



**Testimony of the
D.C. Public Charter School Board
John H. McKoy, Chair
Scott Pearson, Executive Director
FY14 Budget Hearing
DC Council Committee on Education
April 26, 2013**

Good morning Chairman Catania and members of the Education Committee. I am John H. McKoy, Chair of the DC Public Charter School Board (PCSB). I am joined by Scott Pearson, Executive Director of PCSB, and Jeremy Williams, PCSB's Chief Financial Officer. It is my pleasure to provide testimony to you on the DC Public Charter School Board's fiscal year 2014 budget.

I will highlight of how our work as a charter authorizer continues to create and sustain charter schools as a vital public education option for thousands of D.C. students. Then, Scott will conclude with an overview of our budget priorities for FY14.

The DC Public Charter School Board's mission is to provide quality education options for D.C. students, families and communities. We carry out this mission in four ways: through a rigorous application process; comprehensive oversight of school performance – including closure when necessary – meaningful school support, and active engagement of our stakeholders.

Our budget is \$5.2 million and we use it to oversee 57 schools on 102 campuses. Those schools serve nearly 35,000 students or 43 percent of the District's public school population. Through our oversight of D.C.'s charter schools, PCSB offers a very specific value proposition to taxpayers:

- PCSB grants approval to charter applicants with the highest probability of success with DC students.
- PCSB holds schools accountable to high standards of performance, closing low-performing schools, and supporting students and families when they transfer from those closed schools.
- PCSB gives schools clear, consistent feedback on their performance; respecting their autonomy; and rewarding them with more autonomy when they sustain excellence.
- PCSB partners with government agencies and other groups to address citywide educational and youth issues, including as a member of more than two dozen government task forces.
- PCSB fosters public awareness about charter schools through a two-way conversation with the public, to make sure they have good information to make informed school decisions.

PCSB gets public feedback on how charter schools serve families and communities throughout the city through:

- PCSB Website
- Social media – we have more than 1,000 Twitter followers
- PCSB Blog
- Public comments during monthly board meetings
- An active Community Advisory Group
- Attendance at community meetings
- Annual Charter School Expo

How PCSB's Budget is Funded

PCSB's \$5.2 million budget is funded from three major sources:

- The first source is the annual appropriation received from the D.C. Government. This year we are seeking \$1.3 million, which is \$250,000 more than we received last year. In his testimony, Scott will detail how the \$250,000 will expand our capacity to serve students and families.
- The second source is an administration fee authorized by the School Reform Act. Charter schools pay PCSB one half of one percent (.5%) of their local and federal funding to support PCSB school oversight and monitoring. We estimate that in FY14 revenues from this fee will approach \$3.5 million.
- The third source is grants we have secured from time to time for specific projects. We forecast in our FY14 budget to receive \$300,000 in state grants from the FY14 SOAR Act and \$300,000 in private fundraising.

Our budget covers PCSB's facilities and operations, along with 31 full-time employees and three part-time employees. In the coming fiscal year, PCSB staff will conduct more than 500 programmatic, fiscal and compliance-related reviews at 60 charter LEAs, and communicate the results of that work to the public. Considering the scope of our public responsibility, we believe we operate one of the most efficient agencies in the District, accounting for just one-fourth of one percent of the District's total public education budget.

Indeed PCSB spends far less than other charter school authorizers around the country. Nationally, the typical charter school authorizer spends

2.6% of the total budget of charter schools they oversee. We spend well under 1%.

And it's worth noting that, we are spending fewer dollars, overseeing more schools, doing more than we did two, three, and four years ago. Let me give you some examples:

Three years ago, we had no performance management framework. Two years ago, our data systems were unable to track and report discipline and attendance data in an accurate and timely way. Three years ago, we had no audit management unit to rigorously evaluate charter school finances. We had no individuals focusing on service to students with disabilities, nor did we conduct any residency fraud investigations. Now, all of these systems are in place, allowing us to better oversee charter school academic quality, financial stability, and compliance with the law.

I'll turn it over to Scott Pearson who will elaborate on PCSB's budget priorities.

PCSB Priorities

Thank you, Skip. The priorities embedded in our budget request come from PCSB's expanded services and oversight efforts, and our increased participation in citywide initiatives on behalf of DC charter students.

The lion's share of our budget – and staff – is devoted to academic oversight. The School Performance Department oversees school quality, compliance with the law, and school performance on issues of equity such as attendance, truancy, discipline, and service to students with disabilities. It is

also the department that leads the review of charter applications, renewals, and amendments and expansions, which taken together, drive the quality of D.C. charter schools.

The workload of the school performance department increased in FY13, for three reasons.

First, the initial wave of DC's first charter schools is reaching the end of their 15-year charter terms. We compared each school's performance with the goals and student achievement expectations committed to in the charter to determine whether or not these charters should be renewed. We conduct similar intensive reviews at schools' five and ten year anniversaries. And to strengthen school reviews, we have requested that schools conduct a special education self-review, which we analyze and follow-up on as part of an ongoing dialogue with the school on how they serve students with disabilities.

Second, to ensure that charter schools are public schools that serve *all* students, we stepped up oversight of what we call fidelity issues, which include ensuring schools are not discriminating against students with disabilities; being appropriate and responsive to parent complaints, administering the DC CAS according to protocol, and addressing key concerns around enrollment, discipline, and attendance.

Other PCSB departments continue to expand their scope of work. Strategy and Human Capital launched our common application deadline this year and will lead our common lottery work along with other efforts on citywide strategies; Communications launched a mobile app this year, MyDCcharters, and is scaling up our community outreach and parental communications. And our General Counsel, who was hired only six months

ago, has been overseeing and further developing our first-ever residency fraud investigation process, and is ensuring that all of our authorizer practices are clear, predictable, and based on the law.

For many years, PCSB expanded its services and oversight capabilities without asking for additional city funding. Indeed, PCSB's appropriation from the DC Council has steadily declined over the years, from \$1.7 million in 2008 to just under \$1 million in this fiscal year. During this time PCSB performed its work and achieved its mission in three ways:

- First, revenues from our oversight fee have increased as the number of charter school students has grown, and as we have applied the oversight fee to federal as well as local revenues;
- Second, we reduced expenses in several areas without reducing quality or quantity of our work; for example we saved \$521,000 in consultants and general operations.
- And third we have been successful in securing steady grant funds, including from OSSE.

However, we cannot continue to best serve 43 percent of the District's public school students and contribute to the vision of creating a city with first-rate public schools solely through trimming costs.

For FY14, we are requesting an additional \$250,000 in city funds to address critical public and government requests that we agree with - that PCSB incorporate planning into our authorizing decisions; that we better coordinate with the city on issues of student health and safety; that we support a common application process; and that we continue to implement a residency fraud investigation process.

These additional funds would allow us to hire a strategic planning manager, a health and wellness specialist, continue building momentum for a city-wide common lottery and continue our residency fraud investigation efforts.

The strategic planning manager would work with government, community, and other stakeholders on the future evolution of charter schools in the District. This position would be the primary liaison to D.C. agencies on planning, growth, facilities and transportation initiatives. This work would improve coordination among the separate 57 charter LEAs that currently interact with the city on these issues. The strategic planning manager would also identify the impact of PCSB's authorizer decisions on DCPS, city services and transportation and other issues, and study student migration matters and other data to forecast future school supply and demand. Charter schools are polling places, community meeting centers, and are a part of the city's future fabric. We need this full-time position to contribute to future education planning.

We would also use these funds to bring on a health, safety and human services specialist, responsible for continuing to improve the coordination between charter schools, city agencies, and non-governmental agencies on critical issues of health and public safety. We do this now, but in a way that is not sustainable or best serves DC students, as the coordination is spread out across several staff who already have significant responsibilities. And it's not easy for MPD, the Department of Health, Child and Family Services Agency, or Metro Teen Aids, to cite four examples, to effectively coordinate with 57 charter schools. And yet it's essential that they do – for the sake of our children.

Third, we know that even as D.C. parents enroll in charter schools, they are incredibly frustrated by the process of so many different application dates. In FY13, through creating a working group of charter schools, for the first time more than 85 charter schools agreed to a common timeline for applying to a school, finding out the application result, and accepting a space. The results have been tremendous. One public charter school saw a 66 percent increase in applications. Now in FY14 the working group is turning its attention to the next issues, a common lottery and common application, for charters and the traditional school system. To move toward a common system of choice that will work well for parents and for charter schools, PCSB is requesting an additional \$25,000 to support this effort.

Finally, we are seeking \$25,000 to support our residency fraud investigation efforts in FY14. In FY13, PCSB took on the responsibility of investigating residency fraud for the first time, hiring an investigator to look into cases referred to PCSB by OSSE, or received directly into PCSB. (Prior to that, individual charter schools investigated fraud cases.) This work allows PCSB to safeguard taxpayer funds and removes a non-education responsibility from charter schools.

Charter School Budgets

So far I have spoken about PCSB's budget. To be sure, our budget is tiny compared to the total annual funding granted to the 57 charter schools. In this regard, we support an increase in per-pupil funding for all public schools, and are interested in the growing discussion to add different weights to the per-pupil funding formula that account for factors like student poverty. We

also appreciate the increase to local funds dedicated to charter school facilities allotment.

It is also important for PCSB to say that funding for charter students still lags behind funding for DCPS students. This issue was recently highlighted in a Walton Family Foundation study that identified hundreds of millions of dollars of spending gaps.

As this Council appropriates funds for charter school budgets, but has more direct oversight over DCPS budget spending, you may be more acutely aware of DCPS spending pressures than spending pressures of the city's other 57 LEAs. Yet these spending pressures that individual charter schools face are just as acute. For example, many schools have no librarians and no playing fields, and have to find money in their budget to create student activities that can substitute for these lacking amenities and services. The recent facilities study from the Office of the Deputy Mayor for Education revealed that the average charter school in DC has half the square footage per student as a DCPS school, which means teaching and learning in smaller, tighter physical conditions.

This Council has supported all DC public school children. We urge you to take action to address these funding and facilities inequities by ensuring that both sectors are paid based on actual enrollment; by incorporating all city services delivered to schools into the Uniform Per Student Funding Formula; and through ensuring that charters gain access to vacant city school buildings.

Conclusion

PCSB has expanded its oversight efforts to ensure that our charter schools are fulfilling their education missions and serving all DC students. In recent years we have performed this work without seeking a budget increase from the District. But the current DC education climate demands more from all of us. As DCPS continues its reforms, as OSSE takes the lead on critical issues of statewide student data and testing integrity, as the State Board of Education looks at issues like how students are prepared to graduate, as parents and the public debate the future of DC education on playgrounds and in public forums, it is essential that PCSB and its charter schools receive full funding from the District to contribute to this important education work.

I wish to close by thanking you, Education Committee Chairman Catania, and the Committee members and staff, for your continued support of PCSB in our mission to provide effective oversight of charter schools. We extend ourselves as a partner in the citywide effort to transform public education in the District of Columbia.