

Testimony of Joanne A. Jones Barnett – Pennsylvania Virtual Charter School Regarding the Funding of Public Education in the Commonwealth of Pennsylvania

Good Morning Senator Browne, Representative Vereb, and members of the Basic Education Funding Commission; my name is Joanne Jones Barnett. I am the Chief Executive Officer of the Pennsylvania Virtual Charter School. I thank the committee for giving me the opportunity to testify regarding the funding of K-12 Public Education in the Commonwealth of Pennsylvania. The first charter for PA Virtual was approved in 2001 and subsequently approved twice by the Pennsylvania Department of Education. Since its inception, PA Virtual has been a model of innovation in education. The school has provided choice, partnership, and an excellent education for thousands of students in Pennsylvania. Today, I speak on behalf of the over 2,500 students enrolled in PA Virtual and also for all the students enrolled in the other 14 public cyber charter schools in state.

My tenure in the cyber charter arm of public education began in August 2003. During this time, I have watched the public cyber charter school community provide an alternative in public education for parents who were seeking something different, when their local school district did not meet the needs of their children. I have observed public cyber charter schools fulfill their mandate to be places of innovative instructional practices, which other schools could imitate, and today, as a result of the pioneering efforts of public cyber charter schools, many school districts in the state have their own online programs and virtual academies. Finally, I have witnessed public cyber charter schools embroiled in, and often times at the center of, many controversies and debates.

Often these debates revolve around the issue that brings us to the table today. What is the best way to fund K-12 public education in the Commonwealth to ensure that the

funding of education is fair and that all types of public schools have the resources that they need to provide for the educational needs of the students enrolled in them?

Postulating an answer to the question of how to fund K-12 education, as I am sure the Commission has discovered, produces many disagreements and debates among legislators, school leaders, community groups, unions, and taxpayers. However, while there are varying views on how compulsory public education should be funded, there is a consensus that the model used to fund K-12 public education in Pennsylvania is broken and it is in need of dire repair.

Public cyber charter schools are often at the center of public school funding conversations. However, how public cyber charter schools are funded is complicated. It is often misrepresented and misunderstood. The debate usually goes that public cyber charter schools are draining the budgets of school districts. Critics argue, “They are getting more than they need to educate the children enrolled in them” or “cyber charter schools should receive less funding.” Let’s take a moment to unpack how public cyber charter schools are funded and why these statements do not accurately portray the facts.

To begin with, public cyber charter schools are funded using a fluctuating model of determining expenditures, deductions and average daily attendance as calculated on the PDE 363. I have included the PDE 363 from two school districts, Philadelphia and Bethlehem, as examples. The school district is allowed to take a number of deductions usually for federal grant monies, transportation, adult education programs, and other items (*for list of deductions see page 2 of the PDE 363*). The amount a public cyber charter school receives is determined from the amount after these deductions (*line item e on the PDE 363*). On the surface, it would appear that public cyber charter schools receive a significant

amount of the school district's revenue. That is not the case. I ask you to turn your attention the sheet entitled *Top Ten Student Membership/Enrollment by School District (Regular Instruction)*.

This chart shows the Average Daily Membership, the amount PA Virtual receives for students, the gross amount of tuition revenue for the school district, the differential between the two, and what percentage of the school district budget the amount allocated to PA Virtual represents. Some noteworthy observations:

1. With the exception of Philadelphia, Chambersburg, and Pittsburgh School Districts, ADM is less than 30 students.
2. In four school districts the percentage amount kept by the school district is greater than 40%; in three districts it is greater than 30%; in two districts it is greater than 20%. This calls into question the belief that cyber charter schools receive 80% of the per pupil rate of the school district. As this chart shows, in most instances that is not the case.
3. The very last column shows the percentage of the school's budget that is paid to PA Virtual by the top ten school districts with the highest ADMs. It is important to note that in every case, PA Virtual receives less than one percent of the school district's budget.
4. There is tremendous variation in the amount PA Virtual receives from each school district (*column e*). It ranges from \$7028.06 (Reading SD) to \$12,402.91 (Pittsburgh SD).

This variation in the amount that school districts have to allocate to public cyber charter schools is often a major source of contention. What needs to be understood is that cyber

charter schools did not create this system. We inherited it. How public cyber charter schools are funded is a symptom of the cause. The cause is how basic education is funded in Pennsylvania.

If the cause is the overall funding model, then adjusting how public cyber charter schools are funded without addressing how all public schools are funded will not fix the problem. This action would be synonymous to putting a band-aid on a hemorrhage. If the wheel frame is broken, you don't fix it by fixing a cog in the wheel, and leaving the frame broken.

Simply coming up with one unilateral amount per student for public cyber charter schools without looking at the overall funding model is not going to fix the broken frame of funding in Kindergarten through 12th grade public education in Pennsylvania. Let me explain. Reading allocates PA Virtual \$7028.06. Let's say that there was a flat per pupil rate of \$8000 allocated to cyber charter schools. The flat rate would be of little benefit to Reading and tremendous benefit to Pittsburgh. Unless the rate determined for public cyber charter schools is considerably less than the lowest per pupil rate for a school district in the state, the effect of a flat rate will be negligible for the poorest urban and struggling rural school districts where the preponderance of public cyber charter school students reside. Isn't the real issue getting more basic funding to the school districts with the lowest rates?

The other point that is made is that public cyber charter schools should be funded for what it actually costs to educate a child in a public cyber charter school. Before this model can be considered as viable, it would be necessary to determine how much it actually costs to educate a child in a public cyber charter school. Contrary to popular belief, the public cyber charter school community is not evading this question. Repeatedly, the

public cyber charter school leaders have asked for the legislative body to convene as a group to answer the question of the average cost to educate a child in a public cyber charter school. To date, such an analysis has not occurred.

Case in point, when former Governor Rendell commissioned the Costing Out Study, members of the public cyber charter school community petitioned, called, and pleaded to be included in the study. Public cyber charter schools were not included in the conversation or the analysis. In the absence of hard data of what it actually costs to educate a child in public cyber charter schools, the opponents of public cyber charter schools have bantered around an unsubstantiated and inaccurate number. They have fueled the myth that cyber charter schools are garnering huge profits each year.

In the early years, some public cyber charter schools may have ended the year with a revenue surplus. However, very quickly with increasing regulations, public cyber charter schools started to provide the statutory student support services required under Chapter 12 of the Public School Code (guidance counselor, pupil health services, etc.) Those surpluses began to disappear. In fact, in June of 2013, PA Virtual, like many public school districts in Pennsylvania, had to reduce the number of its teachers through layoffs.

The question often arises as to shouldn't costs be less for public cyber charter schools? The answer is that costs for educating students enrolled in public cyber charter schools are not less. They are different. Although public cyber charter schools do not have school buildings per se, they do have substantial costs that school districts do not incur. Let me give you an example of what I mean. Last year, PA Virtual spent over \$300,000 for 38 test sites to administer mandated state testing; our public school incurred additional costs for the rental of facilities to conduct mandated health screenings across the state; the

law requires that the school must provide a computer, printer, and reimbursement for families' Internet cost. We are required to provide a computer for each child even if the family has multiple children attending the public cyber charter school. These are costs that the local school districts do not incur.

As you have heard others testify, students with the greatest educational needs require more resources to address those needs. The same holds true for public cyber charter schools. The largest percentage of our students comes to us two to five years behind grade level. As the chart shows, many of the students enrolled in PA Virtual come from school districts with inadequate resources. When you look at *School Performance Profile Scores*, many times schools that have a higher percentage of economically disadvantaged students do not perform as well as schools that do not. All of these factors must be taken into consideration when developing a fair funding model that includes public cyber charter schools.

Yes, the current zip code model of funding public education and the inequities for students that it produces must be addressed and rectified. What should be the funding model for public cyber charter school education? The answer is --- the same model that is used to fund all students in Kindergarten through 12th grade public education in the Commonwealth of Pennsylvania. A model that is fair, equitable, and provides the resources to ensure the educational needs of the child are met regardless of where the child lives or the type of public school he or she attends.

Thank you.