Resolution Calling for Reform of the Funding and Governance of the Commonwealth's Charter and Cyber Charter Schools

WHEREAS, the current state funding formula for regular and special education in charter and cyber charter schools bears no relationship to the actual instructional costs incurred by the charter schools, and

WHEREAS, the charter and 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 charter or cyber charter school's actual costs to educate the student; and

WHEREAS, the charter and 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, the state's flawed charter school funding formula is costing taxpayers hundreds of millions in additional tax dollars, as Pennsylvania's school districts are facing unprecedented economic challenges; and

WHEREAS, the Commonwealth's reimbursement to school districts for students attending charter schools was completely eliminated beginning in the 2011-2012 school year, and such funding was not restored under the 2012-13, 2013-14 and the 2014-15 state budget for K-12 education; and

WHEREAS, since the Commonwealth discontinued even partial reimbursement for charter schools costs to school districts, now 100 percent of the burden of charter school tuition falls to local taxpayers; and

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

<table>
<thead>
<tr>
<th>School Year</th>
<th>Charter School Expenditures</th>
<th>State Reimbursement to District</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$2,075,205</td>
<td>$477,334</td>
</tr>
<tr>
<td>2010-11</td>
<td>$2,267,475</td>
<td>$472,479</td>
</tr>
<tr>
<td>2011-12</td>
<td>$2,449,415</td>
<td>$0</td>
</tr>
<tr>
<td>2012-13</td>
<td>$2,898,347</td>
<td>$0</td>
</tr>
<tr>
<td>2013-14</td>
<td>$3,189,349</td>
<td>$0</td>
</tr>
</tbody>
</table>

WHEREAS, until 2014-15, the state reimbursed charter schools for up to 50 percent of their employer pension contributions, but provided no tuition relief for local school districts as part of the charter school funding formula; and

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; and
WHEREAS, the Charter School Law requires local School Boards to approve and renew charters, but provides them with minimal control over the Charter School’s academic performance, enrollment, facilities, or contract length, thus relegating the School Board’s renewal of an existing charter to merely a perfunctory act.

NOW, THEREFORE, BE IT RESOLVED that the Souderton Area School District Board of School Directors urges its district's state legislators to support legislation to correct the tuition and pension payment inequities under the current charter school funding formula that the funding received by the charter school reflects the true cost of educating the child, thus relieving the financial burden charter schools place on school districts and ensuring that local taxpayers are not overpaying for the services these schools provide.

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 District also urges the General Assembly to correct the flawed funding formula for charter schools as part of larger reforms needed to address appropriate mechanisms for authorization, oversight, and intervention to remedy various funding and governance concerns, as well as to establish and maintain financial and academic accountability.

BE IT FURTHER RESOLVED that this District also urges the General Assembly to immediately reinstitute reimbursements to school districts for Charter School costs.

BE IT FURTHER RESOLVED that this District also urges the General Assembly to enact legislation that affords local School Boards with more ability to negotiate the terms of a charter school’s renewal application.

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 School District in the General Assembly, and to the Governor of Pennsylvania.

ADOPTED and enacted this 22nd day of January, 2015:

BOARD OF SCHOOL DIRECTORS FOR THE
SOUDERTON AREA SCHOOL DISTRICT

By: ____________________________
    Board President

Attest: _________________________
    Board Secretary