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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

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MEMORANDUM

To: All House Members
From: Representative Bryan Barbin
Date: April 3, 2012
Subject: Cyber Charter Accountability Act (CCAA)

Last year, only 2 of the 11 cyber charter schools in Pennsylvania made AYP. In addition, cyber charter schools have a 60% graduation rate compared to an 84% rate for traditional public schools. On April 30, 2012, I will introduce legislation that would require accountability for cyber charter schools in the Commonwealth.

This bill will do the following:

- Establish a standard statewide cyber charter school tuition rate of \$5,000 for non-special education students, to be paid by the Commonwealth rather than by individual school districts.
- Provide consequences for those schools that do not meet Adequate Yearly Progress (AYP).
- Transfer cyber charter surplus funds to support traditional public school full day kindergarten and property tax relief for districts relying on local tax revenues for 80% of their budget.

The Task Force on School Cost Reduction, in a 2007 report, stated the following:

Cyber charter schools do not have the same cost structure as schools operating in traditional buildings. As a result, the cost structure for cyber charters varies significantly from that for brick and mortar charter schools. Such discrepancies have contributed, in part, to the accrual of significant fund balances in most of the commonwealth's cyber charter schools. This is an indication that, in many cases, cyber charter schools are receiving revenues in excess of their needs.

The report also recommended that a statewide tuition rate be established.

If you would like to co-sponsor this legislation, please contact Valerie Hubbard in my office at 783-1491, or by e-mail at vhubbard@pahouse.net.

Attachment

ATTACHMENT
Cyber Charter Accountability Act (CCAA)
Representative Bryan Barbin

As reported both in the Auditor General's 2010 special report on charter school funding and by the Task Force on School Cost Reduction that was created during the 2006 special session on tax relief, a significant problem exists in how cyber charter schools are currently funded. At this time, cyber charter schools in this Commonwealth are funded by the resident school districts of the students who attend the cyber schools, and the per-pupil funding amount is based upon the cost of educating a student in the sending public school rather than the cost of educating the student in the cyber charter school. Since cyber charter schools draw students from various school districts, the amount of funding that accompanies one cyber school student can vary greatly from the amount that may accompany another cyber school student. This funding inequity has resulted in a lack of accountability in terms of how Pennsylvania funds cyber charter schools, leading to some cyber charter schools accumulating sizeable reserve funding balances, which is unfair to our already overburdened taxpayers.

Under the Cyber Charter Accountability Act (CCAA):

- Cyber charter schools would be paid directly by the Department of Education, and the bill would establish a new, statewide tuition rate of \$5,000 per year for a non-special education student and \$13,000 for a special education student;
- If a cyber charter school fails to make AYP in the previous academic year, that school would receive 10% reduced funding for the following year, and a 20% reduction for the second consecutive year, after which the school's charter would come under review for approval by the Department of Education;
- Cyber schools would be required to transfer all funding balances at the end of each academic year to the Department of Treasury, with 50% of such funding to be distributed into a newly created fund to assist schools in funding full day kindergarten, and the other 50% to be distributed to a newly created fund to provide tax relief in overtaxed school districts; and
- Any cyber charter school student whose local school district or its intermediate unit operates a cyber charter school must attend that publically operated cyber charter school.

If we are to continue to support cyber charter schools in this Commonwealth, we should encourage the greater accountability measures in this legislation to help ensure the quality of education received by cyber school students and to protect taxpayers.