

What is a cyber charter school?

Cyber charter schools are Pennsylvania public schools that operate an exclusively online curriculum, where students are educated at home with parents/guardians often serving in the role of learning coaches. They are funded with tuition paid by the school district of residence for each student attending the cyber charter school. Cyber charter schools are authorized by the PA Department of Education.

Currently, there are 14 cyber charter schools in Pennsylvania, some providing online education programs for students in all grades k-12, some providing education for students in only middle and/or high school. A single cyber charter school may educate students residing in many different school districts from across the state.

Does cyber charter school curriculum align with school district curriculum?

Cyber charter schools are separate and individual public schools, so their curriculum will not align to the curriculum in any individual school district. This may make transition between the school district and the cyber charter school more complex, as it is equivalent to transitioning between two school districts.

How are cyber charter schools funded?

Cyber charter schools are primarily funded by school districts. When a student decides to enroll in a cyber charter school, the school district of residence pays tuition for that student.

The tuition paid by a school district to a cyber charter school is based entirely upon the result of a standard calculation applied to each school district separately. As a result, there are 500 cyber charter school tuition rates—one for each school district. That means that a cyber charter school that educates students from multiple school districts receives an entirely different tuition rate for each student.

The charter school tuition calculation is broken into two parts: regular education tuition and special education tuition.

The calculation is relatively simple, and it is completed by a school district annually. A school district starts with their budgeted total expenditures from the prior school year (for the 2020-21 school year, a school district will begin with their 2019-20 budget)—this means that they use what they budgeted at the beginning of 2019-20 to calculate the rate, not what they actually spent last year.

Then, the school district makes some deductions for several expenditures—these expenditures either reflect areas where cyber charter schools have no corresponding cost (such as nonpublic school-related expenditures or transportation costs) or where charter schools receive state or federal funding just like school districts.

School districts also deduct their special education expenditures from the calculation when determining the regular education tuition rate, as those costs are used separately to calculate the special education tuition.

The total school district budgeted expenditures minus the deductions is then divided by the number of students a school district is financially responsible for—this includes both students enrolled in the school district and students enrolled in charter schools. The result is the regular education cyber charter school tuition rate, and it is unique to each school district. Additionally, since the calculation is based on a standard calculation of school district budgets, what local taxpayers pay to a cyber charter school does not necessarily reflect the school district's actual costs or the cyber charter school's actual costs to educate a student.

Last school year, the regular education charter school tuition rate ranged from a low of about \$7,400 per student to a high of nearly \$22,000 per student. The average regular education cyber charter tuition rate was about \$12,500 per student.

How are cyber charter schools funded for special education students?

If a student attending a cyber charter school requires special education services and has an Individualized Education Plan (IEP), the school district pays a different—higher—tuition for that student.

Like the regular education tuition rate, the special education tuition rate is defined by the charter school law and calculated by each school district annually. Generally, the special education tuition calculation adds a supplement onto the district's regular education tuition rate.

To calculate the special education cyber charter school tuition rate, the school district starts with their total budgeted special education expenditures *for the prior year*.

The school district's special education expenditures are then divided by 16% of the school district's total students. Sixteen percent is used in this calculation because it once represented the average percentage of special education students in a school district. However, currently, the actual percentage of special education students in most districts is greater than 16%.

The resulting amount is then added to the regular education cyber charter school tuition rate (for 2019-20, this base amount ranged from about \$7,400 to \$22,000 per student). This sum becomes the special education tuition rate, which ranged from just more than \$10,000 per student to more than \$55,000 per student last year. The average special education cyber charter tuition rate was about \$27,000 per student.

This special education tuition rate is the amount paid to a cyber charter school for every student with an IEP regardless of the student's educational needs or the cyber charter school's actual costs.

How do cyber charter school tuition rates vary across school districts?

Because cyber charter school tuition rates are based on school district budgets, it means that cyber charter schools receive a different tuition rate from each sending school district. As a result, when a cyber charter school educates students from multiple school districts, it gets multiple tuition rates to provide the same instruction.

For example, as noted above, one cyber charter school that educates students from more than 475 school districts, got a regular education tuition rate of just about \$7,400 per student from one school district and a high of about \$22,000 per student from another last year. The average regular education tuition rate received by the cyber charter school is about \$12,500 per student.

What effect does cyber charter tuition have on my property taxes?

School districts receive no state or federal reimbursement related to their cyber charter tuition costs, so these costs—and the annual increases—are borne entirely by local taxpayers, mostly through property taxes. At the most basic level, as cyber charter costs increase, it will mean property tax increases.

In 2018-19 (the most recent year of available data from the PA Department of Education), school districts and taxpayers sent charter schools and cyber charter schools more than \$2 billion in tuition to educate about 140,000 of Pennsylvania's 1.7 million public education students.

Due mostly to the mechanics of the charter school tuition calculation, charter school costs have increased by \$100-\$250 million per year—a cost that is covered by taxpayers each year or made up through adjustments to school district budgets. In many school districts, their charter school costs increase on an annual basis even if their charter school enrollment remains flat. If cyber charter school enrollment increases, the school district will face additional cost increases.

What effect does cyber charter tuition have on my school district?

As cyber charter school tuition increases each year, school districts are mandated by our legislature to pay for those increases, and their only real options for additional funding are to increase property tax rates and/or to make cuts or reductions to school district programs, staff and/or services.

Because 2020-21 school district budgets have already been passed and property taxes set, if school districts see an increase in cyber charter school enrollment during this school year, those costs can only be covered by cuts or reductions to programs, staff and/or services for school district students in this current year.

Do school districts save money when students attend cyber charter schools?

For most school districts, when a student enrolls in a cyber charter school, there is no reduction in costs equal to what they pay in cyber charter tuition. In some cases, the cyber charter enrollment may grow large enough within a grade span to allow the school district to drop a teacher, staff or program. However, in most cases, enrollment in cyber charter schools does not allow a district to furlough teachers or staff or reduce utility or other costs as a result of “savings.”

When a new student enrolls in a school district, there is very little additional cost for the district since the building, classroom, lights, heating/cooling and the staff are already in place. In contrast, there is no economies of scale for school districts or taxpayers in the cyber charter school tuition calculation, as each cyber charter student costs the school district the full tuition amount regardless of the actual cost to the cyber charter school for enrolling that student.