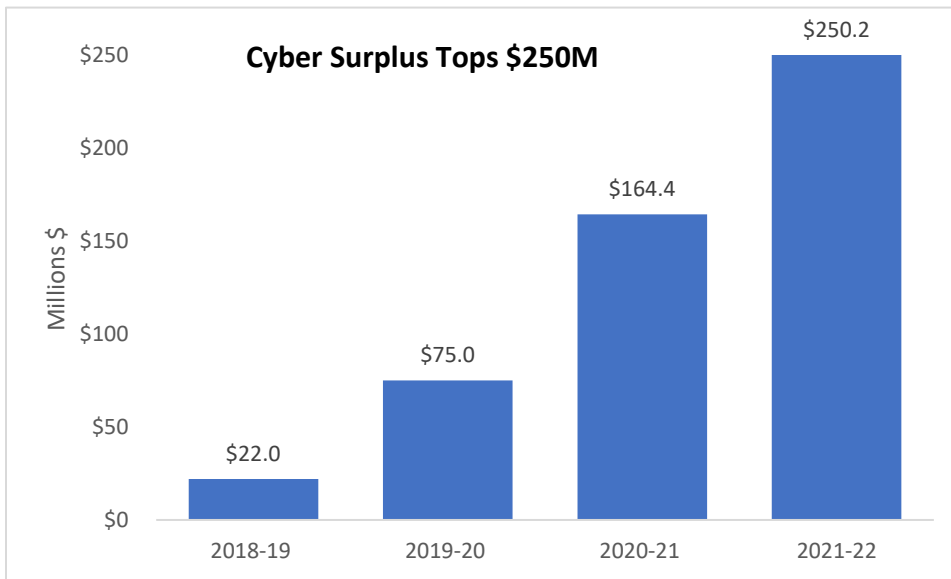


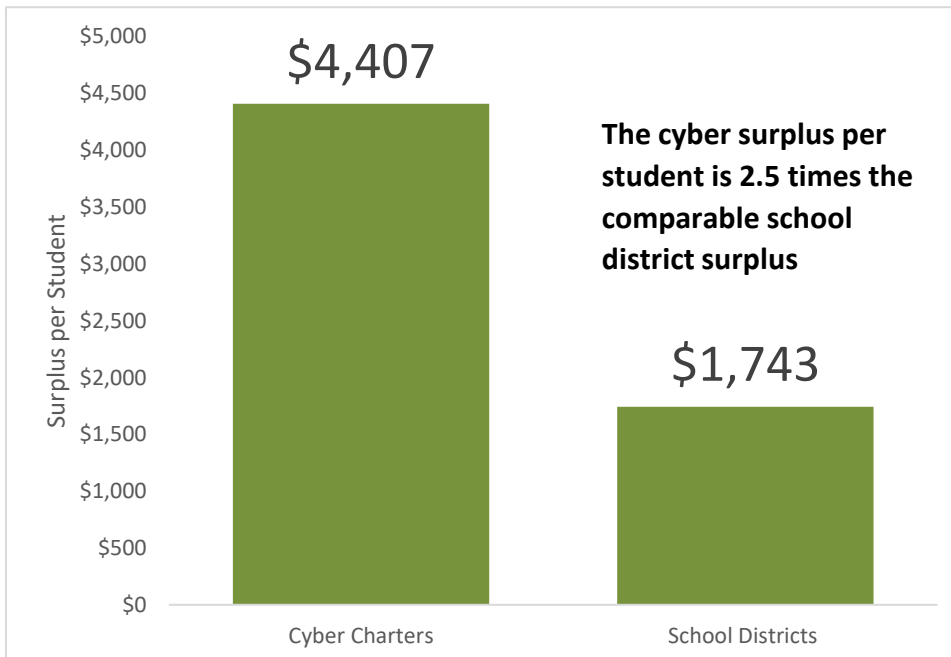
It's Time to Stop Overpaying Cyber Charter Schools: The Quarter Billion Dollar Cyber Surplus

Pennsylvania's cyber charter schools are sitting on a quarter billion dollars that could be used to improve student learning or returned to the taxpayers. These are the facts:

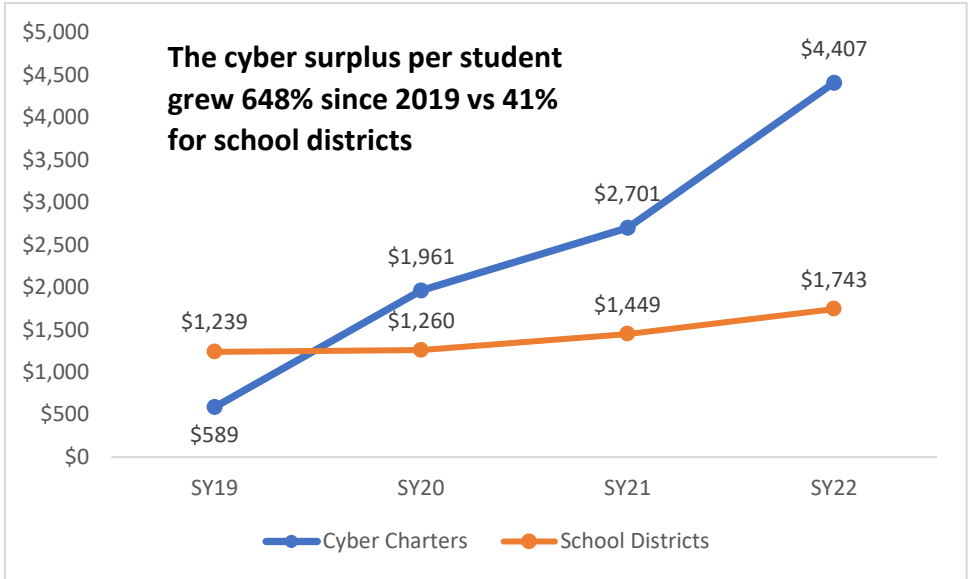
- The cyber surplus is large and growing, up tenfold in the last three years.
- On a per student basis, cyber charters have a much larger surplus than school districts.
- The gap between the cyber and school district surplus is getting wider on a per student basis.
- The cyber surplus is uncapped and unregulated leading to excessive reserves at many schools.



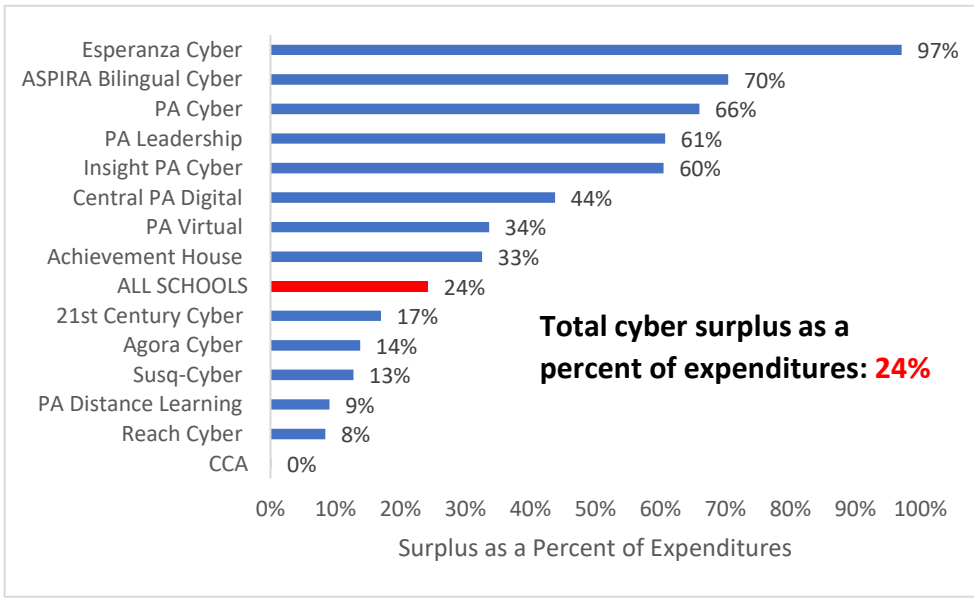
The cyber surplus is large and growing. The cyber charter surplus hits a quarter billion dollars in the 2022 school year, up 52% in a single year and a tenfold increase over the last three years.



On a per student basis, cyber charters have a much larger surplus than school districts. In 2022, the cyber surplus per student was two and a half times the comparable school district surplus -- \$4,407 per student enrolled in a cyber charter compared to \$1,743 per student enrolled in a district-run school.



On a per student basis, the gap between the cyber charters and school districts is getting wider. Between 2019 and 2022, the cyber surplus rose by \$3,818 per student compared to just \$504 for school districts.



The cyber surplus is uncapped and unregulated. Absent stronger oversight, over half of PA’s 14 cyber charters stockpiled unrestricted reserves equal to a third or more of their budgets in 2022.

Pennsylvania’s cyber charters are overpaid, underregulated and underperforming. The time has come to provide overdue relief to Pennsylvania taxpayers by:

- Setting a reasonable statewide cyber charter tuition rate,
- Aligning special education funding to meet the needs and costs of each cyber student, and
- Taking aim at the quarter billion cyber surplus by capping unrestricted reserves at 10% of budgeted total expenditures.

Data Source: PA Department of Education, General Fund Balance: 2012-13 to 2021-22 (Excel files). Unless otherwise noted, all data is for the 2021-22 school year. The term cyber surplus refers to “unassigned fund balance.”