

SusQ-Cyber Charter School

School Profile

The SusQ-Cyber Charter School, which enrolls students in grades 9-12, is entering its fourth year of operation. Started by three founding school districts, there are currently 76 students enrolled for fall 2001. Even though some students are college bound, many students are unhappy with their home school and consider SusQ to be their last way to get a diploma; many of these students may lack motivation and struggle when working independently. A percentage of the school population is in great need of this program because their mental/physical health prevents them from succeeding in a regular school. SusQ provides an option for students who have exhausted all other opportunities in their own high school. 60% of the student population consists of 11th and 12th graders and 40% of the school is made up of 9th and 10th grade students. While SusQ's enrollment tends to vary throughout the year, due to students enrolling and withdrawing, the Average Daily Membership (ADM) for the first year of operation, 1998-1999, was 44 students. The ADM for the second and third years were respectively 94 and 74 students. 73 of the students are from a traditional public school while only one of these students was a former home schooler. SusQ only accepts students 5% of the total 9-12 enrollment of the participating districts within the Central Susquehanna Intermediate Unit (CSIU), which limits cyber charter enrollment to a maximum of approximately 115⁸³ students. Pennsylvania students outside of the CSIU cannot enroll in SusQ. There are currently seven students on the school's waiting list. The SusQ staff have communicated with the principals and guidance counselors in order to develop collaborative relationships with the home schools from the districts it serves.

The SusQ staff for the 2001-2002 school year is made up of two part-time employees and one full time employee that include:

- Chief Administrative Officer (25 hours per week)
- Instructional Support Specialist (full time)
- Administrative Assistant (26 hours per week)

The CAO's salary is funded by Next Century Inc.⁸⁴ and the other two employees are employed by SusQ. Every employee is certified by the state of Pennsylvania. This cyber school is also supported by the CSIU Business Manager and staff, who spend approximately 16 hours per week on matters related to the cyber school, and two part-time CSIU Distance Learning Monitors. One Distance Learning Monitor works two hours per week while the other works five and a half hours per week.

⁸³ This number varies by year as the total enrollment for each of the three participating school districts may vary on a yearly basis.

⁸⁴ Next Century Inc. is a 501(c)(3) non-profit organization. Next Century funds the CAO's salary because this employee is typically a retired superintendent and would be limited in the days he/she could work for a public school if employed directly by SusQ.

The school does not actively recruit students via marketing initiatives; students and parents generally learn about SusQ through word of mouth or school referrals. Highly motivated independent learners (e.g., students seeking a course of study not offered by their home school, students seeking to enter the military that need to complete their high school degree) are the target of this cyber school. The school also serves students whose needs may not be met by their home school (e.g., students who are school phobic, teen mothers). A total of 21 students have graduated from SusQ since it opened in 1998. 16 of the 21 students who graduated did so between December 11, 2001 through August 31, 2001.

In collaboration with the SusQ staff and their parents, students develop Personal Education Plans (PEPs) by selecting courses from a number of third party curriculum providers. Keystone National High School is SusQ's primary provider, with 73 students enrolled, but students also have enrolled in distance learning courses from the:

- University of Missouri
- Penn State University
- Academy PA-AP classes offered by the Central Susquehanna Intermediate Unit (CSIU)
- Cyber School-Eugene OR
- Class.com
- Northampton Community College-Bethlehem, PA

The average amount of time a SusQ student spends in front of a computer varies depending upon the student's studying style. Some students may print out online components while others may opt to view them online. In addition, textbook work is an integral part of the coursework.

While regular contact between SusQ staff and students is generally made on a bi-monthly basis, students are able to contact the three members of the school staff via email or phone as needed. Students in need of instructional support directly related to the curriculum contact teachers employed by the curriculum providers (e.g., Keystone). Keystone teachers generally return the email or calls of students within 24 hours. In unique circumstances, SusQ has hired tutors to serve as instructors for students in unique situations (e.g., appropriate online courses are not available).

The school has been operating for three years and its average cost per student has been as follows:

	<i>FY01</i>	<i>FY00</i>	<i>FY99</i>	<i>Average</i>
Students Attending	125	166	91	127
Student Days	12,753	16,859	8,028	12,547
FTE Students (FTE=180 days)	71	94	44	70
Revenue per FTE	\$5,658	\$5,285	\$5,205	\$5,383
Cost Per FTE	\$4,587	\$3,103	\$4,582	\$4,091
Difference	\$1,071	\$2,182	\$623	\$1,292

The FY02 budget estimates that there will be 80 full time equivalent students enrolled in the school. Revenue is estimated at \$5,331 per student and the estimated cost is \$4,989 per student. It is important to note, however, that this estimate is strictly an operational cost. It does not include costs related to replacing old equipment, purchasing new technology or the costs associated with in-house curriculum development.

SusQ had an estimated fund balance of \$425,000 at the end of FY01 (unaudited) and had not yet reimbursed local districts for any of these excess funds that have accumulated. The Board of Trustees has, however, adopted a by law that provides for the return of tuition differential as a dividend back to sending districts. The motion is on hold pending legislative action that may affect funding.

This section of the report assesses the SusQ-Cyber Charter School in the following areas:

- Accountability Methods and Systems
- Governance and Oversight
- Cost Analysis

Accountability Methods and Systems

Evaluation Goal and Criteria

The goal of the Accountability Methods and Systems evaluation was to ensure that a clearly defined and robust accountability system is in place to support achievement of a quality education.

Summary

SusQ was the first cyber school to be awarded a charter in the state of Pennsylvania and has been in operation for three years. The school is currently entering its fourth year of operation. SusQ's one full time and two part-time staff heavily rely upon the curriculum management system provided by Keystone National High School to track student performance; Keystone National High School is the school's primary curriculum provider. In-person proctored exams (e.g., midterms, final exams and the PSSA) are also given at local test sites to help ensure the authenticity of student work. SusQ is supported by the Central Susquehanna Intermediate Unit (CSIU). For many of the evaluation criteria below, SusQ is in the planning stage.

Evaluation Criteria and Findings

The table below identifies the key criteria used to evaluate each cyber charter school and a description of how each school met these criteria.

<i>Student Achievement</i>	<i>Current Status</i>
<p>1. Ability to measure student engagement and progress</p>	<ul style="list-style-type: none"> ▪ SusQ staff use prior student records to initially place students in the appropriate level curriculum. ▪ Curriculum management technology of curriculum providers is used to monitor student progress. For example, Keystone allows real time monitoring of student progress and test scores that SusQ administrators and parents can access via a secure log in. ▪ Students receive a Course Completion Schedule to provide them with guidance about when they should complete lessons and exams. SusQ staff monitor this schedule to help ensure that students do not fall behind in their coursework. ▪ There was no evidence that school personnel consistently follow-up with all students in order to track progress against

<i>Student Achievement</i>	<i>Current Status</i>
	<p>plan.</p> <ul style="list-style-type: none"> ▪ A student contact schedule is manually tracked on a paper-based calendar. ▪ Similar to some traditional brick and mortar high schools, SusQ does not conduct pre or post testing, limiting ability to measure “value add/progress made” as a result of the educational program. ▪ SusQ’s ability to measure student progress is also influenced by the third party curriculum providers it has selected.
<p>2. Documentation of positive trends in all subject areas for students such as beginning of year, monthly and end-of-year online assessments</p>	<ul style="list-style-type: none"> ▪ There is no clear documentation of positive trends in student assessment. ▪ Graduation rates have increased from one student in 1998 to 16 students in the year 2001. ▪ SusQ does not collect aggregate data from all providers to document what credits are being earned or which students/groups of students are failing. SusQ does receive monthly reports of student progress from Keystone and Missouri and can request additional reports, if necessary.
<p>3. Documentation of positive trends in student attendance, retention, dropout, and graduation rate</p>	<ul style="list-style-type: none"> ▪ Many students come to SusQ for one or two years with intention of returning to their home school. ▪ Based upon Annual Report Information (July 1, 2000-June 30,2001) 46 out of 122 students were enrolled for less than six months. SusQ staff counsel some students into getting a GED; approximately 50% of students do get their GED. ▪ Approximately five to ten students enrolled in SY2002 are re-enrolled dropouts.
<p>4. Ability to measure student authenticity of work (e.g., logs, records of study)</p>	<ul style="list-style-type: none"> ▪ Missouri and Keystone can track the amount of time a person has been online and in particular parts of their program but they cannot verify if the “log on” person is the actual student enrolled. Academic progress in both of these programs is measured through submission of responses to objective type questions upon completion

<i>Student Achievement</i>	<i>Current Status</i>
	<p>of units of work. After the completion of three units of work (Keystone) or half way through the course (Missouri) the student must submit responses to objective and subjective questions. All responses for the Keystone program are submitted online and returned online. Therefore, Keystone alone is unable to verify which person truly submitted work. Missouri requires a proctored midterm and final.</p> <ul style="list-style-type: none"> ▪ Even though SusQ utilizes Keystone and Missouri, proctored exams are given at local sites (midterm, final and standardized tests) to ensure authenticity of student work throughout the semester.
<p>5. Compliance with students taking the Pennsylvania System of School Assessment (PSSA) in accordance with Chapter 4</p>	<ul style="list-style-type: none"> ▪ Students take the PSSA in person at a local test site.
<p>6. Student attendance – compliance with compulsory attendance laws</p>	<ul style="list-style-type: none"> ▪ The cyber school’s premise is based on achievement – must get work done or counseled out. ▪ School staff tried to collect weekly logs during second year of operation – the rate of submission was 10%.

<i>Personnel Evaluation</i>	<i>Current Status</i>
<p>7. Teacher experience/certification</p>	<ul style="list-style-type: none"> ▪ All of SusQ staff are Pennsylvania certified teachers who have Bachelors degrees. ▪ SusQ’s current CAO has a letter of eligibility for superintendency and is also certified as an Intermediate Unit Executive Director. The CAO has served eight years as a teacher, twenty-eight years as a building administrator and eight years as a superintendent. ▪ The school’s instructional support specialist has been an employee of the CSIU for five years. As an employee of the CSIU this individual has served as a multidisciplinary

<i>Personnel Evaluation</i>	<i>Current Status</i>
	teacher, an emotional support teacher and a substitute teacher.
8. Method of performance evaluation	<ul style="list-style-type: none"> Informal evaluations are the primary method for performance evaluation as a result of the small size of the organization.
9. Frequency of performance evaluation	<ul style="list-style-type: none"> Staff performance evaluation is done on an ongoing basis as a result of the CAOs consistent contact with the board (e.g., monthly meetings) and the small size of the school.
10. Documentation of positive trends in personnel attendance and retention	<ul style="list-style-type: none"> There is no clear documentation of positive trends in personnel attendance and retention.
11. Personnel attendance method	<ul style="list-style-type: none"> There appears to be no formal attendance procedure for SusQ. Similar to the CSIU, salaried staff are not required to sign timesheets. SusQ staff sign in at the CSIU front desk but this is not used to track attendance. The CAO, whose salary is funded by Next Century Inc., is an hourly employee who uses a timesheet. The CAO is responsible for keeping record of the absences of cyber school staff.
12. Professional development program and alignment to instructional approach	<ul style="list-style-type: none"> SusQ staff are able to participate in a menu of professional development options, including: local, regional or state conferences, graduate level coursework, curriculum development, integration of technology into the curriculum, supervised observation of colleagues. Professional development records are maintained in a log format and staff provide documentation of participation (e.g., letter, certificate).

<i>Curriculum</i>	<i>Current Status</i>
13. Instructional approach/teaching methods	<ul style="list-style-type: none"> SusQ predominantly uses the Keystone curriculum supplemented with minimal tutoring support.

<i>Curriculum</i>	<i>Current Status</i>
	<ul style="list-style-type: none"> ▪ This curriculum is primarily asynchronous self-study. ▪ For the Keystone and Missouri programs, the student receives a textbook after having been registered for the course. When going online, a Keystone student will find messages from the school or the teacher of a specific course, opportunities to set up an appointment for an online “chat” with the teacher and other interested members the class and entry to the instructions required to complete the course. There is some “teaching” provided but, on the whole, these instructions require the student to read the book and answer the questions. ▪ When the student enters the Missouri site, he/she will see minimal instruction (beyond “read the text and answer the questions”) as to how to achieve the objectives of the course. Due to Missouri’s proctored midterm and final exams, there is potentially more incentive for the student to work through the assignments.
<p>14. Process for curriculum development (e.g., research based, purchased)</p>	<ul style="list-style-type: none"> ▪ The SusQ curriculum is primarily outsourced to Keystone. ▪ The board has established a committee to explore possibility of creating a customized curriculum.
<p>15. Evidence of modifications made to instructional program based on tracking performance measures</p>	<ul style="list-style-type: none"> ▪ We found limited evidence of instructional improvements made to PEP based on student progress and/or achievement.
<p>16. Approval process for curriculum, textbooks and materials</p>	<ul style="list-style-type: none"> ▪ The SusQ CAO presents the curriculum to board for approval.
<p>17. Course rigor and alignment of curriculum, instruction and testing to PA standards</p>	<ul style="list-style-type: none"> ▪ There has been no documentation on the part of Keystone or Missouri to assure that the curriculum is aligned with the PA standards. The SusQ administrator said Keystone would complete this process within the year. ▪ Courses are textbook based and are as rigorous as any standard text that is used without an instructor guiding and assuring

<i>Curriculum</i>	<i>Current Status</i>
	that learning occurs.
18. Developmental appropriateness	<ul style="list-style-type: none"> ▪ The textbooks appear to be typical high school textbooks. There is no documentation that an effort has been made to control or know the reading level of any text used.
19. Ability to meet individual needs of students (e.g., support students having difficulty with curriculum, challenge gifted students)	<ul style="list-style-type: none"> ▪ Each student is able to develop his/her own customized course of study based on his/her specific needs. Each student takes courses from a variety of providers. ▪ It is difficult for SusQ to meet the ongoing needs of students after they begin their program because students are generally contacted on a monthly basis. SusQ does not provide instruction for students. They administer the program only and facilitate communication with the curriculum providers. ▪ Keystone has an email communication system that allows the student to write to the teacher and explain problems. Responses will be returned by way of email within 24 or so hours. Typical students in grades 9 through 12 would have difficulty writing out the problem they are having with specific learning concepts. Much of the communication with Keystone is procedural. ▪ Missouri has staff available to answer simple questions but clearly states that they do not have a tutorial situation for students.
20. Compliance with state and federal special education requirements	<ul style="list-style-type: none"> ▪ No students with special needs are currently enrolled in SusQ.
21. Provision of textbooks and supplies	<ul style="list-style-type: none"> ▪ Each student and teacher is provided with a desktop computer. ▪ Students/families who choose to use a family-owned computer will not be issued a computer as a result of their choice. ▪ ISP access is provided based on family need.

<i>Level of Interactivity</i>	<i>Current Status</i>
22. Ease of use of system interface	<ul style="list-style-type: none"> ▪ Overall, both Keystone and Missouri are easy to use after you have done it a few times. Keystone is more complex because they offer more “rooms” to visit on their web site. They have a chatroom (appointment only), message center where teachers and Keystone administrators may leave messages for the student and they have a library center where students may find additional online resources. Because of this array of rooms, a student could wander around before settling into instruction. ▪ Missouri’s site leads you directly into the course. There are few extras and less chance of beginning course wandering.
23. Methods of student/teacher interaction	<ul style="list-style-type: none"> ▪ Students can contact the SusQ staff via email or phone, if necessary. ▪ Interaction between the student and teacher in the Keystone program is done by email and through responses submitted through the software. ▪ Interaction between the student and teacher in the Missouri program is done through responses submitted through the software. If the student has very simple questions, someone is available if the student makes a telephone call.
24. Frequency of student/teacher interaction	<ul style="list-style-type: none"> ▪ Based upon a schedule provided by the former CAO, students and SusQ staff generally interact on a bi-monthly basis. ▪ Student/teacher interaction is on an as needed basis for the Keystone program. This interaction must be initiated by the student and typically occurs if the student has questions about the course. ▪ Student/teacher interaction is on an as needed basis for the Missouri program and must be initiated by the student. This interaction is mainly in regard to questions the student may have about the course. ▪ Beyond responding to course questions, there is no required interaction for the

	Keystone or Missouri courses.
25. Methods of family/teacher interaction	<ul style="list-style-type: none"> Families can contact SusQ staff via phone or email. Parents have the ability to access student progress using the monitoring system of the third party curriculum provider (e.g., Keystone).
26. Frequency of family/teacher interaction	<ul style="list-style-type: none"> Families can contact the SusQ staff on an as needed basis.
27. Methods for teacher collaboration	<ul style="list-style-type: none"> There is no clear evidence of planned methods for teacher collaboration.
28. Interactivity of instructional content	<ul style="list-style-type: none"> The Missouri courses have little interactivity beyond some feedback given in writing courses. The Keystone program allows, but does not necessarily encourage, interactivity in all courses via email. Writing courses do require interactivity.

<i>Student Development</i>	<i>Current Status</i>
29. Student services	<ul style="list-style-type: none"> While there are no clearly defined student services, SusQ staff (e.g., the CAO, instructional support person or administrative assistant) will provide counseling.
30. Opportunities for student socialization	<ul style="list-style-type: none"> The school has made an attempt to provide opportunities for student socialization (e.g., a trip to see the Broadway show The Lion King) but there was little/no student interest.
31. Physical education requirement	<ul style="list-style-type: none"> Students participate in local community activities through the YMCA and at their home districts to meet PE requirements. A log is kept for each student to document 54 hours of physical education. This log is signed by the supervisor of the physical activity (e.g., a YMCA supervisor, golf instructor, bowling league coordinator).
32. Extra-curricular activity offering	<ul style="list-style-type: none"> SusQ does not offer extra-curricular activities, but students are able to participate in extra-curricular activities at their home school district, if the district permits.

<i>Student Development</i>	<i>Current Status</i>
33. Cyber charter school teacher – student ratio	<ul style="list-style-type: none"> ▪ 1:25 teacher to student ratio. The SusQ employees take on more of an administrative role in students’ education. One of the employees (Instructional Support Specialist) works full time while the others work 26 (CAO) and 25 (Administrative Assistant) hours per week. ▪ The instruction of the students is generally supported by Keystone National High School’s eleven part-time teachers who are available on an as needed basis.

<i>Technology Supporting Instruction</i>	<i>Current Status</i>
34. Adequacy of systems to support timely instructional delivery	<ul style="list-style-type: none"> ▪ The Keystone and Missouri servers respond quickly and allow the student to easily move through the content. Once objective questions are submitted to the server, a score is issued within minutes. ▪ If a student submits an email to a Keystone teacher, that teacher must get back to the student within 24 hours. ▪ All subjective responses submitted to Keystone must be corrected and returned within 72 hours. ▪ Missouri has subjective responses required in the midterm and final exams. These are taken under proctored conditions and then must be submitted to Missouri where they are graded and scores are returned to the student and the cyber charter school within an approximate 72-hour period.
35. System maintenance (e.g., servers)	<ul style="list-style-type: none"> ▪ System maintenance is provided by SusQ’s Instructional Support Specialist.
36. Technical support for students, parents and teachers	<ul style="list-style-type: none"> ▪ Technical support is provided by SusQ’s Instructional Support Specialist.

<i>Technology Supporting Administration</i>	<i>Current Status</i>
37. Student information system to document information such as:	<ul style="list-style-type: none"> ▪ Student records are maintained on a Filemaker Pro database.

<i>Technology Supporting Administration</i>	<i>Current Status</i>
name of family member supervising program, address and telephone number of home education site and evidence child has been immunized	
38. Financial/budget system	<ul style="list-style-type: none"> All business accounting records are kept on Excel spreadsheets.
39. Human resources/payroll system	<ul style="list-style-type: none"> The personnel system for payroll and benefits is also kept on Excel.

<i>Relationship with Home School District</i>	<i>Current Status</i>
40. Procedure for notifying home school district of newly enrolled students	<ul style="list-style-type: none"> A clear and definitive form exists to notify home school districts of newly enrolled students.
41. Partnerships with local school districts	<ul style="list-style-type: none"> SusQ has strong collaborative relationship with the sending school districts. 12 of 17 IU districts are sending students, many on a referral basis.

Governance and Oversight

Evaluation Goal

The goal of the Governance and Oversight evaluation was to verify the existence of a viable cyber school governance structure.

Summary

SusQ’s Board of Trustees is a viable cyber school governance structure that consists of 11 members who are experienced in educational management; there are currently two recent vacancies. The board has monthly meetings, special meetings and documented bylaws.

The board members are active and committed to the philosophy of the school that is to serve school districts within the CSIU while developing collaborative relationships with these school districts. Members of the board trust the guidance of the CAO in matters such as the curriculum and the hiring of additional personnel.

Evaluation Criteria and Findings

The table below identifies the key criteria used to evaluate each cyber charter school and a description of how each school met these criteria.

<i>Governance and Oversight</i>	<i>Current Status</i>
<p>1. Documentation and description of school governance organizational structure</p>	<ul style="list-style-type: none"> ▪ The SusQ Board of Trustees is an 11 member board that is responsible for managing the affairs of the school and carrying out the duties required by the charter school legislation. Members include: <ul style="list-style-type: none"> – 1 representative of the CSIU – 4 founding coalition members – 3 district representatives – 3 members-at-large who represent the community, business and/or industry ▪ Officers include a president, vice president, treasurer and secretary (included in the 11 board person membership). ▪ SusQ’s Chief Administrative Officer is interviewed and hired by the Board of Trustees. This person is responsible for: program planning and development, program implementation, program evaluation and information processing and serving as a liaison between the chartering schools, CSIU, SusQ staff, and the board. This individual must have a minimum of a Master’s

<i>Governance and Oversight</i>	<i>Current Status</i>
	<p>degree in education or a related field, have Pennsylvania Administrative II certification, have experience in classroom teaching and preferably have experience supervising personnel. The CAO provides the board with monthly reports of students who enroll/dropout of the school, by school district. This person is currently a retired superintendent and works 20-30 hours per week.</p> <ul style="list-style-type: none"> ▪ The CAO is responsible for overseeing the Instructional Support Specialist and the school's Administrative Assistant.
<p>2. Experiential make-up of advisory board</p>	<ul style="list-style-type: none"> ▪ The four advisory board members who are administrators have an average of 18.5 years of educational administrative experience. ▪ There is currently no representation of students' parents on the Board of Trustees.
<p>3. Assessment of frequency and extent of input governance units have over instructional policy</p>	<ul style="list-style-type: none"> ▪ The board meets on a monthly basis in addition to special meetings that are called on an as needed basis. ▪ The board uses the CSIU's videoconferencing technology to connect for their monthly meetings. Board members must be in one of two locations for this to occur. ▪ In almost 100% of the meetings there has been the quorum required to vote on policy decisions. ▪ The board has generally been active in the defining the philosophy of the school – SusQ is only available to students in grades 9-12 from schools within the CSIU. Developing a collaborative relationship with the home schools is another key component to the school's philosophy. ▪ According to board interviews, the board members had input into the Charter School Application and helped define the instructional program with the recommendation of the CAO. ▪ The board has the responsibility of approving staff and evaluating the school CAO. The board is responsible for interviewing and voting upon the candidates for CAO. The board does not interview other candidates but has final approval before they are hired.

<i>Governance and Oversight</i>	<i>Current Status</i>
	<ul style="list-style-type: none"> ▪ SusQ once had a curriculum sub-committee consisting of four people that met three times to explore the option of developing an in-house curriculum. The final outcome of this committee was to wait to proceed on this project dependent on the results of the state's cyber school review. ▪ The board is responsible for approving all expenditures over \$200.
<p>4. Clarity of legal and procedural requirements</p>	<ul style="list-style-type: none"> ▪ The board has documented bylaws.

Cost Analysis

Evaluation Goal

The goal of this evaluation was to analyze the cyber charter school costs. We have documented the results of our procedures in the table below.

Summary

Historical cost and statistical data provided by SusQ shows that the school operates well within the revenue stream collected from school districts. The chart below shows that the school has collected an average of \$1,292 per student more than it spends over the past three years, which has led to an accumulated fund balance of approximately \$425,000, which is more than its entire FY02 budget. The reason SusQ operates well below its budget is because SusQ has a low number of staff to run the program.

	<i>FY01</i>	<i>FY00</i>	<i>FY99</i>	<i>Average</i>
Students Attending	125	166	91	127
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The FY02 budget estimates that there will be 80 full time equivalent students enrolled in the school. Revenue is estimated at \$5,331 per student and the estimated cost is \$4,989 per student. It is important to note, however, that this estimate is strictly an operational cost. It does not include costs related to replacing old equipment or purchasing new technology.

SusQ provides iMac desktop computers to all students and staff. ISP access is also provided based on family need. SusQ is receiving significant assistance from the CSIU (such as accounting, technical support, rent) for a contracted fee.

Evaluation Criteria and Findings

The table below identifies the key criteria used to evaluate each cyber charter school and a description of how each school met these criteria.

<i>Cost Reasonableness</i>	<i>Current Status</i>
1. Consistency of financial plan with operating plan	<ul style="list-style-type: none"> ▪ The financial plan appears to be consistent with the plan for operating the school. Given that the school has accumulated a surplus equal to one year's revenue, management has a track record of spending within its budget. ▪ The beginning surplus of \$425,000 also provides cushion in case of any unexpected costs.
2. Average annual operating cost	<ul style="list-style-type: none"> ▪ The average annual operating cost per FTE student has been \$4,091 compared to revenue of \$5,383 per student. ▪ In FY00, the school was able to significantly reduce its cost per student due to increased enrollment during that year, thus leveraging its fixed costs more effectively. ▪ The estimated FY02 cost of \$4,989 per student appears reasonable given the three-year history of the school and the FY01 average cost of \$4,587.
3. Financial, in-kind, and management relationships with partnering institutions	<ul style="list-style-type: none"> ▪ The school receives in-kind support of approximately \$46,000 from Next Century Inc. to pay for its Chief Administrative Officer. ▪ The school is also supported by the CSIU Business Manager and staff, who each spend approximately 16 hours per week on matters related to the cyber school, and two part-time CSIU Distance Learning Monitors. One Distance Learning Monitor works two hours per week while the other works for five and a half hours per week. The cost of these services is approximately \$25,000. ▪ CSIU also provides technology services of approximately \$3,200.
4. Start-up cost appropriateness and comparison	<ul style="list-style-type: none"> ▪ Not applicable – school has been in operation for over three years.
5. Financial soundness of backers	<ul style="list-style-type: none"> ▪ Not applicable – the school is a separate entity.
6. Reasonableness and completeness of annual budget/operating expenditures (e.g., Per capita revenues, Special education aid, Other revenue sources, Salary projections, Technology expenses, Curriculum provider expenses,	<ul style="list-style-type: none"> ▪ The budget appears to be complete and sound given the three-year history of the school. ▪ Per capita revenue is reasonably estimated based on past history, number of students, and published amounts the school can expect to receive from each district. ▪ All other expenses are based on historical cost,

<i>Cost Reasonableness</i>	<i>Current Status</i>
Inflation and raises)	with inflation included for the current year. <ul style="list-style-type: none"> ▪ The size of the school is relatively steady and thus costs should not fluctuate greatly from plan.
7. Adequate plan exists for program and fiscal audits	<ul style="list-style-type: none"> ▪ The school has a history of being audited and submitting financial plans timely to the Commonwealth. Plans appear adequate to continue. ▪ \$3,000 in budget for FY02 audit appears reasonable.
8. Adequate insurance	<ul style="list-style-type: none"> ▪ The budget includes \$2,500 for liability insurance and bond.