

Governor Wolf's Comprehensive Charter Reform Package

Pennsylvania's charter school sector, encompassing both brick-and-mortar and cyber charter schools, is at a crisis point. While the intent of the 1997 Charter School Law was to establish independent public schools with greater flexibility to support innovation and partnership in Pennsylvania's public education system, many charters have strayed from this original purpose and engage in questionable operational practices resulting in poor academic performance. Meanwhile, charter-related costs are one of the most significant drivers of annual local property tax increases. For the most recent fiscal year, Pennsylvania taxpayers contributed more than \$1.8 billion in charter school tuition payments.

For more than 20 years, the General Assembly has failed to enact policies to address the poor academic performance, ethical concerns, and rapidly growing costs of charters to Pennsylvania's public education system. Governor Wolf is acting to ensure all Pennsylvania students have access to the best education possible to build the strongest workforce in the nation. The Governor's proposal promotes innovation and choice, while ensuring that charter schools are providing a high-quality education and meeting the same standards Pennsylvanians expect from traditional public schools.

Comprehensive Charter School Reform

Governor Wolf is taking executive action and overhauling regulations on charter schools to strengthen accountability for taxpayers and improve outcomes for students. The governor will also propose comprehensive legislation in the near future to overhaul Pennsylvania's charter school law that experts have called one of the most unfair in the nation.

EXECUTIVE ACTIONS

Governor Wolf is tasking the Department of Education (PDE) with developing regulations to achieve the following:

Access to High-Quality Education for All Students

- Allow school districts to limit student enrollment at charters that do not provide a high-quality, equitable education to students.
- Require transparent charter school admission and enrollment policies that do not discriminate based on intellectual or athletic ability, race/ethnicity, gender, or disability, among other student characteristics.

Transparency and Accountability for All School Leadership

- Hold charter schools and their operators to the same transparency standards as school districts because they are public schools and receive more than \$1.8 billion in state and property tax dollars annually.
- Require that charter school Board of Trustees and operating companies— like school district School Boards – are free from conflicts of interest and prohibit them from making decisions that provide a financial benefit to themselves, friends, and/or family members.
- Require charter schools to use sound fiscal management, provide regular financial audits to state regulators, publicly bid contracts for supplies and services, use fair contracting practices, and engage their communities.
- Provide greater oversight over charter school management companies, the businesses that often profit at the expense of Pennsylvania students and families.

- Establish a model state application to start a new charter school or renew an existing charter school that provides school districts with comprehensive information on how the school will be run and allow for rigorous analysis.

Fair and Predictable Funding for All Public Schools

- Establish a clear process that requires charters to accurately document their costs.
- Prevent charters from over-charging districts and taxpayers for the educational services they provide.

Protect Taxpayers from the State Costs to Implement the Charter School Law

In another executive action, Governor Wolf has instructed the Department of Education to establish a fee-for-service model to assess fees on charter schools to recoup the staff costs associated with administering the charter school law.

Every year, the PA Department of Education (PDE) spends thousands of hours reviewing charter school applications, processing millions of dollars in payments to charter schools, and providing legal and administrative support to the state Charter Appeal Board. The General Assembly does not appropriate enough resources to support the department's work on charters, especially as the costs to implement and provide oversight of the charter school law have grown exponentially.

COMPREHENSIVE CHARTER SCHOOL REFORM LEGISLATION

Governor Wolf will propose comprehensive charter school reform legislation with the regulatory changes and will also include:

- Establishing performance standards that hold charter schools accountable for the educational outcomes of students.
- Establishing a moratorium on new cyber charter schools and cap student enrollment in low performing cyber charter schools until outcomes improve.
- Requiring charter management companies be subject to the Right to Know Act, State Ethics Act, and post employee salaries on PDE's website, similar to requirements already in place for public school districts.
- Creating fair, predictable, and equitable funding for school districts, including in the areas of special education funding and cyber charter tuition payments.
- Establishing a charter school funding commission to make recommendations on additional charter school funding reforms.