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## **Gov. Wolf Unveils Bipartisan Charter School Accountability Plan to Protect All Students and Taxpayers**

*Holds low-performing charter schools accountable to improve educational quality*

*Protects taxpayers by saving \$229 million a year*

*Increases transparency of for-profit companies that run many charter schools*

**Harrisburg, PA** – The urgent need to hold charter schools and cyber charter schools accountable has increased as enrollment and taxpayer costs have swelled during the COVID-19 pandemic. Governor Tom Wolf today unveiled a common sense and fair bipartisan plan that protects students, parents and taxpayers. The plan holds low-performing charter schools accountable to improve the quality of education, protects taxpayers by reining in skyrocketing charter school costs and increases the transparency of for-profit companies that run many charter schools.

“Every child in Pennsylvania deserves a high-quality education that prepares them to succeed in life, but our current law lets some charter schools perform poorly at the expense of students enrolled in traditional district schools,” said Gov. Wolf. “The pandemic has made the problem worse as charter school enrollment has increased. We must hold charters accountable to students, parents and taxpayers. Anything less should be unacceptable.”

The state’s flawed and outdated charter school law is regarded as one of the worst in the nation. The uncontrolled cost of charter schools is draining funding from traditional neighborhood public schools, forcing school districts to cut educational programs and hike local property taxes.

Last year, taxpayers spent \$2.1 billion on charter schools, including more than \$600 million on cyber schools. This year, the burden on taxpayers will increase by more than \$400 million. Between 2013 and 2019, 44 cents of every \$1 of new property taxes went to charter schools, according to the Pennsylvania Association of School Business Officials.

The governor’s common-sense plan to fix Pennsylvania’s broken charter school law will control rising costs and ensure all students are treated fairly:

### **Protect taxpayers and save school districts \$229 million a year**

The governor’s bipartisan proposal saves school districts more than \$229 million a year by better aligning charter school funding to their actual costs so school districts are not forced to overpay.

- **Saves \$99 million a year by applying the special education funding formula** for traditional public schools to charter schools as recommended by the Bipartisan Special Education Funding Commission. The current flawed process requires school districts to pay charter schools using the outdated assumption that 16 percent of students get special education. As a result, some charters are vastly overpaid for services they do not provide, leaving special education students in school districts and other charter schools with less funding.
- **Saves \$130 million a year with a single per student tuition rate that school districts pay cyber schools.** Providing an online education costs the same regardless of where the student lives, but cyber schools charge school districts between \$9,170 and \$22,300 per student, while Intermediate Units only charge \$5,400 per online student. Establishing a single statewide rate ensures that school districts are not charged more than \$9,500 per regular education student, reflecting the actual cost of an online education by higher performing cyber schools.

### **Protect students by holding low-performing charter schools accountable**

Governor Wolf helped establish a charter school in York County and is a longtime supporter of school choice, but real choice means quality learning. While some charter schools provide a great education, many charters, especially cyber charter schools, have poor educational outcomes. The plan ensures charter schools are providing students with a quality education.

- **Creates charter school performance standards** that hold low-performing charter schools accountable and reward high-performing charters with more flexibility.
- **Limits cyber school enrollment until their educational quality improves.** All 14 cyber schools in Pennsylvania are designated for federal school improvement, with the vast majority among the lowest 5 percent of public schools. A [Stanford University report](#) released in 2019 found overwhelming negative results from Pennsylvania's cyber schools and urged reform by the state.

### **Protect public trust by making for-profit charter school companies accountable to taxpayers**

Despite costing taxpayers more than \$2 billion a year, charter schools have little public oversight and no publicly elected school board. For-profit companies that manage many charter schools are not required to have independent financial audits.

The governor's plan increases transparency to restore the public's trust in charter schools by holding the for-profit companies that manage many of the schools to the same financial and ethical standards as school districts.

- **Require charter schools to have policies to prevent nepotism and conflicts of interest** so leaders do not use charter schools for their own financial benefit.
- **Ensure charter schools and their leaders follow requirements of the State Ethics Commission**, since they are public officials.

The governor was joined for a press conference by Sen. Lindsey Williams and Rep. Joe Ciresi, State College Area School District Superintendent Dr. Robert O'Donnell and Bellefonte Area School District Board member Donna Smith. Sens. Williams and Jim Brewster are the prime sponsors of SB 27, and Rep. Ciresi is the prime sponsor of HB 272.

“We owe it to our students, families, teachers, and taxpayers to fix a broken and out-of-date 25-year-old charter school law, with issues I’ve seen over 12 years as a school board member,” said Rep. Joe Ciresi. “This comprehensive, bipartisan reform bill guards against conflicts of interests and ensures transparency for entities that use taxpayer money, provides standards to hold low-performing schools accountable, and aligns charter school funding to the actual cost of educating students to save a quarter billion dollars a year while preserving school choice.”

“School districts have been struggling with rising charter school costs for years,” said Sen. Lindsey Williams. “They have been passing these costs on to students by cutting services or not expanding programs such as career and technical education or not hiring more school counselors. And they have been passing these costs on to taxpayers by raising local property taxes. Charter school reform is long overdue for students and taxpayers.”

Superintendent O'Donnell added, “The challenges of the current charter law primarily surround funding, accountability and oversight. Eleven school districts in our region, including 99 board members, believe that a change is necessary. We hope that state legislators will come together and pass legislation that improves the law and benefits students, taxpayers and communities.

The governor is also directing the Department of Education to review how some cyber schools spent their federal emergency CARES Act funds to ensure the schools followed federal laws and regulations. House Democratic Leader Joanna McCClinton, Democratic Appropriations Chairman Matt Bradford and Rep. Joe Ciresi asked the Wolf Administration to examine the cyber schools’ spending after media reports on the issue.

“I am pleased to have many partners in the legislature who are raising concerns about charter school management and looking for ways to fix our broken charter school law,” said Gov. Wolf. “Now is the time to act, and I hope to see a bill with concrete, sustainable changes to the charter school law come to my desk this year.”

**MEDIA CONTACT:** Lyndsay Kensinger, [ra-gvgovpress@pa.gov](mailto:ra-gvgovpress@pa.gov)

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