

Report Highlights

The Feasibility of an Alternative Method for Authorizing Charter Schools in Pennsylvania

Senate Resolution 414 calls on the LB&FC to conduct a study of alternative methods of authorizing charter schools, which are currently authorized by school districts. We did not consider alternative authorizers for cyber charter schools, which are authorized by the Pennsylvania Department of Education.

The study found:

- **Since 1997, when public charter schools were first authorized, PA has experienced steady growth in charter schools and charter school students.** PA has 159 approved brick and mortar charter schools, 10 regional charter schools and 14 cyber charter schools with about 130,000 total enrolled students. Most (60%) charter schools are authorized by either the Philadelphia or Pittsburgh school districts.
- **14 states allow independent charter boards and 18 states allow institutions of higher education to authorize charter schools.** In PA, brick-and-mortar charter schools can only be authorized by local school districts or, upon appeal, by the Charter School Appeal Board.
- **Authorizers are funded in a variety of ways.** Of the 43 states that have charter school laws, only 27 specifically provide for authorizer funding, with most of these allowing authorizers to charge 0.5% to 5% of per pupil funding. In states that do not address authorizer funding (including PA), the function is funded by the parent organization (generally an LEA).
- **The National Association of Charter School Authorizers (NACSA) believes charter schools should have a choice of at least two authorizing options.** Alternative authorizers can prevent hostile authorizers from blocking good applicants or closing successful schools. An alternative authorizer also gives states the ability to sanction an authorizer without eliminating all authorizing activity in that district.
- **NACSA's first choice for an alternative authorizer is an Independent Charter Board (ICB).** NACSA supports statewide ICBs because they can focus solely on charter school authorizing and can be of sufficient size to provide the infrastructure necessary to support high-quality authorizing. If an ICB is not possible, NACSA recommends states allow higher education institutions (HEI) to be alternative authorizers.
- **Studies find little relationship between type of authorizer and the quality of charter schools.** While this has not been an area of extensive study, four studies that address this issue all came to a similar conclusion: while the authorizer type (e.g., LEA, SEA, ICB, or HEI) may be a factor contributing to the variation in performance among charter schools, it does not appear to be a particularly important factor.
- **SR 414 calls on the LB&FC to develop a pilot program to allow institutions of higher education (HEIs) to authorize charter schools.** The key features of such a pilot program are presented in Chapter VI of the report.
- **PA HEIs appear to have limited interest in becoming charter school authorizers.** At our request, the Association of Independent Colleges and Universities of PA and the State System of Higher Education surveyed their institutions to gauge their interest in becoming a charter school authorizer. Only a small number of these institutions indicated such interest.

Recommendations

If the General Assembly desires to establish alternative authorizers for brick-and-mortar charter schools, we recommend it:

1. **Consider allowing institutions of higher education to authorize charter schools, at least on a pilot basis.** The outline of a possible pilot program to allow HEI authorizers is presented in Chapter VI of this report.
2. **Consider establishing an Independent Charter Board.** We estimate the cost of an ICB to be about \$350,000 annually, assuming the PA Department of Education provides IT and certain other administrative support.
3. **Require alternative authorizers to apply nationally recognized standards in authorizing a charter school.** 17 states require authorizers to use nationally recognized standards, and such a requirement should help alleviate LEA concerns over new alternative authorizers.