

CYBER CHARTER SCHOOL REFORM



Pennsylvania has 14 cyber charter schools, which are privately-operated public schools that are granted a charter and authorized to operate by the Pennsylvania Department of Education. Any student can attend any cyber charter school no matter what school district they live in, and school districts are required by state law to make tuition payments for students who live in their districts and enroll in cyber charter schools. These tuition payments total more than \$1 billion annually and are made up primarily of property tax dollars that are collected at the local level in each district.

**PA school districts
pay cyber charter
schools
\$1 BILLION
per year**

In 2024-2025, regular education tuition rates for cyber charter students range from \$7,659 to \$28,959 per student per year. Special education tuition rates for cyber charter students range from \$18,627 to \$63,019 per student, regardless of the cost of services required by the student.

These equivalent tuition rates may seem sensible at first glance, but operationally, they do not add up. Cyber charter schools educate students who are at home on a computer, not in a brick-and-mortar school. Cyber charter schools do not provide students with gym, recess, libraries, laboratories, or music and art classrooms. They do not need to employ security or maintenance/custodial staff or heat, cool, and maintain school district facilities and grounds. **Their operational and overhead costs come nowhere close to those of traditional public schools - yet they receive the same amount of funding per student.**

REGULAR EDUCATION TUITION RATES



SPECIAL EDUCATION TUITION RATES



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The fact that payments to cyber charter schools are not tied to cyber charter schools' lower costs to educate a child means cyber charter schools bank the excess tuition dollars. Right to know requests have shown that they spend these excess tuition dollars on items that public schools don't have the luxury to purchase – television ads and billboards, paying inflated prices to for-profit management services, buying real estate, or paying for a variety of things other than education.

A recent audit on five Pennsylvania cyber charter schools by the Pennsylvania Auditor General confirmed that the Commonwealth's cyber charter school funding system is deeply flawed and in need of urgent reform. Specifically, the audit revealed that revenue for the five cyber charter schools increased by 90% from the 2019-20 school year to 2022-23; fund balances surged, reaching \$619 million by June 30, 2023; and collectively, these schools reported a General Fund surplus of \$590 million.

The result?

- ✗ Our local public schools, which are unconstitutionally underfunded by more than \$4 billion, struggle to provide essential resources.
- ✗ Property taxpayers face increasing financial pressure as school districts raise taxes in order to pay cyber charter tuition bills.
- ✗ Cyber charter schools amass enormous asset hoards with little oversight and waste millions of tax dollars on things unrelated to education including gift cards for students, parties, buildings, and advertising.

Pennsylvania can create efficiencies and end wasteful spending of education dollars by enacting a rational system to fund cyber charter schools that bases tuition paid to cybers on actual costs of educating a student at home on a computer.

Out of all neighboring states, Ohio's cyber charter sector is the most similar to Pennsylvania. However, Ohio calculates a statewide per student tuition payment instead of basing tuition on expenses by individual school districts. Delaware, Maryland, New Jersey, and New York do not have any cyber charters. In fact, state law in Delaware and Maryland categorically prohibit virtual charter schools.

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