Fixing Pennsylvania’s Charter Law

Charter schools are a part of Pennsylvania’s educational landscape and high-quality charter schools have a place in the commonwealth’s public school systems. However, Pennsylvania’s charter school law is deeply flawed and must be fixed to ensure that all children are treated fairly, all schools are adequately funded and communities are able to plan and exercise appropriate fiscal and academic oversight over their community’s public education system(s).

- Pennsylvania must adopt a funding formula which ensures that the funding system matches the system for providing education and that adequately meets the needs of every student.
- Until that time, Pennsylvania must restore the “charter reimbursement” line, cut in 2011, which provided state funding to districts for the costs and financial exposure resulting from the addition of charter schools.
- Communities must be able to negotiate the role of charters locally, including the ability to stop approving new charters or expansions based on academic or financial considerations.

Funding

_Pennsylvania must change the current system for funding charter schools that takes resources from one group of children and gives them to another at the same time that it creates significant additional costs for taxpayers._

- Charter schools receive 100% of their public funding from public school systems. When a student enrolls in a charter school, the student’s home school district makes a tuition payment to the charter school for that child. _PA taxpayers now spend more than $1.4 billion on charter and cyber charter schools tuition bills annually_ in addition to paying to operate all of Pennsylvania’s traditional public schools.
- The current “take from public school Peter to pay for charter school Paul” system drains money from traditional public schools, forcing school districts to cut programs and services for students who remain in the district, at the same time that it creates massive additional costs for local taxpayers.

Special Education Funding

_Pennsylvania law must require that special education funding is spent ONLY on services for children with special needs. It must also eliminate the incentive for charter schools to under-serve the most vulnerable children in the commonwealth._

- Charter schools are not required to use special education funding for special education services, and the current law creates a financial incentive for charter schools to under-serve the commonwealth’s most vulnerable student populations.
- The amount of per student funding charter schools receive is not based on the severity of a student's disability or the cost of services the student requires. The _Education Law Center Study_ demonstrates that charter schools serve high numbers of students with mild disabilities (speech impairments, specific learning disorders), who require less costly services, at the same time that the same charter schools serve low numbers of students with more severe and more costly disabilities (mental retardation, autism, multiple disabilities, etc).
- In 2012-2013 charter schools received more than $350 million in special education revenue from school districts, but _spent just $156 million on services for special needs students_.

Policy in Brief
Access
Charter schools are publicly-funded schools and must provide equal access to ALL students regardless of their disabilities or socioeconomic status.

A June 2014 report by the Center for Rural Pennsylvania revealed troubling findings about student access to PA charter schools and about student academic performance in charter schools.

- The report includes a recommendation that charter schools be more closely scrutinized when it comes to the types and proportions of special needs students they serve as charter schools serve fewer students with severe disabilities than their traditional public school counterparts.
- The report also found that charter schools are promoting de facto patterns of racial and ethnic segregation in schools not because of parental choices, but instead because of factors such as the availability of transportation and subsidized school lunches.

Quality
Charter schools create more than $1 billion in additional costs for taxpayers annually. In order to justify this massive additional education spending, charter schools must provide a higher-quality option for students than the school district schools students leaving.

The Center for Rural Pennsylvania report found, “the available data suggest that students moving from a traditional public school district to a charter school generally move to a school with lower academic performance than the original district.”

Fraud, Abuse and Lack of Transparency
Pennsylvania law must be strengthened to hold accountable and penalize charter school operators that attempt to defraud taxpayers or refuse to comply with Pennsylvania’s Right to Know law.

While many charter schools operate ethically, inadequate oversight and a lax law have allowed a significant number of bad players to siphon millions of taxpayer dollars into their pockets, at the expense of Pennsylvania’s public school children.

- Nick Trombetta, founder of the state’s largest cyber charter school (PA Cyber) has been indicted on multiple charges and is accused of siphoning more than $8 million from the school.
- June Brown went on trial for allegedly defrauding the 4 Philadelphia charter schools that she founded of $6.7 million.
- Recently the eighth Philadelphia charter school official pleaded guilty to federal fraud charges.

Charter management organizations are permitted to spend unlimited taxpayer dollars on advertising, political lobbying, 7-figure CEO salaries and other expenses that are unrelated to educating children. As publicly-funded schools, charter schools are required by law to disclose how they spend taxpayer dollars and what they spend taxpayer dollars on; however many operators have declined to divulge how they spend taxpayer dollars.

- The Executive Director of the Open Records office said that charter schools are "a cancer on the otherwise healthy right-to-know-law."
- The PA Office of Open Records reported receiving 239 appeals in cases in which charter schools either rejected or failed to answer taxpayer right to know requests.

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