



*For Immediate Release*

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### **Charter School Fiscal Impact Research Findings Gain Support**

HARRISBURG (9/12/2017)—Two statewide education associations have endorsed the findings of a research project that estimates the fiscal impact of increasing charter school enrollments on school districts. The PA Association of School Business Officials (PASBO) and the PA Association of School Administrators (PASA) called the research project conducted by Research for Action (RFA) "a breakthrough in objectively measuring the stranded cost to school districts when students leave to attend charter schools."

PASBO, PASA and the PA Coalition of Public Charter Schools partnered with RFA to conduct the research effort. Six school districts of different sizes with varying levels of charter school enrollment—Central Bucks School District (Bucks County), Mahanoy Area School District (Schuylkill County), Oxford Area School District (Chester County), Quaker Valley School District (Allegheny County), the School District of Philadelphia and South Western School District (York County)—provided extensive financial data using various charter enrollment rates through a tool developed by RFA. The data was then analyzed by two independent school finance experts.

Through the tool, each participating district's charter tuition expenses were offset by potential cost savings as a result of reductions in personnel, facility and other operational expenses. The difference in charter school tuition costs and potential school district savings is referred to as the stranded cost.

The RFA research found the cost of charter school tuition outweighed any potential savings in all scenarios reported by the study's school districts. While the negative financial impact on districts decreases over time, the study found that districts can only recoup between 44-70% of the cost of charter tuition for each student that leaves the district.

The study also showed that small districts generally experience a higher per-pupil stranded cost compared to large districts since they need a higher percentage of students to leave before they are able to recoup charter tuition expenses. Smaller districts also may not have options to consolidate buildings to achieve savings.

An advisory group of stakeholders from both school districts and charter schools provided guidance on the project. They were Bensalem Township School District, Bethlehem Area School District, Canon-McMillan School District, East Penn School District, Mechanicsburg Area School District, Northern Tioga School District, Reading School District, Souderton Area School District, Boys Latin Of Philadelphia Charter School, Charter Choices, Inc., Collegium Charter School, Commonwealth Charter Academy, PA Distance Learning Charter School and School Lane Charter School.

Dr. Mark DiRocco, executive director of PASA stated, "We appreciate all the public school entities, charter and traditional, that worked together to help the researchers determine the financial impact of the current funding process for charter schools."

"This was a great opportunity for districts and charters to work together to provide objective data that can be used to further policy discussions on charter school funding in Harrisburg" said Jay Himes, PASBO executive director. "Continued dialogue between school districts, charter schools and policymakers about how to address the financial impact of the stranded costs highlighted in the findings is essential."