



## **Priority Issue: Cyber Charter Funding Reform**

*The Pennsylvania School Boards Association (PSBA), PA Association of School Administrators (PASA), and the PA Association of Intermediate Units (PAIU) urge the General Assembly to support these recommendations for reform of cyber charter school funding:*

### **The funding formula for cyber charters results in overpayment of funds**

#### **Recommendation:**

- **Reform the funding mechanism for cyber charter schools.**

Every Pennsylvania school district, regardless of its size, location, and wealth, makes payments to these schools for resident students who are enrolled. The current funding formula requires districts to send more money to charter schools than is needed to operate their programs. Cyber charter tuition payments are having a dramatic impact on school district budgets. For some, payments to cyber charters represents as much as 6% of their budgeted expenditures. Consider:

- School districts paid cyber charter schools more than \$463 million in 2016-17.
- More than 100 school districts paid cyber charter tuition payments of greater than \$1 million. The average total cyber charter school tuition payment made by a district was \$926,000.
- The average cyber charter tuition rate for a regular education student is \$11,306.
- For special education students attending cyber charters, the average tuition rate was \$24,200 with a maximum rate of \$48,198 per student.
- More than 390 school districts were forced to pay more than \$20,000 per student for special education students attending cyber charters.

### **School districts and Intermediate Units are providing cost-effective, high-quality cyber programs**

#### **Recommendation:**

- **Support House Bill 526 and Senate Bill 34.**

This legislation would save millions of dollars for some school districts that make tuition payments for their students to attend cyber charter schools that they never authorized. These bills would require parents to pay for their child's education in a cyber charter school if the school district of residence offers its own full-time cyber education program. Consider:

- Districts and IUs want to, and are able to, respond to demand for delivering education programs and services. More than 150 districts, along with over 20 IUs, have already developed their own high-quality cyber programs to provide students with a wider variety of learning options.
- School districts and IUs can provide their own online learning programs for regular and special education at costs significantly less than what they must pay for cyber charter tuition.
- The reform provided under these bills offer real relief to school districts that are mandated to pay tuition to charter schools they did not authorize. The savings stay within the districts, benefitting all of their students while controlling costs.

## **School district and Intermediate Unit cyber programs provide excellent opportunities for students**

School districts and IUs can provide innovative experiences and opportunities for students in a manner that excels what cyber charter schools can do. Students who choose their district's cyber program remain part of the school community while following a different educational path. Consider:

- Districts and IUs can successfully provide personalized learning programs to help students with a variety of needs and interests for both regular and special education students.
- Districts and IUs are better at providing special education services at all levels of need and ensuring those needs are met, including students with more serious disabilities.
- Districts and IUs offer significantly more academic options for students, both online and blended. For example, if students want to participate in classes a district does not offer online, then they can go into the school and take those classes. Students can participate in athletics, guidance and extracurricular activities; they receive a district diploma and walk the stage with their graduating class.
- Students choosing district and IU cyber programs can easily transition back to the brick-and-mortar schools in the district on a full-time basis if they wish to do so.

## **School districts do not save money when students transfer to cyber charters**

When a student leaves a school district to enroll in a cyber charter school, the resident school district still maintains the responsibility for the tuition costs for that student. Consider:

- Almost all funding for cyber charter schools is provided by local school districts, which places a significant financial burden on districts' budgets.
- On its face, it would seem that districts could reduce their costs when students transfer to cyber charter schools, but students of the same age do not leave districts in groups of twenty to enroll in cyber charters. Districts are not able to reduce teaching staff, building space, maintenance or utility bills. Transportation routes remain unchanged, so the number of drivers, buses and fuel costs remain the same.
- Additionally, districts must pay for students who enroll in cyber charter schools who were home-schooled or were enrolled in non-public/private schools, representing an entirely new expense for them.
- The existing funding formula creates a situation where school districts across the state are spending wildly different tuition amounts for cyber charter schools because it is based on school district expenditures with no relationship to the actual instructional costs of the students attending the charter school.