

Pennsylvania's Public Charter Schools:

Why They Exist, Who They Serve, How They Are Funded and Necessary Charter Reforms



Pennsylvania Coalition
of Public Charter Schools

Choice, Quality and Accountability in Public Education

What Is A Charter School?

- ▶ A charter school, as defined by state law, is an independent public school established and operated under a charter from an authorizer
 - ▶ Brick-and-mortar charter schools are authorized by the school district in which they are located (regional charter schools are authorized by the districts they enroll students from)
 - ▶ Cyber charter schools are authorized by the PA Department of Education
- ▶ A PA charter school must be organized as a public, nonprofit corporation
- ▶ Charters may not be granted to any for-profit entity
- ▶ Charters are granted for 5-year terms
- ▶ Every public charter school in PA must be governed by a Board of Trustees made up of volunteers
- ▶ The General Assembly has granted flexibilities to public charter schools that allow them to be more innovative than school districts
 - ▶ Public charter schools must still adhere to all state and federal regulations for: health/safety, anti-discrimination, instructional hours, curriculum standards, accountability/transparency and special education.

When Were PA's Public Charter Schools Established And What Role Do They Play?

- ▶ Brick-and-mortar charter schools were established in 1997
- ▶ Cyber charter schools were established in 2002

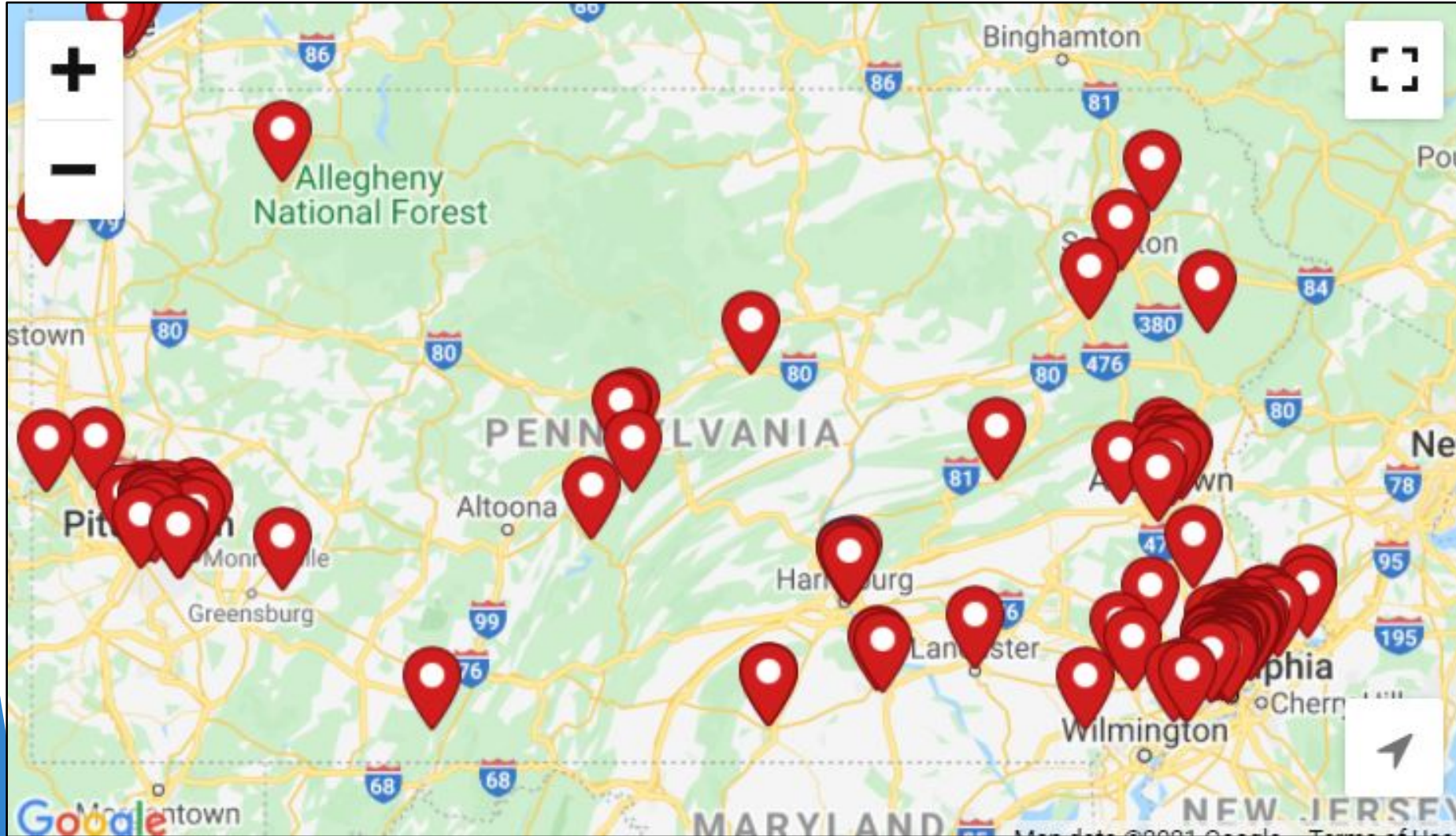
“Legislative Intent - It is the intent of the General Assembly, in enacting this article, to provide pupils and community members to establish and maintain schools that operate independently from the existing school district structure as a method to accomplish all of the following:

1. Improve pupil learning.
2. Increase learning opportunities for all pupils.
3. Encourage the use of different and innovative teaching methods.
4. Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.
5. Provide parents and pupils with expanded choices in the types of educational opportunities that are available within the public school system.
6. Hold the schools established under this act accountable for meeting measurable academic standards and provide the school with a method to establish accountability systems.”

Brick-And-Mortar Charter Schools Vs. Cyber Charter Schools?

- ▶ Brick-and-mortar charter schools
 - ▶ Brick-and-mortar charters are set-up like traditional schools with physical classrooms
 - ▶ Brick-and-mortar charters enroll students from a specific geographic area or a specific school district, as outlined in their charter agreement
- ▶ Cyber charter schools
 - ▶ A cyber charter school “uses technology in order to provide a significant portion of its curriculum and to deliver a significant portion of instruction to its students through the Internet or other electronic means.”
 - ▶ Cyber charter schools can operate physical locations across the state where students can visit for support and special education services, and educators conduct virtual classes
 - ▶ Any student in the Commonwealth can enroll in one of PA’s 14 public cyber charter schools.
 - ▶ Cyber charter schools have their own unique costs: mailing the technology, equipment and resources to each student; contracting with regional providers to provide special education services in homes; and renting conference space and hotel rooms in regions across the state to conduct standardized testing (PSSA and Keystone Exams) for their students.

Where Are Public Charter Schools Located?



Currently, there are
180 public charter
schools operating in
PA:

166 brick-and-
mortar schools

14 cyber charter
schools

Who Attends PA's Public Charter Schools?

- ▶ For the 2020-21 school year, 169,000+ students are enrolled in public charter schools - - for comparison, there are 1.5 million students in school districts
 - ▶ 108,400+ are enrolled in brick-and-mortar charter schools
 - ▶ 60,800+ are enrolled in cyber charter schools
- ▶ PA's public cyber charter schools enroll students from nearly every school district in the state
- ▶ A third of Philadelphia's public school students attend charter schools - 68,000
- ▶ PA's public charter schools educate a higher percentage of minority students, students from low-income homes and students with special needs than school districts
 - ▶ 70% of charter school students are from low-income homes
 - ▶ 68% of charter school students are minorities
 - ▶ 16% of charter school students require special education services

Why Do Families Choose Public Charter Schools?

Every family has a different reason for choosing a public charter school but these are what we hear most often:

- ▶ To escape chronically failing school districts
- ▶ To escape dangerous school environments
- ▶ The opportunity for gifted students to access coursework that their local school district doesn't provide
- ▶ For the flexibility to pursue artistic or athletic goals
- ▶ For the flexibility when a serious illness prevents a student from learning in a traditional classroom setting
- ▶ To access special education services that their home school district failed or refused to provide
- ▶ To access a school environment that is tailored to individual student needs

The Growing Demand For Public Charter Schools

- ▶ Currently, there are 169,000+ students attending public charter schools
 - ▶ Last year, 143,000+ were enrolled in public charter schools
 - ▶ The growth in enrollment this year – more than 25,000 students – is primarily in public cyber charter schools as a result of the pandemic
 - ▶ Between 2010 and 2020 (pre-pandemic), enrollment in charters had increased by 65%
- ▶ Statewide, we estimate that more than 50,000 students are on brick-and-mortar charter school waitlists
 - ▶ For the upcoming school year, Philadelphia's public charter schools received nearly 111,500 applications for just 7,500 open seats
 - ▶ More than 25,000 Philly students remain on charter school waitlists
- ▶ A poll conducted in February by Susquehanna Polling and Research asked likely voters (Republicans and Democrats) about their thoughts on public cyber charter schools:
 - ▶ 69% support the use of public cyber charter schools
 - ▶ 57% said parents should have the right to public school choice
 - ▶ Only 10% said they believe that public charter schools take funding away from school districts

How Are Public Charter Schools Funded?

- ▶ School districts receive their state funding primarily through the Basic Education Funding Formula, based on the number of K-12 students who attend their schools and a public charter school
 - ▶ School districts act as a pass-through entity for charter schools when it comes to state and local funding
- ▶ Public charter schools are reimbursed each month by a student's home school district based on a tuition rate set in the Charter School Law
 - ▶ This rate is based on the amount each home school district spent the previous school year to educate a student
 - ▶ There are 2 rates calculated for each school district – a special education rate and a non-special education rate
- ▶ The home district can make 25+ deductions from this per-pupil expenditure amount and that equals a charter student's tuition rate
 - ▶ These deductions - which started as just 7 when the Charter School Law was written - result in about **25%** of the funding for each charter school student being withheld by the home school district
 - ▶ In some school districts, the percentage withheld is much higher, like in Philadelphia where the district keeps **36.1%** and in Pittsburgh which keeps almost **40%**

How Are Public Charter Schools Funded?

- ▶ The Charter School Law mandates that school districts pay tuition to charter schools in 12 monthly payments
 - ▶ Currently, about 125 school districts deliberately break the law and refuse to reimburse charter schools for the students they are educating
 - ▶ Charter schools are then forced to request redirection funding directly from the PA Department of Education, which results in costly delays and funding insecurities
 - ▶ In 2019, the PA Department of Education – at the request of Governor Wolf – began charging charter schools a fee every time they submitted a redirection request, claiming that the burden of processing 14,000 requests every year was unsustainable
 - ▶ A group of public charter schools took the Department to court and a judge ruled that the Wolf Administration did not have the authority to charge charter schools for a service that the law mandates
 - ▶ As a result of this ruling, Wolf is proposing to institute this via a change to the Charter School Law as part of his charter “reform” proposal

Gov. Wolf's Charter "Reform" Proposal

Wolf's **\$229 million** in "savings" for school districts are actually direct funding cuts to public charter school students

- ▶ **\$99 million** from charter students receiving special education services by running 100% of special education funds from the state through the Special Education Funding Formula
 - ▶ Note: only new money is sent through this formula for school districts - about 14% of special education funds - because they have a hold-harmless provision
 - ▶ This would mean a **30% cut statewide** to special education students in charter schools and a **50% cut in special education funding for charter students in Philadelphia**
- ▶ **\$130 million** from cyber charter students by imposing a flat, statewide tuition rate for cyber charter schools
 - ▶ The rate that Wolf chose is arbitrary and does not reflect the true cost to provide a comprehensive cyber charter education
 - ▶ A flat rate is inequitable to families who pay property taxes and expect that these dollars flow to the public schools that they have chosen for their children

Gov. Wolf's Charter "Reform" Proposal

- ▶ Wolf's proposal to limit enrollment at cyber charters is tone-deaf during a pandemic when families have flocked to public cyber charter schools
- ▶ Wolf's charter proposal calls for greater control over public charter schools but his administration fails to utilize the accountability measures they already have
 - ▶ Wolf's Administration has 100% oversight over PA's 14 cyber charter schools as the PA Department of Education serves as their authorizer
 - ▶ 11 of the 14 cyber charter schools are operating with expired charter agreements because PDE refuses to act on their paperwork - - one cyber has been asking for their renewal for 10 years
- ▶ Also within Wolf's power is to nominate individuals to the Charter Appeal Board (CAB) but he has refused to make any nominations in the 6 years he has been in office
 - ▶ All five of the current appointees are serving under expired terms (some expired back in 2015) and one seat is currently vacant

Comprehensive Reform Supported By PA's Public Charter School Community

- ▶ No funding cuts for any public school students - charter and district
- ▶ Standardizing the charter application, enrollment, approval, renewal and amendment processes to ensure fair and equitable treatment by charter school authorizers
 - ▶ Adding language into the law that prescribes timelines and expectations for both charters and authorizers, and avenues for charters if these standards are not met so they aren't waiting years for action by their authorizer
 - ▶ Approaching independent authorizers as a viable option for school districts that have a history of failing to meet their requirements under the Charter School Law
 - ▶ Shifting to an independent, regional authorizing system for brick-and-mortar charter schools

Comprehensive Reform Supported By PA's Public Charter School Community

- ▶ Direct pay for all public charter schools
 - ▶ There are about **125 school districts** in PA that refuse to pay charter schools directly, forcing charters to go through a lengthy process to get their funding redirected from the PA Department of Education
 - ▶ Ensuring that public charter schools are not charged a fee from the PA Department of Education to retrieve the tuition payments they are owed
- ▶ Shifting the power to nominate individuals to the Charter Appeal Board (CAB) from the governor if he/she fails to act within a reasonable amount of time
- ▶ Dual enrollment for charter school students
- ▶ Strengthening accountability and rewarding innovation across all public schools in PA

Important To Note...

- ▶ PA's public charter schools do not receive the same level of facilities funding and often cannot afford to purchase a school building
 - ▶ Instead, they are forced into costly leases due to a lack of resources and the uncertainty of whether or not their local districts will decide to make their mandated tuition payments
- ▶ Charter schools are often discriminated against by school districts that are selling unused/unwanted buildings
 - ▶ There are some cases where school districts will take hundreds of thousands of dollars less when selling public property just so they can prevent a charter school from buying a safe, conducive space for their students
- ▶ PA has 29 intermediate units (IU) that provide services to their local school districts at a discount, specifically special education services
 - ▶ The vast majority of PA's publicly-funded IUs refuse to allow charter schools to enter into contracts for their services
 - ▶ This forces charter schools to expend resources at a premium, when their local districts get these same services at a discount

Important To Note...

- ▶ School districts have amassed over **\$4.5 billion** in unreserved fund balances
- ▶ The Pennsylvania Association of School Business Officials (PASBO) estimated that school districts will pay an additional \$475 million in charter school tuition this year and claim that this “cost” will eat up all of their federal stimulus funding
 - ▶ The truth is that PA school districts received more than **\$6.1 billion** in extra funding from the federal government this past year
- ▶ School district leaders like to blame charter school “costs” on the reason why they are “forced” to raise property taxes. **This is false.**
 - ▶ The largest cost-driver for school districts (after personnel salaries and benefits) is pension costs
 - ▶ School district leaders and their special interest groups would rather use charter school students as the scapegoats for high property taxes than place the blame on educator pensions