

DEPARTMENT OF EDUCATION

**In Re: The Proposed Lighthouse Cyber Charter School:
Cyber Charter School Application : 2006**

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 2, 2005¹, the proposed Lighthouse Cyber Charter School (“Lighthouse”) 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 4, 2006.
- At the hearing, Lighthouse presented the Department with information about its application. Department personnel who had reviewed the application also posed questions to Lighthouse’s representatives.

¹ The application was timely filed on October 2, 2006 because October 1, 2006 was a Sunday.

Conclusions of Law

Background

On October 2, 2006, the proposed Lighthouse Cyber Charter School 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

- **Lighthouse failed to satisfactorily identify a curriculum. 24 P.S. §17-1719-A(5), §17-1747-A(1).**
- **Lighthouse failed to adequately explain how curricula and resources meet the requirements of Chapter 4 and how it allows students to meet the academic standards of Chapter 4. 24 P.S. §17-1745-A(f)(iii), §17-1747-A(1).**
- **Lighthouse failed to explain how it would effectively provide appropriate curriculum and supports to English Language Learners (“ELLs), to demonstrate substantial insight to current research, to state measurable academic goals and objectives, and to propose how instruction is to be delivered to students through the cyber environment. 24 P.S. §17-1747-A(4), §17-1719-A(5).**
- **Lighthouse failed to substantively detail how it will meet its obligation to provide special education programs and services to students with disabilities. 24 P.S. §17-1747-A(13).**
- **Lighthouse failed to address key areas of special education policy and procedure in the application. 24 P.S. §17-1747-A(13).**
- **There are a number of discrepancies in the Bylaws of the proposed Lighthouse Cyber Charter School. These include a lack of a job title/description/budgeted salary for the CEO; an inconsistency in the number of board members; language**

that does not comply with the “Sunshine Act,” and erroneous names cited in the Bylaws, as well as the application.

- **Lighthouse failed to articulate the types of educational services it intends to offer to other schools.**
- **Lighthouse failed to provide sufficient information about the ownership of the facilities and leasing arrangements. 24 P.S. §17-1747-A(16).**
- **There were a number of discrepancies with the proposed Lighthouse management structure concerning board representation, school location and potential contract.**
- **Lighthouse failed to adequately justify financial and budgetary amounts in a reasonable manner.**
- **Lighthouse failed to meet the requirements of section 1747-A when it failed to provide an adequate description of the technical support that would be available to students and parents, the privacy and security measures that would ensure confidentiality of data gathered online, and the technology including hardware and software, that would be provided to students. 24 P.S. §17-1747-A(6), (9), (10).**
- **Lighthouse plans to offer a dual enrollment program.**

Discussion

Summary of the Proposed Lighthouse Cyber Charter School

- Lighthouse proposes to enroll students from all 501 school districts
- The proposed cyber charter school will be located in Hershey, Dauphin County
- Lighthouse proposes to serve students in grades K-12
- Lighthouse proposes to enroll 400 students in the first year of operation, increasing to 1000 students by the fifth year
- The educational focus of Lighthouse is to provide a rigorous academic core curriculum aligned to the state standards and benchmarks

The entire proposed Lighthouse Cyber Charter School application is available for viewing on the Department’s website at:

[http://www.pde.state.pa.us/charter_schools/cwp/view.asp?a=147&Q=60553&charter_schoolsNav=|567|&charter_schoolsNav=|](http://www.pde.state.pa.us/charter_schools/cwp/view.asp?a=147&Q=60553&charter_schoolsNav=|567|&charter_schoolsNav=)

Curriculum

The Charter School Law requires that an applicant include in its application, the curriculum to be offered and how it meets the requirements of Chapter 4 relating to Pennsylvania's academic standards and assessment. The curriculum as identified in the Lighthouse application is merely a proposal. The plan is to make selections through the democratic process, pilot the selected materials, and have adoption before school would begin in September. This timeline will not be realistic, considering that there will not be a body of students with which to work. The plan allowing for curricular decision-making through a "democratic process" for students is problematic. State law requires that all students receive planned instruction and demonstrate proficiency in all of the PA Academic Standards. Unless the school plans and implements a consistent curriculum that requires students to participate in specific curriculum/courses, it is unlikely that the requirement will be met.

Additionally, no compelling evidence was presented supporting the viability of the proposed school's Environmental/Agriculture—Ethics Character Education thrust. Representations that Lighthouse would offer this unique curriculum to local high schools currently struggling to maintain agricultural education funding was not proven. Numbers and names of such high schools, numbers of agriculture students, high school locations, and so forth were not presented in the application. Lighthouse representatives stated that they would be developing this unique curriculum themselves and that this might take several years to complete. Similarly, Lighthouse anticipates sale of a yet undeveloped agricultural curriculum to provide an

additional source of income. Although they stated that several state and federal agencies, as well as a university showed interest, Lighthouse provided no evidence to support a viable marketplace within the public school community for this as yet undeveloped curriculum.

The fully democratic/transparent school governance concept commits Lighthouse to include the entire school community in the operational and financial decisions of the School. This includes administrators, professional staff, parents and students. This process of democratic decision-making is not realistic in terms of the day-to-day operation of a school.

Lighthouse plans on spending the next year allowing potential students, parents and community members to pilot various curriculum choices and cast their votes for these choices. Thus, not only is there not a curriculum provided in the application, there cannot be any assurances, at this time, that final choices will be aligned with state standards.

Appendix A of the application packet presents an extensive, grade-by-grade curriculum with a plan to integrate agriculture/environmental content into the curriculum. However, there is no documentation to demonstrate alignment of that curriculum to the Pa Academic Standards or if this will be the “democratically chosen” curriculum. Resources to be utilized by the school vary in quality and connection to PA Academic Standards, cyber learning, community opportunities and independent study. There is no description of how the resources connect to the Standards.

The proposed curriculum does not adequately plan to meet the special needs of English Language Learners. There are many requirements under NCLB. These include the home language survey, planning for the program, selecting a core ESL curriculum, identification and assessment of students, programming for students, tracking of student proficiency levels, exiting students from the program, and maintenance of the database of Primary Home Language Other

Than English (PHLOTE) students. Generally speaking, they are unprepared to meet the needs or legal requirements of this population.

The proposal lacks substantial insight to current research, listing only Robert Fried's research of the Coalition of Essential Schools. There is a plan to integrate educational video games into the core curriculum with no documentation of research-based evidence of the effectiveness of those games to student achievement of content and PA Academic Standards.

The academic goals and objectives (pages 10-11 of 71) are not all stated in measurable terms. For example: "Allow students the ability to meet State Standards by pursuing their talents and interest". Goals should be rewritten in measurable terms with specific data collection strategies identified to determine success rates.

It is unclear from the proposal exactly how the instruction will be delivered through the cyber environment. Lighthouse representatives respond that they are in the process of determining the programs, practices, and procedures of many basic functions of a thorough and efficient system of education.

Dual Enrollment

Lighthouse states in its application that it will provide for dual enrollment of its students when funds allow it to do so. However, the Department has stated in a published Basic Education Circular that charter schools may not contract with post-secondary institutions to provide dual enrollment credits to its students. Charter schools may only purchase college courses from a post-secondary institution to use as part of a charter school's curriculum for which students would be awarded high school credit. *See, Cyber Charter School Basic Education Circular.*

Special Education

The application submitted by Lighthouse provides information on the overview of its special education program; however, it fails in some instances to adequately address the programmatic detail to execute special education programs in the cyber. For example, in the case of Child Find, Lighthouse states in part on page 18 that “Students with disabilities who need special education will be identified as eligible for special education... Depending on the type and severity of the needs, services will be provided through contracts with the local school district, hospitals, non-profits, and private providers, etc...” Lighthouse, however, does not address the mechanism of how this will be accomplished. There is no policy or detailed procedure, which outlines the programmatic detail of Child Find, and how these factors would operate in the cyber environment. Lighthouse goes on to list other areas of special education service provision, its philosophy, and generally quotes federal and state laws related to special education on how the needs of students will be met; however, the application lacks a plan to describe the technical methodology of how it will get there. Absent any detailed policies or procedures the Department cannot determine if the school can demonstrate its understanding of its duty to meet the requirements of the IDEA.

With the exception of the Annual Public Notice, Confidentiality, and some of the Child Find requirements, the application is absent (the who, what, when, where and how) policies and procedures related to, at minimum, the following: Assistive Technology, Child Find/Screening (some components), Interagency Agreements, Staff and Parent Training Opportunities, Dispute Resolution, and Surrogate Parents recruitment, Dispute Resolution and Independent Evaluations.

Bylaws

In the Bylaws for the proposed Lighthouse Cyber Charter School, reference is made to the Chief Executive Officer (“CEO”) who is to act as a professional advisor to the Board of Trustees. However, in Lighthouse’s application, there is not a job title/description for a CEO. There also does not appear to be any expense allocated in the budget for a CEO. Lighthouse must correct this discrepancy.

The members of the Board of Trustees will be selected by the Founding Coalition and will consist of three members for the first two years and then expand to five members. This is at variance to By-Laws (Addendum I) that state at §2.2 Number: “The Board of Trustees shall consist of five (5) members.”

The Bylaws reference a Board of Confidences and states that every Trustee has a duty to maintain the confidentiality of all Board actions, including discussion and votes. However, the Charter School Law requires the Board of Trustees to comply with the “Sunshine Act”, 65 P.S. §271 *et seq.*, which generally requires open meetings of the Board of Trustees. Lighthouse must provide the Department with assurances that it understands the requirements of the Sunshine Act and that it will comply with all of its provisions.

The Bylaws state that all deposits of funds are to be in the name of the Pennsylvania Hinterland Mobile Cyber Charter School and that the Board of the Pennsylvania Hinterland Mobile Cyber Charter School is to invest the funds. In addition, on page 3 of Addendum P, Agora Cyber is incorrectly listed. Lighthouse must correct these errors.

Services to other schools

Lighthouse states in its application that it will “probably be investigating the feasibility and wisdom of piloting a year-round school model. In addition to benefiting our enrolled

students, the year-round model will enable us to provide services to other cyber as well as brick and mortar schools in PA.” It is not clear from this statement what services Lighthouse would expect to provide to other schools. However, Lighthouse would only be authorized to provide educational services to students enrolled in Lighthouse.

Technology The application states that technical support is only available from 8am to 4pm. There is no indication of how technical support is fully extended beyond 4 pm., and calls left on an answering machine may not be responded to for up to 24 hours.

Lighthouse did not present evidence how the Student Information System, (SIS) was identified. SIS from Provost was reviewed with other PA cyber charter schools, but no Request for Proposal (RFP) was issued. There was no evidence presented by the applicant establishing a repair/replacement program.. Lighthouse indicated that it would contract with Generation YES to provide help desk and maintenance service. However, the applicant has yet to contact ‘Generation YES’ for these support services. Lighthouse didn’t provide evidence that the services provided by Horizon Wimba work well for both broadband and dial up users, so that audio references aren’t lost to dial up users because of connection lags and delays.

Sufficient technical knowledge did not appear to be present, either in the application or presented in the hearing. The applicant did not demonstrate sufficient knowledge, ability or expertise in this aspect of the school’s operation.

There is no evidence of measuring technology proficiency for students and staff entering the cyber school or of a Network/Internet Acceptable Use Policy for staff and students. In addition, no evidence was provided on what constitutes the \$75,000 setup cost in the budget. This is not the cost of the computers.

There are no details provided as to what the IT consultant(s) is providing to the proposed Lighthouse Cyber Charter School. No evidence was presented asserting that the assistive technologies are compatible with the proposed Microsoft Vista operation system. Nor was there evidence in the Lighthouse budget indicating licensing costs for applications that are specific to each grade level.

Management Structure

There are several areas of concern with this aspect of school operations. The application sites a commitment to include the entire school community in the school's financial decisions, but this evidences an infringement on the authority of the Board of Trustees. The application states that parents will play a role advising at Board Meetings and by serving as Board Members. The application does not address what weight will be given to this advice in proportion to the Board membership, vis-à-vis parents versus non-parents. Lighthouse intends to have parent/student representation at Board meetings and its intent is to mirror our representative government. Again, it is unclear how this democratic model would operate when applied to the practical function of school governance.

Lighthouse anticipates two physical locations – main administrative offices to be located in Hershey, PA with a satellite office located in Ulster, PA. This is problematic regarding storage and access to student and school records. The Charter School Law requires that a cyber charter school maintain an administrative office where all student records shall be maintained. Upon discussion, Lighthouse advised that the records would actually be housed off-site on servers located in the state of Texas. According to Lighthouse, the Hershey location was selected on account of its proximity to PDE and the satellite office, located in northern Bradford County, was selected to more adequately service all of the student population geographically.

This rationale makes little sense since Lighthouse would draw potential students from across the entire state. Coincidentally, Maria DeCarmin-Bender's mailing address is Hershey, PA and Carolyn Knapp's mailing address is Ulster, PA.

Lighthouse intends to contract with the National Network of Digital Schools and also purchase or lease CSIU software for its administrative/management operations. No additional information is provided and no material is located at Addendum K – School Management Contracts.

Finance and Budget

The adequacy, reasonableness or necessity of the budgeted amounts projected cannot be assessed. Lighthouse's projected 2-year budget summary lacks detail. Lighthouse projects serving 400 students (K-12) in the first year, 500 students in the second year, 700 students in the third year, 850 students in the fourth year and 1,000 in the year. The number of teachers remains constant at 16 for staffing ratio of 1/25 in the first year of operation to 1/63 in the fifth year – this is not reasonable nor realistic.

There is no salary scale – teaching positions are budgeted at \$35,000 each and a Special Education Coordinator and a Guidance Counselor are budgeted at 40,000 each . Administrator salaries are budgeted at \$75,000 each, and a Webmaster, at \$40,000. All budgeted salaried positions reflect a 20% increase for the second year but no rationale/basis is provided for the increase. Does the 20% annual increase also pertain to every subsequent year of the charter? Purchased professional services range from 10% to 50% of salaries..

Lighthouse's first year operations result in a projected (\$339,250) shortfall/deficit. After the second. year, Lighthouse projects a \$532,900 fund balance. This is an \$872,000 plus --

162% increase over the first year's projected (\$339,250) deficit fund balance. These amounts are not realistic, nor are they justified..

Lighthouse does not project expenditures for facility lease, which will be a material expense.

Lighthouse appears to lack an understanding of basic accounting principles, as it fails to use correct functions and objects from the Pennsylvania Manual of Accounting, State Chart of Accounts.

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

Gerald L. Zahorchak, D. Ed
Secretary of Education

Date