

Governor Wolf's Charter School Reform Talking Points

Top Messages

- Every student deserves an effective education that prepares them for success in life, whether from a traditional public school or a charter school.
- But the state's flawed and outdated charter school law is failing children, parents, and taxpayers. The law must be fixed.
 - Because the 25-year-old law is antiquated, the cost of charter schools to taxpayers is skyrocketing, which is draining funding from traditional public school classrooms and causing staff reductions, program cuts, and property tax increases.
 - While costs to taxpayers go up, too many charter schools are underperforming, and many students are getting left behind.
 - Governor Tom Wolf has a common-sense plan to fix the charter school law that preserves school choice, saves school districts **\$229 million a year**, and puts students first.
 - 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.
 - Charter schools are public schools. Therefore, all charter schools must be held accountable to parents and taxpayers in the same way as traditional public schools.
 - During the pandemic, many families have turned to cyber charter schools, creating greater urgency to act and ensure that all students are receiving a quality education. We cannot wait any longer.
 - Education stakeholders support the Governor's reform plan because they understand that further delay hurts kids, parents, families, and taxpayers.

Part 1:

Save school districts over \$229 million a year and protect taxpayers by aligning charter school funding to actual costs.

- The antiquated charter school law is draining funding from traditional public schools, forcing cuts to core programs and driving up property taxes.
- In 2019, taxpayers spent \$1.8 billion on charter schools, including more than \$500 million on only 14 cyber schools. In 2021, taxpayers can expect to pay \$3 billion for charter schools.
- In fact, within the next year, \$1 in every \$5 paid in local property taxes will go to charter school costs.

THE GOVERNOR'S PLAN saves taxpayers over **\$229 million a year** by funding special education at charter schools the same way the state does for traditional public schools and establishing a statewide cyber charter tuition rate.

Align special education funding to actual costs, as school districts already do.

- Unlike special education funding for school districts, special education funding for charter schools is not currently based on need or actual costs. Instead, funding is based on the outdated, simplistic assumption that 16% of all students receive special education services.
- Because per-pupil payments to charter schools reflect services delivered by other providers, to other students, the system generates incredible inconsistencies – from \$16,600 to nearly \$54,000 per student.
- This funding gap means that some charters are vastly overpaid for services they do not provide to their students, while other charter schools are underfunded while serving higher-need students.
- The governor's proposal saves school districts **\$99 million a year** by applying the special education funding formula for traditional public schools to charter schools.
 - The proposal aligns funding with actual costs as recommended by the bipartisan Special Education Funding Commission.
 - And establishes a more nuanced approach to special education funding that helps districts meet the unique needs of each student.

Establish a statewide cyber charter tuition rate

- The payments that school districts make to cyber schools for each student are not capped but are based on the district's own per-pupil costs.
- Taxpayers pay wildly different amounts for students in the same cyber school class.
- There is widespread agreement that the cost of a cyber school education should be the same regardless of where a student lives.
- The 14 cyber charter schools in Pennsylvania charge school districts between an estimated \$9,170 and \$22,300 per student per year.
- However, an online education provided by a school district is around \$5,400 per student per year.
- The differences between these rates are paid by taxpayers, to the benefit of private, for-profit cyber charter management companies.
- The governor's proposal saves school districts **\$130 million a year** by establishing a statewide cyber charter school tuition rate.
 - A statewide rate ensure payments are tied to education quality and actual costs.
 - School districts would pay no more than \$9,500 per regular education student, reflecting the actual cost of providing an online education by the higher performing cyber schools.

Part 2:

Hold low performing charter schools more accountable

- Governor Wolf believes all students deserve a quality education that prepares them for a lifetime of success.
- He is a longtime supporter of school choice and with his wife, Frances, helped establish a charter school in York County. Some charters provide a great education, but too many, including numerous cyber charter schools, are substantially underperforming year after year.

- School choice isn't a reality when the choices diminish students' life prospects. Pennsylvania must fix the law to hold low performing charter schools more accountable.

THE GOVERNOR'S PLAN strengthens accountability for low performing charter and cyber charter schools by creating statewide performance standards and limiting cyber schools from enrolling more students until the quality of their education improves.

Create statewide performance standards for charter schools.

- Charter schools represent 6% of all public schools statewide but account for roughly 25% of the lowest performing schools in the state.
- Standards created by the Pennsylvania State Board of Education will reward high performing charter schools with enhanced flexibility and autonomy and free up resources to improve the performance of low performing charter schools.

Limit cyber schools from enrolling more students until the quality of their education improves.

- As of 2020, all 14 cyber schools in Pennsylvania are designated for Federal school improvement, with most cyber charter schools among the lowest 5% of public schools.
- Many cyber charter schools graduate fewer than two-thirds of their students.
- A 2019 [Stanford University report](#) found overwhelmingly negative results from Pennsylvania's cyber schools and urged reform.
- Postponing the establishment of new cyber schools allows time for existing schools to improve and statewide standards to be created.

PART 3:

Hold for-profit charter school management companies accountable to taxpayers

- Despite costing \$1.8 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 and are held to weaker financial and ethical standards than public school districts.

THE GOVERNOR'S PLAN restores trust by holding charter school operators to the same financial and ethical standards as school district leaders.

Ensure all school operators are held to financial and ethical standards.

- Charter schools will be required to have policies to prevent nepotism and conflicts of interest so leaders do not use charter schools for their own financial benefit.
- Robust financial and ethical standards will prevent conflicts of interest between charter schools, their boards, and private management companies.