

**COMMONWEALTH OF PENNSYLVANIA  
STATE CHARTER SCHOOL APPEAL BOARD**

**In Re: Ricci J. Hausley Charter School** :  
**of Business** :  
 :  
**Appeal from Denial of Charter** : **Docket No. CAB 2001-4**  
**School Application by** :  
**Philadelphia School District** :

**OPINION AND ORDER**

**I. Background**

On November 15, 2000, pursuant to the Charter School Law (24 P.S. 17-1701 *et seq.*) (hereinafter “CSL”), Ricci J. Hausley Charter School of Business (hereinafter “HCSB”) submitted a charter school application (“Application”) to the School District of Philadelphia (hereinafter “School District”). On or about December 19, 2000, the School District held a public hearing at which it received testimony from representatives of HCSB. On December 28, 2000 and January 2, 2001, HCSB provided additional documents and information related to the application to the School District. On February 26, 2001, the Philadelphia Board of Education denied the charter for the proposed HCSB.

Pursuant to 24 P.S. §17-1717-A(h)(2) of the CSL, HCSB obtained signed petitions between March 1, 2001 and April 26, 2001 and filed those petitions with the Court of Common Pleas, Philadelphia County. The Court determined that the petitions were valid and satisfied the requirements of §17-1717-A(h)(5) of the CSL. On June 8, 2001, HCSB filed a Petition for Appeal, which was accepted by the Charter School Appeal Board (hereinafter “CAB”) and docketed as CAB 2001-4.

## **II. Findings of Fact**

1. On July 11, 2001, CAB appointed a hearing officer to review and develop the record. The Hearing Officer conducted a telephone pre-hearing conference to obtain all documents and the record from HCSB and the School District. The record below was certified to CAB August 27, 2001<sup>1</sup>
2. On November 15, 2000, pursuant to the Charter School Law (24 P.S. 17-1701 *et seq.*), Ricci J. Hausley Charter School of Business (“HCSB”) submitted a charter school application (“Application”) to the School District of Philadelphia (hereinafter "School District"). (C.R. 1)
3. On or about December 19, 2000, the School District held a public hearing at which it received testimony from representatives of HCSB. (C.R. 174-83)
4. On December 28, 2000 and January 2, 2001, HCSB provided additional documents and information related to the application to the School District. (Exhibits B, C, D).
5. On February 26, 2001, the Philadelphia Board of Education denied the charter for the proposed HCSB. (Exhibit E).
6. Pursuant to 24 P.S. §17-1717-A(h)(2) of the CSL, HCSB obtained signed petitions between March 1, 2001 and April 26, 2001 and filed those petitions with the Court of Common Pleas, Philadelphia County. The Court determined that the petitions were valid and satisfied the requirements of §17-1717-A(h)(5) of the CSL. (Exhibit F)
7. On June 8, 2001, HCSB filed a Petition for Appeal, which was accepted by the Charter School Appeal Board (hereinafter “CAB”) and docketed as CAB 2001-4.

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<sup>1</sup> All references to the Certified Record will be designated as “C.R. \_\_\_”).

8. The Statement of Assurances of the Application requires that there be evidence the charter school itself has been organized as a public nonprofit corporation. (C.R. 2).
9. The Application was filed on November 15, 2000 by an organization known as “Eagle’s Nest Christian Fellowship” for the proposed Ricci J. Hausley Charter School of Business. (C.R. 1).
10. On December 28, 2000, the filing organization on the Application was amended to “Ricci J. Hausley Charter School of Business.” (C.R. 123).
11. Eagle’s Nest Christian Fellowship is a non-profit Christian Church as set forth in the Certificate of Corporate Registry included in the Application to the School District. (Addendum Record – p.5).
12. HCSB has provided a copy of the “Bylaws” for a “Pennsylvania not-for-profit corporation” known as the Ricci J. Hausley Charter School, which states that “The Ricci J. Hausley Charter School shall be incorporated in the Commonwealth of Pennsylvania as a public, non-profit corporation, under 501(c)(3).” (Addendum Record – p.6 [p. 59 of Application]).
13. There is no evidence in the record of HCSB’s status as a non-profit corporation in the Commonwealth of Pennsylvania.
14. A “Resolution” by the Founding Coalition was submitted in anticipation of the charter being granted. (Addendum Record – p.6 [p. 58 of Application]).
15. There is no evidence in the record of Articles of Incorporation for the HSCB.
16. Eagle’s Nest Christian Fellowship is a sectarian entity. (Addendum Record – p.5).

17. Reverend Ricci J. Hausley submitted a letter on January 2, 2001 clarifying the “signed agreement of responsibility” on Eagle’s Nest Christian Fellowship letterhead (C.R. 130).
18. Reverend Ricci J. Hausley submitted a letter of agreement to purchase the premises known as “335 E. Price Street” on Eagle’s Nest Christian Fellowship letterhead (C.R. 124).
19. Reverend Ricci J. Hausley testified at the School Board hearing that the private school also operated by his sectarian organization and the proposed HCSB were totally different schools, but that they might share the same gymnasium. (C.R. 179).
20. HCSB was required to show “demonstrated sustainable support for the charter school plan by teachers, parents, other community members and students, including comments received at the public hearing [held before the local school board].”
21. HCSB submitted letters of support from various surrounding businesses (C.R. 15, 112-13; 51) and one “Petition of Support” containing 16 signatures (C.R. 52).
22. HCSB stated it submitted 500 petitions of support in the Application and at the public hearing on December 21, 2000, including additional petitions and letters of support from School District residents. A number of persons spoke on behalf of Application at the hearing.” (HCSB Brief - p. 8).
23. The School District admitted receiving 26 additional letters as well as a petition signed by approximately 600 people. (C.R. 213).
24. CAB was not provided copies of either the 500 petitions of support or the 26 additional letters referred to by both parties.

25. HCSB anticipates 480 students will be enrolled during the first year of operation. (C.R. 1).

26. HCSB will recruit students from the Philadelphia School District and the Germantown area. (C.R. 9-10; 29).

27. HCSB believes that a significant number of children from neighborhoods surrounding the school will attend. (C.R. 29).

28. HCSB's underlying purpose is to provide under-served students from grades K through 12 with an innovative, technically enhanced, work-based experiential learning program and to increase the numbers of disadvantaged Philadelphia school graduates, who will become entrepreneurs, managerial professionals and small business owners. (C.R. 6 - 8).

29. Elementary and middle school students will create and operate a "plant and flower nursery" with the assistance of the Awbury Arboretum School Partnership Program. (C.R. 6).

30. The high school class (2003) will assist in the design, creation and operation of a computer-assisted graphics, music and performing arts center on campus, which will purportedly assist in developing both the facilities and subsequent student business projects. (C.R. 6).

31. The certified record does not provide substantial evidence to support the choice of an entrepreneurial curriculum.

32. HCSB states in its Application that "computer studies will be an integral part of the curriculum and that the school plans on utilizing "intergenerational learning." (C.R. 7).

33. The School District concluded that there was no explanation of the role of technology in the school or how intergenerational learning relates to the overall school design. (C.R. 210).

34. The charter school must also demonstrate, in its Application that, in terms of support and planning, it can provide comprehensive learning experiences to students.

35. The Application lists as “Non-academic goals and objectives” “the development of the student as an age/grade appropriate, educated, confident, disciplined, responsible, tolerant person...”. (C.R. 35).

36. HCSB sets forth the rationale for the non-academic goals since HCSB believes the non-academic goals are an “inextricable” part of the whole program. (C.R. 36).

37. The School District found that the Application failed to properly and adequately detail the methodology to measure the progress of students towards the achievement of “non-academic” goals as described. (C.R. 207-214).

38. HCSB states that it will use the GATES reading inventory, the PSSA for assessing subject performance in all grades and SAT-9 at grade appropriate intervals for continuing student assessments. (C.R. 38).

39. The School District found that the Application failed to adequately describe how the student assessments would be completed, and further failed to detail “how” evaluations would be conducted. (C.R. 211).

40. The Board of Trustees will be composed of 9-15 members and the day-to-day administration will be left to the Chief Administrative Officer (CAO). (C.R. 43).

41. HCSB submitted the names and profiles of the “Founding Coalition” as well as individuals who have committed to serving on the Board of Trustees. (C.R. 45).

42. The School District found that the Application failed to adequately describe the day-to-day operations by the CAO of the Charter School and only provides a general description of the CAO's functions. (C.R. 212).
43. The HCSB Application asserts that parent/student involvement is a vital factor in insuring success of the proposed program and provided a description of the procedures to review parental complaints. (C.R. 44-5).
44. HCSB submitted a financial plan and proposed budget for the charter school's operation. (C. R. 56-62; Addendum Record 2-4).
45. The School District stated in its denial report that the Application contained "staff" errors and budgeting errors. (C.R. 213).
46. The Application provided the address of the proposed charter school as "501 King Street" which was corrected subsequently to "335 E. Price Street". (C.R. 1; 123).
47. HCSB's Application describes the physical location of the proposed charter school. (C.R. Addendum Record – p.3, Application p.55)).
48. HCSB described the proposed location as requiring extensive renovations. (C.R. 182).
49. The record did not contain any evidence of the costs of the renovation or evidence that the costs of the renovations were included in the proposed budget (C.R. 182).

### **III. Conclusions of Law**

1. The Charter School Law, Act of June 19, 1997, P.L. 225, No.22, 24 P.S. 17-1717-*A et seq.*, governs the application and approval processes and operation of charter schools in Pennsylvania.

2. The CAB has appellate jurisdiction in this matter in accordance with §17-1717-A(i)(6).
3. The HCSB is not a non-profit corporation as required by CSL §17-1703-A.
4. The Eagle's Nest Christian Fellowship is a sectarian Christian Church which cannot establish or be granted a charter in accordance with §17-1717-A(a) of the CSL.
5. HCSB failed to demonstrate, in the aggregate, the necessary sustainable support from teachers, parents, other community members and students as required by 17-1717-A(e)(2)(i).
6. HCSB's Application failed to provide, in terms of support and planning, comprehensive learning experiences to students as required by §17-1717-A(e)(2)(ii).
7. HCSB's Application failed to adequately describe an accountability system for meeting measurable standards as required by §17-1719-A(5) and the legislative intent as set forth in §17-1702-A(6).
8. HCSB's Application fails to adequately set forth the governance structure for the charter school as required by §17-1719-A(4).
9. HCSB's Application satisfied the requirements of providing a financial plan and proposed budget in accordance with §17-1719-A(9) & (17), however, the budget is inadequate in that it failed to include funding for certain staff positions as well as for the anticipated substantial renovation needed in the proposed facility.
10. HCSB's Application adequately described the physical facility of the proposed charter school location.



## IV. Discussion

### A. Standard of Review

Section 17-1717-A(i)(6) of the CSL specifically provides:

In any appeal, the decision made by the local board of directors shall be reviewed by the appeal board on the record as certified by the local board of directors. The appeal board shall give due consideration to the findings of the local board of directors and specifically articulate its reasons for agreeing or disagreeing with those findings in its written decision. 24 P.S. §17-1717-A(i)(6)

The Commonwealth Court stated in West Chester Area School District v. Collegium Charter School, 760 A.2d 452, 461 (Pa.Cmwlt. 2000) that by giving the CAB the right to disagree with the local school board and requiring it to specifically articulate its reasons for doing so, the General Assembly has “unquestionably granted the CAB the authority to substitute its own findings and independent judgment for that of the local school board.” The Court in School District of the City of York v. Lincoln-Edison Charter School, 772 A.2d 1045 (Pa.Cmwlt. 2001) followed its decision in Collegium in determining that a *de novo* review was the appropriate scope of review from appeals of charter denials by local school boards.

The CAB defined “due consideration” in the In re Hills Academy Charter School (No. CAB 1999-12). It stated in Hills that the CAB, “since it has to agree or disagree with the findings of the Directors, can of necessity, determine the weight of the evidence behind each finding and draws its own conclusions.” In the case at bar, the CAB believes that in the performance of its statutory responsibility and its discretion, the CAB may make a *de novo* finding which was not a basis for the denial by the School District. Specifically, the School District denial (Exhibit E; C.R. 207) did not address the issue of the corporate status of HCSB. However, §1703-A of the CSL (24 P.S. §17-1703-A)

clearly provides that a charter school must be organized as a public, non-profit corporation. No such information or evidence was provided by HCSB. In the Application, the “Statement of Assurances” (#8) requires that there be evidence the “*charter school* itself has been organized as a public nonprofit corporation...” (C.R. 2) (Emphasis original). The record regarding the corporate status of HCSB is lacking.

The Application was filed on November 15, 2000 by an organization known as “Eagles Nest Christian Fellowship” for the proposed “Ricci J. Hausley Charter School of Business.” (C.R. 1) On December 28, 2000, counsel for HCSB submitted additional information to the School District, which clarified that the “organization” on the Application was actually Ricci J. Hausley Charter School of Business. Counsel’s materials included a statement that “[t]he evidence of non-profit status for the Eagle’s Nest Christian Fellowship was inadvertently included on page 57 [of the Application]” Counsel sought to insert the following language at page 57 of the Application:

Upon approval of the application for a charter, the founding body will incorporate as a non-profit entity in accordance with Act 22, §1714-A, and will apply for 501(c)(3) status. At that time the founding group will provide evidence of these actions to the Board of Education of the School District of Philadelphia.” (C.R. 122-23)

Page 57 of the Application<sup>2</sup> contains what purports to be evidence of the applicant’s non-profit status in the form of a “Certificate of Registry” from the Department of State, which lists the name of the Corporation as “**Eagle’s Nest Christian Fellowship**” (emphasis added)(hereinafter “Eagle’s Nest”). Eagle’s Nest is listed on the document as a “Christian Church” (Addendum Record – p. 5). No similar “Certificate”

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<sup>2</sup> In his review of the Certified Record, the Hearing Officer discovered that pages 54 – 60 of the application were omitted. Counsel for HCSB provided copies of those pages, which are being referenced as “Addendum Record”.

for the HCSB was provided to the School District or to CAB. Nevertheless, at Appendix A of the Application, HCSB provided a copy of the “Bylaws” for a “Pennsylvania not-for-profit corporation” known as the Ricci J. Hausley Charter School. (Addendum Record – p.6 [p. 59 of Application]). In fact, the “Bylaws” indicate that “The Ricci J. Hausley Charter School shall be incorporated in the Commonwealth of Pennsylvania as a public, non-profit corporation, under 501(c)(3).” (emphasis added) (Addendum Record – p.7 [p. 59 Application]). This forward-looking statement does not support HCSB’s assertion that it was incorporated as a non-profit at the time of the Application or since. If HCSB is or has been incorporated, it did not provide any copy of the Articles of Incorporation for “HCSB” in this matter. The CAB does not find the “Resolution” by the Founding Coalition as submitted in the Application in anticipation of the charter being granted as probative to the “corporate status”. (Addendum Record – p.6 [p. 58 of Application]) Notwithstanding the Founding Coalition’s future intention to incorporate, there is nothing in the record, which clearly evidences that HCSB was incorporated at the time of the Application or at any time since. Accordingly, the charter may not be granted to HCSB, which does not exist as a legal entity, nor to Eagles’ Nest, which is a sectarian entity.

The CAB finds the connection and interaction of Eagle’s Nest to the HCSB troubling. The CAB asserts that the same records submitted by HCSB, in its Application, to evidence its non-profit corporate status, actually provide evidence to suggest that the controlling entity of the proposed charter school, in fact, is a “sectarian” entity known as the “Eagle’s Nest Christian Fellowship.” The Original Applicant (C.R. 1) was in fact

Eagle's Nest; the address of the proposed charter school location was 501 King Street, which was also the business address of Eagle's Nest; the Certificate of "Corporate Registry" contained in the Application was for Eagle's Nest; the January 2, 2001 clarification regarding the "signed agreement of responsibility" was on "Eagle's Nest" letterhead (C.R. 130); and the letter of agreement to subsequently purchase the premises known as "335 E. Price Street" was on Eagle's Nest letterhead (C.R. 124). Section 1717-A(a) of the CSL provides that "[no] charter school shall be established or funded by and no charter shall be granted to any sectarian entity. (24 P.S. §17-1717-A(a)).

The issue of a sectarian entity establishing a charter school arose in The Eloise and Edith Academy Charter School, (Docket CAB 1999-13). While the facts in Eloise were substantially different (Eloise displayed Christian symbols, the Executive Director served on the Board of Directors; and the facilities were used by both the Christian School and the Charter School), the evidence in the record of the participation of Eagle's Nest in the establishment of the HCSB is troubling. Apparently, the School District also had questions regarding the connection between the Reverend Hausley's private school and the HCSB. (C.R. 179) (Exhibit C). Reverend Hausley testified that the private school was separate and two totally different schools, but they may "share the same gym." (C.R. 179). The CAB is concerned that even in the "Petition for Support" filed by HCSB in its Application, clear reference is made to Eagle's Nest Christian Fellowship, Reverend Hausley, as Pastor and the various community activities in which he and Eagle's Nest were involved, including, but not limited to the Christian Academy and the Northwest Interfaith Movement. (C.R. 52). Standing alone, one piece of evidence or document is

not sufficient. However, the cumulative nature of the evidence suggests that Eagle's Nest Christian Fellowship, as a sectarian entity, was at the time of the Application too strongly entangled with the proposed charter school.

## **B. Sustainable Support**

HCSB must show “demonstrated sustainable support for the charter school plan by teachers, parents, other community members and students, including comments received at the public hearing [held before the local school board].” (24 P.S. 17-1717-A(e)(2)(i)). The Court in Brackbill v. Ron Brown Charter School, 777 A.2d 131 (Pa.Cmwlth. 2001) affirmed CAB’s interpretation of 1717-A(e)(2)(i) to mean that “[t]he indicia of demonstrated support, sustainable support is to be measured in the aggregate and not by individual categories from which that support is to be measured.” The Court concluded that “failure to demonstrate strong support in any one category is not necessarily fatal to charter school application.” *Id.* at 138. “Sustainable support” means support sufficient to sustain and maintain the proposed charter school as an ongoing entity. (In re Ronald Brown Charter School, Docket No. CAB 1999-1). HCSB states, in its Brief in Support of Appeal, that it received support from a number of sources, including:

“500 petitions of support were submitted in the Application and at the public hearing on December 21, 2000. Hausley submitted additional petitions and letters of support from School District residents. A number of persons spoke on behalf of Application at the hearing.” (HCSB Brief - p. 8).

CAB’s review of the record only revealed one “Petition of Support” which contained 16 signatures. (C.R. 52). However, in its “denial report”, the School District

asserted that at the School Board public hearing, HCSB submitted an additional 26 letters of support as well as a petition signed by approximately 600 people. (C.R. 213). The CAB was not provided copies of the additional letters or petition for inclusion into the record by either party. Nevertheless, since both parties have referred to the existence of those documents, CAB will deem the 26 letters and the petition as being included in the record. HCSB also submitted as evidence various letters from surrounding businesses such as ARAMARK, Inc. (C.R. 112), Awbury Arboretum Association (C.R. 113), and Central Germantown Council (C.R. 51) and various other businesses and entities (C.R. 15).

Despite the parties' failure to submit evidence of the 26 letters and petition of support to CAB for review as referenced by the School District and HCSB, the CAB applying its "aggregate" test nevertheless concludes that HCSB has not demonstrated sufficient evidence of actual support for the establishment of the charter school from parents, teachers, students or other community members. HCSB's Application contains forward-looking plans and policies it believes will generate community involvement once established, the record fails to provide evidence of ongoing support. The record does not contain letters of support from parents wishing to enroll their children in HCSB or expressing an interest to sign an enrollment list in the Charter School. Of the 500-600 individuals on the "petitions," there is no evidence in the record to suggest that any student will actually enroll in the charter school from that group, if the charter were granted. HCSB merely makes a blanket statement that 480 students will be enrolled in the first year, with additional students for subsequent years. (C.R. 1). Likewise, there is no evidence in the record that any teachers have expressed a desire to be employed by

HCSB, if the charter is granted. HCSB sets forth statistical data, which states “minority students in the Philadelphia School District are at greater risk than their white counterparts for failing to complete secondary school”. (C.R. 9) HCSB asserts that it will recruit students from the Philadelphia School District and the Germantown area. (C.R. 9-10; 29 ). HCSB believes that a “significant number of children from neighborhoods surrounding the school will attend”. (C.R.29). According to HCSB, the area surrounding the school site contains higher-than-city average numbers of pre-school and elementary school children. (C.R. 29). Despite the information regarding the student population, HCSB has not demonstrated the requisite support for the proposed charter school. One cannot presume that the “support” tendered by HCSB is sustainable simply because members of the community signed a petition. Finally, it should be noted that the signatures collected for purposes of the Petition for Appeal and certification by the Court of Common Pleas in accordance with §17-1717-A(i)(5) are not evidence of sustainable support.

Accordingly, as measured in the aggregate, the Application fails to demonstrate the necessary sustainable support from teachers, parents, other community members and students for HCSB as required by the CSL.

## **C. Philadelphia School District Reasons for Denial of Charter**

### **1. Comprehensive Learning Opportunities**

As set forth in its Application, the underlying purpose of the HCSB is to provide under-served students from grades K through 12 with an innovative, technically enhanced, work-based experiential learning program. (C.R. 6) HCSB’s stated vision of

the charter school is that increased numbers of disadvantaged Philadelphia school graduates will become entrepreneurs, managerial professionals, and small business owners. (C.R. 8) The HCSB plans to offer a curriculum that integrates entrepreneurial principles with economics and business practices combined with hands-on, student-developed business experience. (C.R.8). Elementary and middle school students will create and operate a “plant and flower nursery” with the assistance of the Awbury Arboretum School Partnership Program. (C.R. 6). The high school class (2003) will assist in the design, creation and operation of a computer-assisted graphics, music and performing arts center on campus, which will purportedly assist in developing both the facilities and subsequent student business projects. (C.R. 6). While HCSB’s vision and goals for the charter school are laudable, CAB agrees with the School District’s assessment that the Application presents little evidence to support the use of the proposed approach. HCSB states that the “initiatives” of Philadelphia Green and North Philadelphia have “demonstrated promising preliminary results”. HCSB, however, does not provide substantial evidence to support the choice of an entrepreneurial curriculum. While HCSB believes that the comprehensive entrepreneurial model will best address the critical problems of disadvantaged urban students, the Application lacks probative information to support the position that the “entrepreneurial” curriculum model will be more effective.

Additionally, HCSB states in its Application that “computer studies will be an integral part of the curriculum and that the school plans to utilize “intergenerational learning.” (C.R. 7). The School District stated that there was no explanation of the role of technology in the school or how intergenerational learning relates to the overall school



design. CAB agrees with the School District's findings and concludes that the HCSB Application does not, in terms of support and planning, provide comprehensive learning experiences to students as required by §1717-A(e)(2)(ii) of the CSL. (24 P.S. §17-1717-A(e)(2)(ii)).

## **2. Accountability System**

HCSB lists among its "Academic goals and objectives" the desire to "bring all students up to an age/grade appropriate level within one year of matriculation; make all students computer literate; and improve student language and math skills as age/grade appropriate to the point where school performance is above 65% in city-wide testing. (C.R. 35). HCSB lists as "Non-academic goals and objectives" "the development of the student as an age/grade appropriate, educated, confident, disciplined, responsible, tolerant person...". (C.R. 35). HCSB sets forth the rationale for the non-academic goals since HCSB believes the non-academic goals are an "inextricable" part of the whole program. (C.R. 36). The CAB agrees with the School District that the HCSB Application fails to specify how the HCSB will measure the "age/grade appropriate levels". The CAB understands HCSB's rationale for the creation of non-academic goals, but also agrees with the School District that the Application fails to properly and adequately detail the methodology to measure the progress of students towards the achievement of "non-academic" goals as described. HCSB states that it will use the GATES reading inventory, the PSSA for assessing subject performance in all grades and SAT-9 at grade appropriate intervals for continuing student assessments. (C.R. 38). HCSB's Application describes what assessments it intends to use or what it is going to do, but does not

describe how the assessment will be completed. For example, HCSB states that “[e]valuation of student achievement will be reviewed regularly by teachers, parents, the principle and the Board of Trustees.” (C.R. 39) However, HCSB does not detail “how” those evaluations will be conducted. Additionally, the Application does not identify any substantial strategies for providing additional support to students who are not experiencing success in either the academic or non-academic goals. HCSB only addresses the needs of the students not performing at grade level “upon entry” (C.R. 39) by using “small learning units” within each classroom. This does not demonstrate any support for students not experiencing success throughout the program. Thus, CAB finds that HCSB has inadequately described an accountability system for meeting measurable standards as required by §1719-A(5) and §1702-A(6) (relating to legislative intent) of the CSL. (24 P.S. 17-1719-A(5); 17-1702-A(6)).

### **3. Governance Structure**

HCSB states that its Board of Trustees will have the controlling authority and responsibility for the school, including setting the direction and establishing policies and procedures. The Board will be composed of 9 – 15 members. (C.R. 43). The day-to-day administration will be left to the CAO. HCSB listed the names and profiles of the “Founding Coalition” (C.R. 41-2), as well as those individuals who have “committed” to serving on the Board of Directors (C.R. 45). The CAO will be the chief employee of the Board and shall act as the chief officer under Board direction. (C.R. 44). Specifically, HCSB lists the duties and responsibilities of the Board in the bylaws set forth at Appendix “A” (C.R. 69).

However, CAB agrees with the School District that the Application fails to adequately describe in detail the day-to-day operations by the CAO of the charter school. The Application contains one sentence to describe that the “CAO will schedule regular faculty and staff meetings where opportunities for mutual exchanges concerning the operation of the school will be aired. (C.R. 44). Additionally, CAB believes that HCSB did not provide sufficient detail as to the nature of parental and student involvement in decision-making matters, notwithstanding HCSB’s assertion that “[p]arent/student involvement is a vital factor in insuring success of the proposed program.”(C.R. 44) HCSB does, however, describe the procedures of the charter school to review parental complaints. (C.R. 45). HCSB in its brief states that the backgrounds and education of the [Founding] Coalition represent a wide range of community-based initiatives and teaching experiences. (HSCB Brief – p. 8). CAB does not believe the Application adequately sets forth the governance structure for the charter school as required by §1719-A(4) of the CSL. (24 P.S. §17-1719-A(4)).

#### **4. Financial Plan**

The CSL requires that the charter school provide a financial plan for the charter school and how the charter school will provide adequate liability and other appropriate insurance for the school. (See §17-1719-A(9) & (17)). The School District concluded that the budget included in the Application did not match the staffing information set forth by HCSB. According to the School District’s denial report (C.R. 213) “an accountant, a bookkeeper and a human resources worker are listed as staff members on page 38 [of the Application], but none of these positions are included in the budget.”

(C.R. 213). HCSB did submit a financial plan and proposed budget for the charter school's operation. Although CAB would not usually look beyond this basic compliance with the law's requirements, there appear to be significant shortcomings in this budget. First, the "deficiencies" enumerated by the School District are accurate. In addition, the budget does not take into account the potential costs of facility renovations. HCSB proposes to engage in "extensive renovations in conjunction with the charter school." HCSB failed to adequately describe what the renovations would entail, how long the renovations would take or what the costs thereof would be. At the School Board hearing, HCSB stated that "...First Union Bank came out and extended \$100,000 line of credit for us to help develop this." (C.R. 182). However, HCSB did not submit any evidence that this would be sufficient to cover the costs of the renovations, nor does the proposed budget contain renovation funds or funds to repay the line of credit. Thus, we concur with the School District and find that HCSB's financial plan and operating budget are inadequate to satisfy the CSL.

## **5. Facility**

In its Application, HCSB provided information regarding the proposed charter school facility to be located at "501 King Street, Philadelphia, PA 19144."(C.R. 1), which was corrected by counsel on December 28, 2000 to reflect "335 E. Price Street". (C.R. 123) Subsequently in its Application, HCSB describes the "campus" for HCSB, which will be located at "335 Price Street" in the lower Germantown area. (C.R. 29). HCSB thereafter states that the charter school facility is located at 335 East Price Street on a site situated on 3.7 acres with four permanent building structures. (Addendum Record p. 3

[Application p. 55]). The HCSB specifically describes the proposed site as a former “assembly and fabrication plant” vacant since the 1970s. (Addendum Record p. 3

[Application p. 55]). The CAB finds that HCSB has sufficiently described the physical location and condition of the proposed facility as required by 17-1719-A(11) of the CSL and rejects the District’s contrary finding.

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**Philadelphia School District** :

**ORDER**

AND NOW, this \_\_\_\_\_ day of October, 2001, based upon the foregoing and the vote of this Board,<sup>3</sup> the appeal of the Ricci J. Hausley Charter School of Business is DENIED and the February 26, 2001 decision of the Philadelphia School District is AFFIRMED.

FOR THE STATE CHARTER SCHOOL  
APPEAL BOARD

\_\_\_\_\_  
Charles B. Zogby  
Chairman

<sup>3</sup> At the Board's October 16, 2001 meeting, the appeal was denied by a vote of 6-0 with members Aliota, Bunn, Melnick, Reeves, Shipula and Zogby all voting to deny the appeal.