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Moshannon Valley Cyber-Charter Talking Points

Chairman Langerholc, thank you for inviting me to testify before this hearing on Cyber-charter funding. I am Dr. John Zesiger, the Superintendent at Moshannon Valley School District in Clearfield County.

Moshannon Valley is unique, we are an economically disadvantaged community with nearly 6 in 10 students receiving free and reduced breakfast and lunch, located three miles from Houtzdale State Correctional Institution.

When those inmates are incarcerated, and upon release, they struggle to re-associate back into society, many stay in the Houtzdale area, several families have moved here to be near their incarcerated family members. Many, with children, will not attend public school because of the stigma associated with loved-one's incarceration. During the 2018-2019 school year, Moshannon Valley had a \$168,821 increase in cyber-charter tuition and only two students who were enrolled in the District, left our District for an outside cyber program; the remainder were fees paid for people moving into the District who were already enrolled in cyber-charter programs. It is impossible to budget for changes that the prison may bring. Moshannon Valley spent more than \$375,000 on cyber charter tuition last year.

Costs differ from District to District, but the cyber product does not change. Today Moshannon Valley pays \$11,717 for regular ed, and \$23,698 for special ed. Those fees have grown nearly 10% for the past two years, but our income has not grown at a rate of 10%. A five-year history of our budget increases reflects a 1.5-2% annual revenue increase; a mil tax increase only generates \$29,000 in my District. Additionally, our special ed population continues to grow while our ADM's decrease so Moshannon Valley gets hit with a "double whammy" since our special ed population is more like 19% than the 16% in the tuition formula. So, if the prison, or anyone else for that matter, has the family of a special education student move into the District, the impact is enormous. And Moshannon Valley is certainly not unique, in 2018-2019 the lowest paying regular education student from Sto Rox paid \$7,798.62 and the highest, from Forest Area paid \$21,064.61 for the exact same cyber charter education, and special education was worse, Norwin SD paid \$16,603.10 for a special education student and Lower Merion paid \$53,756.64, more than a \$37,000 difference per student for the exact same cyber charter product.

A 2012 study out of Fordham Institute, a pro-charter group, estimated per pupil costs for virtual schools ranged from \$5,000 to \$7,700, yet in Pennsylvania they receive far more.

MV educates students in our in-house cyber program for about \$2,800 per student and does not utilize our own teachers. More notable is Moshannon Valley's cyber program shows higher PSSA scores than our outside cyber-charter students, more academic options are available to students, more athletics, and extra-curricular activities, and we provide those services for a quarter to an eighth of the cost. We have a better product, with documented better success, at a far cheaper rate, so why are cyber-charter schools in business, because the huge profits they generate permit them to advertise, to lobby, and to pick and choose the students they enroll and drop, who, more often than not, seem to magically qualify for special education services not too long into their program. Numbers from the Pennsylvania Coalition of Public Charter Schools support this showing cyber-charter schools have a special education population of 22% compared to 16% of public school districts. It would be interesting to see how many of those students are more "curriculum casualties" of an inferior cyber charter academic product with little oversight, than true special education students.

Cyber-charter tuition fees are based on budgets not actual expenses, which makes budgeting even more difficult, because we want to have an accurate budget, but if we prepare high, we are penalized in higher

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cyber-charter tuition fees. School Districts could also take advantage of loopholes in the laws and budget all monies in transportation (2700), capital projects (4000) and transfers (5000) which would result in \$0 regular charter school tuition, but the 500 Districts operate ethically.

Charter Schools continue to run unfair advertising, claiming that their schools are tuition free while they take our money. According to 2017 information, 12 of 14 Pennsylvania Cyber Charters spent more than \$21Million over a 3-year period on advertising, running highly produced TV ads, those amounts are probably higher now. Perhaps that is why Auditor General Eugene DePasquale's 2016 audit reported on the need to overhaul Pennsylvania Charter School Law. "He noted Pennsylvania has the worst Charter School law in the Nation! He gave an example of a charter school leader who pled guilty of tax evasion, and took advantage of every loophole in the law to get rich off the backs of taxpayers and students."

Moshannon Valley is not against cyber-charter schools, and if they operate a program for fees comparable to the \$2,800 per student that we do, welcome the competition. Such is not the case at this point. Thank you for the opportunity to discuss this topic today.