

Pennsylvania Association of School Administrators

White Paper

Cost Analysis:

Cyber Charter Schools and Public School District Cyber Learning Programs

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Introduction

The Pennsylvania Charter School Law is now more than twenty years old and has grown increasingly obsolete in terms of its application to the current practices in charter school delivery services, especially cyber charter schools. The General Assembly has considered changes to the current law in recent years with draft legislation that would comprehensively reform charter school law. The Pennsylvania Association of School Administrators (PASA) authored a white paper in June 2017 to address the systemic flaws within the current law. The following recommendations were offered to improve the Pennsylvania Charter School Law:

1. The funding formula for charter schools must be changed to reflect the actual cost needed to educate students in these alternative environments.
2. The cost of special education students attending charter schools must reflect the actual cost to instruct students through the IEP process.
3. Over-identification of special education students by charter schools must be addressed.
4. Professional educators in charter schools must meet the same certification requirements as educators in traditional public schools.
5. Charter schools must be evaluated by the same measures as traditional public schools to ensure the public can compare the effectiveness of all schools supported by public tax dollars.
6. More scrutiny and review must be applied to cyber charter schools, as their academic performance is significantly lower than brick-and-mortar charter schools, and traditional public schools.
7. Public school districts must have the authority to properly oversee and evaluate charter schools.
8. The Charter School Appeal Board must consist of neutral, nonpartisan members who will be objective in the hearing process.
9. Billing discrepancies between school districts and charter schools should be reconciled between the two agencies. The process of automatic withholding of subsidies from school districts based on a charter school's claim must cease.
10. Charter schools must display the same level of transparency with their finances that is required of traditional public school districts.
11. The enrollment and selection process of charter school students must be transparent and free of any form of discrimination.

Unfortunately, legislation to reform this obsolete law remains elusive. This continues to create undue hardships for traditional public school systems throughout the commonwealth and is negatively impacting local district efforts to educate their children.

In September 2017, Research for Action, a Philadelphia-based research group, released a study that was supported by the Pennsylvania Coalition of Public Charter Schools (PCPCS), Pennsylvania Association of School Administrators (PASA), and the Pennsylvania Association of School Business Officials (PASBO). The report reviewed six Pennsylvania School Districts of varying size and demographics in regard to their charter school expenditures over a five-year period. The researchers found that funding for charter schools in Pennsylvania is deeply flawed. It is based on a formula that is not reflective of the actual cost to operate these educational programs, especially cyber charter schools. Rather, the tuition per student is based on the cost of the sending specific district to educate children as if they remained in their home school district.

Included in that sending district's tuition cost are numerous expenditures that are not reflected in a charter school's tuition costs, including gifted education, extra-curricular costs and busing/transportation (ironically, since school districts must then expend additional funds to transport charter students). Even the cost of collecting taxes is included in the calculation for public school tuition. These costs are then bundled together to calculate the "cost" of tuition, even though brick-and-mortar charter schools do not incur all these expenses, and cyber charter schools operate with very little infrastructure overhead. **In other words, the formula requires traditional public schools to send more money to charter schools than is needed to operate their programs.** The result is a windfall for the charter schools and a deficit for traditional public schools, particularly for those with a higher concentration of charter students.

The Executive Summary of that study emphasizes the following:

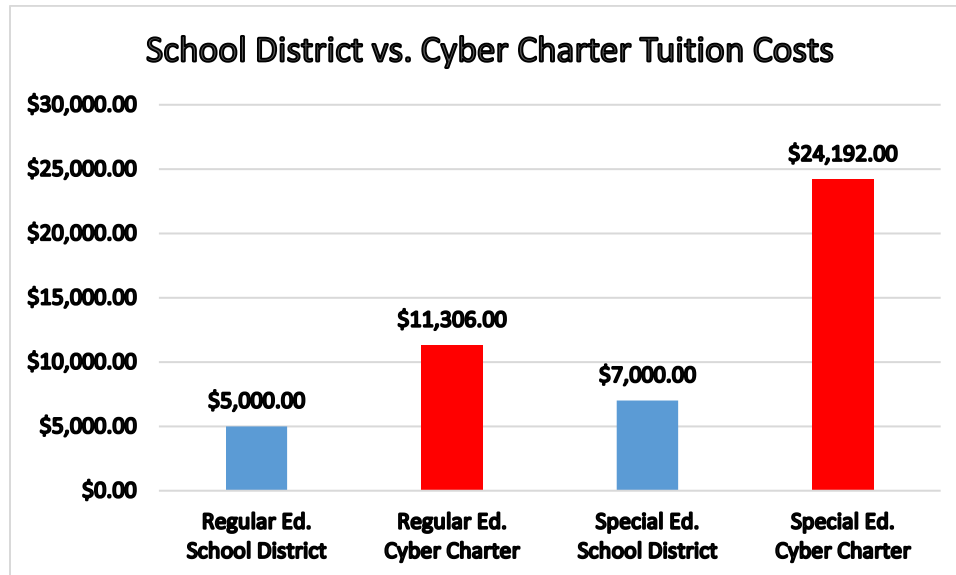
- The fiscal impact of charter expansion is consistently negative for the school districts where the students have left for a charter school in both the short and long term.
- The total annual fiscal impact grows each year as more students depart for charters.
- The per-pupil impact decreases in the longer term. With a constant rate of charter growth, the per-pupil impact in year five is smaller than the per-pupil impact in year one because districts are able to economize on teacher salaries, building costs, and other fixed costs as more students leave.
- Yet the impact never reaches zero as charter expansion continues. Even by year five in the fastest growth scenario, districts will only be able to recoup between **44-68%** of the cost of charter tuition for each student that leaves.
- Small districts generally show a higher per-pupil fiscal impact than large districts. This is because smaller districts need a higher percentage of students to leave before they are able to economize on teachers or buildings.

Using an accounting-based projection model of charter expansion, RFA estimated a significant, negative fiscal impact of charter expansion in all six participating Pennsylvania school districts participating in the study in both the short- and long-term. This is true for districts of all sizes, and does not vary significantly by the rate of charter expansion. It is obvious that Pennsylvania must offset these costs by providing districts additional state funding reimbursement for charter enrollment or by changing the charter school funding formula to reflect the actual cost needed to educate students in the charter or cyber charter setting.

In an effort to assist policy makers with one of the more troubling aspects of the current charter school law, this paper will focus on the discrepancies of funding cyber charter schools in relation to the cost of districts operating their own cyber school options. Our analysis has found that many traditional public school systems are offering an impressive array of online learning options for their students at a substantially lower cost than what they are required to pay to licensed cyber charter schools through the state mandated tuition formula. The excessively high tuition rate that is being paid to cyber charter schools has created an inappropriate transfer of public funds that has resulted in a surplus for cyber charter schools and a significant deficit for traditional public school districts.

In the spring of 2018, PASA conducted a survey of its members to ascertain how many districts are operating full-time cyber learning options as a choice for students within their traditional public school systems. Of the 172 districts responding to the survey, 152 (88%) were operating a local cyber school option serving approximately 7,500 students across the commonwealth. Almost two-thirds of these districts began operating a local cyber school option within the past five years. However, more than one third of the districts have been operating local cyber schools for ten years or more. Clearly, many local school district leaders have answered the call to innovate and become more entrepreneurial in the delivery of their instructional programs in an effort to provide a quality school experience for those families that want a non-traditional learning option for their children. These school leaders have recognized that offering a local cyber learning option keeps students and families connected to the local school district, ensures that a quality curriculum is experienced by the students, and saves the local district money.

The 2017-2018 cyber charter school tuition rates paid by local school districts range from a low of \$7,598 to a high of \$18,544 per student, resulting in a statewide average tuition rate of \$11,306. Yet, the vast majority of local school districts offering cyber learning options are spending \$5,000 or less annually to educate students through a local online learning option. Special education cyber charter tuition rates range from a low of \$15,118 to a high of \$48,198 for an average of \$24,192 per student across the state. Local school districts are providing similar online learning services for \$7,000 or less per student.



This data causes us to ask why there is more than a \$6,000 excess (inflated) cost for cyber charter school tuition for regular education students and more than a \$17,000 excess cost for cyber charter school tuition for special education students when comparing local district-run cyber programs with cyber charter school programs.

These startling discrepancies in what is being paid to cyber charter schools in relation to what it actually costs to operate such a program, as verified by more than 125 districts in the recent PASA survey, highlights the urgent need to correct the cyber charter school tuition formula and stop the unnecessary transfer of public dollars to cyber charter entities that are receiving funds well in excess of what is needed to operate their programs. The Pennsylvania cyber charter school funding formula sends excessive funds to cyber charter school entities, creating robust balance sheets for those schools while depleting local school districts of much needed funds. It is imperative that state policymakers stop this waste of taxpayer money!

The PASA survey, which requested information from districts on online learning programs, found that many districts operated a variety of online learning programs:

District-developed, managed and delivered	7
I.U.-developed, managed and delivered	45
Hybrid of district-run and outside provider	29
Outside provider with district oversight	50
other	2

History and Examples of District-Operated Cyber Learning Programs

Many districts began developing and creating plans to combat cyber charter school bills in 2008/9, working independently and as consortiums to prevent their own districts from losing thousands and thousands of dollars from subsidies given by the state. As noted below, many legislators/House members have tried to create bills and laws to assist with funding equity for districts and schools. However, at this time, no bills have made it into legislation to assist with the overpaying and inequitable funding of cyber charter schools.

As stated in a 2010 article on *dailyitem.com* entitled, “District Cyber School Project Paying Off,” Tricia Purcell discussed a cyber program being run by the Mid-West district. Their program, called the Mid-West Cyber Academy, was not only “drawing the interest of a number of virtual learners, but it kept some extra dollars in the school district's bank account.” In 2009, the year before the article was written, the “Mid-West School District spent nearly \$500,000 for 76 students to attend 10 different cyber charter schools in the state, some throughout the school year, and others for just a portion of the year.” (9/16/10) The cost, then, of each cyber student ranged from \$7,500 for regular education to \$16,000 for special education. “In a contract with Virtual Learning Network, approved by the school board in April, a base charge of \$16,000 is paid by the district each year, and then \$4,250 per student, which includes the price of textbooks and the provision of instructors for those involved in the new cyber program.” (9/16/10)

Seven students took part in and were enrolled in the Mid-West Cyber Academy for grades 7 to 12. Enrollment began the first day of the school year, Sept. 7. “Those students took the same courses and had the same credit requirements as students who attend the middle and high school buildings.” (2010) “They are our students,” said Daphne Snook, director of curriculum, instruction and technology for the district. “They're just not physically in our building.” Students completing their education through the Mid-West Cyber Academy received a Mid-West High School diploma. In addition, the district was able to track the attendance of these students. In other cyber schools, there was no way of knowing if the student is actually putting in the time and doing the work. Their Virtual Learning Network program performed two attendance checks a day. (2010)

State Reps. Russell Fairchild, R-85 of Lewisburg, and Robert Belfanti, D-107 of Mount Carmel, co-sponsored a bill in 2009 that required parents to pay their child's tuition if their school district offered a cyber program but the parents decided to obtain cyber education elsewhere. “The premise was, why shouldn't a school district be able to offer their own?” Fairchild asked. “Essentially, from what I've been led to believe, some of these charter schools are getting so far out of hand that an option to control costs is

to have individual school districts set up their own cyber school. Economically, there are significant cost savings. It doesn't change any of the requirements to educate that kid.” (2010)

The bill didn't make it out of the House Education Committee at that time, although he was glad to see the Midd-West School District making its new program work. "This may serve as a basis for other districts to take note," Fairchild said. The Midd-West Cyber Academy was open to students who wished to continue their educations through this new form of virtual schooling. Snook said there was a lot of effort involved in getting the program off the ground, and there was no doubt some uncertainty and unknowns among parents and students. But once the benefits were realized, there was plenty more interest among students, Snook said. (2010)

A 2012 *Pittsburgh Post-Gazette* article by Eleanor Chute, entitled “Pennsylvania School Districts, Cyber Charters Vie for Students,” stated, “Some of the state's 500 school districts that are home to these students will be fighting back. Some school districts added their own full-time, online programs to win back cyber charter school students -- or at least stem the flow out -- and recapture the millions of dollars that have followed them. The districts offered a personal contact, a district diploma and what some consider a better connection to district activities. ‘We do recognize that a one-size-fits-all educational program is probably a thing of the past,’ said Tammy Andreyko, assistant superintendent of academic advancement in North Allegheny, which started the North Allegheny Cyber Academy in grades 3 through 8.” (Sep 4, 2012)

“With the new Pittsburgh Online Academy, Pittsburgh Public Schools officials have been blunt that they are trying to win back cyber charter school students -- saving the district thousands of dollars per student -- by offering the district's own full-time program. Pittsburgh targeted students entering grades 6 through 12 because they would become eligible for Pittsburgh Promise postsecondary scholarships, making the switch more attractive.” (2012)



Pittsburgh paid Waterfront Learning \$3,500 a student for the total academic package, including curriculum, laptop, Internet access and teachers. If a student were to choose a cyber charter school instead, it would cost the district about \$13,000 for a regular student and about \$28,000 for a special education student.

Waterfront Learning -- an arm of the Allegheny Intermediate Unit -- charged \$3,500 a student for the total academic package, including curriculum, laptop, Internet access and teachers. If a student were to choose a cyber charter school instead, it would cost the district about \$13,000 for a regular student and about \$28,000 for a special education student. Under state law, home school districts must pay a fee set by the state for charter school students. As is true in many of the other districts' cyber offerings, Pittsburgh's courses will be asynchronous -- not live -- and self-paced. While it started with Waterfront teachers, the district transitioned to its own teachers by the third year. About a third of school districts in Allegheny County work with Waterfront Learning on full-time online programs. Another third bought single courses. Some nonpublic and out-of-county schools also used Waterfront as well.

“Deer Lakes, which had 13 in full-time cyber in 2011, required its full-time, online students in grades 9-12 to physically report to school for four weeks to learn how best to work online. Students also returned to school for help.” (2012). Mark McClinchie, coordinator of virtual learning for Pittsburgh at the time of the article, said he worked with families, made house calls, provided extra intervention when needed, had monthly parent meetings, and considered clubs and activities for the online learners. (2012)

“Many school districts developed their own courses, such as North Hills, which at the time expected about 25 students in its full-time cyber program. North Hills started with summer school in 2008 and added a full online high school program in 2009-10, with courses developed by its own teachers, said Jeff Taylor, assistant superintendent for curriculum, assessment and special programs. Teachers developed more courses to expand it to junior high. This fall, an option for elementary students has been added, using Waterfront. In addition to full-time programs, some districts permitted students taking online courses along with the traditional program.” (2012)

School districts were relative newcomers in 2009-2012 to online education compared with cyber charter schools, some of which are older than a decade. School districts used their own full-time teachers. For many years, the Allegheny Intermediate Unit operated the K-12 Pennsylvania Learners Online Cyber Charter School, known as PALO, which largely used live online classes developed by its own teachers. In 2012 it became STREAM, which stands for science, technology, research, engineering, arts and math. In addition to the live online classes, STREAM offered all of its students face-to-face classes at Penn Center in Wilkins. (2012)

Students worked on modules, using scientific equipment they could take home to continue their explorations. Elementary students were able to go for a full day once a month; middle and high school students had classes twice a month. The classes were streamed on the Internet for those who couldn't get there. Teacher Ruth Campet said PALO students developed friendships in the cyber classrooms. (2012)

Quakertown Community School District is another example of a school district successfully taking initiative early on to combat cyber schools. Quakertown had complete versatility: an Online and Blended Learning PLUS a 1:1 High School Environment. They began with a cyber school discussion early on in February 2009, believing that cyber learning was a viable educational option that QCSD must consider implementing for 21st century learners. They had at that time 70 students attending nine cyber charter schools. QCSD spent \$10,735 per regular education and \$20,111 per special education students to cyber schools in tuition payments. At that time, creating an online learning environment would allow a cost/benefit analysis to determine savings. The conservative estimate at that time was about \$404,000. (The total in 2008 was \$807,656.)

Quakertown looked at a teacher collaborative negotiation. They created contract language which included release time or payment for cyber course development and teaching/monitoring a cyber class as a type of teaching assignment, noting “staffing and assignment practices for cyber classes will be comparable to staffing and assignment practices for all other teaching assignments.” The district offered work to QCSD teachers, provided that there was the capacity, an appropriate certification, and the ability to effectively teach the course in a cost-effective manner that could meet the needs of the affected students. Challenges at that time were rapid implementation, professional development, and administrative logistics. Successes were that it personalized options for students, provided support for competency-based learning, enhanced support for technology vision, and provided a cost-avoidance (more than \$250,000 per year). Quakertown, through their innovation, received an iNACOL Innovation Award as well as other awards.

Quakertown Data

	2009-10	2010-11	2011-12
Number of cyber courses offered	317	506	563
Number of students participating in cyber program	91	140	220
High school	91	110	183
Middle school	0	28	34
Elementary school	0	2	3
Number of students taking 5-9 courses (high school students only)	33	12	16
Number of students taking 1-4 courses	58	128	148
Number of students not choosing cyber charter schools	23	+27	+16
Savings from cyber charter school expenditures (New Savings)	\$275,000	\$297,000	\$192,000
Program expenses (hardware, software, salaries, etc.)	\$209,594	\$158,500	\$160,000
Total savings (cost avoidance)	\$65,406	\$138,500	\$32,000

In 2010-11, QCSD received requests from 14 school districts seeking advice or assistance with respect to offering online courses to their own students. Bucks County Intermediate Unit #22 developed a task force to investigate a regional solution to address school districts' needs for online learning. In 2011-12, QCSD and Bucks County Intermediate Unit #22 formed a "partnership" called Bridges Virtual Education Services to provide online learning solutions to schools in the southeastern Pennsylvania region. Interest grew beyond the region.

QCSD's vision was that education would be anytime, anywhere learning...eliminating barriers for students. They felt that the initiative would provide the 21st century learning initiative processes. They found that teaching and learning was redefined to be more efficient and targeted. Creating their own programs led to cyber course options that were no longer viewed as a new or separate opportunity...they became the regular program. The QCSD program continued to improve as Bridges Virtual shares expertise and experiences with other school districts, as there is value in collaboration and consortia.

In a 2013 *The Sentinel* article, Travis Kellar wrote, "Area school districts save money with their own cyber school option. In the constant battle to balance budgets, school district officials often identify one particular cost they believe should be addressed through reform — cyber school funding. It was felt that school districts pick up the cost of education for students who are a part of the cyber charter programs. Depending on the number of students who live in the school district and opt for a cyber school, that can be a costly part of the district's annual budget." (2013)

At that time, Mark Leidy, superintendent of Mechanicsburg Area School District, said, "\$1.2 million is budgeted to cover the tuition cost of students attending cyber-charter schools." In his I.U., the Capital Area Online Learning Association (CAOLA) offered a way to reduce that cost while still offering students a chance to attend a cyber school. "The school districts save money because the cost to educate the student online through the district is less than the cost they would have to pay to the cyber charter schools," said Holly Brzycki, spokeswoman for the Capital Area Intermediate Unit, which administers CAOLA. CAOLA also prevents students from having to withdraw from their district to enroll in a cyber school. Brzycki said that could and did amount to \$10,000 per student annually, and up to \$20,000 for students with special needs. "Therefore, the money stays with the district. Northern York County School District Superintendent Eric Eshbach pulled no punches when asked if he thought CAOLA was the answer to cyber charter schools. 'I don't think it is, I know it is,' he said." (2013)

Since its inception years ago, CAOLA continues to grow in leaps and bounds, Brzycki said in the article. Student enrollment and courses being used have doubled each year, and she anticipates continual “aggressive” growth.” “Education is trending toward flexible learning and increased integration of technology,” Brzycki said. “CAOLA allows districts to embrace that change. The concept of CAOLA makes fiscal sense to districts and allows them to easily manage an online program that they can be proud of and is a part of their district.” (2013)

Big Spring School District was one of the first districts to use CAOLA, said superintendent Rich Fry. The district, along with 11 others and the CAIU, wanted to find something both fiscally responsible and enriching for students, he said. Before CAOLA, Fry said up to 100 students a year were leaving the district for cyber charter schools. “We knew that as a school district, we had to offer a similar option,” he said. “We needed to stop the bleeding.” There were 13 students from Big Spring School District in CAOLA during the first year, two of whom were full-time. Now, Fry said, there are 70 students, which includes 48 full-time students.

School districts in the Capital Area region formed CAOLA to enter into contracts for services, develop courses, and administer a viable, cost-effective and quality online learning solution for students. Districts enrolled in the program include Big Spring, Camp Hill and Mechanicsburg in Cumberland County, Northern York in York County, and West Perry in Perry County. “The initial drive behind forming an organization was the loss of money to cyber-charter schools,” Brzycki said. “They wanted to create a district solution, or option, so that their students would stay with the district.” (2013)

CAOLA not only aims to keep students in their respective districts, but to also give them educational opportunities that may not be found in a traditional school setting. Some of those classes include Japanese, Chinese, HTML and forensics. While taking classes online, Brzycki said students remain a part of their community and their school district. “The students that take their classes online still benefit from being a part of the district as a student and receive the same benefits that traditional (brick and mortar) students are given, including walking at graduation and prom,” she said.

Fry said CAOLA enables the district to pay about 50 percent of what is paid to cyber charter schools. That enables the district to relieve some of the pressure on taxpayers. Districts that enroll in CAOLA services also are able to manage the way they use the program. “Big Spring and Northern have been very aggressive in attracting back and retaining students that either attend a cyber-charter school or were considering the option,” Brzycki said. There are currently 2,222 students enrolled in CAOLA, 1,010 of them full-time students. Thirteen districts were served during the first year of the program. At the articles writing, there were 52 districts enrolled now, along with five intermediate units. Overall, 135 high school students from Cumberland County have been enrolled in 950 courses, along with 13 middle school students in 92 courses.

Eshbach, superintendent of Northern York County School District, noted that the district was one of the founders of the organization in 2009. He said the district, at the article’s writing, had 52 students using the program, and that the reaction has been positive. “We have regulation over this,” Eshbach said. “That’s the nice part about it.” That regulation includes an administrator who oversees students in the program, and teachers determine how rigorous programs are. Eshbach said students are given an assessment to determine if a cyber-charter education is right for them. The district’s administrator also keeps in contact with students utilizing the program and ensures they are maintaining their attendance.



“It would have cost the district \$77,719 if those students went to a cyber charter program, saving the district \$29,639.”

Dr. Richard Fry, Superintendent of Big Spring School District.

Big Spring School District was, at the time, among the largest districts participating in CAOLA in Cumberland County. Brzycki said the district paid \$48,080 in course and membership fees for full-time students in the first semester of 2012-2013. Fry said, “It would have cost the district \$77,719 if those students went to a cyber charter program, saving the district \$29,639.”

Those savings are pumped directly back into the schools’ educational programs and to provide specialized programs for students in the traditional classroom setting. Northern paid \$56,140 for the first semester for CAOLA students; those same students would have cost \$112,103 in a cyber charter program, Brzycki said. Eshbach said it would cost the school district almost \$330,000 if all the students currently using CAOLA in the district went to cyber charter schools. It would cost the district more than \$8,000 for each student, and more than \$16,000 for special education students. Eshbach said it costs approximately \$3,750 for any student to enroll in CAOLA, or about \$118,000. “Before CAOLA, we didn’t have this option,” he said. Brzycki said her estimates do not account for costs savings for special education students, which she said are higher. “CAOLA does not charge more for special education students, so the schools see even greater savings for special education students, yet provide the same services,” she said. (2013)

Those savings are normal for districts running a full-time program, according to Brzycki. “School districts can use the savings in a number of ways, from preventing teacher furloughs to covering operational costs,” she said. “That remains a goal for CAOLA — to continue to save districts money, while giving a high-quality, flexible program. Taxpayers also benefit from CAOLA because taxpayer dollars stay within their respective districts thanks to CAOLA, whereas that money can leave the district to pay for a cyber charter school.” (2013) “Schools are forced to make staffing decisions that hurt the community, staff and ultimately students when that money leaves to a cyber-charter,” she said. Eshbach spoke highly of the program. “It’s a model of how online education should work and how it can be a huge benefit to our students and not a huge drain on the district budget,” he said.

An article by Britney Milazzo in the *Centre Daily Time* in 2014 noted, “Online education programs offer alternative for students, savings for districts.... Maggie Koon was afraid that if the Bellefonte Area School District didn’t offer an alternative education program, she wouldn’t finish school. The 17-year-old Bellefonte Area High School senior moved to Bellefonte last year from Lewistown. Without knowing anyone and hesitant to be back in the classroom, Koon was given information that she could study online instead, through the district’s BeLA program —Bellefonte eLearning Academy.” (2014).

The program, which was open to students from fifth through 12th grades, provided an alternative learning style with parallel requirements for graduation — as if the student did classroom study, Bellefonte Area Middle School Principal Sommer Garman said. Garman helps run BeLA. “It’s a

full cyberschool through our district,” she said. “It’s become a growing trend in education, and we recognized that if students are interested in this type of learning, then we need to have it.”

The program was started to enhance learning and compete with other cyber charter schools. It’s grown from 10 students in its first year to about 25 students this year, Garman said. All school districts in Centre County have such programs, and in addition to offering an alternative to students, they save the districts thousands of dollars annually by recruiting students to district online programs instead of paying for them to attend Pennsylvania Cyber Charter School, or PA Cyber. “The initial expectation was to save money and bring back students from PA Cyber,” said Brian Griffith, Penns Valley Area School District superintendent. “We weren’t sure if it would really work, but it was an option that would develop a different way of teaching our students and save us money. What we found is it is working and students are coming back.” The Penns Valley Cyber Academy is an alternative educational option for district students from kindergarten to 12th grade. (2014)

The program offered full and blended online classes taught by Penns Valley teachers and an outside company, Griffith said. He said it attracted students who want to get ahead by taking additional online classes that may not fit into their daily required course load. It started with five students in 2005 and grew to about 20 full-time online students and 20 students who are part of a blended in-class and online system, Griffith said. “They’re responsible to log in each day for attendance and be diligent in their work,” he said. “Our job is to offer a successful program that helps students. We worked with them and have counselors and principals who sat down with students to help meet their needs.” (2014)

The Bald Eagle Area Cyber Academy started as a way to help serve students who were struggling in school. “We wanted to find the best way to support them and give them an alternative,” school facilitator Margie Fisher said. The program is open to any school-age student in the district. “It serves those students who are employed during the day or homebound, and can’t make the traditional school day,” Superintendent Jeff Miles said. “It’s good for kids who quit school early and are offered that opportunity to bounce back with a good, solid education that can fit their lifestyle.” The program started with four students. By 2013-14, it enrolled 28. This year, the district expects about 35, Fisher said. But it’s not a one-size-fits-all program. Students interested in online courses are put through an interview process to tailor the program to meet their needs. “We make sure this is what they and their families really want,” Fisher said. “We come up with a plan ... and stress the importance of personal discipline.” (2014)

The State College Virtual School was started to help students who wanted to drop out or who were failing get back on the right path. Its mission also was to create competition for PA Cyber, said Jon Downs, director of educational alternatives. Superintendent Bob O’Donnell, at the time, said the program started with about seven students and now attracts about a dozen annually. “It’s really for kids at risk for not being successful in a traditional school setting,” O’Donnell said. “We wanted to provide a small environment to get kids back up to speed with schooling.” As a district, O’Donnell said, it’s a goal to academically guide students and help prepare them for their future in the community. “It’s truly a unique option for students and families in the district,” O’Donnell said. “We’re in a choice environment in our state and can offer a more responsive experience for our students. Everything we’re doing is to help them become more responsive.” (2014)

Districts that offer their own cyber schools can save as much as hundreds of thousands of dollars a year. It’s an alternative for students interested in focusing on online education close to home instead of studying through a state-run cyber charter school. Although PA Cyber is free for students, it costs school districts thousands of dollars per student.

Ken Bean, Bellefonte’s director of fiscal affairs, said the district paid for 131 students to attend PA Cyber in 2013-14 at a cost of \$12,123 for a regular-education student and \$24,557 for a special-

education student. However, through the BeLA program, it costs the district \$4,851 per student. The district spent \$121,291 last year for BeLA, which included teacher salaries, hiring an outside provider and providing supplies, Bean said.

Downs said the State College School District annually saves between \$200,000 and \$225,000 by recruiting students from PA Cyber into its online program. He said the cost to send a district student to an out-of-district cyber school is about \$13,000 for a regular-education student and \$23,000 for a special-education student. At Penns Valley, it costs the district about \$3,000 for a student to take eight credits in its online program. Griffith said the district sends between 70 and 80 students to PA Cyber at a cost of about \$9,800 for a regular-education student and \$15,000 for a special-education student. Bald Eagle's cyber online program costs about \$2,500 a student. "It's absolutely a money saver for us," Miles said. "We're able to tailor our online curriculum to our students and at the same time saving us money. It has the ability to recruit students in our district who study at cyber schools into our program."(2014)

The online programs at each district are changing annually as administrators find new ways to enhance online education and work with growing technology. "It's a matter of offering what they need, whether it's a full cyber program, all in-class or a blended schedule," Garman said. "When you look ahead to how technology is changing, you try to predict years ahead of time how things will work." At the time, the BeLA program was led by Garman, Leitzell and then-Assistant Superintendent Michelle Saylor. It's run by teachers from an outside company, Garman said. Bellefonte has a multiyear goal to transition its teachers to be online educators for the BeLA program, Garman said. "We're starting the process slowly," Garman said. "It will be a step-by-step learning process." But as cyber schools are growing in popularity, school administrators say in-class teaching will never cease. "It's something that will always be in demand," Fisher said. "Not every cyber program is fit for everyone. There is that need for students to have social interaction with their peers and teachers, so a cyber program will never fully replace the classroom."

Fisher said cyber programs were made to enhance education and offer an alternative for kids who don't fit the classroom mold. (2014). Some programs work as a school within a school providing opportunities such as: personalized learning Monday, Wednesday and Friday in addition to daily online tutoring personalized pacing, acceleration for regular and gifted students, flexibility of time, path, pace and place of learning, providing credit recovery, students with medical or emotional issues, teen parents, transgender students, homeless students, special needs of families, students traveling for dance, art, music, and equestrian opportunities, which provide an educational opportunity without leaving their home district. Based on the cost model developed by their Chief Financial Officer, the annualized savings range conservatively from \$445,000 to \$650,000. (2014)

In these programs, all online students who participate in the cyber programs through their districts are able to participate in school athletics and extracurricular activities and are able to walk the stage with their graduating class. Each cyber student also receives a diploma upon graduation. Some Intermediate Units also provide high-quality, cost-effective online learning solutions. A quality 21st century education includes virtual learning, and Pennsylvania's intermediate units (IUs) are leading the way by assisting their local school districts in meeting that need. IUs have responded by establishing a network of affordable, high-quality online learning options throughout the commonwealth that meet the needs of all learners.

Each year, more than 15,000 students statewide select from over 5,000 online courses provided by intermediate units. Intermediate units collaborate with 245 public and non-public schools to ensure that all online learning students' needs are met, while also ensuring that students have all of the benefits of remaining a part of their local school district or non-public/private school of choice. As a result, students have the benefit of meeting with guidance counselors and school support personnel in person, taking all

their courses online or accessing face-to face instruction as desired. For local taxpayers, their dollars stay in their district of residence, thus enabling school districts to expand their educational options and services for all students while controlling costs and ensuring fiscal responsibility.

This provides learning solutions delivered by intermediate units that cater to each districts’ needs, but generally follows one of three models: 1) the district and the IU work together to create online course content and use school district and/or IU faculty to teach; 2) the IU uses its purchasing power to leverage discounted pricing for online course content and instruction from third-party, online learning companies; and, 3) a program that combines elements of the two models.

What sets online learning through intermediate units apart? Students continue to be a part of their school communities because students remain enrolled in their school districts, and they have the option to participate in extracurricular and co-curricular activities. They have access to school guidance counselors and other school services, and they receive their diplomas from their home district. Maximum flexibility for students and schools with IU online learning program provides students the option to take one or all of their courses online. Students seeking academic remediation or enrichment, or students that have special personal circumstances, can take advantage of the opportunity to do coursework online while remaining with their districts. Affordable solutions for school districts with IU online learning programs offer an affordable solution for school districts eager to provide an online learning option for students and their families.

Due to the participation of multiple districts, IUs can negotiate preferred pricing from online providers of course content and computer and software companies. By being in partnership with the districts they serve, IU online learning programs keep tuition rates affordable for districts and taxpayers. The range of average tuition rates offered by IUs is far lower than the range of average rates offered by traditional cyber charter schools. In fact, the most expensive IU program is still 37 percent less expensive than the cheapest Pennsylvania cyber charter school tuition. Leveraging existing resources through IU online learning programs utilizes existing IU and district resources to provide an online learning experience for students that is affordable to the districts, and truly supportive of students. Working together with districts, IU online learning programs combine human resources, technology and business services to operate its programs; utilize existing IU special education and curriculum staff; and regularly convene IU administrators, school superintendents, curriculum directors, business managers, HR directors, and special education supervisors in order to stay abreast of the districts’ and students’ needs, concerns and challenges.

The PASA survey asked districts that used an outside provider for the curriculum and instructional delivery process to share the name of the provider. Below is the IU provider list:

Appalachia I.U. 8	1
BLaST IU 17	1
Carbon Lehigh I.U. 21	1
CAIU/CAOLA IU 15	11
CIOLA/I.U. 10	2
IU 1	2
Lancaster-Lebanon I.U. 13	1
Montgomery I.U. 23 (MVP)	2
Westmoreland I.U. 7 eAcademy	2

One such example is IU # 13. In this program the participating districts are: Annville-Cleona, Columbia Borough, Cornwall-Lebanon Donegal, Elizabethtown Area, Hempfield, Lampeter-Strasburg,

Lancaster Mennonite School, Lebanon, Manheim Central, Manheim Township, Penn Manor, Pequea Valley, Lancaster, York and Solanco.

In “Western PA’s School Districts Set Up Own Cyber Academies To Keep Money, Students In-House” (*Tribune Review*, Feb. 2018), Jamie Martines writes, “Instead of paying for students to be educated elsewhere, Westmoreland County’s largest school district had to find a way to meet the demand for online education. Four years ago, Hempfield Area opened its own cyber academy. This year, 99 students in grades six through 12 are enrolled.” But Hempfield was not the only district looking for a way to keep students and money in-house. “District-based cyber academies have popped up across Allegheny and Westmoreland counties as traditional public schools compete with both cyber charters and their brick-and-mortar counterparts. It appears that the Hempfield Area Cyber Academy has stemmed the outflow of students to cyber charters, business manager Wayne Wismar noted, though it will take time to see if the numbers improve.”

Like the students who attend Hempfield’s Cyber Academy, “Gateway students choose remote, online learning for a variety of reasons: medical issues, behavior or emotional needs, to care for a sick family member or to accommodate a part-time job. Some are placed in the cyber academy program if they are facing discipline issues. While the program offers students flexibility, cyber director Marci Klinger noted that parents or guardians must be involved in making sure students have a good learning environment at home.”

Mark Gross, assistant superintendent at Hempfield Area, stressed that the cyber academy is not meant to be a vacation from the classroom. “They’re realizing that those courses are just as rigorous, if not more, and it requires a whole lot more self-discipline,” Gross said of students who struggle to manage their time and keep up with cyber classes. At Hempfield, cyber academy coursework is taught by district teachers who monitor attendance and grades, and intervene if a student falls behind. “The parents have to be more vigilant when they have students in the cyber academy,” said Shawn Cressler, Highlands School District cyber academy coordinator, pointing out that it’s harder to skip school when you’re expected to catch the bus or be in a classroom. Skipping cyber courses is as simple as not logging on, he said. Highlands started its cyber academy eight years ago; 61 of its 2,500 students in grades seven through 12 currently are enrolled, Cressler said.

Cyber charter costs accounted for 3 percent of the Highland School District’s budget, or about \$1.2 million for the 2016-17 school year. For the current school year, charter school costs so far total \$958,162, according to district figures. Other than the potential cost benefits of keeping students in the district, Cressler said that giving them the option to stay for a cyber learning experience helps to keep them part of the school community, with access to extracurricular activities, teachers and guidance counselors.

Many other providers were named in the survey as well. Some of the providers named also provide charter schools and cyber charters with their curriculum. School districts that use the same curriculums often are able to do so at a much reduced cost compared to cyber charter tuition. Some examples of providers are: Advanced Academics K-12, ALEKS, Apex Learning, Blended Schools, Edgenuity, Edison, Edmentum/PLATO, Educere by Founder’s Academy, Florida Virtual, K-12/Fuel Education, Seneca Valley School District. In addition, 16 districts stated that they named multiple vendors to try to save costs.

In these times of cost cutting measures, 119 school districts found providing students with the technology to be used at home was still a savings compared to the students leaving the district and enrolling in a charter or cyber charter program elsewhere. We learned that 68 school districts also provided Internet access to the students if he/she did not have service at their home.

Conclusion

The cost of operating a cyber school program at the local level is considerably more economical than paying tuition for a student to attend an out-of-district cyber charter school. PASA's 2018 survey showed that 93 percent of districts were able to operate a full-functioning cyber school option for their students at the local level for \$5,000 or less per regular education student. Yet, 86 percent of districts paid out-of-district cyber charter school tuition more than \$11,000 per regular education student and in many cases, much more.

In 2017-2018, the cost of paying special education tuition for students attending out-of-district cyber charter schools has become a significant issue for many school districts. Tuition for special education students is often twice as much as compared to a regular education student. Our survey found that 92 percent of traditional school districts spent \$7,000 per student or less for an online special education school program. Yet the average amount spent for tuition of a special education student attending a cyber charter school is more than \$24,000 per student. This staggering differential is excessive and vividly displays the need for legislative reform of the charter school funding system.

The charter school funding formula is based on the false assumption that the cost of educating a student in a traditional public school district can be calculated and established as a per pupil cost to educate a student in a cyber charter school. We now have actual evidence that this funding assumption does not reflect actual expenditures needed to operate a cyber charter school and leads to an excessive waste of taxpayer dollars. Traditional public school districts have shown that full-time cyber learning programs can be offered at a fraction of the cost that cyber charter schools are receiving as required by current charter school law.

The Pennsylvania Association of School Administrators strongly recommends that the governor and legislature work to solve this funding debacle that has unnecessarily drained public school district funds to the detriment of students. We encourage policy makers to review PASA's eleven recommendations for charter school reform to create a fair and efficient charter school law.

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