

**Acclaim Cyber Charter School
Revised 2013 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. A cyber charter school has a one-time opportunity to revise and resubmit its application to the Department. To allow sufficient time for the Department to review the revised application, the revised application must be received by the Department at least 120 days prior to the original proposed opening date for the cyber charter school.

The Acclaim Cyber Charter School (Acclaim) timely submitted an application to operate a cyber charter school (Application). The Department provided 30 days notice of a public hearing held on November 15, 2013. The Department issued a decision to deny Acclaim's Application on January 23, 2014 (January 23, 2014 Decision). Acclaim timely submitted a revised application on April 14, 2014 (Revised Application).

Decision

Based on a thorough review, the Department denies Acclaim's Revised Application. Deficiencies were identified in the following areas:

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

A cyber charter applicant must demonstrate: sustainable support for the cyber charter school plan by teachers, parents or guardians and students; the capability, in terms of support and planning, to provide comprehensive learning experiences to students under the charter; that the programs outlined in the application will enable students to meet the academic standards under 22 Pa. Code Ch. 4; that the application meets the requirements of section 1747-A of the CSL; and, the extent to which the cyber charter school may serve as a model for other public schools. Acclaim

failed to provide sufficient information to demonstrate that its Revised Application should be granted.

I. The applicant failed to comply with the application requirements.

(a) The applicant failed to demonstrate evidence of insurability.

A cyber charter school applicant is required to submit a description of how it will provide adequate liability and other appropriate insurance for the proposed school, its employees and the board of trustees. Evidence of insurability must be submitted with the application.

The Department's January 23, 2014 Decision identified that Acclaim did not provide with its Application any insurance quotations, letters of intent to obtain insurance or other evidence that the amount budgeted for insurance is adequate or whether Acclaim is able to obtain the required insurance coverage. In addition, Acclaim did not include a description of the types of insurance that are to be obtained or estimated coverage levels.

Acclaim failed to demonstrate evidence of insurability in its Revised Application. Acclaim included images of quotes received from The Hartford for general liability, general liability and property and umbrella liability insurance. There are no dates on the quotes to demonstrate that the quotes are reasonably current. Although the quotes reference the location of Acclaim's administrative office as identified in its application, there is no reference to Acclaim on the quotes to conclude these quotes are for a cyber charter applicant. Acclaim did not include quotes for professional liability and employee health insurance.

Acclaim budgeted \$60,000 for non-health insurance in the 2015 budget included with its Revised Application, an increase from the \$50,000 amount budgeted in its Application. At the public hearing, a Charter Choices representative testified that the \$50,000 figure covers the minimum insurance levels as required by the Public School Code and supplemental policies, if requested by the school's board. However, the total estimated premium for the three quotes that Acclaim included in its Revised Application is \$1,657. Based on the significant difference in the budget amount for insurance, previously represented as the minimum required by law, Acclaim failed to demonstrate that the quotes are for insurance coverage that is adequate for the specific needs of a cyber charter school.

(b) The applicant failed to provide evidence of cooperative learning opportunities and field trips.

A cyber charter applicant is required to provide a specific explanation of any cooperative learning opportunities, meetings with students, parents and guardians, field trips or study sessions.

The Department's January 23, 2014 Decision identified that Acclaim did not provide with its Application the types of models that it plans to use to create cooperative learning groups as well as the specific field trips it will organize and how such field trips will be incorporated into its curriculum.

Acclaim failed to provide evidence of cooperative learning opportunities in its Revised Application. Although Acclaim provided a list of field trips, Acclaim failed to explain how it would incorporate the field trips into its curriculum.

(c) 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 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, are required.

The Department's January 23, 2014 Decision identified that Acclaim did not provide documentation with its Application concerning the lease arrangement associated with the facility located at 786 Coolspring Road, Worthville, Pennsylvania and identified as the location of Acclaim's administrative office (Worthville Property).

Acclaim included with its Revised Application an image of a deed for a property owned by Daniel A. Stiver and located in the Punxsutawney area. The deed does not include an address for the property and the Department is not able to verify that the deed is for the Worthville Property.

In its Revised Application, Acclaim provided a draft lease agreement between Daniel A. Stiver and Acclaim Cyber Charter School (Draft Lease Agreement), titled Residential Lease Agreement. Section one of the Draft Lease Agreement states that Acclaim agrees to rent the house for use as residential premises only and may use part of the property for a home-based business. Using the property for Acclaim's administrative office is not residential use and a cyber charter school is not a home-based business. Acclaim did not provide evidence that the proposed facility was suitable for a cyber charter school's needs.

(d) The applicant failed to provide sufficient information concerning the curriculum to be offered and how it meets the requirements of 22 Pa. Code Chapter 4.

A cyber charter applicant must include with its application the curriculum to be offered and a description of how the curriculum meets the requirements of 22 Pa. Code Ch. 4. This must include all required courses in all grade levels with a description of the course offerings and a demonstration that the programs will enable students to meet the academic standards under 22 Pa. Code Ch. 4. Planned instruction must be aligned to: (1) learning objectives, (2) eligible content and assessment anchors that will be measured on the Pennsylvania System of School Assessments (PSSAs), Keystone Exams, and local assessments, and (3) Pennsylvania academic standards. A cyber charter applicant must also explain the research basis for the school's educational program, including how the planned instruction and assessments will enhance student performance.

A cyber charter applicant must also explain the research basis for the school's educational program, including how the planned instruction and assessments will enhance student performance.

Beginning in the 2014-2015 school year, state assessment examinations, including the PSSAs and Keystone Exams, will test student proficiency based upon the Pennsylvania Core Standards included in the revised 22 Pa. Code Chapter 4 requirements. Accordingly, at a minimum, a cyber charter applicant must submit evidence that its curriculum to be offered and planned instruction to be delivered meets the requirements of 22 Pa. Code Chapter 4 in its revised form, including alignment to eligible content and assessment anchors to be measured on the PSSAs and Keystone Exams and to the Pennsylvania Core Standards.

The Department's January 23, 2014 Decision identified that Acclaim did not provide in its Application a curriculum and course crosswalk for all grades that Acclaim stated it would offer. In addition, Acclaim's curriculum and course crosswalk did not include all course offerings that a cyber charter school is required to offer to elementary, middle school and high school students. Acclaim did not include course descriptions for courses offered to elementary students. Acclaim did not include evidence that any of its course offerings are aligned to eligible content and assessment anchors that will be measured on the PSSA and Keystone assessments.

Acclaim failed to provide sufficient information concerning the curriculum to be offered and how it meets the requirements of 22 Pa. Code Chapter 4 in its Revised Application. Acclaim failed to include all course offerings that a cyber charter school is required to offer to elementary, middle school and high school students in its list of course offerings in its Revised Application. Acclaim failed to include course descriptions for courses offered to elementary and middle school students. Acclaim did not include course objectives, materials and resources for its curriculum. Acclaim failed to provide a course crosswalk to demonstrate that the high school curriculum is aligned to the Pennsylvania Core Standards and other Pennsylvania academic standards in its Revised Application for those high school grades not included in the course crosswalk in its Application. In addition, Acclaim did not provide evidence that any of its courses are aligned to eligible content and assessment anchors that will be measured on the PSSAs, Keystone Exams, and local assessments. Acclaim only provided a statement of assurance that the school will follow the guidelines of 22 Pa. Code Chapter 4.

- (e) *The applicant failed to describe how the school will define and monitor a student's school day and failed to provide sufficient information about the delineation of the amount of on-line and off-line time required for students.*

A cyber charter applicant must provide a description of how it will define and monitor a student's school day, including an explanation of the amount of on-line time required for students, and provide a delineation of the amount of on-line and off-line time required.

The Department's January 23, 2014 Decision identified that Acclaim did not explain in its Application the amount of on-line and off-line time required for students and failed to describe how it will define and monitor a student's school day.

In its Revised Application, Acclaim failed to delineate specific amounts of time to be spent by students on-line and off-line. Acclaim stated that students would attend 45-minute live class sessions for all core content subjects every day and for electives twice a week. Of these 45 minutes, students would spend approximately 30 minutes per class per day completing assignments, readings and homework. Acclaim did not indicate the number of core content subjects that students at each grade level would take each day and did not indicate whether and for what period of time students would spend completing assignments, readings and homework off-line.

Acclaim explained in its Revised Application that the school would define and monitor a student's school day by tracking student log-in in the school portal. Although Acclaim stated that the school portal would also track time on tasks, Acclaim would track attendance by log-in only; which, would allow students to log into the school portal and be marked as in attendance, regardless of their time on task. Acclaim did not indicate that a student would be marked absent when monitoring of a student's school day revealed that a student was only logging onto the school's portal and not making progress with their work.

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 cyber charter applicant must demonstrate that it has an established and effective board of trustees.

(a) *The applicant failed to submit sufficient evidence of effective governance by an independent 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 information 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.

The Department's January 23, 2014 Decision identified that Acclaim did not provide Articles of Incorporation filed with the Pennsylvania Department of State or bylaws approved by Acclaim's board of trustees in its Application. Acclaim did not provide information about its proposed governing body or board of trustees.

Acclaim did not address these deficiencies in its Revised Application.

The Department's January 23, 2014 Decision identified that Acclaim's bylaws did not evidence that Acclaim could govern itself in an organized and effective manner. Acclaim's bylaws contained contradictory language regarding the positions for a chief administrative officer and the president of the board of trustees. Acclaim's bylaws permitted the school to compensate the individual who will serve as both the chief administrative officer and board president, even though the bylaws and other requirements applicable to charter schools and nonprofit entities prohibit board members from receiving compensation from the school.

Acclaim did not address this deficiency in its Revised Application.

The Department's January 23, 2014 Decision identified that Acclaim did not provide sufficient information to explain the role of the chief operations officer and the relationship between the chief operations officer, other administrators and board members.

Although Acclaim expanded upon the duties of the chief operations officer in its bylaws in its Revised Application, Acclaim used the same language as it used for the chief administrative officer. The bylaws contain contradictory language regarding the positions for a chief operations officer and the board president. The bylaws permit the school to compensate the individual who serves as both the chief operations officer and board president. The 2015 budget includes expenditures for the chief operations officer.

(b) The applicant did not submit sufficient evidence that it will be governed and enter into agreements in compliance with applicable legal requirements.

A cyber charter applicant must comply with federal and state laws relating to the operation of a charter school and nonprofit entity, including those prohibiting conflicts of interest and creating duties and responsibilities for members of the board of trustees and other administrators and employees.

The Department's January 23, 2014 Decision identified that Acclaim did not submit evidence to demonstrate that the proposed lease arrangement for the Worthville Property that Acclaim proposes to lease and utilize as its physical facility complies with applicable legal requirements or Acclaim's bylaws. A founder and proposed administrator of Acclaim or an immediate family member directly owns the property.

Acclaim submitted a deed for the Worthville Property with Daniel A. Stiver named as the owner and a proposed lease agreement between Daniel A. Stiver and Acclaim with its Revised Application. Acclaim stated Daniel Stiver is the husband of the Acclaim founder and proposed administrator. The information with the Revised Application further evidences that Acclaim has not properly demonstrated that the Worthville Property transaction complies with applicable legal requirements and Acclaim's bylaws.

III. The applicant failed to submit evidence that it has the demonstrated, 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 the 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 No. 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.

The Department's January 23, 2014 Decision identified that Acclaim failed to include any letters or other indications of support from teachers, parents or guardians and students.

Acclaim did not address this deficiency in its Revised Application.

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.

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.

The Department's January 23, 2014 Decision identified that Acclaim included many policies and procedures in its Application that demonstrate the provision of educational services through face-to-face interaction or otherwise at a physical facility of a school.

Although Acclaim explained in its Revised Application that the school would use the Worthville Property only to store records and conduct administrator meetings, Acclaim failed to provide any revised policies and procedures to demonstrate Acclaim understands the provision of educational services in a cyber learning environment.

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 compliance with technology requirements applicable to and necessarily part of the operation of a cyber charter school.

(a) *The applicant failed to demonstrate planning for the necessary level of internet connectivity.*

A cyber charter school is required to provide or reimburse each student enrolled for all technology and services necessary for the on-line delivery of the school's curriculum and instruction. In order to ensure a continued, comprehensive learning experience for its students, a cyber charter school must ensure access to broadband connectivity in the student's home or regular place of instruction for every student to have the same level and quality of access to all instructional materials and collaboration tools within a cyber environment. Some students in Pennsylvania may live in areas not serviced with broadband connectivity delivered directly to the home. Regardless of the connectivity available, no student's cyber education should be limited based on where he or she lives. Formalized policies and procedures must be established defining the specific broadband requirements for students, including the options that will be offered to get

high-speed access to cyber charter school students who may currently have only dial-up or no internet available to the home.

The Department's January 23, 2014 Decision identified that Acclaim did not specify the broadband requirements for students or discuss the options, such as satellite connections and air cards, that it would make available to ensure students have high-speed internet access.

Although Acclaim, in its Revised Application, specified that poor internet access would not interfere with students' education and that the school would provide students living in rural areas with a satellite air card, Acclaim did not explain how it would service those students unable to access cellular tower coverage to ensure that an equitable, timely education experience would be provided to all.

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

A cyber charter school is required to provide or reimburse each student enrolled for all technology and services necessary for the on-line delivery of the school's curriculum and instruction. In order to ensure a continued, comprehensive learning experience for its students, a cyber charter school must ensure equitable access to all digital content and online resources, and have all computers used by students meet a minimum, preferred set of standards. Preferred standards are the system and software requirements necessary to deliver a robust educational experience.

The Department's January 23, 2014 Decision identified that Acclaim failed to specify minimum standards for the computers and internet. Acclaim also testified that it will permit students to use their personal equipment, but did not explain how it would ensure that such equipment meets minimum standards.

In its Revised Application, Acclaim only identified standards for its computers' operating system, display and peripheral devices. Acclaim did not specify minimum requirements for the processor, memory, web browser, browser settings, plug-ins and internet connectivity. Acclaim also did not address how it would ensure a student's personal equipment meets the minimum standards of the school's computers.

(c) The applicant failed to demonstrate compliance with requirements for reimbursement for internet and related services.

A cyber charter school is required to provide or reimburse each student enrolled for all technology and services necessary for the on-line delivery of the school's curriculum and instruction. In order to ensure a continued, comprehensive learning experience for its students, a cyber charter school must ensure that families are regularly reimbursed for internet access services.

The Department's January 23, 2014 Decision identified that Acclaim did not provide any evidence of procedures to provide reimbursement to students for internet connectivity.

Acclaim did not properly address this deficiency in its Revised Application. Acclaim did not address the amount and frequency of internet reimbursement and the method in which families should request reimbursement in its Revised Application.

VI. The applicant failed to provide proof of curriculum that meets the requirements of 22 Pa. Code Chapter 4.

As stated above, Acclaim did not include in its Revised Application all required course offerings that a cyber charter school is required to offer to elementary, middle school and high school students in its list of course offerings. Acclaim did not include course descriptions for courses offered to elementary and middle school students. Acclaim did not include course objectives, materials and resources for its curriculum. Acclaim failed to provide a course crosswalk to demonstrate that the entire high school curriculum is aligned with Pennsylvania Core Standards and other Pennsylvania academic standards in its Revised Application. In addition, Acclaim did not provide evidence that any of its courses are aligned to eligible content and assessment anchors that will be measured on the PSSAs, Keystone Exams, and local assessments. Acclaim only provided a statement of assurance that the school will follow the guidelines of 22 Pa. Code Chapter 4.

VII. The applicant failed to demonstrate that it was prepared to meet the needs of students 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 demonstrate the ability to provide a free appropriate public education (FAPE) by having written policies and procedures, or a narrative that reasonably addresses the implementation of federal and state special education requirements.

The Department's January 23, 2014 Decision identified that Acclaim did not submit policies or procedures in key areas of special education that demonstrate it has a working knowledge of how special education operates and how it will implement these requirements within its program.

Acclaim failed to include any additional or revised special education policies in its Revised Application, including Graduation and Dropout, Disproportionate Representation, Positive Support, and Exclusions, Suspensions, and Expulsion policies. Although Acclaim provided summaries of some of the special education laws to which the school would be subject, it did not provide an explanation as to the procedures and processes that Acclaim will put into place to ensure compliance with these provisions.

(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 must be prepared to accept students who reside anywhere within the Commonwealth and provide all necessary services to those students.

The Department's January 23, 2014 Decision identified that Acclaim listed some service providers that will or may provide services to its special needs students, but did not identify a transportation service provider and did not demonstrate sufficient contact with all the providers to verify that they are available and willing to provide services to Acclaim's students. Acclaim's policies failed to explain how concepts would work in a cyber setting. Acclaim did not explain how it would engage a special education staff member prior to the opening of the school. Acclaim did not adequately address transition planning and the resources established to address post-secondary education, employment and independent living.

Acclaim failed to address these deficiencies in its Revised Application.

(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 an adequate allocation of special education and related services personnel to meet the needs of the projected special education student population.

The Department's January 23, 2014 Decision identified that Acclaim did not provide, in its Application, special education teacher-to-student ratios and failed to demonstrate whether it has allocated adequate personnel to meet the needs of students with disabilities. Acclaim also failed to identify all actual or potential service providers that will or may provide special education or related services to students along with the services to be provided, pricing, location, transportation and qualifications.

Acclaim submitted a proposed budget in its Revised Application that contains increased amounts for the salaries of special education teachers and staff and these amounts are aligned with projected enrollment growth. However, Acclaim did not include teacher-to-student ratios. Based on Acclaim's proposed budget and projected rate of special education student enrollment, teacher-to-student ratios would range from 12 to 16.7. As stated in the January 23, 2014 Decision, although cyber charter schools are not subject to Chapter 14 of State Board of Education regulations, the Department typically evaluates the adequacy of special education personnel by comparing student-to-teacher ratios to the caseload chart in the Pennsylvania regulations. Depending upon the ages of these students, the types of disability and the level of support required by each student's individualized education program, these ratios may or may not be adequate. Acclaim did not explain how the school would accommodate circumstances that would require a higher number of special education teachers. In addition, Acclaim only stated that it would contract with school districts, intermediate units and others for the provision

of special education services. Acclaim did not provide any associated information about types of services, pricing, location, transportation and qualifications.

(d) The applicant failed to provide sufficient information regarding parent training.

A cyber charter applicant must demonstrate that appropriate parent counseling and training will be offered to assist parents in understanding the special needs of their child, to provide parents with information about child development, and to help parents acquire the necessary skills that will allow them to support the implementation of their child's IEP.

The Department's January 23, 2014 Decision identified that the Special Education Training policy included by Acclaim with its Application failed to provide an adequate explanation of parent training, including the types and content of training to be provided.

Acclaim failed to address this deficiency in its Revised Application. Although Acclaim discussed that it would offer parent training as well as the types and frequency of training, none of the information pertains to special education training for parents with children who have a disability.

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

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.

The Department's January 23, 2014 Decision identified that Acclaim's Application did not include sufficient evidence of an ESL Program that is appropriate for the education of ELL students, including, but not limited to, the main components of an ESL program, procedures for annual assessment and program exit and the provision of services for ELL students with disabilities.

Acclaim submitted an ESL program description in its Revised Application that discussed identification, assessment, instruction, staffing, parent communication, and special education. Acclaim describes some processes in detail, such as steps taken by the school after the administration of a home language survey. However, Acclaim failed to explain the process of administering home language surveys and annually assessing ELL students. Acclaim also failed to explain the types of adaptations that teachers will make to the instructional program to accommodate ELL students, how the school will communicate with families in their preferred

language, how the school will exit ELL students from the program, and how the school will monitor ELL students after they exit the program. Acclaim also failed to identify the individuals who will be responsible for administering home language surveys, communicating with families, exiting and monitoring. Acclaim also failed to explain how the school would administer the program in a cyber learning environment.

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

The Department will use the School Performance Profile (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.

(a) The applicant failed to demonstrate a necessary understanding of school improvement programs and resources.

A cyber charter applicant must demonstrate an understanding of the Elementary and Secondary Education Act Flexibility Waiver (ESEA Flexibility Waiver), including the accountability measures, and the Department's planning tools, including SPP. A cyber charter applicant must also demonstrate how it plans to use SPP to revise and/or adjust its school improvement plans if the school fails to meet the federal accountability measures in a given year.

The Department's January 23, 2014 Decision identified that Acclaim's Application did not include any information acknowledging the ESEA Flexibility Waiver and the Department's planning tools and that Acclaim's representatives did not demonstrate a working knowledge of these programs and resources.

Acclaim did not address this deficiency in its Revised Application. In addition, Acclaim referenced several assessment and accountability programs and resources that were are not currently utilized.

Acclaim also referenced a dual enrollment program where students would be able to take college courses paid for with state funds while completing high school graduation requirements. Cyber charter schools are not permitted to use charter school funds to pay institutions of higher education so that charter school students can take college courses for college credit.

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

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

The Department's January 23, 2014 Decision identified that the proposed budget included with Acclaim's Application only contains school district payments and federal grant revenues and does not include sources of funding for operations prior to the receipt of this revenue. Acclaim demonstrated an intent to obtain a line of credit, but Acclaim failed to provide a letter of intent from a financial institution or any other evidence that there have been discussions with any financial institution about a line of credit. The Department's January 23, 2014 Decision also identified that Acclaim did not specifically identify the school's startup expenditures, even though Acclaim acknowledged that the school would incur expenses prior to the beginning of the fiscal year. Finally, the Department's January 23, 2014 Decision identified that Acclaim did not demonstrate that services it was receiving or anticipated receiving from Charter Choices would be properly reimbursed through its budget.

Acclaim did not address these deficiencies in its Revised Application. Acclaim did indicate that Charter Choices would provide services prior to July 1, 2014, at no cost to Acclaim. However, Acclaim failed to include a revised Charter Choices Agreement in its Revised Application that evidences this arrangement.

(b) The applicant failed to budget for programs and expenditures identified in the application.

The Department's January 23, 2014 Decision identified that Acclaim did not adequately budget for several programs and activities, including monthly student meetings, field trips, extracurricular activities, marketing and professional development discussed in its Application.

The proposed budget included by Acclaim with its Revised Application failed to identify increases for budgeted expenditures for Acclaim's proposed travel, marketing and professional development in a manner consistent with its plans regarding student meetings, field trips, extracurricular activities, marketing and professional development programs. The proposed budget contains increased expenditures for payments to Charter Choices, which are inconsistent and higher than the payment terms within the Charter Choices Agreement. The Charter Choices Agreement states that Charter Choices will be compensated 3.5% of Acclaim's revenue, yet the proposed budget reflects Charter Choices being paid 4% of Acclaim's revenue in year one. The Charter Choices Agreement states that Charter Choices will be paid a maximum annual compensation of \$175,000, but the proposed budget reflects Charter Choices being paid \$180,000 in years two through five.

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

The Department's January 23, 2014 Decision identified that Acclaim did not demonstrate that the individuals responsible for finance and accounting functions would be qualified and experienced in charter school finance.

In its Revised Application, Acclaim explained that it engaged Charter Choices to provide business services to the charter school and that Charter Choices applies a team approach to servicing clients and that Charter Choices staff members have qualifications that include Certified Public Accountants, Masters of Business Administration and bachelor degrees in education, accounting and business management. However, Acclaim did not provide any specific information that demonstrated the qualifications of Charter Choices. For example, Acclaim did not identify the specific Charter Choices employee who would be responsible for Charter Choices' work on behalf of the charter school or the minimum qualifications of the employee; minimum qualifications and professional experience required of that employee; or, the qualifications of any representative Charter Choices employees who may perform tasks for the cyber charter school.

The Department's January 23, 2014 Decision identified that the Charter Choices Agreement included with Acclaim's Application did not assign responsibility for oversight of Charter Choices' performance of accounting and financial management functions to any Acclaim board member or employee. Acclaim failed to identify the minimum qualifications and professional experience that an Acclaim board member or employee will be required to possess in order to adequately fulfill these responsibilities.

Acclaim did not address this deficiency in its Revised Application.

The Department's January 23, 2014 Decision identifies that the Charter Choices Agreement submitted with the Application does not obligate Charter Choices to provide Acclaim with a report regarding services provided to enable Acclaim to determine whether the services provided are consistent with the fees paid.

Acclaim did not address this deficiency in its Revised Application.

(d) The applicant failed to provide evidence of proper internal controls.

The Department's January 23, 2014 Decision identifies that Acclaim did not demonstrate in its Application that it has systems in place, directly or through Charter Choices, for proper internal controls of Acclaim's finances to ensure proper financial management.

Acclaim stated in its Revised Application that its board of trustees would adopt an internal controls policy when the school receives a charter. Acclaim also included a sample internal controls policy with provisions a cyber charter school should have in place, such as budgeting, financial reporting, banking, investments, purchasing and payment of claims. However, the sample policy fails to include provisions that accurately reflect provisions within the Public

School Code. For example, the sample policy has purchasing provisions that do not include dollar thresholds associated with required purchasing procedures established by state law and financial reporting provisions that do not reference the financial reporting requirements to which cyber charter schools are subject.

(e) The applicant improperly budgeted for expenditures associated with the proposed facility.

The Department's January 23, 2014 Decision identified that, in its Application, Acclaim appeared only to take into account a monthly rent even though Acclaim stated it would receive building maintenance services from the property owner.

Acclaim included a five-year budget in its Revised Application that accounted for a facility expense for building rental to increase precipitously over the first five years of operation and that did not account for a facility expense for building operation and maintenance. However, the Draft Lease Agreement indicates that rent is \$300/month and that the tenant will pay \$300/month as maintenance fees to include snow removal and landscaping/lawn mowing. Acclaim's budget is not consistent with the terms of the Draft Lease Agreement. Moreover, the 90 percent increase in the facility expense for building rental over the first five years of operation appears excessive without further explanation.

(f) The applicant failed to describe adequate accounting and financial procedures.

The Department's January 23, 2014 Decision identified that Acclaim provided contradictory information in its Application relating to contract and audit procedures. The bylaws and governance section contained contradictory information about contracts and the bylaws and Charter Choices Agreement contained contradictory information about audit procedures.

Acclaim did not address the contradictory language in its Revised Application. Acclaim submitted bylaws in its Revised Application that contain the same contract and audit procedures provisions. Acclaim did not submit any revisions to the governance section or a revised Charter Choices Agreement to evidence consistent contract and audit procedures.

(g) The applicant failed to demonstrate adequate financial planning for the proposed school enrollment.

The Department's January 23, 2014 Decision identified that Acclaim stated in its Application that it seeks to begin the 2014-2015 school year offering all (1-12) grade levels at a projected enrollment of 25 students in each grade level. As a result, Acclaim will have limited ability to reduce its teacher complement and associated costs if enrollments are lower than projected in certain grades.

Acclaim did not address this deficiency in its Revised Application. Acclaim indicated in its Revised Application that its five-year budget assumes consistent class sizes throughout the grade levels served, but failed to provide any information about how it will manage potential financial challenges associated with any differences between actual and assumed enrollment per grade.

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

(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 applicant 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.

The Department's January 23, 2014 Decision identified that Acclaim did not provide the name and description for each professional development offering in its Application. Acclaim failed to explain the knowledge and skills that educators will gain as a result of participating in each professional development offering and the research or best practices on which these offerings are based. Acclaim failed to indicate the duration of each professional development offering and the types of follow-up activities the school would conduct to assess the effectiveness of its professional development plan. Acclaim failed to budget for its professional development program.

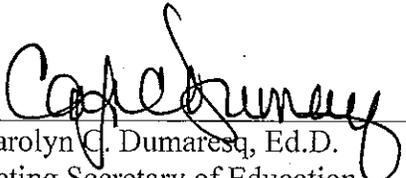
Acclaim did not address any of these deficiencies in its Revised Application. Acclaim only included goals of its professional development program and a list of general professional education options, such as department meetings, online courses and mentor activities.

Conclusion

Based on the deficiencies identified above, which were identified in the Department's January 23, 2014 Decision and not addressed or sufficiently corrected in the Revised Application, Acclaim's Revised Application is denied.

Acclaim 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 Acclaim 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.



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

6-13-14
Date Mailed