POLICY BACKGROUNDER
FROM THE COMMONWEALTH FOUNDATION

April 2020

Understanding Cyber Charter Schools
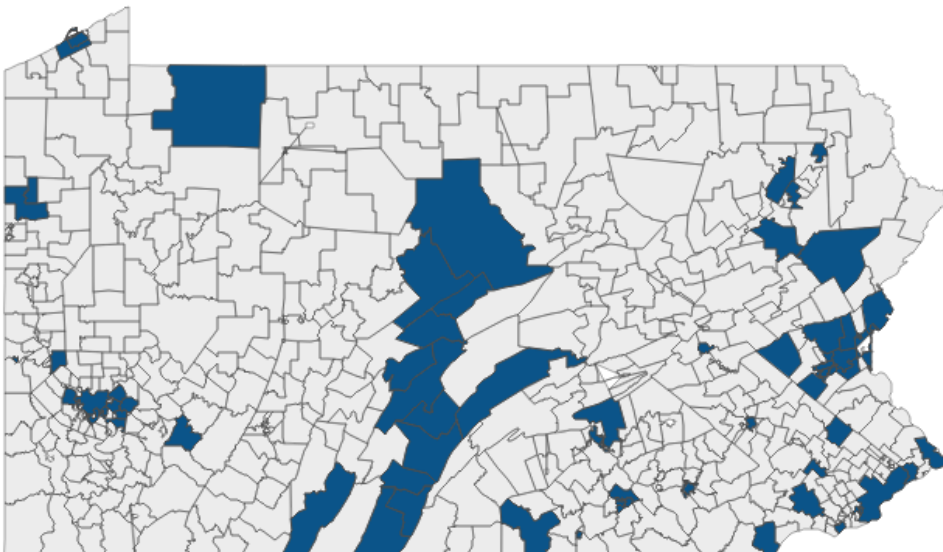
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What are cyber charter schools?

Charter schools are public, tuition-free schools open to all students. They are held to state academic and financial reporting standards, but they have more flexibility than district schools in terms of curriculum, school calendar, length of school day, and teacher qualifications. Importantly, charter schools are answerable to parents, who can remove their children if the school doesn't meet their needs.

Cyber charter schools are charter schools that deliver instruction over the internet, allowing students to attend classes from home. The Pennsylvania Department of Education has the authority to approve or deny cyber charter applications in the state. **Since 87% of Pa. districts have no brick and mortar charter schools, cyber charters are the only tuition-free option available to many families.**

WHICH DISTRICTS HAVE BRICK & MORTAR CHARTER SCHOOL OPTIONS?

In 87% of districts, cyber charter schools are the only public schooling alternative to district schools.

Source: Pa. Department of Education list of brick and mortar cyber schools (district and regional).

How are cyber charter schools funded?

Charter school funding is based on each district's per pupil costs after subtracting certain expenditures like transportation, facilities, and debt services. **On average, Pa. charter schools receive approximately 27% less per pupil than district schools.[1]** While some of this gap is due to programs that are not offered at charter schools, much of it is because charter schools do not get funds for facilities or debt service.

Gov. Wolf and his allies frequently say cyber charter funding is too high. Their rationale is cyber schools do not have school buildings, so their costs should be lower. However, *funding for facilities is already deducted* from district payments to charter schools.

Opponents also claim district cyber programs cost significantly less than cyber charters. This ignores several key factors:

- District cyber programs share resources (*e.g.,* the superintendent and facilities) with district schools, but the cost of those resources is not included in cost estimates of the cyber programs.
- A cyber *program* is different than a cyber *school*, so the associated costs are different. For example, cyber charter schools must arrange (and pay for) testing locations across the state.
- Cyber charters need administrative offices including registrars, pupil health, special education, enrollment services, technology support, and teacher office space.

Why are districts spending more on charter schools—including cybers?

There are some important points to consider when evaluating charter school funding.
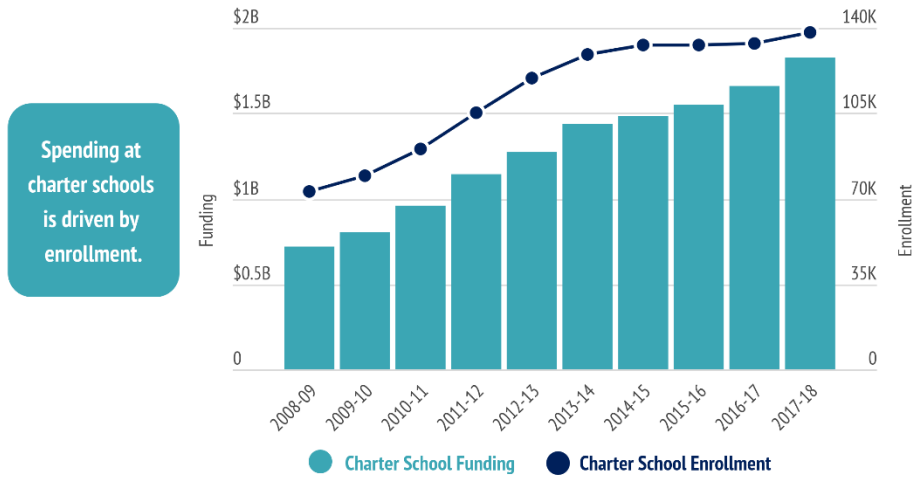
- School districts exist to facilitate the taxpayer-funded education of children. Children are not the property of the district. Neither is the funding that is meant to educate them. It makes no sense to refer exclusively to charter schools as a "cost" without acknowledging the "cost" of district schools.
- Per-pupil charter funding rates are set by a state-mandated formula that is driven by district spending. **The cost of charter schools ($13,000 per pupil) is 27% less than the cost of district schools ($18,000 per pupil)—thus charters actually save districts money**.
- Charter schools only receive funding when students enroll in them. Parents typically choose a charter school—especially a cyber—when their local district has failed them in some way.

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[1] https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/AFR-Data-Detailed-.aspx
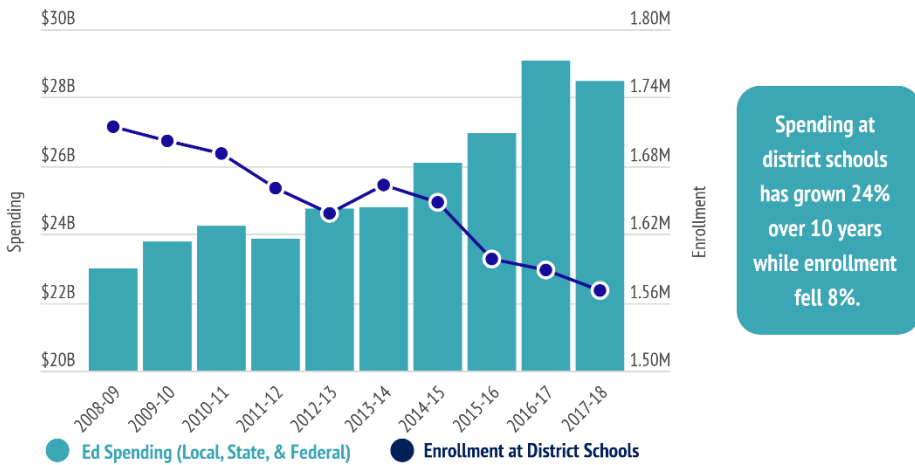
As the charts below show, unlike charter schools, there is no link between enrollment and spending at district schools.

Enrollment & Spending Trends

CHARTER FUNDING & ENROLLMENT

Spending at charter schools is driven by enrollment.

● Charter School Funding ● Charter School Enrollment

DISTRICT FUNDING & ENROLLMENT

Spending at district schools has grown 24% over 10 years while enrollment fell 8%.

● Ed Spending (Local, State, & Federal)   ● Enrollment at District Schools

Sources: Combination of PA Department of Education AFR Data and Enrollment Reports 2008-09 through 2017-18 as well as data from PCPCS.