

The Need for Charter Reform (HBs 355, 356, 357 and 358)

HB 355 (Rep. Reese) – Strengthens and clarifies ethic requirements for charter schools.

The Need – Given the crucial role that charter schools play in the educational sphere in Pennsylvania and given the number of students they currently serve, it is extremely important to ensure that all charter schools are being held to the highest standards. HB 355, sponsored by Rep. Reese, will codify ethic and transparency requirements for charter schools, their administrators and board of trustees making them subject to the Ethics Act.

HB 356 (Rep. Dowling) – Allows charter schools the opportunity to purchase/lease unused school district buildings before they are put up for sale to the general public; ensures that charter schools can operate in more than one building (as is consistent with case law); and allows cyber charter students the ability to take their standardized tests in a school district or intermediate unit (IU) facility.

The Need –

Right of First Refusal: School buildings are uniquely designed to create a safe learning environment for students, unfortunately for new brick-and-mortar charter schools the cost to build a school is too great and are often forced to retrofit existing buildings (churches, warehouses or office buildings) to meet the needs of their students. Especially in cities like Philadelphia and Pittsburgh, where the demand for charter schools is growing and the districts have unused school buildings, it only makes sense that charter schools are offered the opportunity to purchase or lease these buildings before they are put on the market for the general public. Unfortunately, school districts are systematically refusing to sell charter schools buildings no longer being used by the districts. Furthermore, there is a pattern and practice of school districts selling buildings to other organizations for lower amounts than the charter schools are offering. This is a violation of state law. School districts are public entities, not private companies. They have a legal mandate to get the most money for taxpayers and cannot legally discriminate against other public entities.

- **Example** – A school district has been found by the Commonwealth Court to have "erred and abused its discretion" by selling a vacant school building to an internet company instead of a charter school, losing over \$800,000 for the district. In addition to the lost revenue for the district, the legal costs to the public are in excess of \$200,000. That's \$1 million taxpayer dollars not going into anything designed to help students.
- **Example** – A school district sold a vacant building to a moving company for \$350,000 rather than to a charter school offering \$620,000 - costing their taxpayers \$270,000.
- **Example** – A district took an offer of \$1.9 million on a closed building rather than the offer of \$2.1 million from a charter school, costing its taxpayers \$200,000. That same district criticized the charter for having an unassigned fund balance for future facilities yet blocked the charter's attempt to lease another building

based on the charter having an "unacceptable reserve." (Note, this is a charter school with an SPP score of 92.9.)

- Example – A charter school has expanded three times in the past seven years to meet parental demand. But because the charter receives no facilities money from the district or state, they have been forced to direct money that should be spent educating students to facilities leasing.
- Example – Four years ago, a school district approved the creation of a new charter school. However, because the charter has been unable to lease or purchase any property, including one building the district sold to a lower bidder, the charter has not opened and is serving no children.

Testing Facilities: Cyber charter school students, just like their peers in district schools, are required to take the Pennsylvania System of School Assessment (PSSAs) and the Keystone Exams but, due to the nature of these exams, they must take these tests in the presence of a designated testing administrator and adhere to the testing guidelines put out by the PA Department of Education. Cyber charters educate students from every corner of the Commonwealth, making the physical testing requirements extremely expensive for charter operators (nearly \$1 million was spent last year by a cyber charter to rent testing facilities), and burdensome for parents and students who may have to drive several hours over the course of a week to and from a testing facility. Rep. Dowling's bill would require school districts, IUs and PASSHE schools to allow cyber charter students access to their facilities for the administration of standardized tests (these entities would be allowed to charge a fee for the use of their space).

- Example – Charters must secure and pay full time testing administrators to manage the administration of the exams
- Example – Charters must pay for the travel and lodging expenses that their teachers incur when traveling great distances to testing sites for 3 to 5 days.
- Example – One cyber charter spent nearly \$1 million last year in costs associated with the renting of several testing facilities throughout the state.

HB 357 (Rep. Topper) – Establishes and clarifies the process for charter applications, renewals, and amendments; creates a uniform charter application and enrollment application; and ensures transparency in the charter school enrollment process.

The Need –

Uniform Charter Application: Due to the charter school authorizing structure in Pennsylvania (brick-and-mortars are authorized by their local school district and cybers are authorized by the PA Department of Education), there is the possibility for 500+ different charter school applications in use across the state that vary greatly depending on the authorizing district. In order to ensure that every new charter school is held to the same high standards, Rep. Topper's bill would require the PA Department of Education to create a single charter school application that must be used by every authorizer, which would eliminate the overly burdensome applications currently used by some districts to dissuade community-based and independent charters from forming due to the huge price tag.

- Example – Districts throughout the state are developing their own separate charter applications which deviate from the PA Department of Education's exemplar application and which deviate from the requirements of PA's Charter

School Law. Charter applicants are then denied because the application is missing elements that the district required.

- Example – Districts are developing policies regarding their own requirements for the submission of charter applications, including the number of physical copies (often with the requirement that the applicant file a copy for each school board member and administration). For context, a charter application is usually over 100 pages long and the appendices can mean the submission is at least 1,000 pages. Districts have been known to deny submissions delivered by electronic means or by “flash-drive.”
- Example – The PA Department of Education has not updated its standard application since 2015 and contains a mistake. It states that brick-and-mortar charter school applicants must provide an enrollment compliance item, which is only required for cyber charter schools under the Charter School Law.

Term and Form of Charter Renewal: Every five years a charter school must undergo a process to seek a renewal from their authorizer, however the requirements and timeline of this process is not outlined in the Charter School Law. This omission in the law has allowed charter authorizers to delay renewals, forcing schools to operate under expired charters for months or years at a time. Implications that can arise from delayed renewals include:

- Difficulty obtaining lines of credit or other financing, and insurance policies.
- Potential landlords are hesitant to engage in long-term agreements due to the uncertainty surrounding the renewal process, making it difficult to rent space.
- Charter school teachers and support staff feel insecure about the fate of their jobs and the uncertainty has negatively affected retention rates for educators.
- Families and students feel anxiety about the unknown fate of their schools.

Amendments: Over time, a charter school may find the need to amend their original charter agreement (to change locations to accommodate for more students or expand the grades they serve due to increased parent demand) but there is currently nothing outlined in the Charter School Law to allow for an amendment process. Unfortunately, school districts have exploited this gap in the law to manipulate charters into signing unfavorable operating agreements or holding charters hostage in drawn-out amendment processes.

- Example – A charter school which was operating out of three locations due to the size of their school requested an amendment to consolidate school operations into one site. The amendment was denied even though the operator submitted evidence to the district that its existing buildings were in significant disrepair and were causing significant expenses to the charter school. When the charter resubmitted their amendment this year, the district did not place the request on its list of consideration until April, which was after the time that the charter school had to give notice to its landlords to renew/non-renew and/or triggered the lease expiration date. When the district finally brought the amendment up for a vote, the school board delayed the vote on the amendment “indefinitely.”
- Example – A charter school, which operated an existing high school, requested an amendment to add middle school grades. It was awarded a sixth grade, with instructions to re-apply for the additional grades so that the district could assess the progress of the school to gauge whether to award the additional grades.

The charter school declined the offer since there was no guarantee that the district would award such grades since any testing results would not be released until the conclusion of the school year – leaving the entering sixth grade students stranded.

- Example – A charter school requested an amendment to start a small specialized program for disadvantaged students. The district awarded the school additional students but was silent on the approval on the program. The charter school was required to file a charter application for a separate charter school for its program at considerable cost and loss of economy of scale.

HB 358 (Rep. Marshall) – Allows charter school students the opportunity to participate in dual enrollment programs at institutions of higher education, just like their peers in district schools.

The Need – Charter schools (both cyber and brick-and-mortar) are public schools, and the students who have chosen to attend these entities deserve the same educational and extracurricular opportunities afforded to their peers in district schools. Currently, students in district schools are permitted (by state law) to take part in dual enrollment programs with higher education institutions, in which they can take college-level courses. However, current law does not allow a charter school (cyber or brick-and-mortar) or a vocational-technical school to enter into a dual enrollment agreement with a higher education institution. Rep. Marshall's bill would correct this inequity and provide students in charter schools the same dual enrollment opportunities as their district peers.