

Proposed Cyber Charter School Legislation

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Identified Policy Issue:

Pennsylvania charter school law was originally adopted in 1997, with an amendment in 2002 allowing for state authorization and oversight of cyber charter schools through the Department of Education. After thirteen years of experimenting with statewide online charter school education, the public school community has identified several key issues needing to be resolved in charter school law as it relates to cyber charter schools:

- Funding system should be changed;
- Oversight needs to be strengthened;
- Cyber charter schools must improve academically;
- Some regulations and procedures should be changed to better utilize funds.

Policy Solution: The legislature should amend Article XVII-A of the act of March 10, 1949 (P. L 30, No. 14), known as the Public School Code of 1949, to incorporate cyber charter school funding reform, academic accountability and strengthened state authorization and oversight.

- A separate funding mechanism for cyber charter schools that recognizes their unique ability to achieve economies of scale and operate more efficiently within their online infrastructure;
- Strengthened authorization and oversight practices within the Department of Education.

Amendment Recommendations:

Problem 1: *The cost to local school districts for cyber charter students is extremely high with many concerns about the quality of the education and how cyber charter schools use the money received. Local districts have to restrict services for students in their own buildings to pay the tuition for cyber charter schools.*

Solution 1:

1. Each cyber charter school is required to annually obtain an independent financial audit which must be submitted to PDE and posted on the school's website. PDE will use this financial audit information to calculate the actual cost of education for non-special education students enrolled in that school. That cost per student will be the amount charged to districts for tuition for a non-special education student in the next fiscal year.
2. The cost for a special education student will be based on the same formula as the special education funding formula implemented in 2014 for state subsidies to school districts based on three tiered needs categories.
3. No district would be required to pay more per regular education student than the amount from the district tuition worksheet and PDE will deduct the tuition amounts from the school district's subsidy. PDE will keep 0.1% of the funds to staff the Cyber Charter Oversight positions at PDE. The remaining tuition funds will be forwarded to the Cyber Charter School.

Problem 2: *Cyber charter schools lack oversight. Districts pay a per-student tuition, but have no right to oversee the schools' activities or know if the students are attending or succeeding, other than SPP scores, which are below the state benchmark for all cyber charter schools. Although PDE has oversight authority, they do not have the resources to be effective in holding cyber charter schools accountable.*

Solution 2:

1. PDE will keep 0.1% of the funds paid from school district subsidies to staff the Cyber Charter Oversight positions at PDE. (See Solution 1)
2. PDE will thoroughly review at least annually each cyber charter school, looking at finances, curriculum, attendance policies, staffing, student achievement, etc.
3. PDE will establish a Cyber Charter Advisory Commission with the purpose of providing oversight, reviewing cyber charter school regulations and suggesting changes to regulations. With the approval of the Cyber Charter Advisory Commission, PDE will have the right to make changes to regulations that should not apply to cyber charter schools, such as having a nurse on staff or supplying textbooks when they are not required for the curriculum. The Cyber Charter Advisory Commission will consist of representatives of the general assembly, parents, cyber charter schools and school districts.

Problem 3: *Cyber charter schools are failing academically. School Performance Profile (SPP) scores for cyber charter schools are all below the 70 set by the state for satisfactory performance.*

Solution 3: PDE will annually review each cyber charter school looking at finances, curriculum, attendance policies, staffing, student achievement, etc. and it will have the right to place a cyber charter school on an improvement plan or terminate the charter if the cyber charter is not achieving based on SPP scores and PVAAS data. Furthermore, student success criteria will be used to determine if a cyber charter school is not a good fit for any individual student after trial period.

Additional Suggested Policy Changes:

1. Cyber charter schools will file their own truancy citations based on student residency and will follow other recommended steps to ensure attendance
2. PDE will work with the cyber charter schools and the local IU's to provide cost saving measures for cyber charter operations, such as providing space at low rent for testing, having cyber charters participate in group purchasing, and allowing cyber charter schools to participate in services such as joint insurance.

Impact:

The expected result is for school districts to experience a dramatic cost reduction and a more balanced system of per-student cyber charter tuition based on true educational costs. Oversight will improve through giving PDE resources to execute its responsibilities and make necessary changes to cyber charter school oversight procedures. There will be better academic outcomes for students enrolled in cyber charter schools due to increased focus on academic accountability, a system for determining if a student needs to return to a brick and mortar school and standardized attendance enforcement.