

**Resolution Calling for Reform of
the Commonwealth's Charter and Cyber Charter School Funding
By the Board of Directors of the State College Area School District**

WHEREAS, the charter and cyber charter school funding formula in the Public School Code is based primarily on the sending school district's prior year's budgeted expenditures per average daily membership; and

WHEREAS, the Commonwealth's provisions under Act 88 of 2002 to reimburse school districts for students attending charter schools was funded in neither the 2011-2012 nor 2012-13 school years; and

WHEREAS, since the Commonwealth now funds charter school costs to school districts only through its basic education subsidy, more of the expense of charter school tuition falls to local taxpayers; and

WHEREAS, because of the comprehensive education program that school districts provide and because only a few students from any one district school may choose to enroll in a charter school, school districts may not be able to reduce total educational expenditures in direct proportion to a decrease in average daily membership caused by students enrolling in charter schools;

WHEREAS, charter and cyber charter schools receive additional funding for each student with special needs based on the total special education expenditures in the sending district for the prior school year, rather than the particular student's documented need for special education services, enabling some charter schools to use funds received for special education for their general education program or to increase their unreserved general fund balance; and

WHEREAS, school districts are required to pay charter and cyber charter schools for their employer pension contribution as part of the charter school funding formula; however, the state also reimburses charter schools for up to 50 percent of their pension contribution, thus allowing charter and cyber charter schools to receive payment for the same costs twice; and

WHEREAS, this pension "double-dip" is costing taxpayers an additional \$50 million statewide, and \$140,000 in the SCASD, each year; and

WHEREAS, the State College Area School District's charter and cyber charter school expenditures for the past five years as follows:

School Year	Charter School Expenditures	State Reimbursement to District
2008-09	\$ 3,277,111.00	\$ 912,531.00
2009-10	\$ 3,076,032.00	\$ 858,498.00
2010-11	\$ 3,569,456.00	\$ 776,659.00
2011-12	\$ 3,960,052.00	\$ 0.00
2012-13	\$ 4,200,000.00	\$ 0.00
Total:	\$18,082,651.00	\$2,533,688.00

WHEREAS, Pennsylvania charter schools were intended to serve as laboratories of innovation on behalf of all of Pennsylvania's schools and were established to provide parents and pupils with expanded choices in the types of educational opportunities that are available within the public school system.

NOW, THEREFORE, BE IT RESOLVED that the State College Area School District Board of School Directors urges the General Assembly adopt a formula for funding charter and cyber charter schools to assure that funds provided by the taxpayers for public education are equitably distributed to school districts, charter schools, and cyber charter schools and are used for their intended purpose.

BE IT FURTHER RESOLVED that this Board urges the General Assembly to adopt a formula for funding charter and cyber charter schools that compensates school districts for costs related to maintaining capacity that cannot be reduced or transferred to charter schools on a per capita basis.

BE IT FURTHER RESOLVED that this Board urges the General Assembly to pass legislation that caps charter and cyber charter schools' unreserved, undesignated fund balances in the same way that traditional school districts' balances are capped.

BE IT FURTHER RESOLVED that this Board urges the General Assembly to pass legislation that will modify the current charter school funding formula so that employer pension contributions are reimbursed only once.

BE IT FURTHER RESOLVED that this Board urges its state legislators to create a state-wide funding formula for cyber charter schools that establishes a cyber-charter school tuition rate that more closely reflects the true costs that these schools incur to educate a student.

BE IT FURTHER RESOLVED, that a copy of this resolution be posted on the district's website and submitted to the elected state senators and representatives of the State College Area School District in the General Assembly, and to the Governor of Pennsylvania.

Adopted this 11th day of March 2013.