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Analysis of Proposed Reforms to Pennsylvania’s Charter School Law:
House Bill 1330 and Senate Bill 1115 | October 2012

The Law Center believes that important reforms are needed for Pennsylvania’s system of charter schools. However, it is important to note that the legislative process for charter school reform has headed down the wrong path. A massive and controversial rewrite of the existing charter school law with very little public input has been tacked on as an amendment to HB 1330 and SB 1115 — special education bills that have been publicly vetted for years and received unanimous support in both the House and Senate. These important special education bills are now being used by legislators looking for a vehicle to rush charter school law changes through the General Assembly. For these reasons and the reasons below, the charter legislation should be removed these bills.

The analysis that follows deals with ELC’s specific concerns about the charter school law amendments that have been added to the special education legislation.

These amendments before both chambers of the General Assembly would significantly alter existing Pennsylvania charter school law. Both versions pave the way for unfettered expansion of charter schools throughout the state and reductions in local accountability and control. There are some differences, however. This fact sheet highlights some of the most important changes to current charter school law that have been added to both HB 1330 and SB 1115. In general, the additions to the Senate bill would allow more unrestricted expansion of charters and greater loss in local control.

Charter Authorizer: Under the current law, only local school districts have the power to grant a charter to make a new charter school. Local school districts also decide whether to renew or revoke charters.

- Language in the proposed Senate bill would establish a State Charter School Entities Board. At a charter school's choosing, this state Board would also become the authorizer of charters. This Board would be comprised only of members appointed by the governor, but it would have the authority to make decisions about the creation of charter schools throughout the Commonwealth. In addition, a charter school applicant who applied and was denied a charter by the local school district would have the option of appealing the decision to the state Board, which would have *de novo* review of any decision.
 - What This Means: A charter school applicant would have the chance to choose whether it wants the state Board or the local school district to be its authorizer, thus potentially creating a race to see who will be the most lenient authorizer of charter schools. Communities will lose local control over the creation and expansion of charter schools.

- The House bill leaves school districts as the exclusive charter authorizers.

Length of a Charter Grant: The current law allows school districts the option of initially authorizing a charter school for no less than three years and no more than five years. When a charter is up for renewal, the current law allows the school district to grant a minimum renewal period of one year and a maximum renewal period of five years. Shorter charters and more frequent reauthorization decisions ensure a higher level of accountability for charter schools.

- Both new bills prohibit an initial authorization of any charter for any length of time less than five years and require that any charter renewal be for at least ten years.
 - What This Means: Lengthening the duration of initial charters and doubling the length of a charter renewal could significantly reduce accountability for charter schools, since underperforming charters will be able to stay open for longer periods of time without a defined opportunity for charter revocation.

Enrollment Caps: Limits on the power of districts to cap charter enrollment have recently been added to the charter school law, but the current law still allows an authorizing school district and a charter school to agree on a cap of the number of students who may enroll.

- Both versions of the proposed legislation completely strike the provision providing for an agreed limit on the number of students. This elimination of enrollment caps would also be retroactive under the legislation to include existing charter agreements, nullifying dozens of enrollment caps already negotiated throughout the state.

- What This Means: Removing *all* caps on student enrollment would permit unlimited expansion of *every* charter school—regardless of whether the school is providing all students with a quality education. Quite simply there are dozens of poorly operated charter schools that should not be permitted to expand. Under this bill, those schools could grow as large as they want, at taxpayer and local school district expense.

Funding: Under the current law, districts pay charter schools based on a formula that includes a per pupil amount, minus certain program allocations, including transportation and facilities maintenance. Questions have been raised about the fairness of the charter funding formula, both by districts and charter entities.

- Neither of the proposed bills addresses existing challenges related to charter school financing, but both create an advisory funding commission or committee. The committee members will be appointed by the governor, the state Department of Education, and state legislators. They will be tasked with researching and issuing a report on the powers and duties of charter schools related to financing and charter school funding formulas.
 - What This Means: From a district perspective, charter schools will continue to get overpaid for children with disabilities. Cyber charters will continue to be overpaid, despite operating without the costs of maintaining a building. From the perspective of charter schools, their funding allocations will continue to be subject to excessive district control. These issues should be resolved *before* charter expansion, not after.

Conflicts of Interest: The current charter school law does not specifically prohibit certain conflicts of interest involving charter school administrators and members of the board of trustees of a charter school.

- Both the House and the Senate legislation prohibit immediate family members of a charter school administrator from serving as a voting member of the board of trustees of that charter schools. Both also prohibit conflicts of interest for administrators participating in the selection of contracts and subjects them to criminal penalties for violations of the prohibition. In addition, both bills prevent charter school board members from voting if they or an immediate family member is employed by the authorizing district.
 - What this Means: These changes would reduce some of the worst abuses in charter school management practices, which have led to repeated problems with

financial and programmatic oversight. Additional changes are also needed but are not addressed in the pending legislation, including prohibiting elected officials from serving on charter Boards of Trustees or other involvement with charters and expanding the conflict provisions to apply more widely to all family members.

- The Senate bill would exempt records of vendors of charter schools from being accessible to the public under the state’s Right-to-Know Law.
 - What this Means: This change could prevent the public from knowing what financial relationship charters have with private vendors, who might also be connected to the administration or Board of a charter.

Public School Model and Innovation: The current charter school law requires that charter school applicants demonstrate on their application for authorization “the extent to which the charter may serve as a model for other public schools.”

- Both pieces of proposed legislation remove the requirement that a charter school demonstrate how it would serve as an innovative model for traditional public schools.
 - What This Means: Removing any application requirement means that it will be easier for charter applicants to receive charters even when they propose nothing innovative and that there will likely be increasing numbers of charter schools. The original purpose of charter schools was to encourage educational innovation and choice, but by striking the requirement that charter schools serve as models of innovation for traditional public schools, this legislation allows charter schools to simply replicate traditional public schools.

Text of the bills: [HB 1330](#) and [SB 1115](#)

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