

Report of the Charter Schools Strategic Options Project

Presented to the PSEA Board of Directors

Adopted by the PSEA Board of Directors
November 30, 2000

Executive Summary

The Work Team finds that:

- By 1999-2000, 36 states and the District of Columbia had charter school laws. One thousand eight hundred charter schools were in operation. Pennsylvania passed Act 22 (the Charter School Law) in June 1997. In 1997-98, Pennsylvania had 6 charter schools enrolling 1028 students. Currently, 68 charter schools have been approved for the 2000-01 school year. They are projected to have a minimum of 17,200 students. Industry observers expect rapid growth to continue. To date, only one Pennsylvania charter school has a unionized staff, represented by the PaFT.
- Given that most charter schools are very new, it is too early to get a reliable picture of their academic performance. Obviously it takes time to start and effectively run a new school. However, initial reports of parental satisfaction have prompted advocates to claim that this educational experiment is a success. Contrary to the claims of the charter proponents, a sober assessment of the best available evidence indicates that most charters give little indication that they are doing a better job educating students than do the regular public schools. The very best among them appear to be doing about as good a job.
- It is clear that charter schools, by design, are draining funds from the regular public schools. In Erie, charter schools generate a net cost of nearly \$1.0 million/year to a district running a \$4.0 million operating deficit. In York, the district's payments to a conversion charter school could amount to over \$800,000 more than the costs the district would incur to run the school itself. For these and other reasons, PSEA would prefer that public funds be used for the regular public schools.
- Charter schools enjoy widespread bi-partisan support, making the likelihood for the reversal of current charter school law very low.
- Increasingly, it has become clear that PSEA's lack of a long-term strategy and clear standards for evaluating charter operations has left staff and governance without clear or consistent direction.

The Work Team recommends that:

- PSEA should explore the techniques used by other state Associations to organize charter school employees.
- While noting that charter school employees who bargain are already covered by PSEA's Constitution and by-laws, the PSEA Committee on the Constitution and by-laws should explore the creation of a special category of membership for nonbargaining charter school employees. This non-bargaining membership category should offer (among other things):
 - ▶ □ Liability insurance
 - ▶ □ Legal services

- ▶ □ PSEA member publications
 - ▶ □ Professional Development, i.e., Fulfilling Act 48 requirements-available regionally and inexpensively
 - ▶ □ Training/expertise about employee rights under the Charter School Law.
 - ▶ □ Advocacy training for non-bargaining situations.
- The PSEA Committee on the Constitution and by-laws should consider dues for nonbargaining charter school employees that would be set at 70% of dues for professional employees and 35% of the PSEA dues for support personnel. For Governance purposes, the Work Group recommends that the department structure used by other unique member classifications be utilized. [Article IX, section 6 does provide for the creation of Region-wide locals for members of this type.]
 - Recognizing that small charter schools represent a form of outsourcing that has led to a decline in union membership in other previously highly organized industries, PSEA should establish the objective of organizing all charter school employees and eventually bringing them under the umbrella of collective bargaining. PSEA also understands that initial hires in a charter school may be less interested in a collective bargaining membership category. Accordingly, PSEA should develop policy regarding the transition from a non-collectively bargaining charter school membership to a collectively bargaining membership.
 - Many charter schools may currently contain the potential for creating small bargaining units (see the next recommendation). However, it should be noted that with the corporate entry into the charter school movement, there may be an opportunity, in the long run, to create single company statewide units and to merge small locals into statewide locals with a single contract. PSEA should explore this opportunity and position itself to maximize its organizing and bargaining potential.
 - The PSEA Board of Directors direct PSEA Management to approach the PSEA Staff Organization to jointly review PSEA staffing and servicing patterns as they relate to charter schools and small locals.
 - The PSEA Legislative Committee should seek legislation that will hold local school districts financially harmless for the schools that are chartered over their objections. This legislation should also remedy the disproportionate special education funds that are passed onto charter operators that receive more funds than they expend to implement an IEP.
 - The PSEA Legislative Committee should also seek to have the legislature require that 100% of charter school employees hold appropriate state licensure.
 - The PSEA Resolutions Committee should review current resolutions and consider revisions as appropriate and as they relate to this report.
 - The PSEA Board of Directors should adopt and utilize this report's assessment questionnaire to direct and determine the level and kind of service provided to locals facing a charter application or existing charter school.

- The PSEA Board of Directors should adopt this report at the November 30, 2000 Board Meeting and refer it to the Executive Director for implementation.

- *Note that the PSEA House of Delegates adopted New Business Item 7 on December 2, 2000. “Move that whenever PSEA organizes the teachers and/or support staff of a charter school that it encourage the local education association to bargain a provision requiring certification of all professional employees in the bargaining unit.”*

Preface

The report of the Charter Schools Strategic Options Project (CSSOP) to the PSEA Board of Directors represents the culmination of process that began in December of 1999. The timelines the CSSOP is following are set out below.

CHARTER SCHOOL STRATEGIC OPTIONS PROJECT

- I. January Board Meeting**
 - Charter School Issue reviewed at Board Retreat
- II. February Board Meeting**
 - Review of Edison Program Analysis
- III. April Board Meeting**
 - A. Heidi Steffens-NEA Staff
 - B. Information from March 15th Meeting
 - C. Additional Edison Reports
 - D. Draft Goals from Charter School Strategic Options Group
- IV. May 4, 2000**
 - Meeting of Charter School Strategic Options Group
- V. May Board Meeting**
 - A. Presentation by President of Illinois EA & Michigan EA
 - B. Review progress of Charter School Strategic Options Group
- VI. May House of Delegates**
 - A. Committee of the Whole Panel Presentation with Question and Answer period.
 - Jolene Franken, President Iowa EA
 - Robert Harris, Staff Michigan EA
 - Harris Zwerling, PSEA Staff
 - William Lloyd, PSEA Retained Counsel
 - B. Review Role and Progress of Charter School Strategic Options Workgroup
- VII. June Board Meeting**
 - Discussion of Strategies as proposed by Charter School Strategic Options Workgroup--seek Board input
- VIII. July Board Meeting**
 - Refined Strategies reviewed and clarified
- IX. September Board Meeting**
 - A. PSEA BOD receives final report at September 8, 2000 meeting
 - B. Report is shared regionally and with appropriate committees between September 9, 2000 and November 30, 2000.
- X. December Board Meeting**
 - PSEA Board of Directors adopts final report and recommendations

Members of the Charter Schools Strategic Options Project Workgroup:

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Eric Elliott	Bill Steinhart	
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Background

The original proponents of charter schools intended that they become an alternative to the traditional K-12 school system. Their vision held that interested parents, teachers, and community members would develop charter schools using site-based management in a less-regulated environment. They would be able to experiment and innovate in curriculum and instructional techniques once they were freed from “onerous” state mandates. According to proponents, competition from the charter schools would spur traditional school districts to adopt the most promising of these reforms. That was the theory. Since charters provided a way to circumvent the bureaucratization of public education in order to facilitate educational change, a diverse group of people, including Albert Shanker, the late President of the AFT, championed this reform. Those educators motivated by the opportunity created by charter school legislation quickly found themselves occupied by the administrative demands of running schools with little time to focus on innovative teaching practices. To date, relatively few educators have pursued the charter option. However, charter school laws enacted in 36 states and the District of Columbia have opened the door for for-profit and non-profit corporations.

As we know, there were many critics of charter schools from their inception. Critics feared that charter schools would:

- drain needed resources from established public schools;
- “cream” the most motivated students and families, weakening the public schools and making performance comparisons between charters and the remaining public schools meaningless;
- increase the privatization of public education; and
- undermine collective bargaining. (After all, wasn’t collective bargaining high on the list of state mandates from which some charter proponents sought relief?)

When the charter school movement spread to Pennsylvania, PSEA adopted a position of neutrality towards Act 22 (Pennsylvania’s charter school law) in order to negotiate language into the bill. Since then, PSEA has remained ambivalent towards this change in the educational landscape. On the one hand, in 1997, PSEA’s first charter school work team developed a manual to help guide members in their responses to the new law and to give them step-by-step

instruction in how to start and operate a charter school. The thought was that some members might be interested in getting involved. Since then, individual locals have often taken an active role in opposition to charter applications. However, in the overwhelming majority of cases, PSEA locals took no action.

Charter schools captured PSEA's sustained attention as for-profit educational management companies, most notably, Mosaica Education, Inc. began to open schools in Pennsylvania. PSEA's Legal Division became extensively involved in several protracted battles against some charter applications, as have some members of the Field Division, and COPs program. Currently, a decision is pending in one case. Additionally, PSEA's retained counsel has consulted with a number of school districts regarding their litigation. In the meantime, Education Services and Research have also been involved in monitoring the charter school movement as well as some specific charter operations in Pennsylvania.

Increasingly, it has become clear that PSEA's lack of a long-term strategy and clear standards for evaluating charter operations left staff and governance without clear or consistent direction. What resulted was occasional monitoring combined with an ad hoc pattern of opposition to selected charter applications. This rapidly became untenable as a statewide response to charter schools. Charter applications proliferated, involving both non-profit and for-profit management operating with local non-profit charter boards of trustees.

While the number of charters increased rapidly, the York City Schools Superintendent and the (then) Edison Project repeatedly approached PSEA beginning in 1998 to create a "Partnership School" in the York City School District. After a year had passed, the failure of PSEA and the YCEA to respond, enabled the York district administration to lead the teachers in York's Lincoln Elementary School to convert their school to a charter under Edison's management, an outcome PSEA should have been able to avoid. The dilemmas this situation posed for both PSEA and the York City Education Association underscored the pressing need for an objective evaluation of the Edison program.

Consequently, the York City Project was born to investigate Edison, but given the broader issues created by the rapid expansion of Pennsylvania's charter movement, that project was transformed into the current undertaking, the Charter Schools Strategic Options Project.

First, let us summarize the results of our Edison investigation. PSEA sent a team of staff and governance to Edison's New York headquarters. This was followed by staff investigations of Edison's curriculum, finances, special education, technology, and assessment practices.

In short, the CSSOP found that Edison has a good curriculum and invests a great deal in ongoing research and professional development. Similarly, their use of technology is advanced. Edison's special education services seem to adequately meet the needs of students who do not have extreme disabilities. Their assessment practices are probably more advanced than those of the typical school district, and they have opened their records to scrutiny by teachers' unions (NEA and AFT) and other outside groups. The CSSOP verified the potential viability of Edison's business plan, which focuses on making profit by the reduction of administrative expense they achieve through economies of scale. Unlike the other for-profit Educational Management

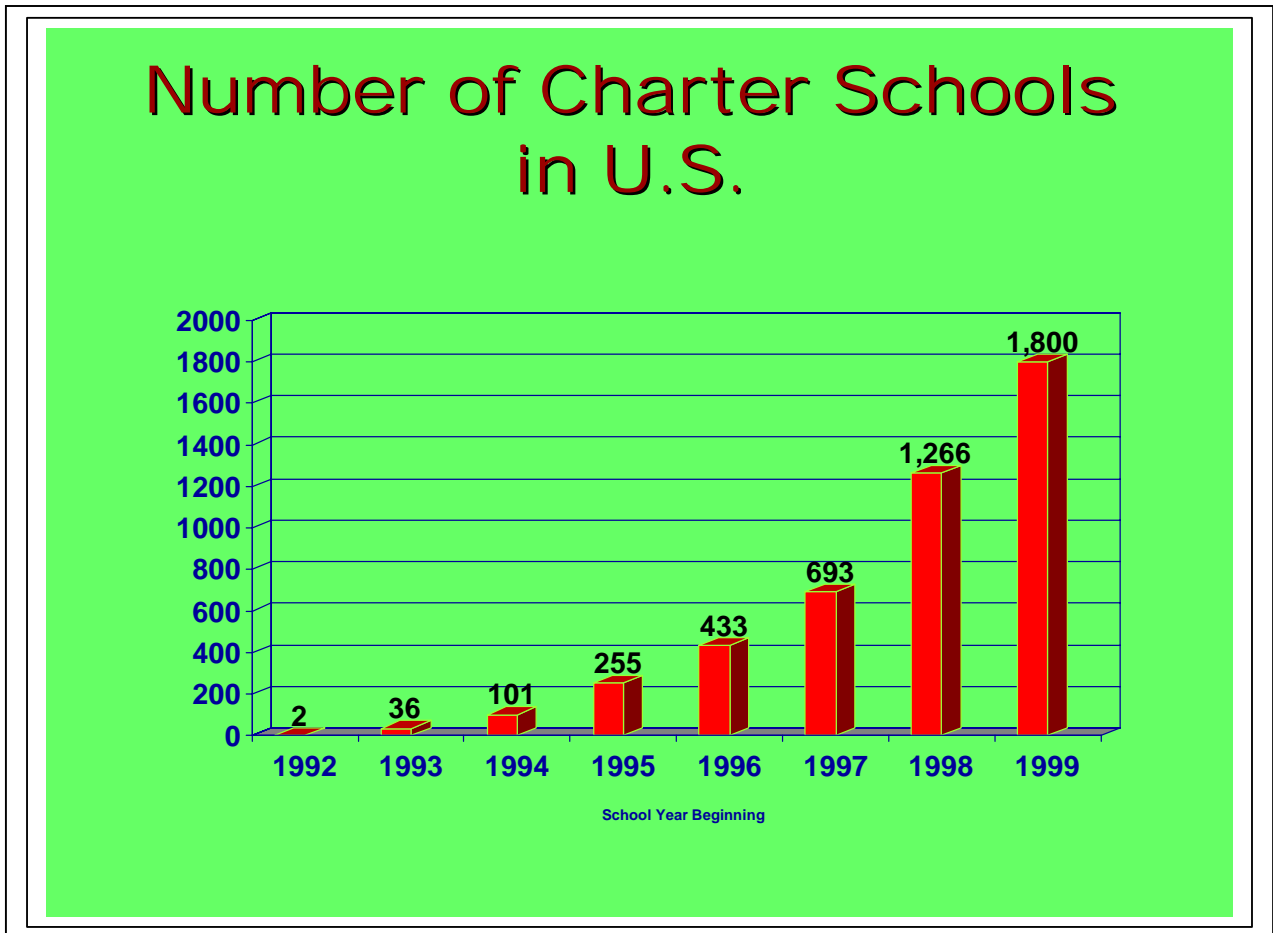
Organizations (EMOs), Edison has actively sought partnerships with teachers' unions as a conscious part of their business strategy. Since Edison's initial public offering in last October, their stock price has risen from \$18 to over \$30, an appreciation of 67% in approximately 10 months. Having said this, the CSSOP's investigation of Edison did not resolve the underlying philosophical dilemma posed by Edison's for-profit structure and the pragmatic reality of their increasing presence in Pennsylvania's educational landscape.

Historical Growth and Future Trends for the Charter School Movement

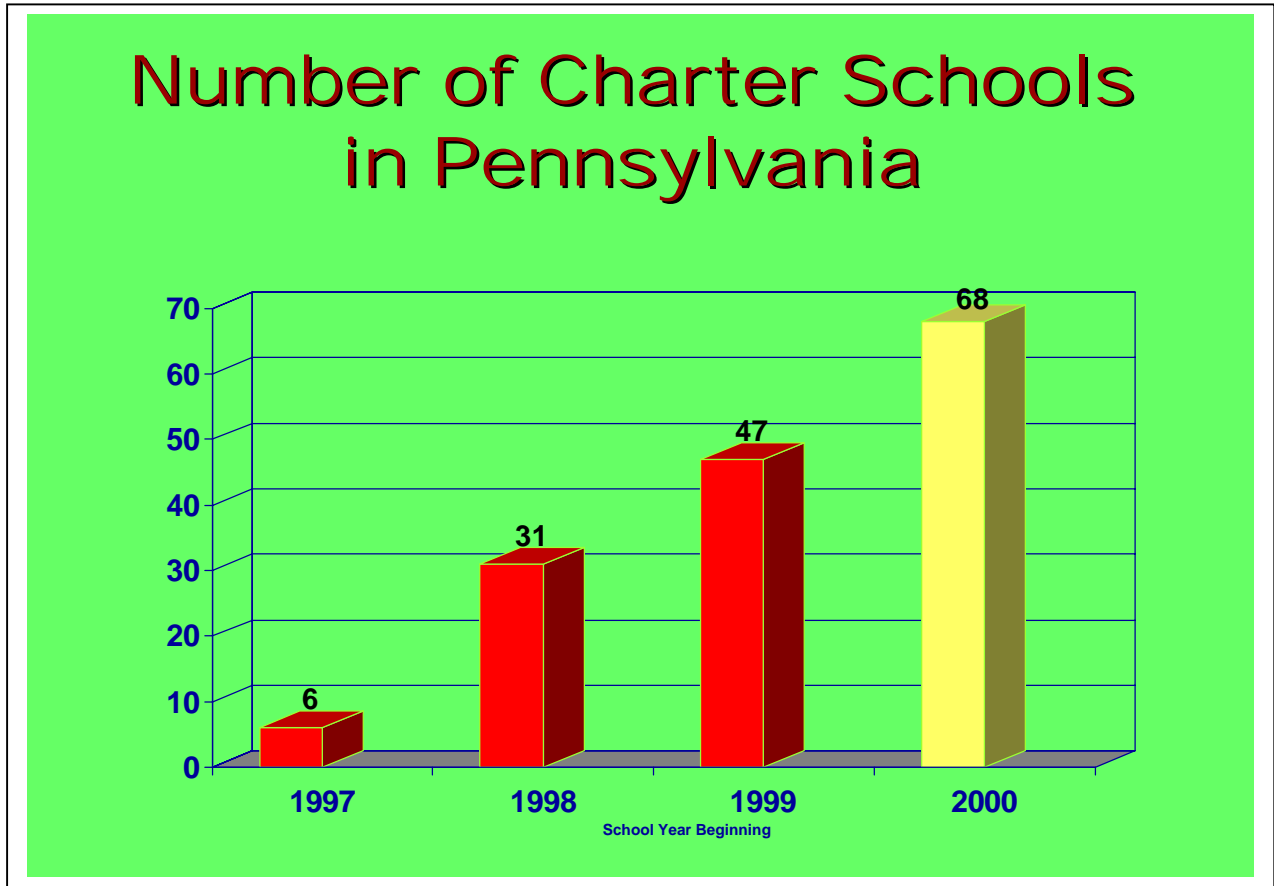
Charter schools enjoy widespread bi-partisan support, making the likelihood for the reversal of current charter school law very low. Historically, recent changes in public education can be viewed as the latest in a 30-year wave of privatization efforts designed to shrink the size and scope of publicly operated enterprises. More importantly, the charter movement is increasingly dominated by for-profit EMOs that have the access to capital, business skills, and financial motivation necessary to continue the rapid growth of the charter's share of the public education market. Finally, even if charters never produce the educational innovations promised by their early proponents, they will continue to extend their reach because they provide an expanded range of consumer choices and also provide options for students who are not fitting well into their regular public schools.

In 1992, Minnesota was the only state to have a charter school law. There was one EMO, Education Alternatives Inc. (now the TessaracT Group, Inc.) running one school under contract in Miami. A union represented the teachers. (EAI briefly ran the Turner Elementary School in Wilkinsburg, an arrangement now legal under both the Charter School [Act 22] and Education Empowerment [Act 16] laws.)

By 1999-2000, 36 states and the District of Columbia had charter laws. One thousand eight hundred charter schools were in operation. Industry observers expect rapid growth to continue. Arizona, Michigan, and California have been in the lead. Arizona alone has over 300 charter schools. Michigan has about 180 and California has over 250. Florida and Texas have well over 100 each. One of every 11 students in Washington, D.C. attends a charter school.



Pennsylvania passed Act 22 (the Charter School Law) in June 1997. In 1997-98, Pennsylvania had 6 charter schools enrolling 1028 students. Currently, 68 charter schools have been approved for the 2000-01 school year. They are projected to have a minimum of 17,200 students and employ a minimum of 1100 teachers. To date, only one Pennsylvania charter school has a unionized staff, represented by the PaFT.



In May of 2000, Pennsylvania passed the Education “Empowerment” [Act 16]. Among other things, the Act provides districts the authority for subcontracting or “charterizing” all district schools. The School Code has been revised to allow for-profit companies to run entire districts. Chester-Upland and its 7,600 students came under a Board of Control as of July 1, 2000. Over 248,600 students are in the 10 other targeted districts on the “Empowerment list.”

In 1998-99, only one EMO operated charter schools in Pennsylvania. In the coming school year, five EMOs will be operating in the state. We can expect that trend to accelerate. Recently, the Pennsylvania Commonwealth Court granted summary judgement for Mosaica Education, Inc. against the Philadelphia School District. Another Commonwealth Court decision ruled in favor of Mosaica against the West Chester School District and against PSEA’s intervention on behalf of two taxpayers. These decisions suggest that the courts are unlikely to pose any obstacles to

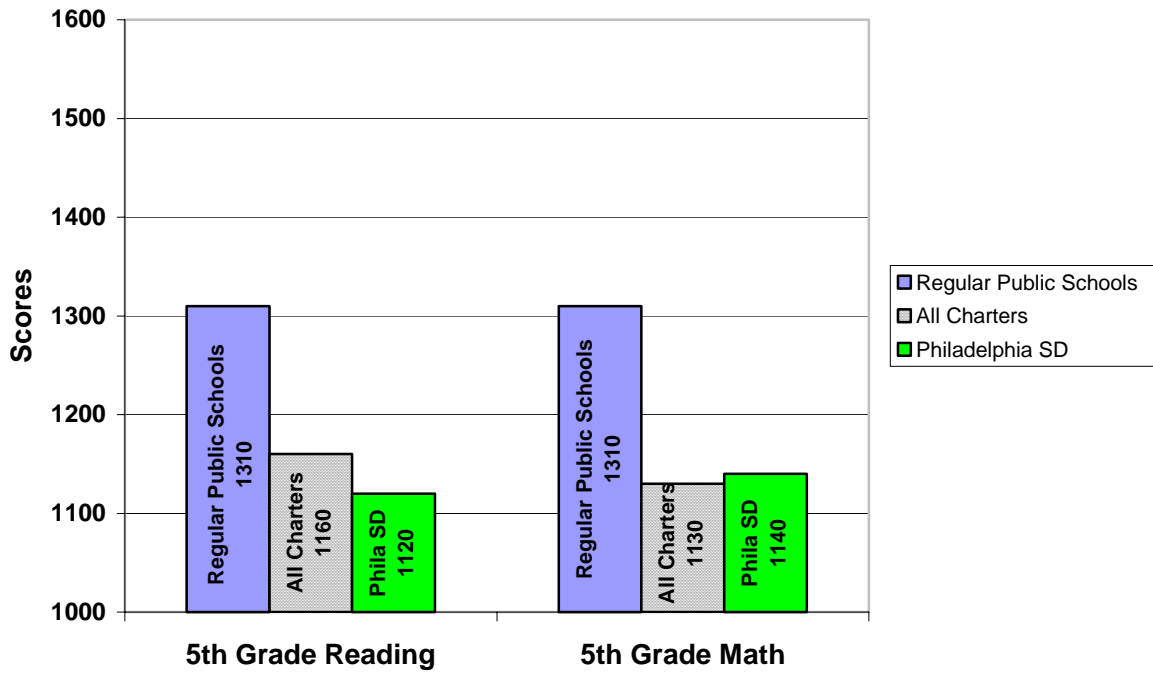
the for-profit operation of charter schools in this state. As a consequence, the rate of for-profit EMO applications for charters should accelerate.

Charter School Academic Performance

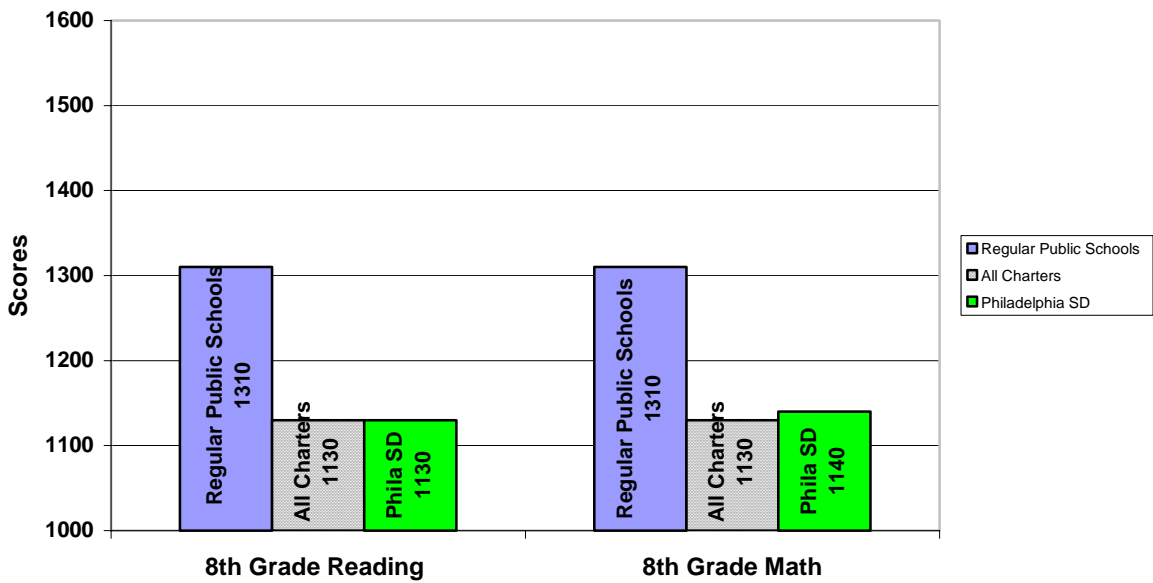
Given that most charter schools are very new, it is too early to get a reliable picture of their academic performance. Obviously it takes time to start and effectively run a new school. However, initial reports of parental satisfaction have prompted advocates to claim that this educational experiment is a success. Contrary to the claims of the charter proponents, a sober assessment of the best available evidence indicates that most charters give little indication that they are doing a better job educating students than do the regular public schools. The very best among them appear to be doing about as good a job. Moreover, it is unlikely that any of the ongoing longitudinal studies are designed in a way that will enable educators to determine whether charter schools are doing a better or worse job of educating our children, or are merely selecting students from families with different levels of motivation and involvement.

The charts that follow do not offer the type of methodologically rigorous study that would be necessary to settle the issue. However, the data they contain indicate that claims of success for the charter initiative are premature. Clearly, they are not doing nearly as well as the public schools as a whole, and on 4 of 8 PSSA tests did no better, or worse than the Philadelphia public schools (a district that is on the Academic Empowerment List). In addition, during the 1998-99 school year, Pennsylvania's charter schools had a weighted average daily attendance rate of 88 percent as compared to a 93.4 percent attendance rate for all regular public schools and 87 percent reported by the Philadelphia School District.

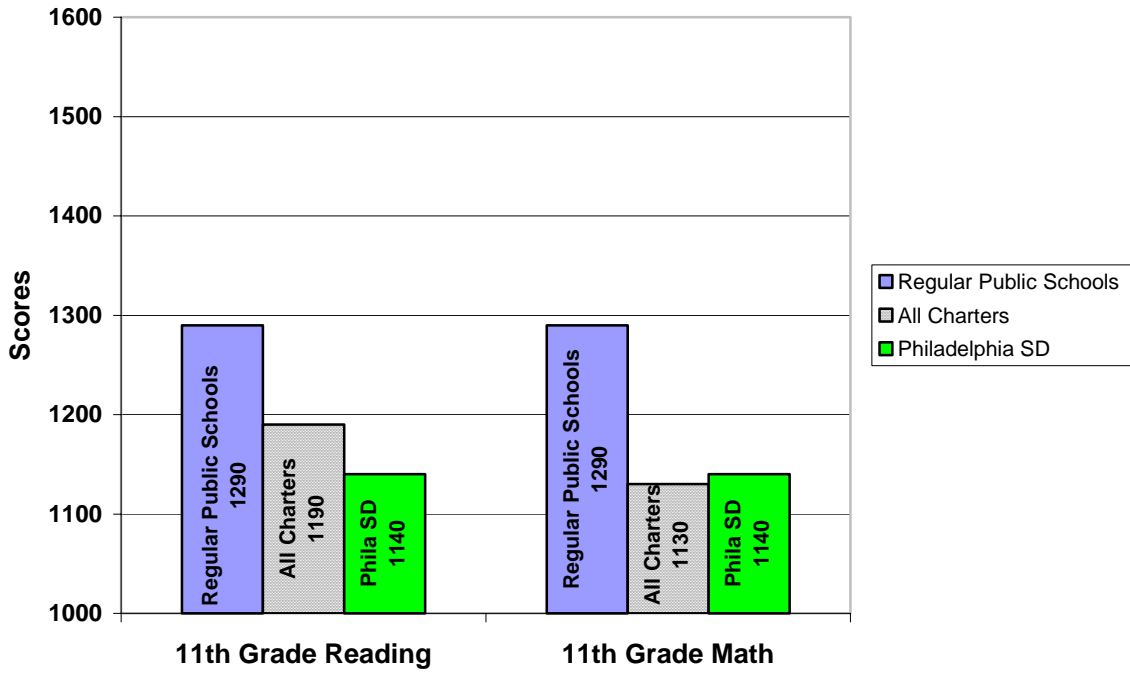
1998-99 PSSA 5th Grade Scores



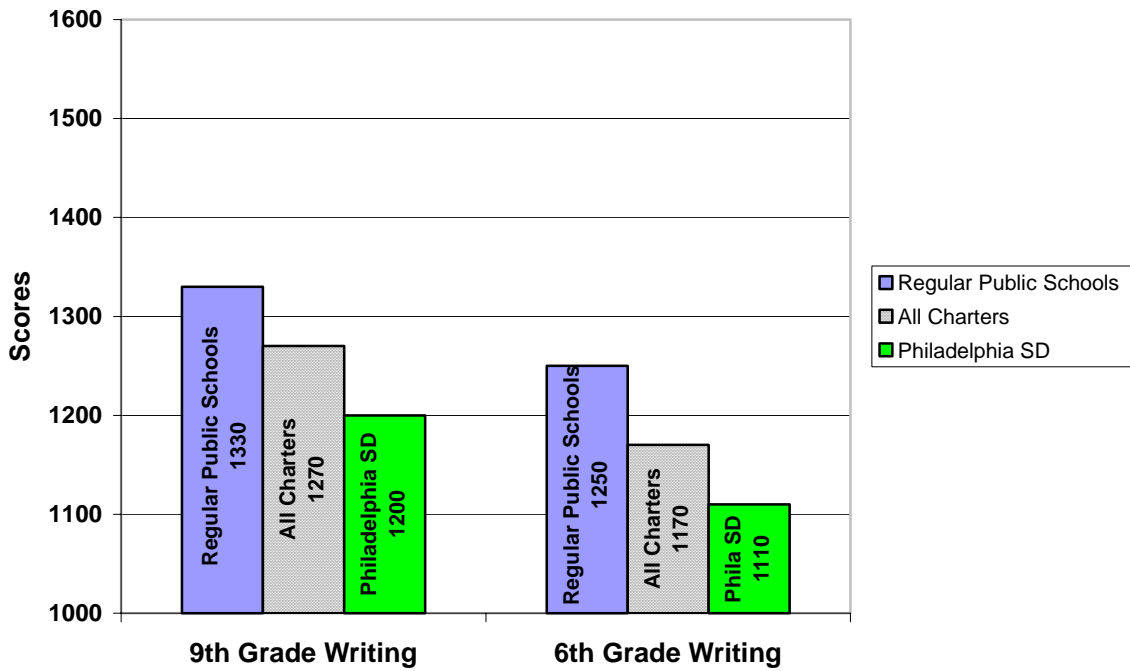
1998-99 PSSA 8th Grade Scores



1998-99 PSSA 11th Grade Scores



1998-99 PSSA Writing Scores



Despite the ongoing questions about the academic effectiveness of charter schools, the many reports of increased parental satisfaction should give PSEA pause when considering its response to charters. Attempts to prevent the granting of charters can have negative public relations consequences. Moreover, opposition is unlikely to succeed under the current laws. It may be wiser to confront the challenges charters pose by improving the competitive position of the regular public schools. The questionnaire and options list should provide locals and districts a guide to assessing and improving their competitive position.

Financial Impact of Charter Schools

It is clear that charter schools, by design, are draining funds from the regular public schools. Payments from school districts to charter schools are based upon selected district expenditures. Those expenditures excluded are:

- acquisition or construction of buildings,
- debt service or fund transfers,
- transportation, and
- portions of other expenditures covered by federal funding.

On average, districts must pay approximately 80% of their per pupil expenditures for each district resident that enrolls in a charter. All public, private, and home-schooled students are eligible.

Payments from school districts to charter schools are different for “regular” and “special” education pupils (those with IEPs), and are calculated on a per pupil basis. Payments for “special” education pupils consist of the above payments for “regular” pupils plus an additional amount reflecting the additional costs of special education. The “special” education payments are the same for every student with an IEP, regardless of differences in the services required or the current cost of those services to the district .

Charter schools will increase the costs to a district if the charter enrolls those students for which the district spends less than the district average per pupil. This occurs with special education pupils that have IEPs that are less expensive than average and with regular education pupils from relatively cheaper programs. (Elementary students in some districts cost less to educate per pupil than secondary students.) While federal and state subsidies based on pupil counts in charters generate some revenue for their home districts; **they never completely cover any increased costs associated with charter school students.** Federal and state subsidies do not fully reimburse all the expenses for new students being drawn from private schools into the publicly funded schools. In Erie, charter schools generate a net cost of nearly \$1.0 million/year to a district running a \$4.0 million operating deficit. In York, the district’s payments to a conversion charter school could amount to over \$800,000 more than the costs the district would incur to run the school itself. For these and other reasons, PSEA would prefer that public funds be used for the regular public schools.

The Charter Schools Strategic Options Project (CSSOP)

Early in its deliberations, the CSSOP defined public education and then elaborated the outcome goals for its charter school recommendations.

Definition of Public Education

Public Education:

- Provides equal educational opportunities and access for all children.
- Is supported by public funds.
- Is accountable to publicly elected officials.

Outcome Goals

- Maintain and increase union membership (PSEA).
- Increase quality of public education.
 1. Increase customer satisfaction in unionized public schools.
 2. Create and implement alternatives to and for charter schools.
 3. Properly licensed professionals will teach students.
- Increase the quality of the work environment.
 1. Education employees are treated as professionals.
 2. Education employees are directly and fully involved in decision making at all levels.
 3. Education employees will bargain collectively.

The main task for the CSSOP was to recommend strategies for PSEA to adopt when dealing with charter schools. The CSSOP accepted the following premises in developing its recommendations:

1. Charter Schools are growing nationally and across the Commonwealth of Pennsylvania.
2. Without endorsing the Charter School concept, PSEA recognizes their impact on Public Education and the membership of PSEA.
3. PSEA is committed not only to maintaining its current market share of organized education employees, but also to increasing the proportion of education employees who are unionized.
4. PSEA recognizes that resources (human and dollars) are finite and that all charter operators are not “created equal.”

Given that PSEA’s resources are finite, it was essential for the CSSOP to develop a means for determining what resources could be offered, and options suggested to locals facing a charter application or the operation of an existing charter. To a large extent, a central part of PSEA’s concern is that the school districts employing our members increasingly will be forced to compete with charters for scarce educational resources. Accordingly, for PSEA to judiciously

allocate its own limited resources to support locals facing this threat, the CSSOP needed to develop an instrument for determining the relative competitive positions of the local EA and the charter operator. The CSSOP developed a two-part questionnaire that could be scored to assess the competitive positions of the local and the charter operator.

Locals can also use the questionnaire to help guide their analysis and suggest response options regarding the charter school. This assessment can be used in three ways:

- 1) by locals faced with the immediate possibility of charter schools in their district,
- 2) by any local wanting to assess their vulnerability to charter schools, or
- 3) by any local wanting to assess their position relative to that of an existing charter school.

From PSEA's perspective, this assessment will give insight into the nature of the threat to statewide and local membership while providing a framework for determining the level and type of assistance appropriate for that particular local.

The workgroup recommends that a four-member "team" complete the assessment. A PSEA facilitator/consultant will be made available to the local to guide them through this process. This team should consist of a region governance representative, two local representatives (one being a local leader), an ESP representative if a local is present, and their UniServ representative. The intent is that completion of the decision-making matrix would be done as a collaborative effort. **After completing the assessment, a local can take measures to improve their competitive position. If they do so, they can then seek a re-evaluation from the team. This is an evolving, formative process and is not designed to be "once and done."**

A draft of the assessment tool is attached. (See attachments A and B.) Once the assessment tools are completed, the Team will total the number of questions answered in the affirmative. The totals for the local's and charter operator's questionnaires will then be used to determine a point on the grid below.

The work group identified four quadrants of the grid that serve to represent the levels and types of support PSEA can provide to the local. The options should be viewed as a menu. Locals falling in the upper left quadrant are those that provide the greatest likelihood for local success in competing with the charter entity and in the lower right, the least. Noting that PSEA has finite resources, PSEA will adopt the most aggressive response in those situations in which the local position is strong and there is a high likelihood of preventing or delaying the opening of the charter.

Local's Score 9	18 Local Competitive Position Strong/ Charter Competitive Position Weak <ul style="list-style-type: none"> • Financial and human resources • Legal Counsel geared to halting the charter • Aggressively fund community organizing grants (external) • High level of staff support on the ground for organizing (external) • PR support geared to promoting public education • Provide on-site expertise to assist local and district in improving competitive position 	Local Competitive Position Strong/ Charter Competitive Position Strong <ul style="list-style-type: none"> • Provide counsel to local on improving local position (academic) and support for activities to improve local competitive position • Support local analysis of strengths and how to market. If weaknesses are identified, how to improve and market improvement. • Consider matching grants for PR (equal funding from PSEA and district) • Support partnership(s) that maintain bargaining unit integrity
	Local Competitive Position Weak/ Charter Competitive Position Weak <ul style="list-style-type: none"> • Provide PSEA legal update regarding charter application and appeal process • Internal organizing support to strengthen the local • Provide staff support to local on improving local position (academic) and support for activities to improve local competitive position • Emphasize community organizing to local 	Local Competitive Position Weak/ Charter Competitive Position Strong <ul style="list-style-type: none"> • Provide PSEA legal update regarding charter application and appeal process • Internal organizing support to strengthen the local • Provide staff support to local on improving local position (academic) and support for activities to improve local competitive position • Support partnership(s) that maintain bargaining unit integrity
0	16	32
Charter Operator's Score		

Placement in the quadrants clarifies the level of support (high, medium, and low) that PSEA will provide. While the quadrants are clearly delineated, there will still be many “borderline cases” where scores fall close to the dividing lines. In the borderline cases, the options considered and offered will be those listed in the nearest adjacent quadrants.

Organizing

Why PSEA must organize charter school employees

Act 195 granted PSEA and the Federation a legal monopoly to represent public education employees for the purpose of collective bargaining. “All” we have to do is to convince teachers and support personnel to join. Once we obtain majority representative status, PSEA becomes the exclusive bargaining agent. **IN NO OTHER ENDEAVOR PSEA UNDERTAKES CAN IT ENJOY THIS EXCLUSIVE POSITION.** The timeworn debate whether we are primarily a professional association or a union obscures a critical point. The main source of PSEA’s influence is that almost all Pennsylvania teachers are unionized. If we want to maintain our influence, our ability to do ANYTHING, we must make sure that education remains a unionized industry. Representing all educational employees is at least as important to PSEA’s health as is electing pro-public education government officials. Without a strong base, PSEA will wither. As the proportion of educational employees PSEA represents declines, so will PSEA’s ability to influence elections and public policy as it relates to public education. There are numerous examples from recent labor history, of unions that suffered dramatic declines in the face of increasing nonunion competition.

PSEA’s success as an advocate for teachers and educational support personnel has been the main reason PSEA has grown as large and influential as it has. Our internal membership surveys show that our Senior and Junior members value our advocacy in the collective bargaining and legislative arenas above all else that we do. If we lose our grip on the labor supply to the education industry, we will bargain from a position of weakness. Educational support personnel already have had numerous bitter experiences bargaining in a climate where the employer readily and credibly threatens to subcontract to nonunion service providers. Continued growth of the nonunion education sector threatens the professionalism and professional autonomy of PSEA’s members. Bargaining in an increasingly nonunion educational industry will resemble the productivity bargaining forced upon weakened auto, telecommunications, steel, and paperworker unions. It is noteworthy that in the face of the growing power and influence of HMOs and insurance companies, the American Medical Association and increasing numbers of individual physicians are turning to collective bargaining as a means for preserving, and in many cases restoring, their professional autonomy and working conditions.

In organizing we must set priorities---we should try to organize the for-profit managed charters and the larger non-profits first. But it is essential that we start applying pressure to all non-union employers, because even if we win representation elections slowly, the resources expended will force non-union charter operators to pay more to their employees, if for no other reason than to forestall unionization. Pushing up the wages of charter school employees will reduce their

employer's ability to undercut our members' wages and use those savings as a source of competitive advantage against the regular public schools.

Impediments and stimulants to organizing

In 1998-99, Pennsylvania's charter schools employed an average of 11 full-time teachers (ranging from 2 to 43). Preliminary data indicate that in 1999-2000 charter schools employed an average of 16 teachers. Traditionally, in the private sector, smaller workplaces have proven more difficult to organize. Moreover, very small units are not cost-effective to represent. (Of course, it becomes imperative that we measure the economic impact that failing to organize a unit will have on existing bargaining relationships in the form of lower increases, threats to subcontract, etc.) **It seems clear that as long as charter schools remain relatively small operations, any serious attempt to organize them will require a reconsideration of PSEA staffing and service patterns.**

A second barrier to organizing can be the lack of commitment employees have to their job. One factor possibly lessening the stake or commitment felt by charter school employees is the 5-year initial time limit on the length of the charter. Moreover, according to the Western Michigan University study of Pennsylvania charter school teachers commissioned by the Pennsylvania Department of Education, about 27 percent of charter school teachers answered that their inability to find another teaching position was an important reason why they took their current job. Preliminary data indicate that over thirty-nine percent of Pennsylvania's 1998-99 charter school teachers were no longer employed by the same schools the following school year. Employees with a low commitment to their job are less likely to make an investment in unionization.

On the other side of the ledger, in 1998-99, the weighted average charter school teacher's salary was \$29,169. The average starting salary was \$26,043, while the average top salary was \$35,974. Using the same Pennsylvania Department of Education data set, the average regular public school teacher's salary was \$48,605, the average start was \$29,004 and the average top salary was \$65,975.

Some people seem to assume that traditional union issues won't appeal to charter school employees. The burden of proof should be on them. Charter school employees have all the same expenses and worries that our members do. We can tell from the NJEA's survey of New Jersey charter teachers, that charter school teachers work longer hours, have lower salaries, and inferior benefits when compared to a matched sample of regular public school teachers. It is likely that the same pattern prevails across the country. The Western Michigan University study indicates that only 35% of Pennsylvania charter school teachers reported being satisfied with their salaries and benefits. This reflects the salary figures mentioned. Clearly this provides an opening to organize using traditional appeals.

However, it is also likely that many charter school administrators and staff may be ideologically resistant to unionism. Experience in other states and the firing of a teacher who was attempting to organize the Keystone Education Center Charter School suggests that hardball anti-union

tactics may become quite common. Although PSEA has received some inquiries from individual charter school teachers, we do not know whether the bulk of them harbor pro-union, anti-union, or neutral sentiments. **In the end, PSEA will not discover effective means for organizing charter school employees until it actually undertakes a sustained effort to organize them.**

Recommendations

Recommendations to the PSEA Committee on the Constitution and by-laws:

1. While noting that charter school employees who bargain are already covered by PSEA's Constitution and by-laws, the PSEA Committee on the Constitution and by-laws should explore the creation of as special category of membership for nonbargaining charter school employees. This non-bargaining membership category should offer (among other things that would be approved by the PSEA Board):
 - ◆ Liability insurance
 - ◆ PSEA member publications
 - ◆ Legal services
 - ◆ Professional Development, i.e., Fulfilling Act 48 requirements-available regionally and inexpensively
 - ◆ Training/expertise about employee rights under the Charter School Law.
 - ◆ Advocacy training for non-bargaining situations.
2. Consider dues for nonbargaining charter school employees that would be set at 70% of dues for professional employees and 35% of the PSEA dues for support personnel. For Governance purposes, the Work Group recommends that the department structure used by other unique member classifications be utilized. [Article IX, section 6 does provide for the creation of Region-wide locals for members of this type.]

Recommendations to the PSEA Legislative Committee:

1. Seek legislation that will hold local school districts financially harmless for the schools that are chartered over their objections. This legislation should also remedy the disproportionate special education funds that are passed onto charter operators that receive more funds than they expend to implement an IEP.
2. Seek to have the legislature require that 100% of charter school employees hold appropriate state licensure.

Recommendation to the PSEA Resolutions Committee:

1. Review current resolutions and consider revisions as appropriate and as they relate to this report.

Recommendations to the PSEA Board of Directors:

1. Explore the techniques used by other state Associations to organize charter school employees.
2. Adopt and utilize this report's assessment questionnaire to direct and determine the level and kind of service provided to locals facing a charter application or existing charter school.
3. Recognizing that small charter schools represent a form of outsourcing that has led to a decline in union membership in other previously highly organized industries, PSEA should establish the objective of organizing all charter school employees and eventually bringing them under the umbrella of collective bargaining. PSEA also understands that initial hires in a charter school may be less interested in a collective bargaining membership category. Accordingly, PSEA should develop policy regarding the transition from a non-collectively bargaining charter school membership to a collectively bargaining membership.
4. Many charter schools may currently contain the potential for creating small bargaining units (see the next recommendation). However, it should be noted that with the corporate entry into the charter school movement, there is an opportunity, in the long run, to create single (EMO) employer statewide units and to merge small locals into statewide locals with a single contract. PSEA should explore this opportunity and position itself to maximize its organizing and bargaining potential.
5. Direct PSEA Management to approach the PSEA Staff Organization to jointly review PSEA staffing and servicing patterns as they relate to charter schools and small locals.
6. Adopt this report at the November 30, 2000 Board Meeting and refer it to the Executive Director for implementation.
7. *Note that the PSEA House of Delegates adopted New Business Item 7 on December 2, 2000. "Move that whenever PSEA organizes the teachers and/or support staff of a charter school that it encourage the local education association to bargain a provision requiring certification of all professional employees in the bargaining unit."*

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