

Frequently Asked Questions About Coatesville Area School District's Payments to Collegium Charter School

January 11, 2021

Q: How do charter schools get their funding?

A: Charter schools are public schools that receive a large majority of their funding from each student's school district of residence. Funding is based on a statutory formula that calculates per-pupil tuition based on the school district's prior year expenditures. The rates for special education students are calculated at a significantly higher rate. In many cases the special education rate is a few times greater than that of the regular education cost. In Coatesville's case, per-pupil tuition for regular education students is \$11,508.16, and per-pupil tuition for special education students is \$42,328.55. Coatesville must pay the special education rate *regardless of the needs of the student*. This means, for example, that a student who receives speech services once a week is reimbursed at the same rate as a student with a severe disability.

Q: Why is Collegium suing the Coatesville Area School District? Does Coatesville actually owe Collegium \$18 million, and if so, why hasn't it paid?

A: Collegium is suing the District because it believes Coatesville owes the school this money in unpaid tuition payments.

Coatesville has followed the path of numerous public-school districts in Pennsylvania and has, in accordance with state law, required Collegium to obtain its tuition payments from the PA Department of Education (PDE.) So, instead of the state sending its funding allocation to Coatesville, it sends funds directly to Collegium for the payment of Collegium's per-pupil tuition for District-resident students. Collegium says that these subsidy payments have not been sufficient to fully pay the amounts Collegium contends it is owed. Collegium believes it is owed \$18 million in subsidies. Coatesville expects the withholding process to pay Collegium the amounts it is entitled to, and it is currently investigating the matter and working to find a resolution.

In 2019, after the conclusion of the 2018-19 school year, and after the District paid Collegium in full for the year, Collegium asked PDE to redirect about \$3.3 million from the District's state subsidy and pay it to Collegium. Under the Charter School Law, PDE had no choice but to comply with Collegium's request. This significant withholding of District subsidy was neither expected nor budgeted. This caused significant cash flow problems for the District, and negatively impacted the District's ability to maintain operations at expected levels. This was the primary impetus for the District requiring Collegium to obtain payments through PDE withholdings. The District believes that Collegium's withholding request was improper as a matter of law, and it has requested a hearing before PDE. The District expects the hearing to be held in March.

Q: Does the Coatesville Area School District object to its students attending Collegium Charter or any other charter schools?

A: The District fully supports the choice of any family to attend whatever school they feel will best support their child. However, the District does join with public school districts and education advocates statewide in fighting for charter school funding reform. It believes there are numerous deficiencies in the funding formula that put public schools and taxpayers at a significant disadvantage. There are numerous statewide campaigns and legislative proposals to reform charter school funding. In fact, the PA School Boards Association has a major section of its website dedicated to this issue, called [PA Charter Change](#).

Q: When will this funding dispute go to court?

A: The Commonwealth Court is currently scheduled to hear Collegium's motion for preliminary injunction on January 14, 2020. We note that despite the fact that Collegium brought the matter to litigation, the District made numerous attempts to discuss the matter with Collegium.

Q: How many students who live in the Coatesville Area School District attend Collegium?

A: There are presently 2,312 CASD resident students attending Collegium. As of December 18, 2020, there were 1,818 regular students and 494 special education students.