

DEPARTMENT OF EDUCATION

In Re: The Proposed IDEA Cyber Charter :
School : **2007**
Cyber Charter School Application :

Background

Amendments to the Charter School Law (“CSL”), 24 P.S. §§17-1701-A – 17-1751-A, that became effective July 1, 2002, include new Subchapter (c), which sets forth new provisions for the establishment and oversight of cyber charter schools. *See*, Act of June 29, 2002, No. 88, §14, adding 24 P.S. §§17-1741-A to 17-1751-A (“Act 88”). Pursuant to Act 88, the Department of Education (the “Department”) has the authority and responsibility to receive, review and act on applications for the creation of a cyber charter school. Act 88 requires that cyber charter school applicants submit applications to the Department by October 1 of the school year preceding the school year in which the cyber charter school proposes to commence operation. After submission of an application, the Department is required to hold at least one public hearing and grant or deny the application within 120 days of its receipt.

- On October 1, 2007, the proposed IDEA Cyber Charter School (“IDEA”) submitted an application to operate as a cyber charter school.
- The Department provided 30 days notice of a public hearing that was held on December 6, 2007.
- At the hearing, IDEA presented the Department with information about its application. Department personnel who had reviewed the application also posed questions to IDEA’s representatives.

Conclusions of Law

On October 1, 2007, the proposed IDEA Cyber Charter School (“IDEA”) submitted to the Department an application to operate a cyber charter school. The Department is to evaluate the application based on the following criteria:

- (i) The demonstrated, sustainable support for the cyber charter school plan by teachers, parents or guardians and students.
- (ii) The capability of the cyber charter school applicant, in terms of support and planning, to provide comprehensive learning experiences to students under the charter.
- (iii) The extent to which the programs outlined in the application will enable students to meet the academic standards under 22 Pa. Code Ch. 4 (relating to academic standards and assessment) or subsequent regulations promulgated to replace 22 Pa. Code Ch. 4.
- (iv) The extent to which the application meets the requirements of section 1747-A.

Conclusions

- **IDEA failed to provide a complete and detailed description of the duties and responsibilities that a third party will play in the operation of the school.**
- **IDEA failed to meet the requirements that it provide a financial plan for the proposed cyber school in accordance with 24 P.S. §17-1719-A(9).**
- **There are numerous concerns with the uses of technology and technology policy as described in the IDEA application.**
- **The application submitted by IDEA failed to substantively detail how it will meet its obligation to provide special education programs and services to students with disabilities and failed to address key areas of special education policy and procedure. 24 P.S. §17-1747-A(13).**
- **IDEA failed to provide adequate details regarding the curriculum and how staff will be properly trained in the educational methodologies described in the application.**
- **IDEA failed to provide a finalized management agreement with KC Distance Learning.**
- **IDEA failed to provide all pages of the amended Articles of Incorporation.**
- **IDEA failed to provide signed Bylaws.**

- **IDEA has failed to provide sufficient information to identify a school calendar, including the length of the school day, and how IDEA will define and monitor a student’s school day.**
- **There are no clear, measurable goals to address performance on PSSA.**
- **Graduation requirements aren’t consistent with Pennsylvania’s requirements.**

Discussion

Summary of the Proposed IDEA Cyber Charter School

- IDEA Cyber Charter School proposes to enroll students in grades K-12
- The proposed cyber charter school will be headquartered in King of Prussia, Montgomery County, Pennsylvania
- The maximum projected student enrollment for year one is 2000 students, increasing to 4,147 for year five
- IDEA Cyber Charter School proposes to enroll students from all 501 Pennsylvania School Districts
- IDEA Cyber Charter School founders are partnering with several parties, including the Northwest Evaluation Association, the National Research Center on the gifted and Talented, and KC distance Learning
- IDEA Cyber Charter School proposed a customized curriculum with a personalized educational plan for each student

Finance and Budget

IDEA proposes to carry out a significant portion of the school’s activity through a third party, KC Distance Learning d/b/a IQ Academies (“KCDL” or “iQ Academies”). The undated letter of agreement provided in the application stipulates that IDEA and IQ Academies will enter into a more formal agreement to define the roles and responsibilities based on the activities outlined in the letter agreement that are to be performed by IQ Academies. Statements made during the hearing indicated that IQ Academies’ responsibilities will include providing the students with computers and some accounting activity. The absence of specific details on the

roles and responsibilities of both parties and of the associated financial arrangements prevents any assessment of the viability of IDEA's financial plan and the extent of oversight by the governing board.

IDEA failed to provide supporting details or other credible information on how it arrived at its enrollment projections used to determine budgeted revenue. The estimated enrollment numbers are a critical component of IDEA's financial plan and evaluating their reasonableness is instrumental to assessing fiscal viability. The absence of assumptions supporting the ambitious enrollment projections prevents any assessment on the reasonableness of the budgeted revenue. The application of statewide tuition averages for the 2006-07 fiscal year to the unsupported projected enrollment indicates budgeted revenues to be significantly overstated.

IDEA failed to adequately justify the information presented in its one-year budget in a rational manner. The budget submitted by IDEA did not include any of the assumptions used in arriving at the amounts shown, which prevented any assessment of the projections. The adequacy, reasonableness or necessity of the budgeted amounts cannot be validated.

The budget presented is not balanced. It does not address the \$2,120,579 of estimated revenues that exceed the estimated amount of expenditures. The budget totals presented under Instruction and Support Services categories do not agree with the amounts presented in the supporting account breakdowns.

IDEA presented conflicting information on targeted staff size and teacher/ student ratio. The information contained on page 105 states a targeted staff size of 139 with a student-staff ratio of 25 to 1 (not counting special education teachers) and a touchstone-student ratio of 25 to

1. On page 106, IDEA states that the teacher-student ratio is 33 to 1 and the number of touchstones represents a 40 to 1 ratio.

Technology

There is no indication how KCDL, Blackboard and Aventa Learning were identified as curriculum providers and no indication of what criteria was used to evaluate these programs.

There is also no indication how Elluminate was identified as the synchronous instructional application and no indication of what criteria was used to evaluate this application.

It is unclear what technical training is included as a part of a paraeducator's responsibilities. Although it was stated that paraeducator training would be held at placement cluster locations, there is no indication of what training will be included and how paraeducators are assessed for technology proficiency to assist students with technical issues.

Virtual Student SIS from Provost was listed as "intended to use" but there is no evidence how Student Information System was identified. There was a quote of pricing but no indication of how this was determined.

There is no indication how the computer specifications were determined by the Director of IT. The proposed specifications are based on what was needed for Aventa and other tools but IDEA stated that the specifications are changing. What is the procurement process to purchase the proposed systems and other technologies? It is believed that the bid process will come from KCDL and there is concern that KCDL, which will own the computers and presumably lease them to IDEA, will determine the specifications. In addition, the Department is concerned about KCDL owning the computer equipment and leasing it to IDEA when KCDL is the management

company and there is not a management agreement specifying each party's duties and responsibilities.

There is no indication of what technical skills are required of administrators, teachers and other school staff as a part of the hiring process.

There is no evidence of how telecommunications costs for Internet, telephone, and website services have been determined. Although there is to be an internet stipend per student for reimbursement of Internet costs, it is not clear how these costs have been determined.

Special Education

The policy section of the application mostly restates the law and does not address in detail how IDEA will meet its special education requirements under the law. Additionally, IDEA's policy on Confidentiality talks more about protection of data and omits other key aspects of the requirements of FERPA. Other policies express IDEA's philosophy as opposed to spelling out how a particular provision will be executed. While the application does discuss and highlight key aspects of special education knowledge, IDEA fails to detail the method of how it will operate in the cyber environment; for example, "Who does what, when and how?" At the hearing, IDEA was unable to answer significant questions related to service provision and IDEA did not adequately address specifically how it would provide specially designed instructions.

In IDEA's description of how it will meet the educational needs of students with disabilities, IDEA states that prior to enrollment it will review registration forms to identify current IEPs from another school district. Although IDEA can review IEPs from another school district if provided by the parent, IDEA cannot ask for, or require that a parent provide

information about a student's special needs, including whether a student has an IEP from another school.

Curriculum

Overall, the proposal provides inadequate details regarding curriculum, the method for translating educational philosophy into practice, proof of alignment of all courses/assessments to state standards, how it will meet the needs of diverse learners in a virtual environment, or how it will ensure staff are properly trained in educational methodologies described in the application.

Specifically, not all core content courses are aligned to state standards and not all standards are addressed by the course catalog that was provided. No instructional model for ELLs is described. ELLiS (ESL instructional software) is aligned to outdated TESOL standards. There is no alignment to state ESL standards. There is no explanation of how ESL will be addressed properly in a virtual environment.

The application is missing many appendices. There are no details explaining how the philosophy of Constructivism, the Understanding by Design instructional model, and the concept of differentiated instruction will be integrated and translated into practice. There is no explanation of how IDEA will train the staff to implement instruction resulting from integration of the above. For K-6, there is no curriculum; there is only a list of state standards and anchors.

Legal

IDEA has "partnered" with KCDL to provide, in essence, management functions for IDEA. At the hearing, representatives from IDEA and KCDL stated that KCDL is expected to provide many services, such as recruiting, marketing, technology infrastructure, reporting systems, operations, curriculum and student accounting. In addition, IDEA will presumably lease computers from KCDL. As stated in the Finance and Budget section, a letter to IDEA from

iQ Academies was included in the application and was referenced as a letter agreement between IDEA and iQ Academies. The letter agreement was to be signed and dated by IDEA if the terms and conditions in the letter were consistent with IDEA's understanding. However, there was not a signature page provided with the application. In addition, it is stated in the letter that a formal agreement defining each party's respective roles and responsibilities would be entered into once the application has been accepted.

Section 1749-A of the CSL subjects cyber charter schools to specific provisions of the Charter School Law ("CSL") and other acts and regulations. Pursuant to Section 1749-A, cyber charter schools are subject to Section 1716-A of the CSL and implicit in Section 1716-A(a) is that a charter school's board of trustees must maintain ultimate control over the operation of the school. *See, West Chester Area School District v. Collegium Charter School*, 760 A.2d 452, 468-69 (Pa. Commw. Ct. 2000), *aff'd*, 2002 Pa. LEXIS 2836 (Pa. Dec. 20, 2002).

The Commonwealth Court has interpreted this provision by requiring that a charter application must include a finalized version of a management agreement so that proper determination can be made whether the application comports with the requirements of the law. *School District of the City of York v. Lincoln-Edison Charter School*, 772 A.2d 1045, 1050 (Commw. Ct. 2001). Proper review of the application cannot be made until the essential components, such as a management agreement, are before the Department. *Id.* Therefore, since KCDL will be essentially acting as a management company, IDEA must provide the Department with a copy of a finalized agreement so that the Department can determine whether it comports with the CSL.

IDEA provided a copy of the Articles of Incorporation filed April 6, 2006. IDEA also provided a copy of the first page of Articles of Amendment filed June 28, 2007; however, the

remaining three pages of the Articles of Amendment were not provided and the Department cannot determine what was amended in the Articles of Incorporation.

IDEA provided a copy of Bylaws. Although dated August 27, 2007, the Bylaws are not signed. Thus, the Department cannot determine whether these are the Bylaws adopted for IDEA.

IDEA states that it will be operating 365 days per year. Students are to pick the 180 or more days they want to attend school. The school calendar provided by IDEA simply states the number of days per month that constitute teacher days and possible student days. However, IDEA has not identified the actual days in each month that administrators, teachers and other staff will be available and has not identified what constitutes a school day at IDEA. Thus, IDEA has not provided sufficient information to identify what constitutes a school day and when administrators, teachers and other staff are available to students. In addition, IDEA has not explained whether students will be credited with attending school on a day when teachers and administrators are not available.

Accountability

It appears that IDEA is going to rely almost exclusively on an NWEA produced assessment (MAP) to serve as a diagnostic tool and a summary tool. The primary challenge is that the MAP is not aligned to Pennsylvania's Academic Content Standards. Although NWEA has assured IDEA that NWEA will align the MAP to PA's standards, PDE cannot accept assurances but must see evidence that there is alignment. Additionally, even if NWEA aligns the MAP to our standards, it will do so independently from PDE. Thus, IDEA must be able to provide sufficient evidence that actual alignment has occurred.

IDEA also stated that it was not planning to use PVAAS or 4sight. This was somewhat surprising since these are state developed tools whose alignment is known. To discard their worth so easily raises concerns.

IDEA failed to mention the attainment of Proficient on the academic content standards as a requirement for graduation.

Therefore, for the reasons stated above, the cyber charter school application for the IDEA Cyber Charter School is denied.

Diane Castelbuono
Deputy Secretary
Office of Elementary & Secondary Education

Date