

FINANCIAL IMPACT OF HB 618 AND HB 759 ON CYBER CHARTER SCHOOLS

The proposals in HB 618 and HB 759 will destroy the independent cyber school option for more than 38,000 parents and children.

Both bills assume, incorrectly, that high quality cyber education can be delivered for even less than the 20% savings already being realized by the taxpayers.

HB 618 will allow districts to deduct 100% of retirement contributions. Cyber schools do get reimbursed one-and-a-half times for pension costs (100% by the districts and 50% reimbursement by the state), but to allow HB 618 to become law, would underfund cyber pension costs by 50% and provide a pension double dip for the districts. The more equitable and reasonable option would be to leave the 363 intact on this issue, and remove the 50% reimbursement from the state.

HB 759 would permit districts to deduct 50% of its costs for a cyber program regardless of the quality or scope of the program or even if any student attends the program. Furthermore, equating an independent cyber *school* with a district cyber *program* is an apples and oranges comparison.

HB 759 would permit districts to deduct 50% of extracurricular activities expenses, ignoring the fact that cyber schools provide extensive after school field trips, artistic enrichment activities, and clubs for students.

HB 759 would permit districts to deduct 100% of health care services and libraries even though cyber schools do maintain extensive online resources for students, which cost money, and are required by law to maintain certified medical personnel on staff.

The net result of the House bills will be to transfer an additional 20%-30% of tax dollars from the cyber schools that are educating these students to the districts that are not.

This additional transfer of money will drop the investment in those children choosing a cyber education below that of the district with the lowest per student investment in the state, officially defining cyber students as second class students, not worthy of even the minimum investment given to those who choose to stay in the traditional education system.

This proposed legislation will effectively kill the independent cyber school option for parents in Pennsylvania.