

**RESOLUTION CALLING FOR REFORM OF THE COMMONWEALTH'S CYBER  
CHARTER SCHOOL FUNDING FORMULA  
BY THE BOARD OF DIRECTORS OF THE MECHANICSBURG AREA SCHOOL  
DISTRICT**

**WHEREAS**, the current funding formula for cyber charter schools in particular bears no relationship to the actual instructional costs of the distance learning program; and

**WHEREAS**, the cyber charter school funding formula in the Public School Code is based on the sending school district's prior year budgeted expenditures per average daily membership minus certain budgeted expenditures of the district of residence including nonpublic school programs and student transportation services, rather than the cyber charter school's actual costs to educate the student; and

**WHEREAS**, the cyber charter school funding formula for special education differs from the formula used to calculate school district special education subsidies and again is based on the student's district of residence's special education expenditures for the prior school year; and

**WHEREAS**, students do not leave school districts to attend cyber charter schools in large groups within the same age range and, therefore, school districts are unable to proportionately reduce their budgets when students opt to enroll in a cyber charter school; and

**WHEREAS**, school districts are faced with entirely new costs for educating students outside of their own school system when they must make cyber charter school tuition payments for students who were previously receiving a nonpublic education enroll in a cyber charter school seeking a different type of education; and

**WHEREAS**, the Commonwealth is the sole authorizer of cyber charter schools, yet almost all of the costs for cyber charter schools are borne by local taxpayers; and

**WHEREAS**, the Commonwealth's partial reimbursement to school districts for students attending cyber charter schools has been completely eliminated by the Governor's proposed 2011-2012 budget and was not restored under the 2012-13 state budget for K-12 Education; and

**WHEREAS**, the Mechanicsburg Area School District's cyber charter school expenditures for the past 5 years reflect extraordinary costs that were borne by its taxpayers as follows:

School Year	Charter School Expenditures	State Reimbursement to District	Number of Students Attending Cyber Charters
2008-09	\$ 652,131	\$ 176,269	40.941 (ADM)
2009-10	\$ 866,207	\$ 172,109	52.068 (ADM)
2010-11	\$ 922,707	\$ 198,341	59.934 (ADM)
2011-12	\$1,051,530	\$ 0	66.240 (ADM)
2012-13	\$1,098,708	\$ 0	90 (Enrollment)
<b>Total:</b>	<b>\$4,591,283</b>	<b>\$ 546,719</b>	<b>309.183</b>

**WHEREAS**, school districts are required to pay cyber charter schools for pension costs as part of the charter school tuition formula; however, the state under the retirement code also reimburses charter schools for up to 50% of their pension costs, thus allowing cyber charter schools to receive payment for the same costs twice; and

**WHEREAS**, this pension "double-dip" is unnecessarily costing school district taxpayers an additional \$50 million each year, especially during a time when individual taxpayers simply cannot afford overpayments due to simple policy flaws; and

**WHEREAS**, the Auditor General of the Commonwealth issued a special report on charter and cyber charter school funding in September 2010 and again in June 2012 outlining recommendations for addressing disparities with the Pennsylvania cyber charter school funding formula, specifically advising that the Governor and Pennsylvania General Assembly, with leadership from PDE and in consultation with impacted cyber charter schools and school districts, should amend Charter School Law (which applies to charter and cyber charter schools) to "establish a funding formula based on the actual cost of educating students, including special education students, at the charter school," among other recommendations.

**NOW THEREFORE, BE IT RESOLVED** that the Mechanicsburg Area School Board urges its elected officials to support any legislation that corrects the tuition and pension overpayments to cyber charter schools and relieves the financial burden on school districts created by cyber charter schools that ultimately causes tax increases and becomes the financial burden of local taxpayers.

**BE IT FURTHER RESOLVED** that the Mechanicsburg Area School Board directs its Board President to take immediate action to alert its district's state legislators about its position on this legislation and provide a copy of this resolution to them.

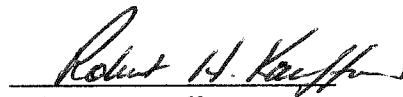
**BE IT FURTHER RESOLVED** that the Mechanicsburg Area School Board will encourage others including parents and teachers to contact the Pennsylvania General Assembly to support this legislation.

**Adopted** this 9th day of April, 2013.

Signed,



Dawn M. Merris  
School Board President



Robert H. Kauffman  
Board Secretary

(seal)