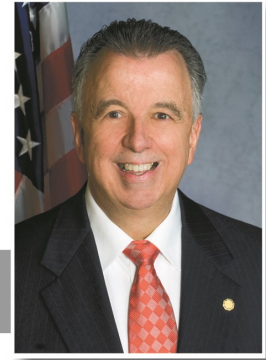


Primer

House Appropriations Committee (D)

JOE MARKOSEK, DEMOCRATIC CHAIRMAN

Updated Jan. 27, 2015



Charter & Cyber Charter Schools in PA

Pennsylvania's first charter school law, known as Act 22, was enacted in 1997 to set rules and regulations for charter schools to operate. This law became **Article XVII-A** of the Public School Code of 1949. **In 2002, Act 88** created a new section of the school code, 1703-A of Article XVII-A, designed to specifically address cyber charter schools.

The Pennsylvania Department of Education (PDE) provides guidance on the implementation of law and policies regarding education through the [basic education circular](#). This circular also includes guidance specifically for charter schools and cyber charter schools. Charter schools were designed to provide innovative educational alternatives for Pennsylvania students. According to the law, charter schools are designed to:

- Improve pupil learning;
- Increase educational opportunities for students;
- Encourage innovative teaching methods;
- Provide varied opportunities for teachers, including responsibility for the educational program;
- Provide parents with educational choices;
- Meet measurable academic standards.

This document provides an overview of charter and cyber charter schools in Pennsylvania.

What Are Charter Schools?

Charter schools are non-profit, public schools designed as an innovative educational alternative to traditional public schools. As such, they are free of many of the mandates governing regular public schools, except mandates and laws related to: nondiscrimination, health, safety, suspension/expulsion of students, academic assessments and federal special education law. Charter schools can be created by a variety of entities, including community members, parents, teachers, business people and non-religious colleges or universities.

There are two main types of charter schools: brick and mortar charter schools, referred to simply as charter schools, and cyber charter schools. Charter schools are authorized by the district's elected school board and are brick and mortar buildings located within the physical boundaries of the authorizing district. A cyber charter school is an alternative type of charter school, authorized by PDE, that uses the Internet or other electronic/digital methods to provide instruction to students.

Charter schools are created and operate under a charter agreement which originates between the local school board and the charter school. For cyber charter schools, this agreement is between PDE and the cyber charter school.

A charter school may be a new school, a conversion of an existing public school, or a regional charter that involves multiple educational entities. [More information on this and how to apply to become a charter school is available on PDE's website.](#)

Two Types of Charter Schools

Brick and mortar refers to charter schools authorized by the local district's elected school board and located within the physical boundaries of the authorizing district.

Cyber refers to cyber charter schools authorized by the PA Department of Education (PDE) and uses the Internet or other electronic/digital methods to provide instruction to students.

How Charter Schools Differ from Regular Public Schools

Although charter and cyber charter schools are public schools that are subject to many of the same state regulations, there are areas where charter and cyber charter schools differ. These differences for charter and cyber charter schools include, but are not limited to:

- **Teacher evaluations are not required by the state.** In regular public school districts, teachers must be evaluated. Portions of this evaluation are based upon observation and a combination of criteria, including student performance on assessments.
- **No publicly elected school board.**
- **May hire for-profit management companies to run the school.**
- **No independent financial audit required.**
- **No limit on unrestricted fund balances.** Regular public school may only accumulate between 8 percent and 12 percent of funds in unrestricted fund balances.
- **Only 75 percent of teachers must be state certified.** Regular public schools must have 100 percent of teachers state certified.
- **No authority to raise local property taxes.** This is because nearly all funding for charter and cyber charter schools comes from the local school district and is based upon that district's per pupil expenditures.

Enrollment in Charter Schools

When enrolling students, charter schools must give preference to students currently residing in the local authorizing school district. When more students apply than the charter school can accommodate, entry is awarded through a lottery system. Students who do not reside in the local school district may be enrolled in the charter if space is available. Charter schools may also give preference to students with siblings currently attending the charter school.

Charter schools must admit students regardless of any disability and cannot use any method of student selection that would be illegal in a regular public school district. However, charter schools are

permitted to limit enrollment to a particular grade level and/or special area of education such as mathematics, science, etc. Cyber charter schools may enroll students from anywhere in the state.

Currently, there are **162 brick and mortar charter schools and 14 cyber charter schools**. A [complete listing of charter and cyber charter schools is available on PDE's website](#).

Currently, there are approximately 1.75 million public school students in Pennsylvania. Of that, more than 119,000 public school students attend charter and cyber charter schools.

Charter School Funding

By law, the school district of residence is required to pay the tuition of charter and cyber charter school students. This tuition is calculated using the same method for both charter and cyber charter schools. The tuition amount is based upon the district of residence's expenditures of the prior year, less certain costs such as nonpublic school programs, construction and debt service. Payments to charter and cyber charter schools are then increased by a formula for special education students.

One of the expenses included in a school district's calculation of charter school tuition is pension payments. Because this payment also includes the state's portion of the school district's pension cost, an overpayment occurs. Additionally, the state reimburses charter schools for a portion of their pension payments as well. This overpayment is commonly referred to as the pension "double dip". In 2014, Act 126 (the Fiscal Code) ended the state's reimbursement payment to charter schools for their pension costs, saving the state an estimated \$76 million.

The most recently posted data on PDE's website shows the selected expenditures for charter school payments for 2013. **The per pupil payment to charter and cyber charter schools for a regular (non-special education) student, ranges from \$6,400 to \$16,400. The average is about \$9,300 per pupil.**

The per pupil payment range for a special education student is \$12,150 to \$41,600. The average is about \$19,000 per pupil. There is no set tuition rate for an individual charter or cyber charter school; the payment is solely based on what the district of

residence spent the previous year to educate each student. For example, this means that a charter school could receive a payment of \$7,000 for a regular education student from one district, and \$12,000 for a student from another district.

Act 88 of 2002 not only provided regulations for cyber charter schools, but it also authorized state funding to help offset the local school district cost for charter and cyber charter student tuition. This funding was part of PDE's budget and provided payment for up to 30 percent of a district's total cost to pay a student's tuition at a charter or cyber charter school. Some years, additional payments were provided to districts with extraordinarily high charter and cyber charter school enrollments. **In 2010/11, a total of \$220 million was reimbursed to local school districts to help offset costs for students attending charter and cyber charter schools.** The highest reimbursement levels were reached in 2008/09 and 2009/10 with payments each year of \$227 million. However, **reimbursements to local school districts were eliminated in Gov. Corbett's first budget in 2011/12.**

Charter School Performance

Charter and cyber charter school students (along with school districts students) are required to participate in state assessments, which include the PSSA exams, Keystone Exams or other measures. The scores and other performance data are posted on the Pennsylvania School Performance Profile website: <http://paschoolperformance.org/>.

In 2013, Pennsylvania applied for and was granted a waiver from the requirements of the federal No Child left Behind (NCLB) law. As such, measuring school entities in terms of Adequate Yearly Progress (AYP) is no longer required. Instead, Pennsylvania is required to use other measures to assess school performance. These measures include test scores, participation rate, graduation rate and others.

Based upon PDE's most recently available school performance profile data (2012/13):

- 82 percent of school districts scored above 70 percent;

- 43 percent of charter schools scored above 70 percent; and
- No cyber charter schools scored above 70 percent.

Comparing Charters & Traditional Public Schools

An April 2011 study published by Stanford University's Center for Research on Educational Outcomes (CREDO) looked at the academic achievement of Pennsylvania charter schools between 2007 and 2010. The results were:

- In reading, 30 percent of charter schools scored significantly better than traditional public schools, 30 percent had no significant difference, and 39 percent scored significantly worse.
- In math, 25 percent of charter schools scored significantly better than traditional public schools, 28 percent had no significant difference, and 46 percent scored significantly worse.
- 100 percent of cyber charter schools scored significantly lower on both reading and math than traditional public schools.
- Elementary school students enrolled in charter schools performed better in math and reading than traditional public school students.
- Middle school and multi-level charter students performed worse in math and reading than traditional public school students.
- Hispanic students scored significantly lower in both reading and math in charter schools.
- Black students enrolled in charter schools scored significantly lower in math, but approximately the same as traditional public school students in reading.

The full study, along with a 2013 study of charter schools in 27 states, is available online at: <http://credo.stanford.edu/research-reports.html>.

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