



# Pennsylvania Association of School Business Officials

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## **Testimony to the Senate Education Committee on Proposed Regulation #6-349 October 20, 2021**

Chairman Martin, Chairwoman Williams and members of the Senate Education Committee, thank you for the opportunity to testify before you today on proposed Regulation 6-349 focusing on charter and cyber charter schools.

I am Dr. Andrew Armagost, Director of Advocacy and Analytics for the PA Association of School Business Officials (PASBO). I am a former staff member of this very committee and acknowledge the important role and responsibility you all have for the children of this Commonwealth.

PASBO's mission is to support leaders in school business operations, including finance, human resources, procurement, technology, transportation, food service, safety and security, facilities and grounds in all types of schools.

Our members are operational leaders in school districts, career and technical centers, intermediate units, cyber charters, brick and mortar charters and non-public/private schools.

All members share a common goal - to support classroom learning in their school during good and bad economic times through smart business practices.

I will do my best to keep my comments today, brief, but they reflect on that idea of smart business practices. Most importantly, we believe that any update to our current charter law needs to be clear, concise and foster both competition and collaboration.

As you already know, current projections suggest charter school tuition payments to reach \$3 billion in this school year and we anticipate charter tuition rates to exponentially grow into the future.

As this is currently the most significant area of educational expense growth in annual district budgets, state policymakers must ensure that every dollar is expended effectively and transparently with appropriate billing procedures, timelines, empirical calculations and due process.

PASBO appreciates the Governor's and the PDE's continued work on updating our twenty-year-old charter law and we recognize the tireless efforts from all of those involved in development, review and commenting.

Two important provisions concerning PASBO members in the proposed regulation are sections 713.8 regarding the redirection process and 713.9 regarding healthcare benefits. Today, I will focus on the redirection language and provisions.

Section 713.8 as proposed does not fully remedy three common issues in the billing and redirection process.

First when the information of a student's residency is inaccurate or there is a dispute regarding the appropriate school district to be billed.

Second, where a payment has been sent by a district prior to the deadline but has not yet been received by a charter school within the timeframe for a charter school to submit to the state for a subsidy redirection.

Third, where the tuition rate billed to the school district is in dispute due to an ambiguous and outdated charter school statute.

Subsections (a) and (b) only provide a school district ten calendar days to receive an invoice from a charter school, review and verify each student billed and make payment before the charter school can seek redirection from PDE.

As a result, the billing timeline lacks sufficient time to review and verify residency and enrollment data on invoices. For example, a cyber charter student may experience changes in residency throughout the school year whether due to family and/or economic reasons.

The proposed timeline and insufficient enrollment and residency verification procedures will result in incorrect payments, double payments, improper subsidy redirection and additional costs to schools and taxpayers.

Ultimately, we do not believe a complete update to the charter law can be achieved either through a regulation alone or through legislation alone.

Notwithstanding the proposed regulations, PASBO has commissioned and is coordinating additional legal research into the paradigm and parameters of effective charter regulatory law based on smart, common sense business practices and we look forward to a release within the near future.

To conclude my testimony today, on behalf of PASBO members throughout this Commonwealth, I again ask policymakers to provide relief to schools by establishing smart business practices in both regulation and statute that are clear, concise and foster both competition and collaboration.

I appreciate the opportunity to testify before you today and as always, welcome your questions and feedback. Thank you.