The Unintended Negative Impact of Act 47 of 2025 on Pennsylvania Students, Families, and Educators

This report was prepared by a workgroup of leaders from seven small and mid-sized Pennsylvania public cyber charter schools, listed below.

Act 47 Reforms Impacting Public Cyber Charter Schools

Act 47 of 2025, last year's omnibus School Code bill, enacted significant educational reforms. While intended to improve the system, certain provisions have caused unintended negative consequences for public cyber charter schools, their educators and staff, and the families who depend on these schools as a vital educational alternative.

- ☑ Act 47 contained changes in how public cyber charter schools are funded. These changes were estimated to result in a $178 million reduction in funding to public cyber charter schools during the 2025-2026 school year.
- ☑ A student categorized as habitually truant (six or more unexcused absences) is now prohibited from transferring during the school year to a public cyber charter school unless a judge determines the transfer is in the child's best interest.
- ☑ Act 47 ties attendance and academic achievement together for public cyber charter students, which creates accountability inequities between students in school districts and public cyber charter schools.
- ☑ Public cyber charter families are now mandated to submit proof of their student's residency biannually (November 1 and March 1) to both their home school district and their public cyber charter school.

This report was prepared and provided by:

Dr. Debra Heath-Thornton, CEO
PA Virtual Charter School

Dr. Michael Leitera, CEO
PA Distance Learning Charter School

Dr. Jon Marsh, CEO
Esperanza Cyber Charter School

Dr. Karla Johnson, CEO
Pennsylvania Leadership Charter School

Dr. Erin Van Guilder, CEO
Insight PA Cyber Charter School

Dr. Malynda Maurer, CEO
Central PA Digital Learning Foundation

Mrs. Jane Swan, CEO
Reach Cyber Charter School

The Disproportionate Financial Impact of Act 47 on Smaller Public Cyber Charter Schools

The actual impact of the funding changes made to public cyber charter schools in Act 47 is approximately $238 million for the 2025-2026 school year - - $60 million more than the General Assembly and the PA Department of Education estimated.

- **Pennsylvania's smaller public cyber charter schools have been disproportionately harmed by the funding cuts imposed by Act 47 and could face closure if additional cuts are imposed.**
  - **An economy of scale exists within the public cyber charter school sector allowing the larger public cyber charter schools to absorb the cuts imposed in Act 47.**
  - **Meanwhile, the smaller public cyber charter schools (which are equally essential to Pennsylvania's public education landscape) are struggling to make ends meet.**

$178 MILLION

Estimated reduction in funding for the 2025-2026 school year

$238 MILLION

Actual impact during the 2025-2026 school year - - **$60 million more than estimated**

- **On average, our schools have seen approximately 25% in lost revenue due to the funding cuts enacted in Act 47.**
- **Many of our schools are projecting budget deficits for the 2026-2027 school year, unless significant staffing and programmatic changes are made.**

The Negative Repercussions of Act 47 on Educators and Staff at Smaller Public Cyber Charter Schools

While the 2025-2026 State Budget was only enacted in November 2025, the funding changes contained in Act 47 were unprecedentedly retroactive to July 1, 2025.

- **Due to the timing and scale of the funding cut, some of the smaller public cyber charter schools were forced to lay off hundreds of Pennsylvania-certified educators and dedicated school staff during the months of December and January.**

"...FORCED TO LAY OFF HUNDREDS OF PA-CERTIFIED EDUCATORS AND DEDICATED SCHOOL STAFF..."

The Negative Repercussions of Act 47 on Educators and Staff at Smaller Public Cyber Charter Schools

- Many schools have instituted hiring freezes, eliminated professional development opportunities for their teachers, reduced salaries and benefits for their staff, and even restructured their internal operations (resulting in educators and staff being forced to take pay-cuts) to balance their budgets during the 2025-2026 school year and continue serving students.
- As the June 30th deadline approaches for our 2026-2027 school year budgets to be adopted by our Boards, the smaller public cyber charter schools are being forced to make difficult personnel and programmatic decisions that will negatively impact students in order to keep our (virtual) doors open. This includes additional layoffs of invaluable educators and school staff prior to the start of the new school year.

PENNLIVE Patriot-News

Layoffs begin at Pa. cyber charter schools after historic state budget cuts

Updated: Dec. 16, 2025, 5:58 p.m. | Published: Dec. 16, 2025, 5:00 a.m.

https://www.pennlive.com/education/2025/12/layoffs-begin-at-pa-cyber-charter-schools-after-historic-state-budget-cuts.html

The Negative Impact of Act 47 on Pennsylvania Students and Families

Students Enrolled in Pennsylvania's Smaller Public Cyber Charter Schools Have Become Collateral Damage

The disproportionate impact of Act 47's funding cuts on Pennsylvania's smaller public cyber charter schools has resulted in their students being shortchanged because of the public school they have chosen to attend. The impact on these students include:

- The loss of trusted educators and support staff mid-school year due to schools being forced to make layoffs in order to balance their 2025-2026 budget, following the retroactive funding cut included in Act 47.
- Larger class sizes for students after their schools were forced to lay off hundreds of educators and staff.
- A reduction in educational offerings due to budgetary constraints.
- Fewer in-person student and family engagement activities, which serve as opportunities for school staff to connect with their students and satisfy the weekly wellness check requirement in the law.

The Negative Impact of Act 47 on Pennsylvania Students and Families

Pennsylvania Families Have Been Stripped of Their Right to Public School Choice

A provision in Act 47 prohibits a student categorized as habitually truant (six or more unexcused absences) from transferring to a public cyber charter school, unless a judge determines the transfer is in their "best interest".

- **Since its implementation, this provision has impacted hundreds of students who have sought enrollment at our public cyber charter schools.**
  - **These students and their families have had their right to exercise public school choice revoked by this portion of Act 47 and the fate of students are being placed in the hands of judges who do not have the expertise to decide what is in a child's academic best interest.**
  - **Without the option to enroll in a public cyber charter school, students are choosing to either drop-out or not attend school while they wait for a judge to make their ruling, because they are refusing to return to their assigned school district.**

PENNLIVE Patriot-News

Hundreds of kids in limbo, as Pa.'s largest cyber charter sues to challenge 'habitually truant' student law

Updated: May. 15, 2026, 10:57 p.m. | Published: May. 14, 2026, 5:00 a.m.

https://www.pennlive.com/education/2026/05/hundreds-of-kids-in-limbo-as-pas-largest-cyber-charter-sues-to-challenge-habitually-truant-student-law.html

- **Under the new law there is a risk of "trapping" vulnerable students within educational settings that may be detrimental to their physical safety, emotional well-being, or academic progress.**
  - **This is particularly devastating for low-income families whose only school option may be a public cyber charter school.**
  - **We have also seen a significant number of students and families who are refusing to go before a judge - especially historically marginalized populations that may be fearful of government officials - in order to access the public school of their choice.**
  - **Instead of educating and supporting these vulnerable students, Act 47 perpetuates the cycle within our public education system that allows these young men and women to fall through the cracks.**

- **This provision in Act 47 presents conflicts with numerous standing legal frameworks and guidelines, including federal protections governing the enrollment of students with disabilities and those experiencing homelessness.**

The Negative Impact of Act 47 on Pennsylvania Students and Families

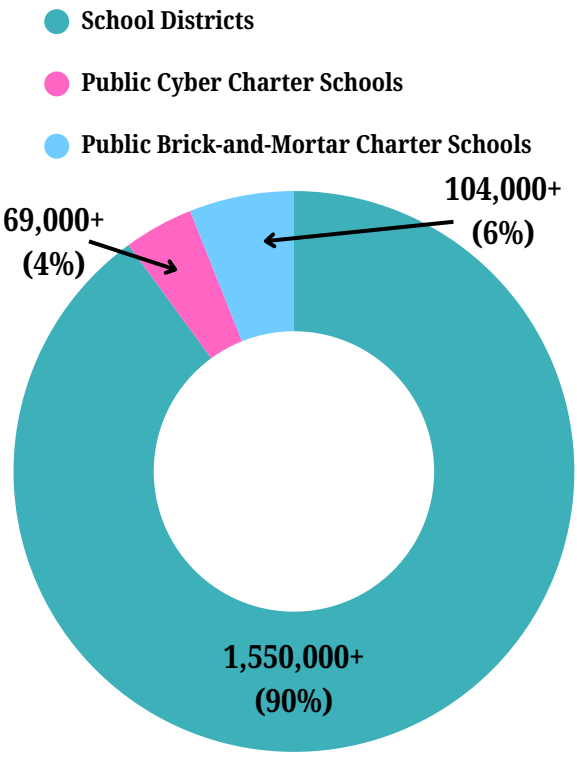
- This provision of Act 47 fails to tackle the underlying systemic factors that lead to truancy and school avoidance behavior. Instead of ensuring support is provided to students and families are made aware of their child's struggles with attendance, the new law creates barriers for students who want to be educated in an alternative environment.

New Mandates are Burdening Public Cyber Charter School Families

A provision in Act 47 requires public cyber charter families to submit proof of their student's residency biannually (November 1 and March 1), to both their home school district and their public cyber charter school.

- This requirement is overly burdensome and confusing for the 69,000+ public cyber charter school students and their families.
  - Some families have not completed their March 1 requirement for 2026. This has led some school districts to withhold tuition reimbursement payments to public cyber charter schools, which is explicitly prohibited by the Pennsylvania Public School Code.
- There must be additional protections for students who are experiencing homelessness and flexibility for families who may not have traditional residency verification documents, such as mortgage statements or utility bills.
- This provision in Act 47 has created inequities in the accountability measures required of school districts and public cyber charter schools.
  - While both school districts and public cyber charter schools are funded, primarily, based on the number of students they educate, this new requirement only applies to the 69,000+ public cyber charter school students and not the 1.55+ million students educated by school districts.

The Number of Students Enrolled in PA Public Schools
2025-2026 School Year



https://www.pa.gov/agencies/education/data-and-reporting/enrollment#accordion-cb5f3bee47-item-9b3fcf9ab9

Legislative Changes Needed to Address the Negative Outcomes of Act 47

We are calling on lawmakers and Governor Shapiro to support the inclusion of the following changes to PA's Public School Code as part of the 2026-2027 State Budget.

In addition to the funding cut imposed as part of the 2025-2026 State Budget, the policy changes enacted in Act 47 created serious financial ramifications for our schools. This included the need for additional staff time to adhere to new mandates and fewer students enrolling throughout the year, due to the changes for students designated as habitually truant. While we estimate that the financial impact of the last year's cut will be $238 million for this school year, we believe the overall financial impact will be far greater. Without knowing the full extent of Act 47's financial impacts and only having 11 months of data to examine, we are calling for no new funding cuts to public cyber charter schools in the 2026-2027 State Budget.

1. **We invite the General Assembly and the Governor's Administration to work collaboratively with us to address public cyber charter school funding in a fair and equitable manner.**

The 2026-2027 State Budget should include an annual residency verification requirement for students attending a public cyber charter school and public school districts, to ensure the accurate distribution of taxpayer funds. This process must include clear protections for students experiencing homelessness and housing instability, and should provide families with expanded methods to verify their residency.

2. **We ask the General Assembly and the Governor to support the legislative proposals put forth by Rep. Joe D'Orsie and Sen. Jarrett Coleman, which would correct the issues created by Act 47 in relation to residency verification of students.**

The 2026-2027 State Budget must include a reversal of the provisions enacted in Act 47 that have created barriers to public school choice for Pennsylvania families. In addition, the law should require that parents are made aware of their child's struggles with attendance before truancy is triggered and resources should be provided to support families in reducing chronic absenteeism. Instead of being punitive, the law should require schools to support students who are struggling with attendance, which includes addressing the root causes of school avoidance.

3. **We ask the General Assembly and the Governor to support the legislative proposals put forth by Rep. Barb Gleim (House Bill 2594) and Sen. Dawn Keefer, which would reverse the negative outcomes created by Act 47 for students and families seeking enrollment in a public cyber charter school.**

For more information about this report or to connect with the seven school leaders, please contact Jessica Hickernell at jessica@hickernellconsulting.com