



**POCONO MOUNTAIN
SCHOOL DISTRICT**

**Testimony of Pocono Mountain School District
By Dr. Elizabeth Robison, Superintendent of Schools**

**Public Hearing Regarding
Cyber Charter School Costs and Funding**

**Presented to the PA House Democratic Policy Committee
May 8, 2023**

Good afternoon, Chairman Bizzarro, Vice Chairman Isaacson, Representative Probst and members of the House Democratic Policy Committee. I am Dr. Elizabeth Robison, the Superintendent of School for Pocono Mountain School District (PMSD). I want to thank the House Democratic Policy Committee for inviting me to share my experiences and perspective, and the experiences of my school district, Pocono Mountain School District, on the issue of Cyber Charter School Costs, Funding and Reform. Thank you for hosting this important discussion.

Each year, public educators across the Commonwealth call upon our legislators to revise and reform the PA Charter School Law. Each year, those pleas go unanswered. Hopefully, this year will be different. The need for reform is especially urgent now, because cyber charter enrollment jumped by 59% during the 2020-21 school year, putting intense pressure on school districts to raise property taxes or make other programmatic cuts to the programs they offer students enrolled in district schools just to cover the ever increasing cost of cyber tuition.

As the Superintendent of the most diverse and largest school district in Monroe County, Pennsylvania, I understand the desire of parents to have educational choices and input into their children's education. I have spoken and met with many charter and cyber charter school parents since the PA Charter School Law was enacted, because the reality is when parents have a concern about their children's education they almost always go back to their home school district for help.

I believe school choice is here to stay and, when carefully designed and managed by the state, can provide high-quality educational opportunities for students that compliment and expand upon the state's other public school offerings. Unfortunately, what started out as very good intentions with the

enactment of the PA Charter School Law has evolved to the point where Pennsylvania now has two competing and almost entirely separate and parallel public school systems with different accountability expectations and measurements; with competing, not complementary interests; and two systems that are heavily influenced by lobbying groups. What started out as a way to reform and improve public education and create a more cost-effective educational system for taxpayers has created increased educational costs, and in many cases exploding, unsustainable costs for local taxpayers. More alarming is independent research studies on the effectiveness of cyber charter schools does not support the notion that they have led to anticipated reform or improvement of public education outcomes for students, in fact research shows the opposite is true.

District Cyber Charter School Costs & State Funding:

The argument regarding cyber school funding is always that the educational funds received from the state and from property taxes paid by parents to fund schools should follow the student. That argument makes sense when everything is equal, but everything is not equal in how the state funds schools. State funding for Pocono Mountain is on average between 26 percent to 35 percent annually, while many other school districts in PA are funded at much higher rates by the state where up to around 70 percent of their budget comes from state funding. So, Pocono Mountain School District taxpayers bear a disproportionate burden than many other property owners across the state when it comes to supporting their local school district. This local taxpayer burden is only exasperated by the fact that cyber charter school tuition rates are based on school district budgets and not the actual operating schools of the charters. This means there are different cyber charter school tuition rates for each school district, with Pocono Mountain taxpayers paying very high charter school tuition rates while the educational

services provided to our students by the cyber and charter schools is the same as for districts paying much less.

In 2021-22 Pocono Mountain School District paid more than \$6.3 million dollars in cyber charter tuition. Our cyber charter school tuition rates for this school year are \$15,731.31 per regular education student and \$37,829.68 per special education student regardless of the services provided to those students by the cyber charter schools. These tuition rates, which increase annually based on the district's expenditures and budget, not the actual costs of educating students at the cyber charter school, are not sustainable for very much longer for our district without forcing large property tax increases on our school community or substantial reduction of educational opportunities for students attending Pocono Mountain School District schools.

When you look at the cumulative effects overtime of the costs to school districts for state mandates, such as charter school tuition, the bulk of which for Pocono Mountain is cyber charter school tuition fees, and state funding for charter school tuition reimbursement, you can see that we are operating at a great deficit of funding for costs that we cannot control or even accurately project for the next year as the COVID-19 pandemic showed us.

For my school district, the cumulative dollar changes in state funding from 2010-11 to 2020-21 for charter school tuition reimbursement is a negative \$1,661,234.78. That is a negative, not a gain. The cumulative change in mandated costs from that same timeframe, 2010-11 to 2020-21, was an increase in expenses for charter school tuition of \$8,265,206. This deficit in state funding and increase in costs for cyber charter and charter tuition is paid for by our local property owners.

Cumulative Dollar Change in State Funding (2010-11 to 2020-21)	\$ 22,190,748.00
Cumulative Change in Mandated Costs (2010-11 to 2020-21)	\$ 38,267,006.00
Mandated Costs Deficit after State Funding (Mandated Cost increases) – (State Funding Increases) *Local Burden from Mandates	\$ 16,076,258.00

Component Chart:

Cumulative Dollar Change in State Funding (2010-11 to 2020-21)		Cumulative Change in Mandated Costs (2010-11 to 2020-21)	
Rev: Pension Reimbursement	\$ 13,220,088.00	Exp: Total Pension Costs	\$ 23,402,327.00
Rev: Charter Tuition Reimbursement	-\$ 1,661,234.78	Exp: Charter Tuition Costs	\$ 8,265,206.00
Rev. Special Education Funding	\$ 953,282.00	Exp. Adjusted Special Education Costs*	\$ 6,599,473.00
Rev. Basic Education Funding	\$ 9,678,613.00		
Total Change - State Funding	\$ 22,190,748.22	Total Change - Mandated Costs	\$ 38,267,006.00

Important Research Findings:

In A Children First Education Report entitled “The PA Disconnect in Cyber Charter Oversight and Funding – A review of Cyber Charter Laws in 27 States, January 2022,” the researchers found that performance data on PA cyber charter schools shows that “every one of Pennsylvania’s 14 charter schools has been identified as needing some level of support and improvement under the state’s accountability system.”

More concerning, this recent study highlights that the “Pennsylvania Association of State Business Officials (PASBO) estimate that cyber charter schools received \$980 million dollars in taxpayer-funded tuition payments in 2020-2021. This amount is more than three times the increase in basic education funding that the legislature appropriated for all 500 school districts.”

The study further shows that in a review of 27 states with cyber charter school, Pennsylvania stands out in ways that are not positive:

- Most states elect to fund cyber charter schools at the state level, while cyber charter schools in Pennsylvania are funded by the local school districts.
- “Taxpayers in different jurisdictions pay vastly different tuition rates for the same educational services. This price inequality is built in the current system and creates incentives to advertise and recruit in districts with higher tuition rates.”
- “The funding formula builds the impact of rising charter tuition payments into future tuition bills. Because there is no exemption for charter school tuition payments, the tuition expense paid by school districts becomes part of their financial base in subsequent years, fueling higher tuition rates and compounding costs paid by local taxpayers.”
- “No other state uses a methodology that mirrors or even closely resembles PA’s approach, which has been unchanged since it was enacted in 2002.”

Conclusion - Cyber Charter Reform Recommendations:

When Pennsylvania began approving cyber charter schools, school districts did not have cyber programs. Now that 90 percent of PA school districts offer online educational programs, it's time for the state to reassess why district taxpayers are being asked to pay for two parallel and redundant systems for online learning.

- Cyber School tuition rates should be aligned to the actual costs of providing the cyber education for its students, not the school district’s finances.
- Our legislature should reform the PA Charter School Law to establish a fair, uniform, statewide cyber tuition rate. There is no rational reason

why taxpayers in one school district should be expected to pay more than twice as much as taxpayers in another district for the exact same educational services provided by a cyber charter school.

- Reform should include ensuring cyber charter schools undergo the same financial audits as brick and mortar charter schools and traditional public schools to ensure accountability and fiscal responsibility to Commonwealth taxpayers.

If our legislators are truly concerned with improving the quality of public education for all students throughout Pennsylvania, I would call upon them to enact meaningful cyber charter school legislation reform. Any improvement has to start with an open and honest discussion on how to create a system where educational, accountability and funding measures are fairly and equitably applied to all public schools, traditional and cyber charter, across the state.

Thank you again for your time Chairman Bizzarro, Vice Chairman Isaacson, Representative Probst, other members of the House Majority Policy Committee and guests.

Respectfully submitted,

Dr. Elizabeth Robison, Superintendent of Schools