## January 28, 2005

Dr. June Brown 513 Waldron Park Drive Haverford, PA 19041

Dear Dr. Brown:

On October 1, 2004 the Pennsylvania Department of Education received your application to start a cyber charter school in the Commonwealth of Pennsylvania. Subsequently, a public hearing was held on December 16, 2004, where additional materials were presented to the Department.

The purpose of this correspondence is to provide to the Agora Cyber Charter School the Department's explanation of outstanding concerns regarding the application itself, and any reactions to the pubic hearing presentation. In addition, it provides a listing of specific requirements that are still needed from you in order for the Department to grant you a charter. The Department is prepared to work with you and provide technical assistance where needed in order to help you fulfill these requirements. Finally, following this summary is the legal decision citing Findings of Facts and Conclusions of Law.

<u>Listing of Outstanding Required Documentation</u> – The following are required documents still considered to be outstanding and necessary by the Department, as per the Charter School Law. Further details and explanations may be found in the attached legal summary.

- 1) Specifications of the hardware and a listing of the software Agora Cyber Charter School plans to use in its school.
- 2) A more robust description of technical support that would be provided to both parents and students who are enrolled in the school.
- 3) A description of the method by which Agora Cyber Charter School will maintain confidentiality of student records.
- 4) Complete policies regarding truancy, absences and withdrawal of students.
- 5) Appropriate and complete Articles of Incorporation.
- 6) Finalized management agreement [if Agora still plans to use an Educational Management Organization (EMO)].
- 7) More solid evidence of sustainable support for its cyber charter school plan, beyond the 23 letters already submitted.
- 8) More robust information regarding the delivery of educational services to students with disabilities, especially in the area of initial and early identification.

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9) A copy of the lease that is being transferred to Agora, and more complete information regarding the ownership of the building that will house the cyber charter school.

<u>Additional concerns</u> – Three areas of serious concern that remain from our perspective surround the issues of 1) curriculum and standards, 2) budget, and 3) accountability.

1) Curriculum and standards – In its application, Agora stated it would use the K12 Curriculum, which is largely based on the Core Knowledge sequence. During the public hearing, Agora stated that it would augment the K12 Curriculum. However, the standards and benchmarks provided by Agora are not Pennsylvania standards and benchmarks. The standards that are to be met need to be aligned with Pennsylvania standards and this has not yet been done, either through the application itself, or through the public hearing presentation. Because Agora used different benchmark grades in academic areas, a crosswalk is needed to the Pennsylvania standards approved by the Pennsylvania State Board. Therefore, it is difficult at this time for the Department to have confidence that the standards will be met by Agora's students.

In addition, Agora enumerated 11 academic goals, indicators, and estimated baselines and targets. However, it remains unclear why Agora did not use the goals that are in the curriculum regulations for Pennsylvania. We were further confused by the fact that, at the public hearing, Dr. Brown represented that she did not know where the goals came from, but that they planned on using them for their program.

Regarding teachers, we are seeking further explanation about the dual certification that Agora discussed in the public hearing. It was represented that some teachers from a program at LaSalle University would receive dual certification in special education and in another area. We have concerns that the other part of the certification must be in the content area that they are teaching, and would appreciate further clarification from Agora.

2) Budget – There are internal inconsistencies in the revised budget submitted by Agora, as well as inconsistencies of information provided in the revised budget and in the application itself. The number of FTE's for teachers and teachers aides are a discrepancy that lends itself to question proposed teacher/student ratio, as well as the total financial needs of salaries and benefits.

The costs of some services and equipment identified in the initial budget were significantly changed in the revised budget. The initial budget provided \$75,000 for professional services and the revised budget provides \$270,000 for professional services, without an explanation as to the difference. The initial budget provided for \$180,000 for books/instructional materials, yet the revised budget provides \$1,298,850 for books/materials – a significant unidentifiable increase. Finally, the initial budget provided \$812,500 for equipment purchases, and the revised budget provides \$305,000 for the same. It is certainly understandable to adjust

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budgets in order to address needs, but you can appreciate that, because these variances were not explained in any fashion, we have concerns about their validity and consistency to the application itself.

The revised budget provides for a Technology Coordinator, but there is no such position identified in the application. Instead, the application references two technology support positions, but funding is not provided in the revised budget for these two positions. Other inconsistencies between the application and the revised budget include a school nurse, principal and webmaster.

The final concern around the budget and finance issues involves the bylaws presented by Agora. Agora states that "under the direction of the Treasurer, the Chief Executive Officer shall receive all funds including local, state, and federal funds as well as privately donated funds... [and] shall make payments out of these funds as needed for the proper conduct of business." In addition, "the Chief Executive Officer shall also pay the salaries of school employees and maintain a petty cash fund not to exceed two hundred dollars..." This appears to be a serious breach of universally accepted internal control procedures. We request that Agora review this and provide a full explanation as to their appropriate procedures that they will put into place.

3) Accountability – We are concerned, based on both the application and the public hearing comments, about Agora's understanding and preparedness to meet the No Child Left Behind, and the Pennsylvania Accountability System requirements. Some of Agora's documentation indicates that they believe that the Pennsylvania Accountability System only consists of academic standards. It was not communicated clearly that they understand such concepts as Report Cards, Adequate Yearly Progress, and other key issues within the accountability system. It is essential that a more comprehensive explanation of the schools' understanding of all of the requirements within NCLB and the Pennsylvania Accountability System be provided so that we can move forward with assurance that Agora fully understands and is prepared for their responsibilities.

We recommend that Agora reviews this summary, and the accompanying legal decision and provides all of the requested information and documentation by May 2, 2005, at which time we will re-evaluate our decision. During that time, please know that we will provide technical assistance in any way feasible to Agora, as we both strive to continue to provide quality educational services to the children and communities of the Commonwealth.

Sincerely,

Francis V. Barnes, Ph.D.

Francis V. Larnes