



PHILADELPHIA FEDERATION of TEACHERS

TO: MEMBERS OF THE PENNSYLVANIA GENERAL ASSEMBLY

FROM: JERRY T. JORDAN, PRESIDENT, PHILADELPHIA FEDERATION OF TEACHERS

RE: OPPOSITION TO CHARTER EXPANSION (HB356 & HB357)

May 10, 2019

Charter Expansion via HB 356 & 357

The expansion of charter schools in Pennsylvania has been catastrophic for public education, and the continued use of public dollars for unaccountable, unfettered growth of an unproven model of education is deeply troubling. The package of legislation proposed, and being fast-tracked, in the PA House—particularly HB356 and HB357—would be extraordinarily detrimental to the future of public education in Philadelphia and across the Commonwealth.

I. Bill Analysis: HB356

- a. House Bill 356 stands in sharp contrast to our moral and constitutional obligation to invest in a thorough and efficient system of public education.
- b. Of particular concern is the following:
 - i. A charter school entity shall have the right of first refusal to purchase or lease, for educational purposes only, a public school building or a part of a public school building that is no longer in use by a school entity which is the property titleholder
 - ii. This provision sets the stage for more school closures, charter takeovers, and furthering the systemic disinvestment in public education. To codify the already glaring inequities our students in public schools face is unacceptable.
- c. Further, this legislation promotes unaccountable charter growth by allowing for backdoor expansion of charter chains and removing any district oversight in the process:

- i. a charter school or regional charter school that does not have in the written charter any limits on student enrollment or caps is permitted to operate the school at more than one location within the district that authorized the charter
- d. The issue of charter caps is of great concern to us, and the fact that the lack of charter caps will now be utilized to further enable and encourage school closures, charter chain expansion, and unfettered growth is absolutely objectionable.

II. **Bill Analysis: HB 357**

- a. This legislation is another stunning attempt to circumvent local control and autonomy, to promote unfettered charter growth, and to further siphon funding from public education.
- b. The legislation proposes the following:
 - i. A local board of school directors may not impose additional terms, develop its own application or require additional information outside the standard application forms required under subsection (a). The department shall review the standard application forms every three (3) years and shall submit any recommended revisions in writing to the Education Committee of the Senate and the Education Committee of the House of Representatives. No such recommended revisions shall be made to the standard application forms unless the revisions are enacted by the General Assembly.
- c. In addition to further stacking the approval and appeals processes against the local school boards, HB857 allows for annual enrollment expansion and provides provisions for, in an "emergency" not even informing school boards of the intention to expand beyond 10% [Section 3, Section 1720-1-F].
 - i. Without defining "emergency," this provides for a workaround to ensure that charter growth continues unmonitored. The same "emergency" provisions allow for the relocation of school buildings without notifications. Section 3, Section 1720-1-G].
- d. The provision of a standard charter application created and managed at the state, along with the ability for continued

enrollment growth, relocations, and the lack of substantive changes to cyber charter enrollment and evaluation requirements are but some of the reasons for our unequivocal opposition to this legislation.

Further Analysis

There is a long and storied history of charter mismanagement and the implications of charter growth in Pennsylvania and across the nation. In 2014, estimates of charter fraud [topped \\$30 million in Pennsylvania alone](#).

Case Study: Chester Community Charter School

One need look no further than the scandal-ridden history of Chester Community Charter School to get a sense of the impact of this unchecked growth. Despite continued performance and fiscal concerns, the charter received an unprecedented 9 year authorization. Further, the school recruits students from Philadelphia, and students as young as five take 2+ hour journeys every morning to get to school.

I. Federal report on charter schools elicits more calls to revise Pa. law

“A spokesman for CSMI, a for-profit CMO which contracts with Chester Community Charter School, confirmed CCCS was the school in Chester investigated by the Inspector General.

“CSMI is headed by founder and CEO Vahan Gureghian, a wealthy, politically influential player in state politics.

“The report states that Gureghian “had the authority to write and issue checks without charter school board approval and wrote checks to himself from the charter school’s accounts totaling about \$11 million during the 2008–2009 school year.”

II. How Chester Community Charter School got a 9-year deal

“The decision means staff and parents at the state’s largest bricks-and-mortar charter – already slated to receive more than \$55 million in taxpayer funds this school year – won’t have to worry about its fate for nearly a decade, even if its test scores continue to fall far short of state benchmarks.

“It also guarantees that CSMI LLC, a for-profit education management company that operates the K-8 school with 4,200 students, will receive millions of dollars in revenue for nine more years. [...]

“CSMI’s founder and CEO is [Vahan H. Gureghian](#) of Gladwyne, a lawyer, entrepreneur and major Republican donor –the largest individual contributor to former Gov. Tom Corbett. And though CSMI’s books are not public – the for-profit firm has never disclosed

its profits and won't discuss its management fee – running the school appears to be a lucrative business. State records show that Gureghian's company collected nearly \$17 million in taxpayer funds just in 2014-15, when only 2,900 students were enrolled."

III. Two-plus hours on a school bus: How a Chester charter taps Philly kids to grow

"Imagine waking your 5-year-old kindergarten student before 5 a.m., walking him to a street corner in the city's Far Northeast, then watching him board a bus for a 2½-hour ride to a school more than 30 miles away.[...]"

"And at least some of the cost of the eight bus routes that ferry students from Philadelphia to Chester Community falls on the district and city taxpayers. By law, the district pays for transportation and receives partial reimbursement from the state."

Conclusion

Whether in the form of HB356, HB357, or any other piece of legislation, the expansion of charters in the Commonwealth is not sustainable and the legislature's obligation is to ensure that students in Pennsylvania are afforded a thorough and efficient public education.

To that end, it is incumbent upon the legislature to seriously address the facilities crisis our schools are facing and the decades of underfunding our public schools have endured. The School District of Philadelphia will pay more than \$900 Million dollars in charter costs next year, representing a nearly \$100 Million increase. The growth of charter costs is only increasing, and the legislature must not engage in shortsighted efforts to further hamstring public education.

These efforts to further divest in our public schoolchildren must be soundly rejected. The PFT will continue advocating for a fully funded system of public education, and we urge the General Assembly to do the same.