



RESPONSE TO PENNSYLVANIA BILL 700: ACCOUNTABILITY REFORMS IN PENNSYLVANIA'S CHARTER SCHOOLS

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Abstract:

In February 2017, a House Bill was introduced in the General Assembly of the Commonwealth of Pennsylvania. This Bill, and future similar bills, seeks to amend the Public School Code, which calls for increases in charter school seats. In this paper, I introduce the story of charter schools and their developments. Then, I discuss the current state of public and charter education in the Commonwealth of Pennsylvania. Finally, I make recommendations for the implementation of such similar Bills. Specifically, charter schools should be held accountable for their finances, for cyber charter school programs, and be diligent in resource sharing with traditional public schools.

Keywords: education reform, charter schools, education law

1. Introduction

On February 28, 2017, Representative Turzai introduced House Bill 700 to the General Assembly of PA.ⁱ The bill proposed additions to the Public School Code, which has been in place since 1949. Among the proposals called for increases and guarantees in charter school seats,ⁱⁱ which is a favorable move for charter schools. On the other hand, this may reduce the funding for traditional public schools, causing other concerns. Therefore, in this paper I explore the implications of this bill, and explore the issues and propositions regarding charter schools.

In this paper, I first introduce the story of the charter schools and success stories as to why they are generally desirable. Then, I explain the proposed bill and the current legislation in PA. I then address some concerns with charter schools and reach the recommendations on how to properly increase charters while holding them accountable

ⁱ P.A. Gen. Assembly House Bill 700. Session of 2017 (2017). Accessed at:

<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2017&sessInd=0&billBody=H&billTyp=B&billNbr=0700&pn=0706>

ⁱⁱ *Id.*

for good performance. These recommendations include: implementing the bill with certain reservations and modification such as requiring accounting and financial reporting, requiring added public disclosure and participation, and accountability for performance, especially of charter schools.

2. The Story of the Success of Charter Schools – Harlem Success Academy

To see some of the benefits as to why charters school works, or are needed in certain communities, we first explore the Harlem Success Academy Charter Schools. Much of the background of the struggle is outlined in the documentary *The Lottery*.ⁱⁱⁱ Harlem is an area of high minority concentration coupled with low performance schools. In fact, according to the film, only 10% of the children read at the corresponding grade school level.^{iv} Due to the underperformance, parents are taking their kids out of these schools with hopes of sending them to higher performing, more promising schools.

This is where the Harlem Success Academy enters into play. The Success Academy in Harlem has made itself desirable due to its higher educational attainments for their students.^v However, the school also faces its own struggles: insufficient slots for students and pushbacks from the community.^{vi} Because of the high demand for enrollment, the school cannot accommodate all the families who exercise their choose in selecting Success Academy as their school of choice.^{vii} In addition, there are also pushback from community members, that the charter schools are taking away the Harlem children from the public school deep rooted in the community and placing them in a new educational (and perhaps cultural) environment.^{viii} To this point, these schools are accepting the local children; they are contributing to the community, not taking away its students or displacing children arbitrarily into these communities.

There is also pushback from powerful lobbyists and teachers' unions. For example, labor unions members who have labor contracts with the public schools do not want competition from the charter schools that may challenge their job security at their schools. This is because in public schools teachers join unions that among other things help them keep their jobs. While there may be performance measures, the union contracts are ultimately safety nets for members in the event of below par job performance. As more schools become Success Charter schools, this may be pushing union teachers out of their jobs and diminishing the roles of unions. According to some sources, out 55,000 teachers in public schools, only 10 were fired in recent times.^{ix} The

ⁱⁱⁱ See the documentary: *The Lottery* (2010). Directed by Madeleine Sackler.

^{iv} *Id.*

^v *Id.*

^{vi} *Id.*

^{vii} *Id.*

^{viii} *Id.*

^{ix} *Id.*

union contracts also limits prep time and lists activities that the members shall not conduct, such as after hours.^x

From these set of facts and perspective, we see that there are certainly benefits to the schools—mainly that they may provide higher performance especially in communities where the traditional public schools are not performing to the standards. On the other hand, we see social and structural [pushback from unions or from the public. In addition, not every charter is successful like the Success Academy. Since these schools are chartered, there should be accountability measures in place to ensure that the high performing schools keep up their performance and those that are not performing are not mismanaging public funds. This discussion is especially key when it involves education, especially education of the nation's youth and the nation's future.

3. The PA Bill

Given these discussions about the benefits and challenges and concerns regarding charter schools, we now turn to recent developments in the home state of PA. In Pennsylvania, the money that is assigned to charter schools has been increasing over time—from \$434 million about 10 years ago to the \$1.26 billion in recent years.^{xi} In the state of PA, the story is even less promising for the public schools because at least in 2010-2011, partial state reimbursements to the districts for their charter school costs were eliminated.^{xii}

With these financial limitations already in place to the districts, we now are faced with the recent House Bill 700, referred to the Committee on Education in February of 2017. The Bill seeks to amend the Public School Code of March 10, 1949 Act, (P.L.30, No.14).^{xiii} Specifically, it seems to add "Section 1717.1-A. Charter School Seats in School Districts of the First Class and First Class A."^{xiv} This means an increase to the number of seats in charter schools in Philadelphia and Harrisburg. According to the proposed Bill: starting from 2017-18 and through 2022, district of first class shall expand charter school seats by 3,000 per year.^{xv} In the first class A district, expansion is about 500 seats per years.^{xvi} Further seats from new charters do not count towards the minimum increases,^{xvii} signifying that the increases are mandatory even despite a natural increase in charter school seats.

^x *Id.*

^{xi} PSBA Position on Charter Reform, Pennsylvania School Boards Association, (2014). Accessed at: <https://www.psba.org/2014/09/psba-position-charter-reform/>.

^{xii} *Id.*

^{xiii} P.A. Gen. Assembly House Bill 700. Session of 2017 (2017), *supra*.

^{xiv} *Id.*

^{xv} *Id.*

^{xvi} *Id.*

^{xvii} *Id.*

4. Public's Financial Commitments to Charters

If the Education Committee does approve the Bill, there will be added capacities to charter schools. This means more funding to them, which may be worrisome to the public for potential lack of financial responsibility.

Charter schools generally receive funding from the public school districts. Districts, in turn, receive most of their funding through local revenue and local property taxes (57.6%).^{xviii} The districts also receive state subsidies, constituting on average 36.3% of their funding.^{xix} For charter schools, most of their funding comes from the district (83.3%).^{xx} It is therefore clear that most of the billions of money spent per year on charter schools are public funds. Because these are public funds, it is inevitable that the public is concerned about the uses for these funds. And because this involves education, there is also understandable concern in general about the accountability when such large sums of money are going to private providers. Therefore, to implement actions proposed by the Bill, we need carefully curtailed requirements as to ensure accountability and that this public fund is going to a well-intended and well deserved use.

5. Recommendations for Implementation

Because of the above-mentioned pros and cons of charter schools, implementation of the Bill may not be necessarily damaging to the public's interests. However, to do so requires careful curtail of regulations in order to ensure these privately owned or managed organizations are manifesting the public's trust. In this section I note some recommendations to ensure well-regulated implementation of expansion of charter school capacity.

5.1 Modify the Seat Increase Provision

As we see from the bill, it calls for an increase of up to 3,000 seats per year in charter schools in key Pennsylvanian cities. Meanwhile, seat increases from new charters do not count towards the 3,000. This means that there will be a guaranteed increase of up to 3,000 seats, regardless of demand or need.

Setting a number regardless of demand is inefficient from a cost perspective. Creating the capacity for 3,000 has financial costs to the district, especially this being in additional to any new charter schools. In instances where there is less demand, yet this capacity is required, there will be economic waste. This waste is particularly dreadful when public resource and educational resources are limited to begin with.

^{xviii} Charter School Revenues, Expenditures, and Transparency, Pennsylvania School Boards Association, At 5. 2016. Accessed at: <https://www.psba.org/wp-content/uploads/2016/08/Charter-School-RtK-08172016.pdf>.

^{xix} *Id.*

^{xx} *Id* at 6.

Therefore, I recommend removing this provision and setting a more adjustable percentage that meets needs and demands. For example, a modified provision may require the district to meet at least 50% of annual seat demands, measured by 50% of the waitlisted students. This will better balance costs and controls with satisfying demands.

5.2 Increased Financial Accountability

Another recommendation regarding this bill is to include a provision with financial accountability standards. As previously mentioned, in recent years the state has spent millions of dollars on charter schools. Since private individuals or groups can apply for charter, it is important to hold them accountable for how the money is spent. Especially if there is an increase (of 3,000 seats per year) or as a ratio, there will presumably be even more money spent on charter in the coming years.

To hold charters accountable, the bill can mandate reporting or disclosure requirements to the charters in place. For example, requiring annual reporting of financials is not too burdensome for the schools yet can help the public keep an eye on them.

5.3 Increase Accountability and Specificity regarding Cyber Charters.

As it stands, the bill does not specify the nature of the charter capacity. I recommend specifying whether this capacity applies to brick and mortar charter schools or cyber charters. In the event that cyber charters are included in this consideration, stricter controls are needed.

The lackadaisical regulations on cyber charters are evidenced through many ways, among them the attendance policy. The attendance policy is currently regulated in Section 1327.2.^{xxi} Currently, charters and cyber charters shall “establish an attendance policy designed to accurately determine when a child who is enrolled in a charter, regional charter or cyber charter school has an unexcused absence, which may differ from the policy of the school district in which the child resides...”^{xxii} Other than compulsory attendance requirements, the cyber charters as the statute stands now can set their attendance policy different from the district. Due to this freedom to determine its own attendance policy, there may be room for lack of control within the cyber schools when they are difficult to monitor to begin with due to their online nature.

Besides attendance, there are other arenas to hold charters accountable. This could be through various areas of mandated reporting, including participation and reporting of standardized testing to determine performance. This is needed because according to Pennsylvania's School Performance Profiles, which evaluates schools,

^{xxi} Section 1327.2 added Nov. 3, 2016, P.L.1061, No.138. Accessed at:

<http://www.legis.state.pa.us/cfdocs/legis/LI/uconsCheck.cfm?txtType=HTM&yr=1949&sessInd=0&smthLwInd=0&act=14&chpt=13&sctn=27&subsctn=2>

^{xxii} *Id.*

charters in general are underperforming.^{xxiii} In fact, to achieve the benchmark set by the PA Dept. of Education requires a score of 70.^{xxiv} In 2013, none of the cyber charters met the benchmark.^{xxv}

5.4 Resource Sharing with Conventional District Schools

As a general policy recommendation, charter schools should actively engage with the district schools and share resources to the extent not cumbersome for the schools. For example, because there are funding issues, perhaps it is fairer, and certainly more efficient, if the schools share their resources. It would be economically efficient, for example, if an individual is employed by a charter and volunteers or works part time at a traditional district school. In terms of resources (such as playing fields, etc.) sharing can also mitigate the issue with funding.

6. Conclusion

As we see from the foregoing discussion, charter schools are a current, relevant, and important topic especially in light of the February bill. From a conservative, traditional viewpoint, these schools are changing the way of schooling. On the other hand, there are indeed challenges to charters, mainly accountability.

In this paper, I first gave an overview of the Harlem Success Academy as an example of a succeeding charter school. Then, I explained the current events in Pennsylvania, mainly the House Bill 700 that essentially seeks to increase seats in the charters in the main urban grounds of the state. If this were adopted and practiced, there may be benefits, such as replicating the success of Harlem Success. On the other hand, I believe this should be implemented in a carefully tailored fashion. To do so, I make certain recommendations. These recommendations include: additional financial reporting, making the seat increases proportional to demand, and accountability for performance. It will take resources, it will take effort, and it may have costs such as replacing the union teachers. But as the current underperformance of urban schools in the first class cities suggest, there is indeed changes that should be made. This change could come in the form of charters schools, but bills regulating charters should be adopted in a carefully planned manner. When this bill is implemented in a sensibly planned and executed fashion, it will cast positive changes to the current status of education in the state.

^{xxiii} PSBA Position on Charter Reform, Pennsylvania School Boards Association, (2014). Accessed at: <https://www.psba.org/2014/09/psba-position-charter-reform/>.

^{xxiv} *Id.*

^{xxv} *Id.*

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