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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

Chairman, Education Committee
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Black History Advisory Committee, Member

PA Legislative Black Caucus, Member

Co-Sponsorship Memo

DATE: September 20, 2012

TO: All House Members

FROM: Representative James Roebuck

SUBJECT: Co-Sponsorship – Charter & Cyber Charter School Fiscal Accountability & Transparency Legislation

In the near future, I will be introducing legislation addressing the Fiscal Accountability for Charter & Cyber Charter Schools in the Commonwealth including transparency measures for Charter & Cyber Charter School contract providers.

While several proposals have recently focused on the expansion and reform of Charter & Cyber Charter Schools, these bills do not adequately address Fiscal Accountability and Transparency of Charter & Cyber Charter Schools. Given the uncertainty of whether a comprehensive Charter & Cyber Charter School reform package will pass before the end of this session, it is imperative that we address immediate specific financial concerns regarding Charter & Cyber Charter Schools. This effort will provide School Districts and the state with immediate financial relief as well as provide transparency concerning contractors that provide management, educational or administrative services to Charter & Cyber Charter Schools. If we take these steps now we can reduce specific costs to School Districts and the state due to the Charter & Cyber Charter School mandate. These savings can then be used by school districts and the state to restore funding to public schools and/or keep property taxes from rising.

Those steps include the following:

1. Requiring year end audits by the Department of Education to determine the actual costs of education services of a Charter or Cyber Charter School and then conduct an annual year end final reconciliation process of tuition payments against actual costs of education services of a Charter or Cyber Charter School. If the actual cost of education services exceeds the tuition payments from school district then the Charter or Cyber Charter School would return any overpayments to the school district.

2. Limiting the amount of special education funding that a Charter or Cyber Charter School receives per student to the total per pupil expenditure for special educational services incurred by the school district.
3. Limiting unassigned fund balances for Charter & Cyber Charter Schools consistent with traditional public schools and returning any surpluses to the school districts.
4. Removing the “double dip” for pension costs by Charter & Cyber Charter Schools. Presently, a school district cost for retirement expenditure is not subtracted from expenditures in the Charter tuition calculation that determines funding for Charter Schools. This sets up a “double dip” for Charter & Cyber Charter Schools since state law guarantees Charter School’s reimbursement for their retirement costs.
 - Additionally this bill would eliminate non-instructional services from tuition payments to charters such as expenditures for athletic funds, nonpublic school programs and services and tuition payments for Charter Schools from the Charter School tuition calculation as they are unrelated to Charter School operational costs.

Currently, funding to Charter & Cyber Charter Schools is based on the state share provided to the resident district of enrolled students; this amount is a supplement to the local share within a district and has no correlation to the actual cost of educating a student at a charter school.

This legislation will allow the Commonwealth to appropriately provide funding to Charter and Cyber Charter Schools based on the actual cost of education by requiring year end audits by PDE to determine the actual costs of education services, limiting special education funding to reflect the services actually provided and not to exceed district expenditure per student, limiting unassigned fund balances and return huge surpluses back to school districts and removing the “double dip” for pension costs. Furthermore, it would increase transparency for contractors that provide management, educational or administrative services to Charter & Cyber Charter Schools by requiring disclosure of financial relationship with for profit providers.

I believe these changes to the funding and transparency of Charter Schools will provide a more accurate disbursement and accountability of taxpayer dollars to Charter Schools, and ensure that public dollars used to educate students are responsibly spent.

If you wish to co-sponsor this legislation please contact Marlena Miller at 717-787-7044 or via e-mail: mmmiller@pahouse.net

Thank you in advance for your support.