

# HB 1500 Harms Cyber School Students

Bill Cuts Funding to Public Schools That Already Get Less and Treats Cyber Students Like Second-Class Citizens.

## SUMMARY

Pennsylvania public school revenue has risen by almost 5 percent in the last year to more than \$23,000 per student. The commonwealth ranks seventh in the nation in spending per student, with school districts spending more than charter schools.

- Charter schools already receive less funding per student than school districts.
  - Cyber charters receive about 32 percent less funding per student than district schools.
  - Pennsylvania spends [\\$23,061 per student in public school](#).
  - Cyber charter school tuition already provides cost savings to districts with an average cyber-per-pupil expense of less than \$15,000.
- The 2024–25 state budget included formula changes that would *cut* cyber school payments by [\\$190 million](#).
  - These cuts have only been in place since January 1—yet special-interest lobbyists are pushing for more payment cuts in the 2025–26 budget.
- Arbitrary funding reductions could eliminate a critical education option for tens of thousands of Pennsylvania families.

## ATTACKS ON CYBER SCHOOLS RELY ON MISINFORMATION

Much of the criticism of cyber schools doesn't consider the reality that cyber schools educate students for less, or that they continue to grow (while districts decline) because parents choose them. House Bill (HB) 1500 does nothing to improve school district performance or address why families leave districts for better schools.

- Cyber charter schools are public schools; they cannot turn away students.
- Cyber charters' unique financial needs stem from their reliance on school districts to transfer tuition dollars, which often proves unstable. Maintaining healthy reserves is the only safeguard these schools have to serve their students amid these fluctuations.
  - School districts often don't pay charter schools—which then must appeal to the state to redirect the funds. Some school districts even [admit to breaking the law](#).
  - In 2019, [100 percent of appeals](#) found school districts at fault, proving charter schools rightly owed that money.

- Cyber charter school enrollment is growing; while school district enrollment is shrinking.
  - In the 2023–24 school year, 59,913 students attended cyber charters, up from 57,426 students in 2022–23.
  - Since 2000, school district enrollment declined by 293,000 students. In contrast, charter schools gained 153,000 students.
  - During the COVID-19 pandemic, cyber charters accommodated an influx of 29,000 students. Over the same period, district public schools lost over 28,500 students.
- Cyber charter schools educate students who, as a whole, are more likely to be students of color and from low-income families than the general school population.
  - Fifty percent of cyber charter students are from low-income backgrounds, with some cyber charters at 85 and 95 percent of the students they serve from low-income backgrounds.

## UNEQUAL TREATMENT

HB 1500 proposes different standards for cyber schools than district schools. The initiative targets cyber reserve fund balances without addressing the bloat in district reserves and treats cyber students like [second-class citizens](#).

- Collectively, school districts hold more than \$7.4 billion of taxpayer dollars [in reserve funds](#)—with most districts holding excessive reserve balances far above standard practice.
  - Districts increased their general fund reserves by \$557 million during the 2023–24 school year.
  - Fifty-seven percent of districts have reserves exceeding 20 percent of their operating budget.
  - Twenty-two districts have reserves at 50 percent or greater of their operating budgets.
- Traditional school districts spend millions of taxpayer dollars for [contract lobbyists](#) and [associations](#) that lobby (including the push to cut charter school funding).
  - Similarly, schools allocate funds for [advertising](#) and [marketing](#) expenses to promote limiting educational choice.

## UNSERIOUS, PARTISAN LEGISLATION

HB 1500 represents an unserious proposal from Gov. Josh Shapiro and is being rammed through to appeal to his political base. House Democrats have had no meaningful discussions with the state Senate on this legislation and other budget priorities.

- The Shapiro administration admits the \$8,000 per student figure is completely arbitrary, intended to “start discussions.”
  - As with many of Shapiro’s budget proposals, he is throwing out extreme, unrealistic ideas with fabricated numbers.
- Recent reports attacking public cyber schools were riddled with [numerous errors](#).
  - These attacks come from union-funded [advocacy groups](#) committed to reducing options for students.

- Shapiro's gubernatorial campaign received [nearly \\$2 million](#) from public school unions in 2022. Ahead of his run for reelection in 2026 (and probable presidential bid in 2028), he is cultivating their support.
- Nearly [three in five Pennsylvania voters oppose](#) the 40 percent cut in cyber school funding.