

## Pandemic-Associated Cyber Charter Enrollments and the Impacts on Rural School Districts in Pennsylvania

By: Karen Eppley, Ph.D., Annie Maselli, Ph.D. Candidate, Matthew Gardner Kelly, Ph.D., and Kai A. Schafft, Ph.D.,  
The Pennsylvania State University

---

Because of COVID-19, nearly all students participated in remote schooling during the 2020-2021 academic year. In Pennsylvania, between 2019-20 and 2020-21, cyber charter school enrollments increased by nearly 60 percent. On average, \$0.90 of each \$1.00 a rural Pennsylvania district spent on charter schools in 2019-20 went to a cyber charter and 99.7 percent of charter enrollment growth in 2020-21 occurred in cyber charters (Wernecke et al., 2022).

Although cyber charters are not new to Pennsylvania, traditional public school and cyber charter leaders' understanding of and response to increasing cyber charter enrollments is unexplored in rural educational research. Likewise, parents' reasoning for enrolling their children in cyber charters is poorly understood. Rural school district leaders, charter leaders, and policymakers need empirical information about increasing cyber charter enrollments. To inform Commonwealth cyber charter policy, this study presents findings about 1) the financial impact of cyber charters in Pennsylvania, 2) parents' decision-making about cyber enrollment, and 3) rural school district and cyber leader responses to changing cyber enrollments.

---

### Methods

Statewide data produced updated evidence on the impacts of cyber charters on rural school districts, contextualized by interview and survey data.

- Publicly available financial data for cyber charter and rural school districts were used to examine the fiscal impact of cyber charter tuition payments on rural district budgets. These data also allow comparison between tuition payments to cyber charters for special education and spending by cyber charter schools on special education.

- Academic outcome data are based on school-level PSSA and Keystone results and district-level graduation rates. These data provide information about trends in the relative performance of rural and cyber charter students.

- An original survey asked rural parents/guardians why they opted into cyber charter school enrollment and under what circumstances, if any, they would return to their home district. The purpose of the survey was to understand the logistical, social, and institutional reasons for parents' decisions to enroll in a cyber charter.

- Interview data were collected from six cyber charter parents, 12 rural superintendents leading the most fiscally impacted districts, three Intermediate Unit (IU) directors, and two cyber charter directors. The purpose of the interviews was to understand the effects, implications, and local responses to increasing cyber charter enrollment. While the perspective of cyber charter leaders was critical to the study's aims, only two of 14 cyber charter school directors agreed to be interviewed despite multiple attempts at recruitment.

---

*This research was sponsored by a grant from the Center for Rural Pennsylvania, a legislative agency of the Pennsylvania General Assembly. Information in this report does not necessarily reflect the views of individual board members or the Center for Rural Pennsylvania. For more information, contact the Center for Rural Pennsylvania, 625 Forster St., Room 902, Harrisburg, PA 17120, (717) 787-9555, [www.rural.pa.gov](http://www.rural.pa.gov).*

## Project Results

- Charter school enrollments have increased over time. There was a particularly dramatic increase (nearly 60 percent) in cyber charter enrollments between 2019-20 and 2020-21.

- Charter school tuition payments have increased over time. This increase is not a product of inflation or increased charter enrollments alone. Using inflation-adjusted dollars, per pupil tuition has increased sharply over time.

- Rural districts send the majority of charter tuition to cyber charters (86 percent in 2021-22). These payments consume a large and growing share of their budgets (approximately 5 percent in 2021-22).

- In 2021-22, cyber charters spent approximately \$0.44 of each \$1.00 received in special education tuition on special education.

- There are large and persistent gaps in the relative academic performance of cyber charter schools and rural school districts.

- o On average, students in rural school districts meet state standards on PSSA and Keystone exams at substantially higher rates than students in cyber charter schools. Across years, subjects, grades, and student populations examined, the proportion of students scoring proficient/advanced on PSSA/Keystone exams was substantially higher in rural districts than in cyber charters.

- o Demographic differences do not explain large and persistent performance gaps. For example, students from low-income families reach proficient/advanced status, on average, at lower rates when they attend a cyber charter than when they attend a rural district.

- o Differences in achievement between rural schools and cyber charters are consistent across alternate measures of student success. Between 2010-11 and 2021-22, graduation rates were 36 percent higher, on average, in rural districts than in cyber charter schools. These differences persist when we restrict our comparison to students designated economically disadvantaged by the Pennsylvania Department of Education (PDE). Between 2010-11 and 2021-22, graduation rates for economically disadvantaged students were 23 and

45 percent higher, on average, in rural districts than in cyber charter schools.

- Parents described cyber enrollment in terms of their response to dissatisfaction with the traditional school. Sometimes this was COVID-19 related: “They listened to the largest voices, and made no accommodations for the quieter voices,” but just as often it was not: “I fear that rather than teach basic fundamental scholastic ideals, public schools indoctrinate, rather than educate.”

- Rural school leaders described financial decisions made in response to the financial pressures of cybers. One stated: “One thing that came off the list was the roof...it didn’t make the cut because heat was more important right now.” The financial pressure of cyber charter enrollment on school districts has compelled some districts to develop new strategies, with limited success.

Cyber directors’ points of view about why parents are opting into cyber charter schools in such large numbers were consistent with each other and parent survey data. Two salient ideas were parent control: “Parents get a chance to say, ‘I don’t want them to read about the young Black girl in the forest,’ kind of thing.” And the extent to which students feel known and seen in their school: “...they get the attention that they’re looking for, as individuals, they receive that at our school, and so that’s what draws them to our school. It also pushes them out of their traditional school because they don’t feel like their needs are being met.”

## Conclusions

Findings suggest that steeply increasing cyber enrollments are exerting acute financial pressure on rural school districts that is impacting their abilities to serve students enrolled in their home school district. Public funds diverted to cyber charter schools result in uniformly poor academic outcomes as compared to the state’s return on its investment in traditional public school districts. Cyber charter leaders describe the cyber charter education as uniquely responsive to families and students in ways that they understand as atypical in traditional public schools, a perspective confirmed by the parent survey data. Parents describe cyber charters as a flexible option that affords their children more individualized attention and them more curricular control.

## Policy Recommendations

### Funding

- Redesign the formula setting the regular education tuition rates paid by school districts to cyber charter schools. Since cyber charter schools experience uniform costs for the average student, we recommend every district be charged a uniform flat regular education rate for cyber students. This rate should be based on average documented cyber charter spending. As a starting point, House Bill 1422 (2023) suggested a rate of \$8,000 per student for a Statewide Cyber Charter School Tuition Rate. This amount would exceed the rate charged to a small number of districts, however, and those districts should receive additional state aid to cover the increased tuition payments they would be forced to make with the change.

- Redesigning the special education tuition formula so tuition rates are based on the actual spending by school districts for students with special needs. Specifically, use the actual number of students receiving special education services (rather than the assumed 16 percent of a district's average daily members) to generate per pupil special education spending figures used in the tuition calculation. In addition, apply a tiered special education funding rate for cyber charter students that more accurately reflects the variable costs of providing special education to students receiving different kinds of services. We suggest extending the model used by The Special Education Funding Commission to cyber charter schools.

- Require charter schools to spend monies received for special education students on special education. When cyber charter schools spend less on special education than they receive in special education tuition revenue, special education tuition rates paid in subsequent years should be reduced accordingly.

- Ensure school districts receive adequate revenue to cover cyber charter costs that do not proportionally decline. For example, if a class size is reduced by four students, the school district's costs to educate the remaining students does not decrease. This is a key recommendation for small rural schools in the Commonwealth and is a necessary means to ameliorate the outsized burden of cyber charter tuition on small rural school district budgets. Rural schools cannot continue to absorb the burden of cyber charter tuition. Traditional

school students in the most fiscally impacted rural school districts attend schools in need of repair and additional staffing, when cyber charters have poor academic results and large financial reserves.

### Transparency and Accountability

- Cyber charter advertising. Cyber charter advertisements should clearly state the source(s) of funding for the school operation as opposed to messaging stating that cyber charters are "free" or "tuition free." This messaging obscures that cyber charters are funded by local tax dollars redirected from traditional public schools. Suggested relevant policy for the consideration of the General Assembly is HB 1422 (2023) that provides standards for media advertisement specifying that advertisements indicate that costs are covered by taxpayer dollars.

- Superintendents expressed significant concerns with the use of taxpayer dollars for lobbying. Empirical data in this report suggests that the General Assembly should examine this issue in detail. Additional research is needed to investigate the extent to which these efforts exacerbate funding inequities.

- For taxpayers and policymakers to better understand and compare cyber charters and traditional school districts, the same data for both types of institutions should be publicly available. Given that both traditional public schools and cyber charters are publicly funded institutions, the requirements for transparency ought to be the same.

## Center for Rural Pennsylvania Board of Directors

**Chairman**, *Senator Gene Yaw*

**Vice Chairman**, *Representative Eddie Day Pashinski*

**Secretary**, *Dr. Nancy Falvo*, Pennsylvania Western University Clarion

**Treasurer**, *Stephen M. Brame*, Governor's Representative

*Senator Judy Schwank*

*Representative Dan Moul*

*Richard Esch*, University of Pittsburgh

*Dr. Timothy Kelsey*, Pennsylvania State University

*Shannon M. Munro*, Pennsylvania College of Technology

*Dr. Charles Patterson*, Shippensburg University of Pennsylvania

*Susan Snelick*, Northern Pennsylvania Regional College

*Darrin Youker*, Governor's Representative



## Center for Rural Pennsylvania Staff

*Dr. Kyle C. Kopko*, Executive Director

*Dr. Laura R. Dimino*, Assistant Director

*Jonathan Johnson*, Senior Policy Analyst

*Katie Park*, Communications Manager

*David Martin*, Public Policy Data Analyst

*Linda Hinson*, Office Manager



Scan the QR code for the full report.

0923 – 300