of the duties, services, obligations and liabilities of each party to the other with respect to the operation of Belmont Charter High School or services to be provided to Belmont Charter High School, including specific provisions on management fees, which shall be approved by the respective governing boards of each entity, in a form and with provisions concerning fees and services that are acceptable and appropriate to the Charter Schools Office;
3. An Admissions Policy and Process which complies with the Public School Code and Charter School Law and which includes provisions on application deadlines, recruitment communications, including details on methods to be used to recruit students Citywide or in an applicable attendance zone, lottery preferences, requested or required enrollment documents, lottery dates, and results, in a form that is acceptable to the Charter Schools Office. The Admissions Policy and Process shall provide that if seats open during the school year or between school years for Grades 9-12, Belmont Charter High School shall accept new students from the waiting list in appropriate order for particular grades or new applicants if there are no applicants for that grade on the waiting list. The Admissions Policy and Process also shall provide that Belmont Charter High School shall provide a copy of its current waiting list at any time during the Term of the Charter within ten (10) business days after requested by the Charter Schools Office;
4. Bylaws adopted by the Belmont Charter High School Board of Trustees which provide: (i) that all meetings, including emergency and special meetings, of the Board and Board committees shall be held and publicly noticed in accordance with the Sunshine Act; (ii) that teleconference capabilities may be offered at Board meetings but not in lieu of a public meeting location; and (iii) that ex-officio members of the Board are not entitled to vote on Belmont Charter High School matters;
5. A list of the names and addresses of the board members of Belmont Charter High School which demonstrates that none of the board members of Belmont Charter High School serve on the board of Belmont Charter Elementary School, the management company or on the board of the Community Education Alliance of Pennsylvania or Inquiry Charter School;
6. A modified Year 1 budget for 2017-2018 with the enrollment of 75 students in Grade 9, modified Year 2 budget for 2018-2019 with the enrollment of 150 students in Grades 9-10 and a modified Year 3 budget for 2019-2020 with enrollment of 225 students in Grades 9-11 and include any modified variable costs consistent with change in enrollment; and
7. A certificate of insurance evidencing that insurance coverage has been obtained by Belmont Charter High School in the amounts and categories as deemed acceptable by the Charter Schools Office;

and be it

FURTHER RESOLVED, that the Charter for Belmont Charter High School shall contain the following terms and conditions:

1. Belmont Charter High School shall be authorized to operate only as a Grade 9-12 charter school starting in the 2017-2018 school year with a maximum enrollment of 75 students in Grade 9 in 2017-2018, 150 students in Grades 9-10 in 2018-2019, 225 students in Grades 9-11 in 2019-2020, 300 students in Grades 9-12 in 2020-2021

and any renewal of the Charter, unless the parties agree in writing to other terms. Under no circumstances will Belmont Charter High School request payment from either the School District or the Pennsylvania Department of Education for more students than set forth herein or enroll students in different grades, without authorization by the SRC by resolution approved at a public meeting;

2. Belmont Charter High School shall submit to the Charter Schools Office on or before December 31, 2016 evidence of alignment of all curricula for Grades 9-12 to Pennsylvania Core Standards;

3. Belmont Charter High School shall participate in the School District's charter school performance framework and monitoring system as set forth in the School District charter school policies and procedures and any amendments thereto. The charter school performance framework will include annual evaluations of Belmont Charter High School's academic, financial, and organizational performance. Belmont Charter High School agrees to submit to the Charter Schools Office all student level academic information and any school-level data required for assessment of academic and organizational performance as part of the charter school performance framework and monitoring system; and

4. If Belmont Charter High School achieves a ranking in the bottom two levels on the School District's School Progress Report during any year of the term of the Charter, the Charter Schools Office may require that Belmont Charter High School meet certain specific student achievement targets and participate in ongoing progress reporting;
and be it

FURTHER RESOLVED, that the written Charter shall be issued to Belmont Charter High School upon the Charter Schools Office's receipt of satisfactory Required Documentation as set forth above. The SRC hereby delegates authority to determine compliance with the requirements of this Resolution to the Chief of Staff of the SRC. Failure of Belmont Charter High School to submit satisfactory Required Documentation by December 31, 2016, or by the end of any extension period granted by the SRC Chief of Staff, shall void this Resolution and shall cause the SRC to re-vote on the Application within thirty (30) days after December 31, 2016, or the expiration of any extension period, whichever is later. Notice of voiding this Resolution for failure to submit the Required Documentation shall be issued by the Chair of the SRC. Notwithstanding these provisions, the Charter granted herein will not take effect until the written Charter has been signed and delivered by the Chair of the SRC and the Chair of Belmont Charter High School's Board of Trustees, or another duly designated member of the Board;

and be it

FURTHER RESOLVED, that in the alternative, in lieu of the grant of a new charter to Belmont Charter High School and all the conditions set forth in the Resolved paragraphs above, if the representatives for Belmont Charter High School in writing agree to withdraw the Application, the Revised Application and the request for a new charter and agree to waive any and all of their rights (i) to appeal, (ii) to take other action with respect to the Application pursuant to 24 P.S. § 17-1717-A(f)-(i) or (iii) to commence any action directly or indirectly related to the Application in any court or administrative proceeding, the SRC hereby grants an Amendment to the Charter of Belmont Charter Elementary School ("BCES") based on the representations, statements and materials contained in the Application and Revised Application and made during the public hearings by representatives for Belmont Charter High School, to add Grades 9-12 at BCES effective July 1, 2017 and to increase enrollment at BCES by 75 students for Grade 9 in the 2017-2018 school year and to increase enrollment at BCES by an additional 75 students per year for each grade 10, 11 and 12 in the school years which follow reaching a maximum of an additional 300 students in Grades 9-12 by the 2020-2021 school year, provided that BCES receives a renewal of its charter during the 2016-2017 school year and submits the following documentation ("Required Documentation") to the Charter Schools Office no later than December 31, 2016:

1. The executed lease or sublease or executed intent to lease or sublease and information about renovations and maintenance plans and financial responsibilities and commitments related to BCES's use of the facilities at 1301 Belmont Avenue, Philadelphia, PA, in a form acceptable to the Charter Schools Office;

2. The contract between BCES and BCES's management company that accurately reflects all of the duties, services, obligations and liabilities of each party to the other with respect to the operation of BCES or services to be provided to BCES, including specific provisions on management fees, which shall be approved by the respective governing boards of each entity, in a form and with provisions concerning fees and services that are acceptable and appropriate to the Charter Schools Office;

3. An Admissions Policy and Process which complies with the Public School Code and Charter School Law and which includes provisions on application deadlines, recruitment communications, including details on methods to be used to recruit students Citywide or in an applicable attendance zone, lottery preferences, requested or required enrollment documents, lottery dates, and results, in a form that is acceptable to the Charter Schools Office. The Admissions Policy and Process shall provide that if seats open during the school year or between school years for K-Grade 12, BCES shall accept new students from the waiting list in appropriate order for particular grades or new applicants if there are no applicants for that grade on the waiting list. The Admissions Policy and Process also shall provide that BCES shall provide a copy of its current waiting list at any time during the Term of the Charter within ten (10) business days after requested by the Charter Schools Office;

4. Bylaws adopted by BCES Board of Trustees which provide: (i) that all meetings, including emergency and special meetings, of the Board and Board committees shall be held and publicly noticed in accordance with the Sunshine Act; (ii) that teleconference capabilities may be offered at Board meetings but not in lieu of a public meeting location; and (iii) that ex-officio members of the Board are not entitled to vote on BCES matters;

5. A list of the names and addresses of the board members of BCES which demonstrates that none of the board members of BCES serve on the board of Community Education Alliance of Pennsylvania or Inquiry Charter School;

6. A certificate of insurance evidencing that insurance coverage has been obtained by BCES in the amounts and categories as deemed acceptable by the Charter Schools Office;

7. A modified Year 1 budget for 2017-2018 with the enrollment of 75 students in Grade 9, modified Year 2 budget for 2018-2019 with the enrollment of 150 students in Grades 9-10 and a modified Year 3 budget for 2019-2020 with enrollment of 225 students in Grades 9-11 and include any modified variable costs consistent with change in enrollment and change in school management structure; and be it

FURTHER RESOLVED, that the Amendment to the BCES Charter shall contain the following terms and conditions:

1. BCES shall be authorized to operate as a K-Grade 12 charter school starting in the 2017-2018 school year with a maximum enrollment of 75 students in Grade 9 and 780 students in K - Grade 5 in the 2017-2018 school year reaching a maximum enrollment of 780 students in K-Grade 8 and 300 students in Grades 9-12 by the 2020-2021 school year during the term of the Charter and any renewal thereof, unless the parties agree in writing to other terms. Under no circumstances will the Charter School request payment from either the School District or the Pennsylvania Department of Education for more students than set forth herein or enroll students in different grades, without authorization by the SRC by resolution approved at a public meeting;

2. If BCES's Charter is renewed by the SRC at the end of the term of its current Charter, BCES shall be authorized to operate a K-Grade 12 charter school with a maximum enrollment of 780 students in K-Grade 8 and 300 students in Grades 9-12 in the 2020-2021 school year and during the term of the Charter and any renewal thereof, unless the parties agree in writing to other terms;

3. If BCES's Charter is renewed by the SRC at the end of the term of its current Charter and if after the renewal BCES (i) achieves PSSA proficiency in Math, Science and English Language Arts in Grades 3-8 at or above two of the following three averages: the School District average, the Charter School average or BCES's SPR Peer Group average for two consecutive school years and (ii) demonstrates growth for two consecutive years above the Pennsylvania State standard (AGI >-1.0), then BCES shall be authorized to operate with a maximum enrollment of 780 students in K-Grade 8 and 375 students in Grades 9-12 commencing in the 2019-2020 school year or once the academic performance terms above are achieved increasing to a maximum enrollment of 780 students in K-Grade 8 and 500 students in Grades 9-12 by 2020-21 and during the term of the Charter and any renewal thereof, unless the parties agree in writing to other terms. If BCES's Charter is renewed at the end of the term as a result of an order or other directive by any entity or governmental body other than the SRC, then the enrollment and grade provisions set forth above commencing in the 2019-2020 school year and during the term of the Charter will not be triggered and will not be enforceable;

4. BCES shall submit to the Charter Schools Office on or before December 31, 2016 evidence of alignment of all curricula for K-Grade 12 to Pennsylvania Core Standards;

5. BCES shall participate in the School District's charter school performance framework and monitoring system as set forth in the School District charter school policies and procedures and any amendments thereto. The charter school performance framework will include annual evaluations of BCES's academic, financial, and organizational performance. BCES agrees to submit to the Charter Schools Office all student level academic information and any school-level data required for assessment of academic and organizational performance as part of the charter school performance framework and monitoring system; and

6. If BCES achieves a ranking in the bottom two levels on the School District's School Progress Report during any year of the term of the Charter, the Charter Schools Office may require that BCES meet certain specific student achievement targets and participate in ongoing progress reporting;

and be it

FURTHER RESOLVED, that the written Amendment to Charter shall be issued upon the Charter Schools Office's receipt of satisfactory Required Documentation as set forth above. The SRC hereby delegates authority to determine compliance with the requirements of this Resolution to the Chief of Staff of the SRC. Failure of BCES to submit satisfactory Required Documentation by December 31, 2016, or by the end of any extension period granted by the SRC Chief of Staff, shall void this Resolution and shall cause the SRC to re-vote on the Application within thirty (30) days after December 31, 2016, or the expiration of any extension period, whichever is later. Notice of voiding this Resolution for failure to submit the Required Documentation shall be issued by the Chair of the SRC. Notwithstanding these provisions, the Amendment to Charter granted herein will not take effect until the written Amendment to Charter has been signed and delivered by the Chair of the SRC and the Chair of BCES's Board of Trustees, or another duly designated member of the Board;

and be it

FURTHER RESOLVED, that nothing herein shall authorize, imply, grant or otherwise indicate that the SRC is approving more than one charter reflecting Grades 9-12. The expectation of the SRC is that either: (1) the applicant will elect to have Belmont Charter High School receive a new charter reflective of Grades 9-12 under the conditions

imposed herein; or (2) the applicant will elect to have BCES receive an Amendment to its charter to permit enrollment in Grades 9-12 under the conditions imposed herein.

In response to Commissioner Houstoun, Ms. Kacer provided an overview of resolution SRC-5a which would be an approval of the revised application with conditions.

The vote was as follows:

Yeas: Ms. Green, Ms. Jimenez, Ms. Simms – 3

Nays: Ms. Houstoun, Chair Neff – 2

SRC-6 (Updated 6.30.16)

Proposed Notice of Revocation of Charter – World Communications Charter School

WHEREAS, pursuant to the Charter School Law, 24 P.S. § 17-1701-A *et seq.*, the Board of Education of The School District of Philadelphia ("School District") granted a Charter to WORLD COMMUNICATIONS CHARTER SCHOOL ("WCCS" or "Charter School") in 1997 to operate a charter school; and

WHEREAS, the School Reform Commission ("SRC") renewed the Charter School's Charter in 2002, in 2007, and in 2012 with twenty-two conditions; 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 WCCS during the term of the current Charter and have concluded that there are grounds for the SRC to commence revocation proceedings against the Charter School under Section 1729-A of the Charter School Law; and

WHEREAS, the following are causes for revocation of WCCS'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, 34.0% of WCCS 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, 11.9 % of WCCS 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 WCCS scoring proficient or advanced on the Algebra I Keystone exam decreased by 22.1 percentage points.
2. During the 2012-2013 school year, the first year of Keystone administration for high school students in Pennsylvania, 61.0% of WCCS students who took the Literature Keystone exam scored proficient or advanced. During the most recent year for which data is available, the 2014-2015 school year, 25.0 % of WCCS 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 WCCS scoring proficient or advanced on the Literature Keystone exam decreased by 36.0 percentage points.
3. During the 2012-2013 school year, the first year of Keystone administration for high school students in Pennsylvania, 23.0% of WCCS students who took the Biology Keystone exam scored proficient or advanced. During the most recent year for which data is available, the 2014-2015 school year, 2.7% of WCCS students who took the Biology Keystone exam scored proficient or advanced. Thus, from the 2012-2013 school year to the 2014-2015 school year, the percent of students at WCCS scoring proficient or advanced on the Biology Keystone exam decreased by 20.3 percentage points.
4. For the 2012-2013 school year through the 2014-2015 school year, the percent of WCCS students scoring proficient or advanced on the Algebra I Keystone exam was lower than the Charter sector averages, the District averages and the SPR peer group averages.
5. For the 2013-2014 school year and the 2014-2015 school year, the percent of WCCS students scoring proficient or advanced on the Literature Keystone exam was lower than the Charter sector averages, the District averages and the SPR peer group averages.
6. For the 2013-2014 school year and the 2014-2015 school year, the percent of WCCS students scoring proficient or advanced on the Biology Keystone exam was lower than the Charter sector averages, the District averages and the SPR peer group averages.
7. During the 2012-2013 school year, 51.4% of the WCCS Grades 6-8 students scored proficient or advanced on the Math PSSA exam. During the last year prior to the change in PSSA, the 2013-2014 school year, 34.3% of the WCCS Grades 6-8 students scored proficient or advanced on the Math PSSA exam. Thus, from the 2012-2013 school year to the 2013-2014 school year, the percent of Grades 6-8 students at WCCS scoring proficient or advanced decreased by 17.1 percentage points on the Math PSSA exam.
8. During the 2012-2013 school year, 43.5% of the WCCS Grades 6-8 students scored proficient or advanced on the Reading PSSA exam. During the last year prior to the change in PSSA, the 2013-2014 school year, 36.5% of the WCCS Grades 6-8 students scored proficient or advanced on the Reading PSSA exam. Thus, from the 2012-2013 school year to the 2013-2014 school year, the percent of Grades 6-8 students at WCCS scoring proficient or advanced decreased by 7.0 percentage points on the Reading PSSA exam.
9. During the 2012-2013 school year, 33.0% of the WCCS Grade 8 students scored proficient or advanced on the Science PSSA exam. During the 2013-2014 school year, 16.0% of the WCCS Grade 8 students scored proficient

or advanced on the Science PSSA exam. Thus, from the 2012-2013 school year to the 2013-2014 school year, the percent of Grade 8 students at WCCS scoring proficient or advanced decreased by 17.0 percentage points on the Science PSSA exam.

10. For the 2012-2013 school year, the percent of WCCS Grades 6-8 students scoring proficient or advanced on the Math PSSA exam was lower than the Charter sector averages and the SPR peer group averages. For the 2013-2014 school year and the 2014-2015 school year, the percent of WCCS Grades 6-8 students scoring proficient or advanced on the Math PSSA exam was lower than the Charter sector averages, the District averages and the SPR peer group averages.

11. For the 2012-2013 school year through the 2014-2015 school year, the percent of WCCS Grades 6-8 students scoring proficient or advanced on the Reading/English Language Arts ("ELA") PSSA exam was lower than the Charter sector averages, the District averages and the SPR peer group averages.

12. For the 2013-2014 school year and the 2014-2015 school year, the percent of WCCS Grade 8 students scoring proficient or advanced on the Science PSSA exam was lower than the Charter sector averages, the District averages and the SPR peer group averages.

13. For the 2012-2013 school year through the 2014-2015 school year, WCCS did not meet the Pennsylvania academic growth standard, as measured by the Average Growth Index ("AGI"), on the Algebra I Keystone exam.

14. For the 2012-2013 school year and 2014-2015 school year, WCCS did not meet the Pennsylvania academic growth standard, as measured by the AGI, on the Literature Keystone exam.

15. For the 2013-2014 school year and the 2014-2015 school year, WCCS did not meet the Pennsylvania academic growth standard, as measured by the AGI, on the Math PSSA exam.

16. For the 2012-2013 school year through the 2014-2015 school year, WCCS did not meet the Pennsylvania academic growth standard, as measured by the AGI, on the Reading/ELA PSSA exam.

17. In the 2014-2015 school year, WCCS's School Progress Report ("SPR") overall score was 13% (INTERVENE) for the high school SPR. The ratings for the two academic domains were 0% for Achievement and 5% for Progress. These ratings ranked WCCS's high school as the lowest performing high school Citywide in both domains; 80 of 80 for Achievement and 82 of 82 for Progress. The high school also ranked last of all high schools in its peer group in Achievement (24 of 24) and Progress (25 of 25).

18. The four-year high school graduation rate for 2013-2014 and for 2014-2015 for WCCS students as measured by the SPR was 76%, which was below the Charter sector average and the SPR peer group average.

19. WCCS had a building level federal accountability designation of "Focus" for the 2012-2013 school year and the 2013-2014 school year, meaning that WCCS was in the lowest 10% of Title I schools (based on highest achievement gap for the Historically Low Performing Students Annual Measureable Objectives ("AMOs")). The aggregate achievement gap is for combined Mathematics/ELA PSSA (and/or Algebra I/Literature Keystone Exams); or Title I school with a Graduation Rate below 60%; or Test Participation below 95%; and not a Priority School.

20. WCCS's School Performance Profile ("SPP") building level score was 51.5 in the 2012-2013 school year and 39.3 in the 2013-2014 school year. WCCS's SPP score for students in Grades 9-12 in the 2014-2015 school year was 32.8. All of WCCS's SPP scores were in the lowest SPP category of 60 or below.

21. In 2014-2015, 0% of students with an Individualized Education Program ("IEP") who took the PSSA Math exam or Algebra I Keystone exam scored proficient or advanced, and only 3.7% of students with an IEP who took the PSSA ELA exam or Literature Keystone exam scored proficient or advanced.

22. For the 2012-2013 school year, when comparing WCCS student academic achievement levels to the State's AMOs for Math/Algebra I and for ELA/Literature in nine student subgroups (Historically Underperforming, IEP, English Language Learner, Economically Disadvantaged, Male, Female, Asian, Black or African American and Hispanic) WCCS fell short except for economically disadvantaged and Black students in ELA/Literature. For the 2013-2014 school year, in the same nine student subgroups, WCCS fell short except for students with IEPs in Math/Algebra I and ELA/Literature.

23. WCCS represents itself as a college preparatory charter school; however, no courses were offered through Advanced Placement, International Baccalaureate diploma program, or other college programs in 2012-2013, 2013-2014 or 2014-2015.

24. WCCS represents itself as a college preparatory charter school; however, only six students met the college ready SAT and ACT benchmarks from 2012-2013 through 2014-2015. Zero 12th grade students scored 1550 or higher on the SAT and one 12th grade student scored 22 or higher on the ACT in 2012-2013. Three 12th grade students scored 1550 or higher on the SAT and zero 12th grade students scored 22 or higher on the ACT in 2013-2014. Two 12th grade students scored 1550 or higher on the SAT and zero 12th grade students scored 22 or higher on the ACT in 2014-2015.

25. WCCS 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 2012-2013 school year and the 2013-2014 school year, 96% of the PDE specified core academic classes taught at WCCS were taught by highly qualified teachers. For the 2014-2015 school year, WCCS failed to provide HQT information to the PDE as required.

26. As stated in a 2015 letter from WCCS to the CSO, the WCCS Board failed to ensure that all employees had required federal and state criminal and child abuse background checks for the 2012-2013 school year through the 2014-2015 school year.

27. As a renewal condition agreed to in WCCS's Charter in 2012, the WCCS Board was required to form an Audit/Finance committee that would meet at least four times each year. As of March 2015, although the committee had been formed, they had not held regular meetings nor had they met four times in any year of the Charter term. Therefore, WCCS was non-compliant with this renewal condition for at least two and one half years.

28. As a renewal condition agreed to in WCCS's Charter in 2012, the WCCS Board was to submit to the CSO a comprehensive Special Education program plan and a comprehensive English Language Learner program plan by November 30, 2012. Neither plan was submitted by that date and were only provided to the CSO upon request in advance of the March 2015 site visit. During the site visit, school stakeholders consistently noted that the plans had not been fully implemented. Therefore, WCCS was non-compliant with this renewal condition for at least two and one half years.

29. As identified in the 2015 Annual Charter Evaluation ("ACE") for WCCS, as of April 2016, WCCS's Child Find policy is not available on its website as required.

30. As identified in the ACE, as of April 2016, WCCS's English Language Learner policy is not consistent with PDE guidance on English for Speakers of Other Language. WCCS's policy does not provide adequate information on exit criteria or post-exit monitoring. Based on student-level data provided by WCCS to the CSO, English Language Learners enrolled at WCCS do not appear to be administered the ACCESS assessment annually as required. The charter school did not report a certified English as a Second Language teacher in its 2014-2015 Annual Report to PDE.

31. As identified in the ACE, as of April 2016, WCCS's student Code of Conduct does not fully adhere to the requirements in the Pennsylvania Public School Code. The Code of Conduct does not refer to due process rights for students given an expulsion or long-term suspension.

32. As identified in the ACE, as of April 2016, WCCS's student Code of Conduct is not appropriately differentiated for students with disabilities. The Code of Conduct does not refer to due process protections for certain special education students, which suggests failure to comply with federal law, specifically the Individuals with Disabilities Education Act ("IDEA").

33. As identified in the ACE and for documents available through March 2016, the WCCS's Board of Trustees minutes do not identify the date, time, or location of all meetings as required by the Sunshine Act.

34. An enrollment audit conducted by the School District's Office of Auditing Services for FY13 and FY14 found overpayments to WCCS of \$25,067 due to enrollment/attendance irregularities and an additional \$145,323 due to special education files that were out of compliance for 15 students. The discrepancies resulted in a net overpayment of \$170,390 by the District to WCCS which the School District recovered through withholdings from WCCS's charter per pupil payments.

35. As identified in the ACE, for the 2014-2015 school year, the rate of student withdrawals (9% from October 2014 through June 2015) from WCCS exceeded that of the District (8% in the same time period). Further, student withdrawals from WCCS increased by 2 percentage points in each January, February and March 2015;

so be it,

RESOLVED, that the SRC will conduct a public hearing on the revocation of the Charter School's Charter commencing on or about August 15, 2016, subject to rescheduling, at which hearing the School District will present evidence in support of the grounds for revocation 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 not be revoked; 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 revocation of the Charter following the hearing at a public meeting, after the public has had thirty (30) days to provide comments to the SRC.

The vote was as follows:

Yeas: Mr. Green, Ms. Houstoun, Ms. Jimenez, Chair Neff – 4

Nays: Ms. Simms – 1

SRC-7 (Added 6.30.16)

Authorization and Ratification of Responses to Auditor General's Report for Fiscal Years Ended 2009 to 2014

RESOLVED, that the School Reform Commission has reviewed the report of accounts of The School District of Philadelphia ("School District") for fiscal years 2009, 2010, 2011, 2012, 2013 and 2014, as prepared by the Auditor

General of the Commonwealth of Pennsylvania, and the detailed responses to such report as prepared by the management of the School District; and therefore be it

FURTHER RESOLVED, that the School Reform Commission acknowledges that the Pennsylvania Department of Education has advised the School District that Management Directive No. 325.10 requires that the governing body of a school district formally act, by resolution, to authorize management's response on its behalf. The School Reform Commission hereby approves, submits and ratifies the detailed responses prepared by the management of the School District to the Auditor General's Performance Audit Report on certain internal controls and performance for Fiscal Years Ended June 30, 2009, 2010, 2011, 2012, 2013 and 2014 (a copy of which is attached here and marked as Exhibit A).

Description: Beginning in 2013, auditors from the Office of the Auditor General of the Commonwealth of Pennsylvania initiated an audit of certain internal controls and performance for fiscal years ended June 30, 2009, 2010, 2011, 2012, 2013 and 2014. Thereafter, the Auditor General issued a final report of its findings and the School District submitted its formal Management's Response to be incorporated into the final report. The School District responses were made public by the Auditor General on May 11, 2016 and can be found along with the Performance Audit Report on the Pennsylvania Department of Education website (www.paauditor.gov) under "Audit Reports".

The vote was as follows:

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

Nays: 0

II. EDUCATION SUPPORT SERVICES

Executive

A-1 (Updated 6.29.16)

Community Schools Initiative; Authority to Negotiate with the City of Philadelphia

RESOLVED, that the School Reform Commission author and The School District of Philadelphia shall negotiate with the Mayor's Office of Education of the City of Philadelphia about the creation and implementation of the Community Schools Initiative at School District schools. The operation of the Community Schools Initiative shall be at all times subject to a Memorandum of Understanding between the City and the School District defining the obligations of each party, control of and access to the facility and personnel (which must comply with state legal requirements regarding access to children), whom the personnel are employed by and report to, liability to third parties as a result of the effort, expense reimbursement, clear goal setting and guidelines by which we measure progress, definition of Community Schools, standards and guidelines for how schools will be recommended to become part of the Community Schools Initiative, final approval of schools by the School Reform Commission upon recommendation by the Superintendent and other matters. The School Reform Commission shall approve a preliminary Memorandum of Understanding between the School District and the City containing the start date of the Community Schools Initiative and other matters that shall expire as of a date set forth therein. The preliminary Memorandum of Understanding shall set forth a date for the delivery of timelines, goals and other matters to be addressed in the permanent Memorandum of Understanding (the School Reform Commission acknowledges that the Memorandum of Understanding shall be required to be adjusted based on data and evidence and other practicalities over time). It is envisioned that a more detailed Memorandum of Understanding will be entered into prior to the expiration of the preliminary Memorandum of Understanding. Approval of any Memorandum of Understanding related to this matter shall be in a meeting called, in part, for that purpose or by the signature of a majority of members and the Superintendent.

Description: The Mayor of Philadelphia, through his Community Schools Initiative, seeks to align services from the City of Philadelphia and community service providers to address the needs of children and their families in Philadelphia. The Mayor's Office of Education has worked with The School District of Philadelphia ("School District") to plan for the selection of schools and for the implementation of a community schools strategy. The School District and Mayor's Office of Education, beginning in December, 2015, worked with school communities and conducted informational meetings to provide information about the Community Schools Initiative. In the late spring of 2016, thirty-one school principals, in collaboration with school staff, family members, and community partners, applied to enter the Community Schools Initiative. The Mayor's Office of Education and School District reviewed these applications and conducted site visits at a selection of the applicant schools.

Additionally, the Mayor's Office of Education conducted an extensive public engagement process that provided information on both priorities for the community schools strategy and school selection criteria and collected public comment.

In July, 2016, the first cohort of five School District schools will be identified as Community Schools. School selection will be based on the review of applications, information gathered at site visits, criteria identified through public surveys and roundtables, geographic distribution, and an analysis of community needs, such as child poverty, health risk factors, English Language Learners populations. The schools chosen shall be from the list of ten schools provided by the School District to Mayor's Office of Education. Each of the Community Schools will have a Community Coordinator and will participate in the future development of the Community Schools Initiative.

The vote was as follows:

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

Nays: 0

III. EDUCATION SERVICES

None Submitted

The meeting was recessed at 12:25 p.m. for the purpose the Commissioners reviewing the proposed Adjudication associated with resolution SRC-4 and reconvened at 12:45 p.m.

Chair Neff thanked the School District's financial advisor, Phoenix Capital, bond counsel, Eckert Seamans, fiscal agent, Bank of New York Mellon, as well as Bank of America and PNC Bank for their fine work on behalf of the School District. She also thanked Uri Monson and his team for their excellent work on this.

On motion, the meeting was adjourned at 12:48 p.m.

Marjorie Neff, Chair
School Reform Commission

William R. Hite
Superintendent