

Charter and Cyber Charter Schools

Charter schools are independent public schools that operate under a contract or a “charter” and function with freedom from many of the policies and regulations affecting traditional public schools. While PSEA supports efforts to provide diverse learning opportunities within the public education system, we have concerns about: the method by which these schools are funded; their economic impact on traditional public school districts; their ability to hire uncertified teachers; and the high rate of employee turnover. All of these factors affect student learning.

PSEA Recommendations

- Create a rational and equitable system for funding charter and cyber charter schools.
 - Establish a uniform cyber charter school tuition rate that more closely reflects the actual expenses these schools incur to educate a student, using as a benchmark the actual expenditures of cyber charter schools that have historically both met adequate yearly progress targets with the most efficient expenditures.¹
 - Cap charter and cyber charter schools’ unreserved, undesignated fund balances in the same way that traditional school districts’ balances are capped.
 - Remove legal barriers that prevent district officials from considering cost implications and the economic impact of new charters when deciding whether or not to approve them.
- Ensure that all students in all public schools – including charters and cyber charters – are taught by certified teachers. Charter and cyber charter schools should no longer be permitted to hire teachers who are not certified.
- Directly engage public school employees in the design, implementation, and governance of charter and cyber charter schools and programs.
- Enhance teacher compensation and working conditions in charter and cyber charter schools to attract and retain quality educators. Currently, fewer experienced and certified teachers work in charters and cyber charters than comparable traditional public school districts, and pay scales and relative teacher salaries are considerably lower at charter and cyber charter schools than in similar traditional public school districts.²
- Align Pennsylvania’s charter and cyber charter school curricula with Pennsylvania’s academic standards.

- Determine appropriateness of charter education for students with specific disabilities or learning needs.

Background on Charters and Cyber Charters

Since the 2002 authorization of charter schools and cyber charter schools in Pennsylvania,³ the number of these schools has significantly grown. According to data from the Pennsylvania Department of Education (PDE), the Commonwealth has approximately 130 charter schools with enrollments totaling more than 73,000 students (including 11 cyber charter schools with approximately 17,000 students).

The national movement to create charter and cyber charter schools began in the early 1990's with the intent of increased academic opportunities for students, "choice" for parents and students within the public school system, enhanced accountability, and the creation of laboratories of innovation for traditional public schools to model. However, the existing body of research on charter schools does not show that they are meeting these objectives.

Academic Performance

Overall, the evidence of charter school performance is mixed. While some charters do better than nearby public schools with similar student populations, most do about the same and many do worse. The following highlights some of the most salient and recent research on the topic:

- A recent study of charter performance in 16 states reveals that only 17 percent of charter schools provide superior education opportunities for students. The study did show, however, that nearly half of charter schools have results that are *no different* from local public schools and over a third deliver learning results that are significantly *worse* than students would have realized if they had remained in traditional public schools.⁴
- A recent RAND study of charters in eight states found that in five out of seven locales, non-primary charter schools are producing achievement gains that are, on average, neither substantially better nor substantially worse than those of regular public schools in the area. The study found no evidence that charter school performance varies by grade level.⁵
- Martin Carnoy of Stanford University and his co-authors examined the evidence from studies of charter schools across the nation and reached the following important conclusions: (1) charter schools do not differ from regular public schools in average student achievement; (2) they have not improved the educational performance of urban,

low-income, minority children; and (3) competition from charters has not improved public school performance.⁶

- A study by Lubienski and Lubienski looked at mathematics results from the National Assessment of Educational Progress (NAEP) and found charter schools scored a significant 4.4 points lower than non-charter public schools in 4th grade, but scored 2.4 points higher in 8th grade (not a significant difference).⁷

We emphasize that research comparing charter and traditional public schools is complicated by selection biases that result from the self-selection of students into charters (generally parents choosing charters are more involved in their children's education) and the selection or counseling of students from charters. Both forms of selection favor charters in performance comparisons with traditional public schools, which must accept all students and have limited options for expelling disruptive students. Even a recent, highly publicized study of New York City charter schools which relied largely on lotteries for their student admissions, turns out to have had several methodological flaws that may have negated the claimed randomization of selection. This highlights the difficulty in making valid performance comparisons.⁸

Research also is important before policymakers decide to replicate programs that appear to be successful. For example, two charter school organizations, KIPP (Knowledge is Power Program) and the Harlem Children's Zone have been highly touted as success stories, leading some to advocate for their expansion. However, more detailed study of both programs is needed before one can reach firm conclusions regarding the performance of the programs, the reasons underlying it, or the wisdom of generalizing the models they use.

A recent review of the research on KIPP suggests that selection effects (e.g., departure of poorer students, unmeasured motivation of enrollees, dropping of lower performing schools) may enhance the apparent success among KIPP charter schools.⁹ In addition, the demands of the KIPP model on children, parents, and staff may limit its scalability. Another recent study of the Harlem Children's Zone suggests that creating charters alone, without an extensive investment in community support services for students and their families, will be insufficient to achieve positive results¹⁰.

Fiscal concerns related to cyber charter schools

PSEA has significant concerns about the funding structure and insufficient accountability for cyber charter schools. Despite dramatically different cost structures, cyber charter schools are funded in the same manner as “brick and mortar” charter schools, with the Commonwealth providing up to 30 percent of tuition and students’ home districts paying the remainder. Districts’ payments are based on what they spend to educate their students, which often is significantly more than it costs to run a cyber charter school. Nevertheless, cyber charters receive amounts as high as brick and mortar charters receive. This funding structure raises concerns that these schools are benefiting from payments that are higher than what they spend, with insufficient accountability for the excess.

Pennsylvania’s cyber charter schools have amassed large fund balances (for example, in 2005-06 cyber charter schools had a cumulative unreserved fund balance of \$28 million – or 26 percent of their annual expenditures – compared to the 12 percent unreserved fund balance limit for traditional public school districts as required by Act 48 of 2003). Such large fund balances are not efficient uses of limited education funds.

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¹ The Task Force on School Cost Reduction, established by Special Session Act 1 of 2006, found “establishing a single statewide tuition rate will enable all school districts to pay an equitable share of the costs to support the cyber charter school that the resident student chooses to attend ... Setting a single tuition rate is a critical component of allocating public resources efficiently,” http://www.pde.state.pa.us/k12_finances/cwp/view.asp?a=305&q=123154.

² Strengthening Pennsylvania’s Charter School Reform; Miron, Nelson, Risley – The Evaluation Center, Western Michigan University – 2002 study - http://www.wmich.edu/evalctr/charter/pa_5year/.

³ Act 22 of 1997; Act 88 of 2002.

⁴ CREDO. (2009). “Multiple choice: Charter school performance in 16 states,” Stanford, CA: CREDO, Stanford University.

⁵ Zimmer, R., Gill, Booker, K., Lavertu, S., Sass, T.R. & Witte, J. (2009). “Charter schools in eight states: Effects on achievement, attainment, integration, and competition,” The RAND Corporation.

⁶ Carnoy, M., Jacobsen, R. Mishel, L. & Rothstein, R. (2005). “The Charter School Dust-Up: Examining the Evidence on Enrollment and Achievement,” Economic Policy Institute and Teachers College Press.

⁷ Lubienski, C., & Lubienski, S.T. (2006). “Charter, private, public schools and academic achievement: New evidence from NAEP mathematics data,” Occasional Paper No. 111, National Center for the Study of Privatization in Education.

⁸ Reardon, S.F. (2009) “Review of ‘How New York City’s Charter Schools Affect Achievement,’” Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit. Retrieved from:

<http://epicpolicy.org/thinktank/review-How-New-York-City-Charter>.

⁹ Henig, J. (2008). “What do we know about the outcomes of KIPP schools? Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit,” Retrieved from <http://epicpolicy.org/publication/outcomes-of-kipp-schools>.

¹⁰ According to Dobbie and Fryer:

HCZ has over 20 programs designed to help and empower individuals in their 97 blocks. These investments include early childhood programs (Head Start, e.g.), public elementary-, middle- and high-school programs (i.e. karate, dance, after-school tutoring), a college-success office, family, community and health programs, foster-care prevention services, and so on (2009: 5).

Dobbie, W. and Fryer, Jr., R.G. (2009). “Are high-quality schools enough to close the achievement gap? Evidence from a bold social experiment in Harlem.” (Unpublished paper.)