



Pennsylvania Association of School Business Officials

Mailing Address:
P.O. Box 6993
Harrisburg, PA 17112-0993

Office Location:
2608 Market Place
Harrisburg, PA 17110

Telephone 717-540-9551

www.pasbo.org

FAX 717-540-1796

Charter/Cyber Charter School Media Event on Charter Schools
June 13, 2011

Remarks of Matthew Przywara
Chief Financial Officer
Lancaster School District

Good afternoon. My name is Matt Przywara and I am the Chief Financial Officer at Lancaster School District in Lancaster County. Lancaster School District is an urban school district with about 11,000 students with an aid ratio of .6990.

I am also a member of the PA Association of School Business Officials' Accounting Committee. PASBO is a statewide association of three thousand active members representing K-12 non-instructional administrators below the rank of superintendent and providers of products and services in the school marketplace. Its active members support classroom learning by providing services including finance administration, accounting, facilities management, transportation, food service, technology, purchasing, communications, safety and human resources for local education agencies.

On behalf of PASBO, I want to thank you for the opportunity to share PASBO's support of legislation addressing the important issue of charter schools, an area of financial concern for all school districts. PASBO recognizes that charter and cyber charter schools have offered many children a viable educational alternative. In fact my school district offers choices as well.

PASBO does not oppose charter schools but we urge immediate changes to financing charter schools that would benefit school districts and taxpayers in numerous ways. Therefore we would urge the General Assembly and the House Education Committee to move forward swiftly with reworking how charters and cyber charters are funded.

The School District of Lancaster currently expends over \$3MM per year on Charter School Tuition which has been increasing at a rate of 18% on average per year. We currently have over 275 resident students registered in both Cyber and traditional brick and mortar charter schools in the current year with a projected increase of 15 percent for 2011-12. This increase will put us over 300 students representing 3 percent of our total enrollment. We have seen these numbers rise in the past 5 years by 200 percent increases in both enrollment and expenses. At this current rate, with a proposed reduction in Charter School Subsidy and increasing PSERS costs, these increases will most definitely put our District in a position to either reduce additional

programs or increase taxes (in an already high taxing District) to amounts that will limit the ability to compete and strengthen our own programs to improve student achievement for all students.

Currently, school districts make vastly different payments to cyber charter schools, depending on the sending district, with school districts paying more than the actual cost of instruction, and some paying less. This leads to some school districts subsidizing other school districts' charter school students. Under current law, charter schools also receive more funding than they need to educate students, and they have an unlimited ability to hold local tax dollars.

To illustrate this more clearly, the School District of Lancaster currently pays \$9,570 of tuition for a regular education student to any Charter School (Cyber or Bricks & Mortar). The tuition amount calculated is derived specifically from the costs involved at our local budgetary level to educate our specific demographic of students, with the associated overhead costs allowable under the formula. To pay this same tuition amount to a Cyber School that does not operate within the same level of operating costs including personnel and overhead is not equitable to the 500 school districts within the Commonwealth.

PASBO recognizes that online or distance learning is a viable form of education and recognizes that any failures of the Charter School Law may be due in part because the formula simply did not anticipate cyber charter schools. So the formula, while well-intended for brick-and-mortar charters, does not adequately work for cyber charter schools and must be improved.

Thank you for the opportunity to share PASBO's support of Rep. Roebuck's legislation, and we look forward to swift passage of this important legislation.