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Department of Education, Northeast Pa. Legislators, and School Leaders Urge Action on Charter School Accountability, Reform

*Bipartisan legislation holds low-performing charter schools accountable,
Protects taxpayers by saving from rising charter school costs,
Increases transparency of for-profit companies that run many charter schools.*

Harrisburg, PA – Pennsylvania Department of Education (PDE) Acting Secretary Noe Ortega joined State Representative Marty Flynn, North Pocono School District Superintendent Brian McGraw, and Shenandoah Valley School District Superintendent Brian Waite for a media-only virtual press conference to discuss bipartisan legislation to hold charter schools accountable to students and taxpayers.

“Students across the commonwealth deserve a quality education that prepares them for their future endeavors,” said Acting Secretary Noe Ortega. “To ensure the continued mission of high-quality learning in PA, we must hold our public schools accountable for their educational outcomes and subject to fair, predictable funding structures and standards.”

The pandemic has increased the urgency for legislative action as charter school and cyber school taxpayer costs and enrollment have soared. Legislation has been circulated in the general assembly to protect taxpayers by reining in skyrocketing charter school costs, holds low-performing charter schools accountable to improve the quality of education, and increase the transparency of for-profit companies that run many charter schools.

In February, Governor Wolf unveiled common sense and fair bipartisan charter school accountability reform. The plan preserves school choice by fixing Pennsylvania’s outdated charter school law that is regarded as the worst in the country.

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. The uncontrolled cost of charter schools can cause school districts to cut educational programs and raise local property taxes.

“The Governor’s plan restores trust by holding charter school operators to the same financial and ethical standards as our public school district leaders. The proposal aligns charter school funding with actual costs, establishes a statewide cyber school tuition rate, holds low-performing charter schools accountable, and requires for-profit charter school management companies to be transparent,” said State Representative Marty Flynn. “Currently these Charter schools represent approximately 6% of all public schools statewide - but account for roughly 25% of the lowest performing schools in the state. The reality is that Charter schools receive funding from taxpayer-based revenue, and as such, ARE public schools. Therefore, all charter schools must be held accountable to parents and taxpayers in the same way as traditional public schools.”

The bipartisan plan would fix the state's charter school law to control rising costs and ensure all students and public schools are treated fairly:

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

School districts would save money by better aligning charter school funding to their actual costs.

- 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 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

- 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 amongst the lowest five 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.

- 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 official.

"We are thankful for Governor Wolf for recognizing the need for charter school reform," said North Pocono School District Superintendent Brian McGraw. "As districts struggle to balance budgets, the inequities of charter school costs continue to burden taxpayers."

"Charter school reform may seem dry. But practically speaking, what charter school funding reform means is the ability to provide more of our students some of the resources they need. As an underfunded district, the impact of funding reform for schools in Pennsylvania, including charter school funding reform, is paramount to the Shenandoah Valley School District's ability to provide sustained programming for all our students," said Shenandoah Valley School District Superintendent Brian Waite. "Funding equals staff, programming, technology, and facilities

maintenance. The need to address the disparities in funding formula has only been heightened by the pandemic. Without funding reform, the ability for the Shenandoah Valley School District to provide services for students attending traditional schools like ours will continue to be marginalized due to the underfunding.”

For more information on Governor Wolf’s proposed 2021-22 budget specific to education, visit www.budget.pa.gov.

For more information about Pennsylvania’s education policies and programs, please visit the Department of Education’s website at www.education.pa.gov or follow PDE on [Facebook](#), [Twitter](#), or [Pinterest](#).

MEDIA CONTACT: Kendall Alexander, kenalexand@pa.gov

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