



Charter-Public School Comparison: An Uneven Playing Field

Charter schools are public schools, but by their very nature they have been designed through state law and regulation to be both equal and unequal to traditional public school districts. Created in Pennsylvania in 1997, the state has followed a national trend toward privatizing public education in the name of providing innovations in education and public school choice. The law exempts charters from many of the state's statutory and regulatory requirements, creating an uneven playing field that has not led to a transparent, accountable or high-performing system of education. Consider these few examples:

Fact: School districts must educate all children who enter their doors at any time of the year. Charters can have their own specific enrollment periods and procedures, and can pick and choose who is enrolled.

Fact: School districts must comply with state Chapter 14 and Chapter 16 regulations to provide programs and services to children ranging from the most vulnerable to the most gifted. Charters comply with a more limited set of regulations for special education and are not required at all to provide gifted education to students.

Fact: School districts are governed by school boards who are elected by the community for specific terms and are accountable to students, parents and taxpayers. Charters are publicly funded and privately managed by boards of trustees that vary in number and may set their own rules of operation.

Fact: Although charters must be established as non-profit entities, they may contract with for-profit corporate Education Management Organizations. There are no laws restricting this practice or the amount of public taxpayer dollars that can be funneled to these corporations. These for-profit EMOs operate charters in numerous states, including Pennsylvania.



Fact: School districts must have their finances audited each year by an independent auditor. Charters have no such requirement. There is no requirement for charters to report advertising costs, lobbying costs, and the cost of bonuses provided to administrators or trustee members. Consider the high volume of recruitment advertising that appears in newspapers, television, radio and the Internet – all paid for with taxpayer dollars.

Fact: All educators in schools districts must be properly certified in the areas they teach. Only 75% of charter school teachers are required to be certified.

Fact: Teachers and principals in school districts are required by law to be evaluated under a new state system that is based on student test scores and other factors. Charters are not required to comply with the state law and may design their own evaluation systems.

Fact: School districts must enforce student truancy laws. Charters do not; they simply report the names of truant students to the resident school district and the district is required to handle the matter.

Fact: School districts must provide transportation to charter school students, including regular and special education students, even on days when the district is not in session.

Fact: School districts are required to conduct specific annual evaluations of their superintendents. Charters are not.

Fact: School districts have limits on their fund balances. Charters have no limitations.

Fact: In all of the rhetoric about charter schools, there is a mistaken assumption that charter schools are academically high performing. The truth is that charter schools continue to academically underperform traditional public schools, with less than half of the brick and mortar charter schools meeting acceptable benchmark scores using the PA Department of Education's system of rating the performance of public schools using School Performance Profiles. None of the cyber charter schools met the mark. Nearly three-quarters of traditional public schools, however, earned passing scores in the first year of the new measuring system.

What is the impact of these exemptions and assumptions? They create a large and uneven playing field in important areas of service, staffing, budgeting and accountability. As the role of charter schools continues to evolve, legislators need to clearly understand the differences allowed between traditional public schools and charters, and to make necessary reforms.



Comparison of Traditional Public Schools and Charter Schools

	Traditional Public Schools	Charter Schools
Subject to the requirement of the School Code and State Board of Education regulations regarding public education	Yes	Exempt from many provisions of the School Code and regulations of the State Board of Education. The Charter School Law specifies which laws and regulations charter schools must follow.
Must accept all students who wish to enroll	Must accept all resident students; may not turn any child away	May limit admission to a particular grade level or areas of concentration of the school such as mathematics, science or the arts. May establish criteria to evaluate prospective students.
Required to provide special education services to students	<p>Must provide special education programs and services to all eligible resident students.</p> <p>Must comply with federal IDEA law.</p> <p>Must comply with state Chapter 14 regulations. These regulations contain provisions that exceed federal requirements.</p> <p>School districts are required to provide general transportation to special education students in charter schools.</p>	<p>May not refuse to enroll a student because of their special education needs. However, charters may limit admission to a particular grade level or areas of concentration and may establish criteria to evaluate prospective students.</p> <p>Must comply with federal IDEA law.</p> <p>Exempt from compliance with Chapter 14. Instead, charters follow state Chapter 711 regulations, which are intended to ensure compliance with federal requirements.</p>
Required to provide gifted education to students	Yes, school districts must identify and provide services to gifted students. Must comply with Chapter 16 regulations.	No, charter schools do not have to identify or provide services to gifted students. They do not have to comply with Chapter 16.
Required to follow due process procedures to suspend or expel students. Must provide for the education of expelled students	<p>Yes, school districts are obligated to follow specific due process procedures under the Chapter 12 regulations.</p> <p>If a parent of an expelled student cannot provide for his/her education, the charter school is obligated to do so.</p>	<p>Yes, charter schools must follow the same rules under Chapter 12.</p> <p>If a parent of an expelled student cannot provide for his/her education, the charter school is obligated to do so.</p>
Extracurricular and sports activities	<p>Although not required to do so, school districts provide extracurricular activities in areas such as music, arts and sports among other areas.</p> <p>School districts must provide equal opportunities for charter students to compete for spots within an extracurricular activity.</p>	<p>Students are entitled to participate in the extracurricular activities of their school district of residence if the activity is not offered by the charter school.</p> <p>School districts are required to pay for the cost of charter school students to participate in their extracurricular activities, and may charge the charter school for such costs.</p>



Truancy Issues	The school district must enforce the compulsory attendance laws in accordance with the School Code.	Charter schools must report to the student's school district of residence when a student has accrued three or more days of unexcused absences. It is then the district's responsibility to enforce the state's compulsory attendance laws.
Academic performance as measured by School Performance Profile (SPP) score	Nearly 75% of traditional public schools, or 2113 schools, received an SPP score greater than 70, based on a 100-point scale. Five schools earned perfect scores, and 425 schools received scores of 90 or better.	Only 43% of the 148 brick and mortar charter schools in Pennsylvania earned an SPP score greater than 70. None of Pennsylvania's 16 cyber charter schools scored above 70.
Teacher certification	All professional staff must be appropriately certified	Only 75% of professional staff (teaching and administrative) must hold appropriate state certification to teach students.
Teacher & principal evaluation	Must comply with state-developed system for teachers and principals under Act 82 of 2012.	Charter schools are not required to use the evaluation system required by Act 82. Educators and leaders are not held to the same state standards of accountability.
Superintendent evaluation	Must comply with requirement to conduct locally-developed annual evaluation that meets specific criteria as outlined in Act 141 of 2012.	No requirements
Required to follow School Code procedures regarding employee dismissal, demotion, and suspension/furlough.	Yes	No
Employees have the right to collective bargaining	Yes	Yes The American Federation of Teachers Pennsylvania represents teachers at five charters in Philadelphia. In April, 2014, the teachers at the Pennsylvania Cyber Charter School voted for representation by the Pennsylvania State Education Association.
Governing boards are elected by popular vote.	Yes. School directors are elected by the public.	No. Trustees are privately selected.
Accountable to taxpayers.	Yes. School boards are accountable to taxpayers and voters through the election process and are subject to a number of requirements including specific provisions related to budgeting and taxation.	No. Charter schools must be non-profit entities; however, there is no law preventing education management organizations (EMOs) or other charter school vendors from profiting on public funds. While some states do not allow EMOs to contract with charter schools, PA permits this practice and currently has no laws restricting the amount of taxpayer dollars that can be paid to an EMO and no laws requiring the scrutinizing of the contract.



Provides transportation services	<p>While not required to provide transportation for their own students, school districts are required to provide transportation for students to and from charter schools (regular education and special education students).</p> <p>Transportation to charter schools must be provided on dates the charter school is in regular session, regardless of whether the district is also in session.</p>	No
Budgets	School districts follow specific requirements and processes in state law for adopting preliminary and proposed budgets. These budgets must be available for public inspection prior to final adoption.	Charters do not have to make preliminary and proposed budgets available to the public prior to final adoption.
Limits on fund balances	Yes, the unreserved, undesignated fund balance a school district may carry is limited based on the school district's total budgeted expenditures.	No, there are no caps on fund balances.
Audits	<p>Yes, school districts are required to have their finances audited annually by an independent auditor. The auditor reviews the district's financial records to verify the appropriate accounting and expenditure of funds. The auditor is authorized to have access to most school records and to require school officials to answer questions and produce records.</p> <p>The state Auditor General examines the records of school districts, intermediate units, and area vocational-technical schools. Auditors establish whether school districts received the state subsidies and reimbursements to which they were entitled, and whether state laws and regulations were followed. They also determine whether teachers and administrators are properly certified for the positions they hold.</p>	<p>No, there is no requirement for an independent, annual year-end audit.</p> <p>There is no audit process for these schools to determine the actual costs of providing regular and special education services to students.</p> <p>There is no requirement to report information regarding certain expenditures of charter schools, such as advertising costs, lobbying costs, and the costs of bonuses provided to administrators or members of the board of trustees.</p>
Required to participate in the Public School Employees Retirement System (PSERS)	Yes	Not required, but most charters do participate.



<p>Payment for employer contribution costs to PSERS</p>	<p>School districts pay employer contribution costs.</p>	<p>Charter schools receive 150% reimbursement for their employer contribution costs. The payments include 100% of pension costs received from school districts for each student enrolled, and the state also reimburses charters for 50% of their pension costs.</p>
<p>Regular education funding</p>	<p>School districts receive funding from the state as well as from local property taxes.</p> <p>There is no state reimbursement to school districts for their charter school costs.</p>	<p>School districts make payments to charter schools for their resident students who attend. Payments bear no relationship to the actual instructional costs incurred by the charter schools to educate the student. It is based on the sending district's prior year budgeted expenditures per average daily membership minus certain budgeted expenditures of the district of residence. Districts may subtract their tax collection costs, athletic funds and costs related to school-sponsored extra-curricular activities.</p> <p>Districts may not make deductions for services and programs that cyber charters do not offer, including costs for food services, library services, and health services.</p>
<p>Special education funding</p>	<p>School districts receive funding from the state using a formula that assumes that 16% of students in each of the 500 school districts need special education services. Second, the fixed dollar reimbursement assumes that all special education costs are the same—across a broad range of needs, and in different regions of the state.</p>	<p>School districts pay an additional supplement to charters for special education students.</p> <p>The charter school funding formula for special education differs from the formula used to calculate school district special education subsidies and again is based on the student's district of residence's special education expenditures for the prior school year. It is not capped at the actual cost of the special education services the charter school provides resident students</p>
<p>School facilities</p>	<p>Required to comply with all federal and state laws regarding construction and renovation, purchase of supplies, maintenance.</p>	<p>Exempt from public school facility regulations except those pertaining to the health and safety of pupils.</p> <p>Examples of exemption include: the requirement for a public hearing or public referendum prior to engaging in school construction or agreeing to a lease, the requirement that the Department of Education approve all building plans, the requirement that all buildings comply with the State Board of Education regulations, the advertising requirements for the purchase of supplies, and the requirement of having an integrated pest management program.</p>



<p>State reimbursement for payments for school construction (school districts) or lease (brick and mortar charters)</p>	<p>Since 2012, there has been a moratorium on applications for the state's Planning and Construction Workbook, or PlanCon, process. There are 354 projects from school districts that are waiting for compensation (for projects under construction or completed). PDE estimates the backlog of payments at \$1.2 billion.</p>	<p>Brick and mortar charter schools are eligible to receive reimbursement from PlanCon funds for a portion of their facility lease expenditures.</p> <p>Charter schools have continued to receive PlanCon funds and have not been impacted by the moratorium. The amount paid is estimated at about \$7 million.</p> <p>The state Auditor General reported that some charters have received improper lease reimbursements. These charters received money they were not entitled to because they sought reimbursement for properties related to, or owned by, the charter school.</p>
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