



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION

January 15, 2015

Mr. Elbert Sampson
Synergy Cyber Charter School
222 North Keswick Avenue
Glenside, PA 19038

SENT VIA CERTIFIED MAIL AND E-MAIL

Dear Mr. Sampson:

Thank you for your interest in opening a cyber charter school in Pennsylvania. After reviewing the Synergy Cyber Charter School application, it is the decision of the Pennsylvania Department of Education to deny your application. Please review the pages that follow for more information.

If you have any questions, please contact Steven Carney at (717) 214-5708 or stevcarney@pa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Carolyn C. Dumaresq".

Carolyn C. Dumaresq, Ed.D.
Acting Secretary of Education

Enclosure

**Synergy Cyber Charter School
2014 Cyber Charter School Application**

Background

Pursuant to the Charter School Law (CSL), 24 P.S. §§ 17-1701-A – 17-1751-A, the Pennsylvania Department of Education (“Department”) has the authority and responsibility to receive, review and act on applications for the establishment of a cyber charter school. A cyber charter school applicant must submit its application to the Department by October 1 of the school year preceding the school year in which the applicant 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.

The Synergy Cyber Charter School (Synergy) timely submitted an application to operate as a cyber charter school. The Department provided 30 days’ notice of a public hearing held on November 10, 2014.

Decision

Based on a thorough review of the written application as well as questions and responses recorded at the November 10, 2014 public hearing, the Department denies Synergy’s application. Deficiencies were identified in the following areas:

- Application Requirements
- Governance
- Sustainable Support
- Use of Physical Facilities
- Technology
- Special Education
- English as a Second Language
- Assessment and Accountability/School Improvement
- Finance
- Professional Development/Teacher Induction

I. The applicant failed to comply with application requirements.

A cyber charter applicant must demonstrate that its application meets the requirements of 24 P.S. § 17-1747-A, which includes the requirements of 24 P.S. § 17-1719-A. A cyber charter applicant must also demonstrate that it has the capability, in terms of support and planning, to provide comprehensive learning experiences to all its students. A cyber charter applicant must also demonstrate that the programs outlined in its application will enable students to meet the academic standards under 22 Pa. Code Chapter 4 or subsequent regulations.

(a) The applicant failed to provide information concerning the ownership of all facilities and offices of its school and any lease arrangements.

A cyber charter applicant must provide the addresses of all facilities and offices of the cyber charter school, the ownership thereof and any lease arrangements. An executed lease is not required, but pertinent information about proposed facilities, such as letters of intent, documentation concerning the ownership of potential properties or any proposed lease arrangements associated with proposed properties, is required.

Synergy failed to provide consistent information about the school's proposed facility. Synergy identified Glensdale, PA in one part of its application but, in another part of its application, its Articles of Incorporation and bylaws had Oakmont, PA as the proposed facility location. In yet another part of its application, Synergy indicated that it had not yet identified the proposed facility location. Synergy also failed to include a letter of intent, a proposed lease arrangement, ownership information, or any other information associated with a proposed facility.

(b) The applicant failed to provide consistent enrollment projections and grade levels.

In one part of its application, Synergy stated the first year enrollment goal was to serve 325 students in grades K-12. In another part of its application, Synergy stated its plan was to serve 400 students in grades K-8 in the first and second year of operation, serve 500 students and add grades 9-10 in the third year, serve 500 students and add grade 11 in the fourth year, and serve 600 students and add grade 12 in the fifth year. However, in yet another part of the application, Synergy stated that its projected enrollment would be 225 students in grades K-8 the first year, 275 students in grades K-10 the second year, 300 students in grades K-11 the third year, and 325 students in grades K-12 the fourth and fifth years. Although the enrollment numbers are projections, an applicant must use consistent projections throughout the application particularly so that the Department understands what enrollment numbers are being used in preparation of a budget. In addition, the application becomes part of a cyber charter school's charter that governs the operation of the cyber charter school; therefore, an applicant must accurately identify the grades that will be served during each school year. The Department cannot grant a charter without knowing the grade levels it is authorizing the cyber charter school to operate each year of the charter term.

(c) The applicant failed to provide procedures to review complaints of parents.

An applicant is required to provide procedures to review complaints of parents regarding the operation of the cyber charter school. Although Synergy stated that it understands that parents have varied reasons to complain and that listening will be the most important aspect of finding a solution, Synergy failed to provide any procedures to review parental complaints. Simply stating that Synergy will work with parents to make them understand Synergy's role is to provide their children with a competitive change in life does not meet this requirement.

II. The applicant failed to submit sufficient evidence of proper governance and of the necessary support and planning to provide a comprehensive learning experience to students.

(a) *The applicant failed to submit consistent information about the members of the board of trustees.*

A cyber charter applicant must provide information to identify the cyber charter applicant, the name of the proposed school, and the proposed governance structure. This must include governing documents such as the articles of incorporation filed with the Pennsylvania Department of State, bylaws, and the proposed governing body or board of trustees.

Synergy provided inconsistent information regarding the school's initial board of trustees. In one part of its application, Synergy stated that the school's founders would constitute the initial board of trustees. However, in another part of the application, Synergy stated that the school's founders would not serve on the board of trustees and provided the names and resumes of the initial board of trustees who are not the school's founders.

In addition, Synergy stated that no one who participated in the development of the school and the charter application would become board members of or contractors to the school absent a competitive process defined and executed by the board. However, Synergy failed to provide an explanation of the competitive process. Moreover, a founder of Charter Choices, Inc. likely participated in the development of the school and charter application as a "team leader" of Synergy. Yet, Synergy failed to provide evidence that it followed a competitive process prior to entering into an agreement with Charter Choices, Inc.

(b) *The applicant failed to provide accurate information regarding distribution of assets upon dissolution.*

Synergy provided a copy of its Articles of Incorporation (Articles) that provide for the distribution of the cyber charter school's assets upon dissolution to the school districts that had students enrolled in the cyber charter school for the last full or partial academic school year. However, at the time of dissolution, any remaining assets must be given to the Intermediate Unit where the cyber charter school's administrative office is located for distribution to school districts that had students enrolled in the cyber charter school.

III. The applicant failed to demonstrate sustainable support for the cyber charter school plan and the necessary support and planning to provide a comprehensive learning experience to students.

A cyber charter applicant must submit evidence that it has demonstrated, sustainable support for the cyber charter school plan and the necessary support and planning to provide a comprehensive learning experience to students. "[S]ustainable support means support sufficient to sustain and maintain the proposed charter school as an on-going entity." *In Re: Ronald H. Brown Charter School*, CAB 1999-1, p. 18. The indicia of support are to be measured in the aggregate rather than by individual categories. *Id.* The Department looks for letters or other

indications of support from teachers, parents or guardians and students submitted with the application.

In its application, Synergy stated that it has compiled a group of individuals who are lifelong educators, advocates for choice in education, and service providers who have been involved with the charter school community since the inception in 1997. However, Synergy did not specify the number of individuals within this group, identify the individuals themselves, or produce any evidence of their support. In addition, Synergy suggested that the petition of support that it submitted with its application demonstrates more support than the 35 parents who signed the petition when counting the children of these parents. However, Synergy identified three different first-year enrollment projections – 225, 325, and 400. Regardless of whether the Department accepts Synergy’s first-year enrollment projection of 225 students, 325 students or 400 students, one petition of support that contains signatures of 35 parents who have a total of 65 children does not demonstrate sustainable support for the cyber charter school plan and the necessary support and planning to provide a comprehensive learning experience for students.

IV. The applicant failed to provide sufficient information to establish that it will operate as a cyber charter school and use physical school facilities in a proper manner.

On July 11, 2013, the Department issued a Basic Education Circular (BEC) entitled “Cyber Charter School Operations and Proper Use of Physical Facilities” (Cyber Charter School Physical Facilities BEC). As explained in more detailed in the Cyber Charter School Facilities BEC, cyber charter schools must be able to function and provide all curriculum and instruction to all of its students without the need for students to attend any physical facility designated by the cyber charter school. A cyber charter school may only use a physical facility as an administrative office or as a resource center for providing no more than supplemental services to students and shall provide equitable access to such services for all students enrolled in the school. The cyber charter school must also be able to demonstrate the ability to enroll students from across the state and provide all services to those students in a materially consistent way, regardless of where they reside.

Synergy provided information in its application that indicates the potential use of physical facilities for purposes other than providing supplemental services. More specifically, Synergy referenced the use of face-to-face instruction, direct instruction in a classroom setting, and blended learning techniques, including direct instruction. In addition, Synergy indicated that it has not identified a location that will be used for the school’s instructional program. Without further explanation, these references indicate the potential use of physical facilities for purposes other than providing supplemental services. Therefore, Synergy did not demonstrate that it has an understanding of the proper use by a cyber charter school of physical facilities and that it has the capability, in terms of support and planning, to provide comprehensive learning experiences in a manner appropriate for a cyber charter school.

In addition, Synergy stated that to the extent there will be a need for students to visit a facility, Synergy will have an arrangement where students can visit the local library or the Intermediate Unit (IU) closest to the student’s home. However, Synergy failed to explain the types of needs that may warrant students visiting local libraries or IUs for the Department to verify that the

school will use physical facilities for only supplemental services. In addition, Synergy did not provide any evidence that it made any preliminary contact with libraries or IUs to ascertain whether such facilities would be available for providing supplemental services.

V. The applicant failed to provide sufficient information to demonstrate compliance with technology requirements applicable to and necessarily part of the operation of a cyber charter school.

A cyber charter applicant must demonstrate that it has the capability, in terms of support and planning, to provide comprehensive learning experiences to all its students, including in areas relating to technology requirements applicable to and necessarily part of the operation of a cyber charter school. A cyber charter applicant must also demonstrate that its application meets the requirements of 24 P.S. § 17-1747-A, which includes the requirements of 24 P.S. § 17-1719-A.

(a) *The applicant failed to define the technology and equipment standards that promote equitable access to online learning.*

A cyber charter applicant must establish procedures for periodically assessing the performance of their equipment and infrastructure against established industry standards and identified educational needs. In addition, cyber charter schools must have a process by which technology is refreshed in a timely fashion to meet the new standards and needs.

Synergy testified that it has built a fifty percent yearly replacement rate into the budget. Synergy failed to provide information regarding its procedure for periodically assessing the performance of its equipment and infrastructure. In addition, although Synergy indicated that its budget assumes a fifty percent replacement rate of computers each year, Synergy did not provide any information regarding the process by which it will refresh its technology.

(b) *The applicant failed to explain the school's utilization of educational delivery platforms, as well as student information systems.*

A cyber charter applicant is required to provide real-time access to student progress within a course so that teachers, administrators, and, when applicable, parents can use this information in developing strategies to increase student achievement. A cyber charter school must be able to securely house student-specific information and records including, but not limited to, grades, attendance, discipline, and assessment results.

Synergy mentioned various technological platforms and resources in its application and provided information regarding the delivery of asynchronous and synchronous educational experiences within a virtual environment. However, Synergy failed to identify the learning management system that the school will use to integrate/connect the various platforms in order to provide real-time access. In addition, Synergy failed to identify a student information system that the school will use to securely house student-specific information. Therefore, Synergy did not explain how its student information system will interface with its learning management system.

(c) The applicant failed to demonstrate the establishment of minimum standards for effective technical support.

A cyber charter applicant must establish minimum standards for effective technical support services, as well as protocols for assistance for end-user equipment. The minimum standards for technical support services should address, but are not limited to, operational hours consistent with peak usage (during and beyond the traditional school day), high rates of real-time availability of support staff, and rapidness of response and resolution.

Synergy indicated that the school will have a technical support help desk to provide assistance to any student/parent encountering technical difficulty and/or who is in need of operational assistance. However, Synergy did not identify any standards it had established to provide effective technical support.

(d) The applicant failed to demonstrate enactment of measures to identify and deter plagiarism.

A cyber charter applicant is required to have strict policies and procedures regarding plagiarism and copyright protections, including the steps that will be taken if suspected plagiarism occurs. A cyber charter applicant must provide technology solutions to assist instructors in the identification of potential plagiarism in student or teacher created content. A cyber charter applicant must also provide educational opportunities regarding plagiarism in relation to electronic resources available.

Although Synergy indicated that the teachers would have access to a plagiarism checker, Synergy did not explain the procedures, including frequency, which teachers will be required to follow to check for plagiarism. In addition, Synergy failed to identify the technology tools that will be used to identify plagiarism or the curriculum that addresses plagiarism and the appropriate use of educational materials.

VI. The applicant failed to demonstrate that it was prepared to meet the needs of students with disabilities.

A cyber charter applicant must demonstrate that its application meets the requirements of 24 P.S. § 17-1747-A, which includes the requirements of 24 P.S. § 17-1719-A. A cyber charter applicant must also demonstrate that it has the capability, in terms of support and planning, to provide comprehensive learning experiences to all its students, including those with disabilities. A cyber charter school must comply with federal and state requirements applicable to educating students with disabilities. A cyber charter applicant must describe the provision of education and related services to students with disabilities, including evaluation and the development and revision of individualized education programs (IEP).

(a) The applicant failed to demonstrate that it has reasonable knowledge of the requirements for providing special education programs and services.

A cyber charter applicant must have a general understanding of the special education program design, process, service delivery and implementation. This should include the following: child find, evaluation, invitation, IEP, placement and procedural safeguards. A cyber charter applicant must demonstrate the ability to provide a free appropriate public education (FAPE) by having written policies and procedures, or a narrative that reasonably address the implementation of federal and state special education requirements.

Synergy demonstrated a general understanding of the special education program design, as there were several references to it throughout its application. However, it is unclear whether Synergy has an accurate understanding of cyber charter school services and programs for children with disabilities. Although Synergy explained how it would deliver a special education program and services to its students in a cyber environment, Synergy referenced school district services and programs for children with disabilities throughout its application and during the hearing. In fact, Synergy incorporated the Philadelphia School District Office of Specialized Services' Procedure Manual in its application to demonstrate its understanding of the process and implementation associated with each stage of a special education program. In addition, Synergy referenced Chapter 14 of the Pennsylvania Code throughout its application and during the hearing. However, charter schools are not subject to this provision.

Synergy also demonstrated some fundamental misunderstandings of a special education program. For example, Synergy testified that it would use a Comprehensive Student Assistance Process (CSAP) to make specific learning disability determinations. However, CSAP is not a tool used to make the initial determination of whether a child is eligible for special education and related services. It is a process that may be used in regular education settings to support students experiencing academic or behavioral difficulty. Another example is that Synergy indicates transition services will be provided to children at the age of sixteen, or younger if determined appropriate by the IEP team. However, this is the federal requirement. Pennsylvania requires a cyber charter school to include transition plans in the IEPs of students who are 14 years of age. As discussed in Section VI (d) below, Synergy identified early intervention services as its continuum of placement options for its special education students. However, early intervention is not applicable to charter schools. Furthermore, early intervention is a program that provides support and services to families with children from birth to age five with developmental delay disabilities. The continuum of placement options is alternative places where FAPE can be delivered in the event that FAPE cannot be delivered in the regular classroom—the cyber environment in the case of cyber charter schools—with the use of supplementary aids and services.

Synergy failed to submit policies and procedures in key areas of special education, including intensive interagency approach, graduation, and dropout. Synergy included some information about transition services in its application, including transition guidelines and providing for a child's transition from high school in his or her IEP. However, Synergy failed to address transition planning and resources that it has established to address post-secondary education, employment and independent living, including, for example, the implementation and monitoring

of student internships and job shadowing, the implementation of college visits and career days statewide, and the resources that will be dedicated to life skills and independent living transition objectives.

(b) The applicant failed to demonstrate that it has sufficient resources established across the state to meet the needs of students with disabilities.

A cyber charter applicant is required to accept students who reside anywhere within the Commonwealth and provide all necessary services to those students. A cyber charter applicant must demonstrate that it can comply with federal and state special education requirements within the appropriate operation of a cyber charter school. A cyber charter applicant must identify all actual or potential service providers, including transportation providers, which will or may provide special education or related services to children with disabilities along with the services to be provided, pricing, location, transportation and qualifications.

Synergy explained that the school would consider engaging IUs or Approved Private Schools to meet the needs of students with disabilities. Synergy included the Department's Directory of Approved Private Schools and Chartered Schools for the Deaf and the Blind (Directory) to provide information about the specific services to be offered, the time the services are available, and the cost. Synergy also explained that Charter Choices, Inc., the organization that will provide Synergy with financial services, currently represents six cyber charter schools in the Commonwealth and has the information regarding potential providers, pricing, location and transportation, when needed by Synergy. However, Synergy failed to demonstrate sufficient contact with the related service providers to verify that they are available and willing to provide services to its students. More specifically, Synergy did not include any information about the IUs, including services to be offered, pricing, location, and transportation. In addition, the Directory does not include any information about pricing, location, and transportation. Moreover, the Directory indicates that the Approved Private Schools do not serve children with all types of disabilities, as defined in the federal regulation. Because of the lack of information regarding the types of special education services that IUs may or will provide to the school, Synergy failed to demonstrate that it has a plan to meet all other special needs that the approved private schools do not serve and that the services will be equally accessible to all students within the Commonwealth.

(c) The applicant failed to demonstrate that it has allocated sufficient special education teacher and support staff resources to meet the needs of students with disabilities.

A cyber charter applicant must demonstrate that it will have enough special education teachers, support staff and related services personnel to meet the needs of the school's students with disabilities. Although cyber charter schools are not subject to Chapter 14 of the State Board of Education regulations, 22 Pa. Ch. 14, the Department typically evaluates the adequacy of special education personnel by comparing teacher-to-student ratios to the caseload chart in the Pennsylvania regulations.

Synergy's budget assumes 46 special education students, two full-time special education teachers and four learning coaches. Based on these assumptions, Synergy's special education teachers will have 23 special education students on his or her caseload. This caseload is not adequate for special education teachers delivering supplemental and full-time special education support and services. In addition, although Synergy stated that the school will adopt appropriate staffing levels in accordance with the registration of students who require these services, Synergy did not provide an assurance that it will adopt staffing levels using the statutory caseload maximums as a guideline.

(d) The application failed to demonstrate that it has a continuum of placement options available to meet the needs of students with disabilities.

A cyber charter applicant must educate children with disabilities in the least restrictive environment. A cyber charter school must demonstrate that a continuum of alternative placements will be available to meet the needs of students with disabilities for special education and related services. The continuum must include the following: alternative placements, supplementary services, ESY services and approved private placement.

As discussed in Section VI, Synergy identified early intervention services as its continuum of placement options for its special education students. However, early intervention is not applicable to charter schools. Furthermore, early intervention is a program that provides support and services to families with children from birth to age five with developmental delay disabilities. The continuum of placement options is alternative places where FAPE can be delivered in the event that FAPE cannot be delivered in the regular classroom—the cyber environment in the case of cyber charter schools—with the use of supplementary aids and services.

VII. The applicant failed to provide sufficient evidence of an English as a Second Language Program.

A cyber charter applicant must demonstrate that it has the capability, in terms of support and planning, to provide comprehensive learning experiences to all its students, including those whose dominant language is not English. A cyber charter applicant must also demonstrate that the programs outlined in its application will enable students to meet the academic standards under 22 Pa. Code Chapter 4 or subsequent regulations. An effective English as a Second Language (ESL) Program is required to facilitate a student's achievement of English proficiency and the academic standards under 22 Pa. Code § 4.12. Programs under this section shall include appropriate bilingual-bicultural or ESL instruction. In addition, the Department's Basic Education Circular, *Educating Students with Limited English Proficiency (LEP) and English Language Learners (ELL)*, 22 Pa. Code § 4.26, states that each local education agency (LEA) must have a written Language Instructional Program that addresses key components, including a process for identification, placement, exit, and post-exit monitoring; instructional model used; curriculum aligned to PA standards; and administration of annual proficiency and academic assessments.

A cyber charter applicant must explain how it will identify students as ELLs and place them in an ESL Program. A cyber charter applicant must administer a Home Language Survey (HLS) to determine whether a student speaks a language other than English. Based upon the responses to the survey, a school must assess for placement in an ESL program by administering the WIDA-ACCESS Placement Test (W-APT) and reviewing student records for students from other states or school systems. Although Synergy stated that it would administer a HLS to all students before starting the school's educational program, Synergy failed to provide a sample HLS or identify the key questions that would be included in its HLS.

A cyber charter applicant must explain its instructional model for the ESL program, including identification of the program model and an explanation of the educational theory it is based on and that the model is reasonably calculated, including resources and personnel, to implement the educational theory.

Synergy's stated in its application that it will have five levels of ELL instruction. These five levels will correlate with ELL proficiency levels and mimic the levels on the Assessing Comprehension and Communication in English State-to-State for English Language Learners (ACCESS for ELLs). Synergy will use the results of the ACCESS for ELLs to help individualize instruction, develop goals, and assign learning tasks and resources to ELL students. However, Synergy failed to describe the instructional model that will be implemented to deliver English language acquisition instruction. Synergy could not state its program model and, therefore, did not explain the educational theory supporting it. In addition, Synergy failed to describe a process by which its program will be regularly evaluated.

A cyber charter applicant must discuss planned instruction for ESL. Synergy failed to demonstrate that instruction would not be delivered during other content classes. In fact, Synergy explained that ESL instruction would be delivered during core content classes. Synergy failed to explain how it would provide daily ESL instruction to support the program model chosen. Synergy did not demonstrate that instruction would be commensurate with students' proficiency level and did not identify the exact hours of ESL instruction by proficiency level based on student needs and the program delivery model.

A cyber charter applicant must discuss ESL curriculum. Synergy did not provide an ESL curriculum aligned to academic standards, PA Core Standards, and PA English Language Proficiency Standards (PA ELP).

A cyber charter applicant must discuss assessment for ELL students, including a procedure to ensure that ACCESS will be administered to all ELLs to measure progress and/or attainment of the students' proficiency for each domain (reading, writing, speaking, and listening). Synergy stated that the school will *usually* give the ACCESS test at least once annually. However, ACCESS must be administered to ELL students once every year. Synergy failed to explain a procedure to ensure that the annual PA ELP assessment is administered to all ELLs.

A cyber charter applicant must discuss instructional program exit and monitoring of students. Synergy failed to describe a procedure to apply Pennsylvania's required exit criteria in order to exit ELLs from the English language instructional program. Although Synergy addressed a

procedure to monitor students for two years after they exit the instructional program, Synergy did not provide a detailed explanation of what will be monitored and maintained during this time.

VIII. The applicant failed to demonstrate a necessary understanding of applicable academic assessment and accountability programs and of the resources available to schools and students.

The Department must annually review a cyber charter school's performance on state assessment tests, standardized tests and other performance indicators to ensure compliance with federal and state academic standards. The Department must also annually assess whether a cyber charter school is meeting the goals of its charter and is in compliance with its charter. Accordingly, and pursuant to applicable laws, a cyber charter applicant must demonstrate that its programs will enable students to meet the academic standards under 22 Pa. Code Chapter 4 and that it has the capability, in terms of support and planning, to provide comprehensive learning experiences to all students. A cyber charter applicant must identify the educational goals of the cyber charter school and the methods of assessing whether all students are meeting the educational goals. A cyber charter applicant must include written policies and procedures that reasonably address the types of state assessment tests, standardized tests and other performance indicators that the cyber charter school will use, including those utilized by the Department, and how the cyber charter school will use the data collected from the tests and other indicators to measure students' academic performance and to improve instruction.

The federal Elementary and Secondary Education Act (ESEA) of 1965, as amended by No Child Left Behind (NCLB) of 2001, requires all LEAs to meet federal accountability standards and be assigned a designation that identifies their current status and overall progress in meeting federal accountability standards. NCLB requires all LEAs be designated as making or not making Adequate Yearly Progress (AYP) based upon their students' performance on state assessment exams and be declared in School Improvement or Corrective Action, if applicable. In August 2013, the Department received waivers from certain requirements of NCLB, which includes an allowance to use alternative accountability standards and designations to define achievement (ESEA Flexibility Waiver).

As of the 2013-2014 school year, the Department no longer uses AYP as the federal accountability standard and to determine the designation of LEAs. Instead, in accordance with the ESEA Flexibility Waiver, the Department uses four Annual Measurable Objectives (AMOs) as the federal accountability standard and to designate those LEAs that receive Title I funds as Reward – High Achievement, Reward – High Progress, Priority, or Focus schools. The four AMOs include measuring Test Participation Rate, Graduation/Attendance Rate, Closing the Achievement Gap for All Students, and Closing the Achievement Gap for the Historically Underperforming Students. In addition, all LEAs, irrespective of whether the LEA receives Title I funding or is otherwise required to comply with federal accountability standards, receive a School Performance Profile (SPP) score based on 100 points. This score is considered the school's academic performance score, and while not the criteria for determination of Reward, Priority or Focus status, it details student performance through scoring of multiple measures that define achievement. The SPP also includes supports to permit schools to access materials and resources to improve in defined areas related to achievement.

The Department uses the SPP score and supporting data to ensure uniformity in the review of whether a cyber charter school is meeting the goals of its charter and is in compliance with its charter and the assessment of a cyber charter school's performance on state assessment tests, standardized tests and other performance indicators. Therefore, a cyber charter applicant must demonstrate a working knowledge of SPP, including its data components and information sheets.

Even if Synergy does not seek or receive Title I funds, if approved to operate a cyber charter school, Synergy will receive an SPP score and the Department will annually review Synergy's performance based on the SPP.

(a) The applicant failed to define the measurable goals and objectives for the school.

A cyber charter applicant must set measurable academic goals and objectives for all its students, including specific goals and objectives for all subgroups and content areas defined by federal and state requirements. In addition, a cyber charter applicant must explain strategies and plans to achieve the academic goals for the defined subgroups and contents. While Synergy set measurable academic goals related to components of an SPP score, Synergy failed to demonstrate an understanding that all public schools are expected to have a SPP score of 70 or above. It is unclear why Synergy set academic goals for the 2014-2015 school year given Synergy is applying for a charter to begin operation in the 2015-2016 school year. In addition, Synergy failed to explain the school's strategies and plans to achieve the goals that were defined.

A cyber charter applicant must describe how the school will measure each student's progress toward the school's academic goals, including the process that will be employed by the school to measure each individual student's progress toward proficiency. Synergy's application references only the Pennsylvania System of School Assessment (PSSA) and Pennsylvania Value Added Assessment System (PVAAS) as measurements for gauging individual progress toward academic goals; however, these annual measures are not indicative of a student's progress throughout the year. In addition, a cyber charter applicant must describe how the data will be disaggregated for each subgroup, the statistical methods and analyses that will be employed to evaluate each subgroup's progress, and the remedial programs to be used should the school not meet the expected goals and objectives. Synergy indicates that only the "Historically Underperforming Subgroup" will be followed. All subgroups, both ethnic, as well as economically disadvantaged, ELLs, and students with individual education plans should be followed. Furthermore, the application discusses the Response to Instruction and Intervention (RtII) framework, and presents a single mention of remedial programs but it does not state any specific remedial programs or processes to be used in order for the school to meet the expected goals.

A cyber charter applicant also must set measurable non-academic goals and objectives for each year of the school's operation, including the strategies and plans to achieve these goals. Although Synergy listed various non-academic goals and objectives, Synergy failed to explain how it will achieve these goals. For example, parents will maintain a critical role in the life of the school and will be education partners with the school for the benefit of their children.

However, Synergy failed to explain the ways in which it will engage parents and how this engagement will support students.

IX. The applicant failed to demonstrate the necessary financial support and planning.

A cyber charter applicant must demonstrate that its application meets the requirements of 24 P.S. § 17-1747-A, which includes the requirements of 24 P.S. § 17-1719-A. A cyber charter applicant must demonstrate the capability, in terms of financial support and planning, to provide a comprehensive learning experience for its students.

(a) *The applicant failed to provide sufficient evidence of start-up funding and expenditures.*

Synergy provided a letter of intent from Meridian Bank in Appendix N of its application to evidence the bank's willingness to extend a line of credit to the school. Although the cash flow projection that Synergy provided with its application includes a \$200,000 line of credit, the budget does not include the same or any other start-up revenues. The only revenues included in the year one budget are school district payments and federal grant revenues. Synergy cannot rely upon these revenue sources to be available in sufficient amounts or on a schedule to fund the steps identified by Synergy as leading to the opening of the school.

(b) *The applicant failed to provide expenditure estimates that are sufficient, reasonable, and consistent with the rest of the application.*

The cash flow projection indicates that Synergy will draw down \$50,000 in July and \$150,000 in August from the \$200,000 line of credit. However, this plan is inconsistent with the Time Table provided in its application. For example, the Time Table indicates that permanent space would be secured in January 2015, presumably requiring a deposit. In addition, management, a principal, and office staff would be hired in January and February 2015, presumably marking the beginning of salary payments. Advertising for students would begin in February 2015, presumably requiring payments to newspapers, radio, or other media, and incurring related costs for "Contract – Prof Services" beginning in January; "Contract for Educational Services" beginning in February; and "Build Technology Infrastructure" beginning in February or March. Furthermore, the letter of intent from Meridian Bank does not indicate when Synergy would be able to access the line of credit and these start-up expenditures are likely to exceed the \$200,000 line of credit. Thus, Synergy did not provide sufficient evidence of start-up revenue to fund its start-up expenditures.

The budget contains two line items that are higher in year one than in subsequent years – line item 1100-700, Regular Instruction – Property – Technology and line item 2380-700, Administration – Property. The expenditure schedule contains three line items that are higher in year one than in subsequent years – line items for office furniture, staff computers, and student computers. Although the expenditure schedule contains a line item for start-up services, this is approximately the same amount each year and, therefore, does not appear to represent the start-up costs that Synergy will incur to open the school for the first time. These start-up expenditures are not consistent with the Time Table or the testimony provided during the hearing that the

efforts associated with recruiting, evaluating and selecting technology tools, and developing course materials would be significantly greater in the first year than in subsequent years. The budget and the expenditure schedule fail to account for all of Synergy's start-up expenditures, such as professional curriculum/training consultant, technology/networking, staff recruiting, LMS/content, software, and security deposit for rental property.

Synergy failed to provide enough information for the Department to evaluate the sufficiency of the following line items in its budget: Software, Special Education Consultant (Evaluation), Special Education Instruction Contracted, Technology/Networking, Professional Curriculum/Training Consultant, Nurse Services, and Transportation. In addition, Synergy failed to include quotes from or examples of specific service providers, pricing structures, or assumed service levels.

For example, Synergy was not able to provide information about the pricing structure of the educational software that it may use. In addition, Synergy failed to provide information relating to the estimated number of special education students that would require services in person, whether these services would be provided at students' homes or at a location, and how transportation would be provided, if required. Synergy also discussed marketing efforts in its application and its Time Table includes advertising as a start-up activity, yet the line item 2380-500 Administration – Other Purchased Services – Advertising is blank. Synergy did not include a lease, letter of intent to lease, or any specifications or data sheets from facilities that are being considered for the location of its administrative office. In addition, the amounts budgeted for business services do not correspond to the fees as described in the proposed Charter Choices agreement. The Charter Choices Agreement states that the management fee will be 4% of the school's federal, state and local revenues. However, the amount included in the budget is 4% of local revenues.

(c) The applicant failed to provide sufficient and reasonable information regarding revenue estimates.

The greater part of a cyber charter school's revenue comes from resident school districts. A cyber charter school bills resident school districts using Selected Expenditure per Average Daily Membership rates. Each school district calculates a Selected Expenditure per Average Daily Membership rate for a special education student and for a nonspecial education student using Form PDE-363. School districts are required to pay cyber charter schools in twelve equal monthly payments an amount equal to the Selected Expenditure per Average Daily Membership rate for a special education student multiplied by the amount of special education students enrolled in the cyber charter school from the school district. Similarly, school districts are required to pay cyber charter schools in twelve equal monthly payments an amount equal to the Selected Expenditure per Average Daily Membership rate for a nonspecial education student multiplied by the amount of nonspecial education students enrolled in the cyber charter school from the school district. Accordingly, a cyber charter applicant should use historical Selected Expenditure per Average Daily Membership rates to develop its five-year operating budget, particularly when formulating its assumption of local revenue growth from year one to year five.

Synergy assumed a three percent growth rate in local revenue from year one to year five. The average Selected Expenditure per Average Daily Membership rate for a nonspecial education student excluding the top and bottom three rates from FY2009-10 to FY2014-15 is \$8,999, \$9,282, \$9,384, \$9,246, \$9,538, and \$9,693, respectively. The annual growth rate from FY2009-10 to FY2014-15 is 3.1%, 1.1%, -1.5%, 3.2% and 1.6%, respectively. On average, the Selected Expenditure per Average Daily Membership rate for a nonspecial education student has grown at a rate of 1.5% over the past five years. Therefore, Synergy's assumption of three percent growth in year two and thereafter in local revenue is not reasonable.

(d) The applicant failed to demonstrate the school's ability to manage and oversee finances appropriately.

Pursuant to the proposed Charter Choices Services Agreement, Charter Choices will provide key financial management and accounting functions on behalf of Synergy. However, the application and proposed Charter Choices Services Agreement failed to identify Charter Choices staff members, other than the Manager Representative, who are proposed to provide these services, or minimum qualifications and professional experience required of the staff.

Synergy failed to identify any minimum qualifications and professional experience that a Synergy board member or employee will be required to possess in order to adequately oversee Charter Choices' performance. In addition, neither the application nor the proposed Charter Choices Services Agreement assigns responsibility for monitoring and overseeing the quality of Charter Choice's performance to any Synergy board member or employee.

The proposed Charter Choices Services Agreement states that Synergy will pay a management fee to Charter Choices as a percentage of revenue. The proposed Charter Choices Services Agreement does not obligate Charter Choices to provide Synergy with a report regarding services provided to enable Synergy to determine whether the services provided were consistent with the fees paid to Charter Choices.

Synergy provided insufficient information regarding the regular review of school budgets and financial records. Synergy provided an Internal Controls Policy that provides for the Business Manager to prepare and submit to the board of trustees a monthly financial report. However, Synergy submitted bylaws that provide for a minimum meeting frequency of the board of trustees as once per year. One meeting per year would not allow the board of trustees of a cyber charter school to timely recognize and respond to budgetary challenges that may arise during the year. Furthermore, the bylaws do not provide for the Treasurer to make a report on finances at the annual meeting. Although the bylaws provide for special meetings, the board of trustees should not have to convene a special meeting to regularly review enrollment and budget information.

X. The applicant failed to provide evidence of sufficiently developed professional education plan and teacher induction plan.

A cyber charter applicant must demonstrate that its application meets the requirements of 24 P.S. § 17-1747-A, which includes the requirements of 24 P.S. § 17-1719-A. A cyber charter

applicant must also demonstrate that it has the capability, in terms of support and planning, to provide comprehensive learning experiences to all its students through effective and qualified educators and administrators.

(a) *The applicant failed to provide evidence of a sufficiently developed professional education plan.*

A cyber charter applicant must identify the proposed faculty and a professional development plan for the faculty. A cyber charter school must have a detailed professional education plan that explains the following: (1) the professional development provider and participants, (2) the assessment of student needs to develop the professional development program, (3) the professional development program, and (4) the evaluation of the professional development program.

Synergy included the Department's 2007 Professional Education Guidelines to explain how it will create its plan. However, these guidelines alone do not demonstrate sufficient planning, as they do not address all plan components in detail. Although Synergy stated that professional development offerings would address student learning needs, including academic performance and English-speaking ability, Synergy did not identify the specific type of data that the school would use to determine the degree of these needs in order for the school to select the types of professional development that would adequately address these needs. Synergy stated that the professional development offerings would be based upon research and best practices laid out in the Standards Aligned System and the What Works Clearinghouse. However, Synergy did not provide the names and descriptions of these offerings or any detailed information about the research or best practices to demonstrate that these offerings will be based upon the research or best practices. Synergy included a list of the eligible providers of professional development, such as institutions of higher education and nonprofit organizations, but Synergy failed to identify the names of potential or actual providers.

(b) *The applicant failed to provide evidence of a sufficiently developed teacher induction plan.*

A cyber charter applicant must have a detailed Teacher Induction Plan that explains the following: (1) the teacher induction council, (2) the assessment of inductees' needs, (3) the teacher induction program, (4) the oversight and evaluation of the teacher induction program, and (5) recordkeeping. Synergy did not include a detailed Teacher Induction Plan or information sufficient to address a teacher induction program in the application.

Synergy included the Department's 2013 Educator Induction Plan Guidelines to explain how it will create its plan. However, these guidelines alone do not demonstrate sufficient planning, as they do not address all plan components in detail. Although Synergy stated the plan will reflect a mentor relationship between inductees and the induction team, Synergy failed to explain how the mentors will be designated and the process by which they would be selected. Synergy identified the competencies to be developed, but did not list the goals of the induction program. Synergy included the research that the induction activities will be based upon, but did not provide a description of the activities and topics to be covered during the induction program to demonstrate

that these activities and topics will be based upon the research. Synergy did not provide a timeline of activities. Synergy did not include a description of the procedures for monitoring and evaluating the induction program or how records of participation and completion of the program will be maintained.

Conclusion

Based on the deficiencies identified above, individually, collectively, and in any combination, Synergy's application is denied.

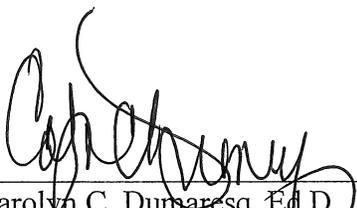
Synergy may appeal this decision to the State Charter School Appeal Board (CAB) within 30 days of the date of mailing of the decision. 24 P.S. §§ 17-1745-A(f)(4) and 17-1746-A. If Synergy files an appeal with CAB, it shall serve a copy of its appeal on the Department at the following address:

Pennsylvania Department of Education
Office of Chief Counsel
333 Market Street, 9th Floor
Harrisburg, PA 17126-0333.

Alternatively, Synergy may exercise a one-time opportunity to revise and resubmit its application to the Department. 24 P.S. § 17-1745-A(g). To allow sufficient time for the Department to review a revised application, a revised application must be received by the Department at least 120 days prior to the original proposed opening date for the cyber charter school. A revised application received after this time period will be returned to the applicant with instructions to submit a new application in accordance with 24 P.S. § 17-1745-A(d). If Synergy submits a revised application, it shall submit the revised application to the Department at the following address:

Pennsylvania Department of Education
Charter Schools Office
333 Market Street, 10th Floor
Harrisburg, PA 17126-0333.

A revised application shall contain: (1) the name of the applicant seeking review and identification of the submission as a revised application; (2) the date of mailing the revised application to the Department; (3) reference to the decision sought to be reviewed, including the date the decision was entered; and (4) a response to each deficiency listed in the decision.



Carolyn C. Dumaresq, Ed.D.
Acting Secretary of Education

1/15/15

Date Mailed