

Legislative Budget and Finance Committee

The Feasibility of an Alternative Method for Authorizing

Charter Schools in Pennsylvania

Report Presentation by Philip Durgin, at April 15, 2015, Meeting

Good morning. My name is Philip Durgin and I'll be presenting the findings and recommendations on our report on alternative charter school authorizers.

Pennsylvania currently allows two types of public charter schools, brick-and-mortar charter schools and cyber charter schools. Today's report focuses on brick-and-mortar charter schools, which are authorized by the local school districts in which the charter school is located.¹ The state Charter School Appeal Board can also authorize a charter school if the local school board denies a charter and the school is successful in appealing that decision.

Many states, however, allow various other entities to authorize a charter school, such as an independent charter board or an institution of higher education. Senate Resolution 414 called on our Committee to conduct a study of the feasibility of Pennsylvania allowing such alternative methods of authorizing charter schools.

¹ Cyber charter schools are authorized by the Pennsylvania Department of Education.

As of the end of last year, Pennsylvania had 159 brick-and-mortar charter schools, as well as 10 regional charter schools which serve more than one school district. These schools enroll about 105,000 students, or about 6 percent of all Pennsylvania public school students. Although 48 school districts have authorized at least one charter school, only 3 districts (Philadelphia, Pittsburgh, and York) have authorized more than 3 charter schools, with Philadelphia being by far the largest, with 87 charter schools.

Charter school authorizers not only decide whether a new school should be granted a charter, but they also review the school, typically every five years, to determine if it is meeting the requirements of the charter and should be allowed to continue to operate. Because they wield substantial power, the National Association of Charter School Authorizers (NACSA) believes all charter schools should have a choice of at least two authorizing options. Allowing two authorizers can prevent hostile authorizers from blocking good applicants or closing successful schools. And many charter schools feel as though the local school districts, if not outright hostile, at least have a conflict of interest when it comes to authorizing a new school that will compete for its students.

The National Association's first choice for an alternative authorizer is an Independent Charter Board, and 14 states have such a board. The Association supports statewide independent boards because they can focus solely on charter school

authorizing and can be of sufficient size to provide the staff and infrastructure necessary to support high-quality authorizing. If an independent board is not possible, NACSA recommends states allow higher education institutions (HEI) to be alternative authorizers. NACSA is less enthusiastic about higher education authorizers in part because authorizing charter schools is not part of the core mission of a college or university and in part because most higher education authorizers only authorize one or two charter schools, so they typically do not have the economics of scale that are possible with an independent charter board. That said, one of the most respected charter school authorizers in the nation is the State University of New York, which has authorized over 147 charter schools throughout New York State.

To explore the feasibility of allowing Pennsylvania’s State System of Higher Education to become a charter school authorizer, we contacted the Chancellor’s Office of the State System of Higher Education to solicit their opinion on the idea of the State System as a whole, or individual state universities, becoming charter school authorizers. The Chancellor’s Office conducted a brief survey of its 14 member universities and found that “a small percentage” indicated they would consider authorizing charter schools. But the universities had some of the same concerns as the Chancellor’s Office had about the potential costs of becoming an authorizer, and also the risk that authorizing new charter schools would pose to their relationships with nearby school districts.

We also contacted the Association of Independent Colleges and Universities of Pennsylvania, and they conducted a similar survey of 89 of their member institutions. However, of the 21 responses they received, only 4 of their institutions expressed any interest in authorizing charter schools. And of those four, two would probably not qualify, as one had fewer than 500 students and another was only a two-year institution.

As I mentioned, SR 414 called on us to develop a pilot program to allow institutions of higher education to authorize charter schools. The report outlines 12 key features we suggest be included in such a pilot, such as limiting the pilot to three institutions, with no more than five charter schools per institution. In the interest of time, I will not go through each of these 12 items, but the full list begins on page 88 of the report.

The report contains three recommendations we believe the General Assembly should consider if it desires to establish an alternative method for authorizing charter schools. The first recommendation is that the General Assembly consider implementing a pilot program, along the lines of what is recommended in the report, to allow institutions of higher education to authorize a limited number of charter schools. A pilot program would allow the General Assembly to test the interest of Commonwealth colleges and universities to undertake this responsibility and possibly explore different approaches to how alternative authorizers might be funded.

The General Assembly may also want to consider establishing a statewide Independent Charter Board as an alternative authorizer, which we estimate would cost about \$350,000 annually. Finally, we recommend that any new alternative authorizer be required to apply nationally recognized standards when authorizing a charter school. Seventeen states require authorizers to use nationally recognized standards, and such a requirement should help alleviate school district concerns over a new authorizer.

Thank you and I would be pleased to answer any questions you may have about the report.