



**Testimony on
Taxpayer-Funded Tuition Vouchers and Charter School Expansion
Presented to the House Education Committee
by
Thomas J. Gentzel, Executive Director
Pennsylvania School Boards Association
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Good morning, my name is Tom Gentzel and I am the Executive Director of the Pennsylvania School Boards Association. On behalf of our members, we appreciate this opportunity to speak before the committee regarding taxpayer-funded tuition vouchers and charter school expansion as these issues are expected to be part of the fall legislative agenda.

We recognize that the push for voucher legislation is part of an aggressive national agenda that has been organized by well-funded interest groups in numerous states, including Pennsylvania. These groups have put forth hundreds of thousands of dollars in campaign contributions, and they now expect, in return, the enactment of voucher legislation. The debate has been heated and eleventh-hour attempts in June to craft a compromise bill failed in the wake of the numerous concerns that have been raised. School board members, taxpayers, and others across the state applaud the brave senators and representatives from both sides of the aisle who have stood up to the enormous pressure created by voucher proponents through targeted mailings, electronic and print media, and use of social media to attack certain targeted legislators. These advocacy tactics are reprehensible.

Voucher proponents are hoping another strategy works, as well: If you repeat a fallacy or generalization so often and say it with authority, it will eventually become accepted as the undeniable truth for everyone. You've heard it often in this voucher debate: Public schools are failing. Public schools are violent places. Test scores are declining. Spending on schools has doubled and results have not improved. The current system that has been in place for 175 years doesn't work anymore. Vouchers are an escape hatch for "trapped" students from poor families. Parents need "choice" but there is currently no opportunity for them to do so.

These kinds of arguments designed to create an emotional response are taken from the scripts of well-heeled advocates who are seeking voucher legislation in states across the nation.

and putting intense pressure on you, our state lawmakers. But the truth is that blanket statements that Pennsylvania public schools are broken are false, and the majority of our schools have continued to make steady gains in academic achievement. The truth is that vouchers will not help a majority of students and will not improve those schools that genuinely are struggling. The truth is that the ultimate goal of many voucher proponents is the privatization of education, with no requirements for the same academic and financial accountability requirements imposed on public schools.

In the wake of the failure of SB 1 to be embraced by the General Assembly, a number of other similar bills have been introduced, including HB 1708, HB 1678 and HB 1679, each in the hopes of having the components that will enable it to receive a majority of votes to pass. As you think about the state of public education today, and whether Pennsylvania should indeed move toward a system of privatizing public education, here are some things to consider:

- Overall, Pennsylvania has made eight straight years of improvements in student achievement in math and reading. Three quarters of Pennsylvania students are now on grade level based on PSSA scores in math and reading.
- “Choice” students do not excel academically over public school students. Results from the first administration of statewide exams to students participating in the Milwaukee Parental Choice Program (MPCP) show lower academic achievement in choice schools than performance by students attending Milwaukee Public Schools (MPS). State Superintendent Tony Evers said that “our statewide assessment data show, with very few exceptions, that the choice program provides similar or worse academic results than MPS. For the sake of the city and the state, MPS and MPCP results must be improved. And, these results reinforce the need to continue using the same test for all students.”
- A report released in July 2011 by the National Center for Education Policy, *Keeping Informed about School Vouchers: A Review of Major Developments and Research*, examines a decade’s worth of research on school vouchers and concludes that vouchers have had no clear positive effect on student academic achievement, and mixed outcomes for students overall.
- Funding for public schools was deeply cut in the 2011-12 state budget by nearly \$930 million. Ironically, these severe cuts were made even though Pennsylvania currently has a state surplus of \$785.5 million. School districts are now faced with lower state funding,

monumental pension increases, higher energy and health care costs, no mandate relief and weakened authority to raise revenue. Many have had no choice but to cut important academic programs, services and resources to students in the wake of these deep cuts.

- The costs of voucher programs cannot be ignored, even if they are phased in. These plans will cost hundreds of millions of dollars. For example, in April the Senate Appropriations Committee attached a fiscal note to SB 1, showing that the total cost to the state would have been \$1 billion over the first five years and the ongoing annual cost around \$300 million. As the various voucher and EITC expansion plans emerge and change, the price tags cannot even be accurately calculated because the programs would continue to expand and include more students. The key question, no matter what plan is considered, is this: How can Pennsylvania afford such a new entitlement program when public schools are already dealing with an almost \$1 billion cut?
- In spite of the hype of helping low-income children, vouchers are unresponsive to the poverty issue because they do nothing to improve the education of all students. Creating a separate education system does nothing to address inadequacies or issues with the existing public school system. Most high-poverty schools still operate with fewer instructional resources and supports compared to schools in wealthy communities. Despite the inequitable distribution of resources, outcomes have improved even in the under-funded public schools – but outcomes could have improved even more if sufficient resources had been provided.
- Private schools, not parents, have the “choice” on whether to accept or deny admission to students. They can exclude or favor students based on gender, church affiliation, ability, behavior and other special learning needs, or disability status. So who really benefits?
- The public has said “No” to taxpayer-funded tuition vouchers. Pennsylvanians have spoken and the answer is clear: They do not want their taxes to be used for tuition vouchers for private schools. Polls conducted by Terry Madonna Opinion Research show that about two out of three Pennsylvanians (67%) oppose giving public money to parents so they can send their children to a private school. There are some studies that claim the public supports vouchers. However, the Terry Madonna Opinion Research studies used the term “taxpayer-funded” when describing tuition vouchers, while other surveys taken

did not make this important distinction. Understanding this distinction, respondents overwhelmingly said “no” to tuition vouchers.

- Further, more than three quarters of the public (75.9%) strongly favored or somewhat favored requiring achievement tests of private schools that accept vouchers. Nearly 82% of participants strongly or somewhat favored requiring private schools to report graduation and student achievement rates if they accept tuition vouchers. The vast majority (88%) strongly or somewhat favored private schools that accept tuition vouchers be required to report financial data.

PSBA believes that the debate on education reform ought to revolve around the clear issue that we must provide good public schools for all students. PSBA believes that we should be building on efforts already underway as the Department of Education is working now to implement K-12 Common Core Academic Standards and curriculum, end-of-course assessments, and rigorous new high school graduation requirements. The state is also in the midst of implementing rigorous teacher certification requirements and developing a comprehensive new system of evaluating public school teachers and principals. These and other efforts represent a comprehensive approach to support achievement for all students. But more must be done.

School districts need relief from burdensome mandates as they adjust to the loss of state funds and the restrictions under Act 25 of 2011 regarding referendum exceptions. The governor called for mandate relief during his budget address, and the time for action is past due. We ask you to quickly consider legislation such as HB 1595 that would provide sweeping mandate relief to school districts, enabling them to get out from under onerous government directives and invest their limited resources directly toward student learning.

Charter Schools

Additionally, several proposals have offered the expansion of charter and cyber charter schools in the public school system. PSBA has long sought reforms to the laws governing charter and cyber charter schools, particularly in the areas of funding, operations and meaningful accountability.

Currently, almost all funding for charter schools is provided by local school districts, which places a significant financial burden on districts' resources. Unfortunately, the proposed bills do not provide funding reform in any meaningful fashion. PSBA firmly believes that the

top priority should be to ensure a less costly, fairer, and more predictable charter school funding formula that empowers PDE to control and reimburse cyber charter schools for selected education expenditures, but not their total expenditures. This is of the utmost importance, particularly in light of the elimination of charter school reimbursement for school districts.

Here's why:

- There is a mistaken perception offered by proponents that districts realize savings when students transfer to charter schools. However, according to a study released in October 2010 by PSBA, the numbers show that it is virtually impossible for a single dollar of savings to be realized in school district budgets when students attend charter schools. The truth is that charter schools can and do add expense for a school district.
- District expenditures for students attending charter schools increased by \$332.5 million, or by 112.6% between 2003-04 and 2007-08. In 2007-08, district spending for charter schools was 48.2% of all tuition payments. Between 2003-04 and 2007-08, state subsidy for charter schools increased by \$116.3 million. Over the same period, district spending for charters increased by \$336.7 million. This produced a net cost increase to districts of \$220.4 million. Why does this happen? Each year, districts make payments to charter schools. The existing formula structure is based on the cost to educate a student in the school district, *not* in a charter school. Charter schools do not charge a standard rate for their educational services. In fact, the amount paid to charter schools varies greatly by school district, and is often completely unrelated to the actual operational costs incurred by charter schools.
- Currently, charter school costs are being paid with local tax revenues with no regard to the fact that the actual costs for the charter school education is often a lower figure than the rate paid by the school district. For example, according to PDE, for the 2010-2011 school year, the charter school selected nonspecial education expenditures per ADM ranged from a low of \$6,752.04 per student to a high of \$16,915.85 per student, a variance of over \$10,000; variances are even greater for special needs students.
- School districts do not save money when students attend charter schools because their fixed costs remain. Students of the same age do not leave districts in neat groups of twenty to attend charter or cyber schools. Therefore, districts are not able to reduce teacher staff, building space and materials. Transportation routes remain unchanged so

the number of drivers, buses and fuel costs remain the same. Furthermore, many of the students who choose to attend charter schools may have previously been home-schooled or enrolled in non-public and private schools, representing an entirely new expense for school districts.

- Regarding accountability, appropriate mechanisms for authorization, oversight, and intervention of charter schools are needed to remedy not only funding and governance concerns, but for academic accountability. Pennsylvania enacted charter school legislation that exempts them from laws governing regular public schools because of advocates' claims that they would be laboratories for teaching innovation and those practices would be shared. Cyber charter schools have not fulfilled that promise; they struggle with poor student test scores, legal violations, and questionable leasing and management agreements.
- The research shows that students in charter schools have significantly lower learning gains. The Center for Research on Education Outcomes at Stanford University issued a report in April 2011 showing that, compared to the educational gains the charter students would have had in their traditional public schools, students in Pennsylvania charter schools on average make smaller learning gains. More than one quarter of the charter schools have significantly more positive learning gains than their traditional public school counterparts in reading, but their performance is eclipsed by the nearly half of charter schools that have significantly lower learning gains. In math, again nearly half of the charter schools studied perform worse than their traditional public school peers and only one quarter outperform them. The research also found that performance at cyber charter schools was substantially lower than the performance at brick and mortar charters with 100% of cyber charters performing significantly worse than their traditional public school counterparts in both reading and math.
- At the time of budget cuts by the Commonwealth's public school districts, proposed charter school legislation reform is being sought that not only severely undermines local control by public school districts by vastly expanding the number of entities that can authorize their formation and thereby multiplying the financial impact on property taxpayers, but also expands an education option which has not clearly demonstrated its effectiveness. CREDO in its work on charters specifically found that charters in states

that use multiple types of authorizers perform worse than charters in states that use a single type of authorizer.ⁱ Given that evidence, why does the bill place a priority on multiple authorizers – particularly in this budget cutting climate? If charters are truly intended to inspire innovation and best practices for adoption by traditional public schools, why not drive quality in the existing charter schools before expanding them as CREDO's Pennsylvania charter school report suggests?ⁱⁱ Why not institute reform that may help ensure that charters are granted to those who will excel and institute a systemic, tough reauthorization process focused on fiscal and academic benchmarks for charters and cyber charters?

I will close by repeating PSBA's belief that the debate on education reform ought to revolve around the clear issue that we must provide good public schools for all students. I thank you for the opportunity to speak to you today and answer any questions you may have.

ⁱ "Multiple Choice: Charter School Performance in 16 States," Center for Research on Education Outcomes (CREDO), Stanford University, Stanford, CA, June 2009, p.4.

ⁱⁱ "Charter School Performance in Pennsylvania," Center for Research on Education Outcomes (CREDO), Stanford University, April 2011, pp 21-22 (www.credo.stanford.edu).