



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION

January 23, 2014

Ms. Sommer McElravy
Provost Academy Cyber Charter School
300 Mossy Oak Drive
Cranberry Township, PA 16066

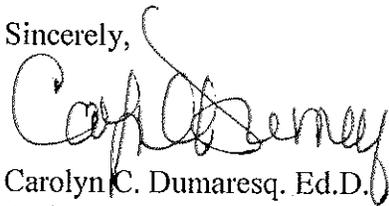
SENT VIA CERTIFIED MAIL AND E-MAIL

Dear Ms. McElravy:

Thank you for your interest in opening a cyber charter school in Pennsylvania. After reviewing the Provost Academy 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 cursive script, appearing to read "Carolyn C. Dumaresq".

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

Enclosure

**Provost Academy Cyber Charter School
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.

The Provost Academy Cyber Charter School (Provost) timely submitted an application to operate as a cyber charter school. The Department provided 30 days notice of a public hearing held on November 21, 2013.

Decision

Based on a thorough review of the written application as well as questions and responses recorded at the November 21, 2013 public hearing, the Department denies Provost's 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/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 demonstrate evidence of insurability.

A cyber charter 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.

Although Provost explained the type of insurance and estimated coverage levels, Provost failed to provide any insurance quotations or letters of intent to obtain insurance or other evidence that the amount budgeted for insurance is adequate or whether Provost is able to obtain the required insurance coverage.

Furthermore, Provost provided contradictory information about the procurement of insurance. Provost stated that it will obtain insurance and intends to work with EdisonLearning, Inc. (Edison) to do so. However, the sample Professional Services Agreement Between Provost Academy Cyber Charter School and EdisonLearning, Inc. (sample Edison Services Agreement) failed to include any provision describing insurance-related responsibilities.

(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. Provost indicated that the school will offer field trips to students and included field trips in its proposed budget as an instructional expenditure, but Provost failed to explain the types of field trips that it will organize and how such field trips will be incorporated into the curriculum.

(c) The applicant failed to identify provisions to comply with state reporting requirements.

A cyber charter applicant is required to report student data to the Department using the Pennsylvania Information Management System (PIMS). Although Provost stated that it will have a system to securely house student-specific information and records, Provost failed to identify the necessary support and planning to comply with this requirement, including knowledge of state reporting requirements and the individual who will be responsible for meeting state reporting requirements.

(d) The applicant failed to provide information concerning the ownership of all facilities and offices of its proposed 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.

Although Provost stated it will lease or sub-lease sufficient facilities for an administrative office and support centers upon charter approval, Provost failed to provide any information to demonstrate that it has initiated this process.

- (e) *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 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 demonstrate that its application meets the requirements of 24 P.S. § 17-1747-A, which requires the applicant to include the curriculum to be offered and describe how the curriculum meets the requirements of 22 Pa. Code Chapter 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 Chapter 4. Planned instruction for each course offering must be aligned to the following: (1) learning objectives and outcomes; (2) eligible content and assessment anchors that will be measured on the Pennsylvania System of School Assessment (PSSA) and Keystone assessments; and, (3) Pennsylvania academic standards.

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 demonstrate that the programs outlined in the application will enable students to meet the academic standards under 22 Pa. Code Chapter 4. A cyber charter applicant is required to include with its application the curriculum to be offered and how it meets the requirements of 22 Pa. Code Chapter 4. Planned instruction for each course offering must be aligned to the following: (1) learning objectives and outcomes; (2) eligible content and assessment anchors that will be measured on the Pennsylvania System of School Assessment (PSSA) and Keystone 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.

Provost stated that it will utilize eCourses, which is Edison's proprietary online curriculum. Provost also stated that it will offer grades four through twelve. Provost indicated that a full list of core and elective courses was available in the course catalog included as Attachment A. However, the course catalog is for the 2013-14 school year. Furthermore, the course catalog failed to include course offerings and descriptions for grades four and five as well as some of the required course offerings for middle school students. Provost only made a conclusive statement that its curriculum is aligned to the required standards in 22 Pa. Code Chapter 4.

- (f) The applicant failed to provide sufficient information concerning purchasing procedures.*

A cyber charter applicant is required to develop purchasing procedures that address a competitive way to purchase goods and services. Although Provost stated purchasing procedures used by the board of trustees will be modeled after the requirements of the Public School Code, Provost failed to explain procedures that it will use to ensure goods and services are purchased in a competitive way.

- (g) The applicant failed to submit the school's budget in PDE 2028 format.*

A cyber charter applicant is required to develop a preliminary and start-up budget using the Department's budget template PDE 2028. Provost failed to submit a proposed budget in PDE 2028 format.

The Department addresses other deficiencies relating to the budget later in the decision.

- (h) The applicant failed to provide sufficient information to identify the number of courses required for students.*

A cyber charter applicant must identify the number of courses required for elementary and secondary students. Although Provost stated it will expect students to attend a minimum of 180 instructional days of the 210 days that it will be listed as open on the school calendar, Provost did not identify the number of courses required for elementary and secondary students.

- (i) 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 the school will define and monitor a student's school day, and include an explanation of the amount of on-line time required for students and a delineation of the amount of on-line and off-line time required. Provost stated it will permit flexible daily schedules, but Provost failed to describe how it will define and monitor a student's school day. Although Provost indicated it will offer synchronous instruction, tutoring, and services at its Support Centers, Provost failed to explain the amount of on-line and off-line time required of students. In addition, addressed in more detail below is a discussion about the proper use of physical facilities by a cyber charter school.

- (j) The applicant failed to provide a sufficient explanation of its truancy policy and procedures.*

A cyber charter applicant is required to include policies regarding truancy, absences and withdrawal of students. When a student has accumulated three unexcused absences, the cyber charter school must notify the resident school district so that the resident school district can initiate truancy proceedings if a subsequent unexcused absence occurs.

Provost stated that it would contact students that had not logged into one or more courses for three or more consecutive days, but Provost stated that a student would be reported as truant when the student had not logged in for ten consecutive days.

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 the capability, in terms of support and planning, to provide comprehensive learning experiences to all its students as an independent public school operated through a nonprofit entity with an established and effective board of trustees. 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 provide sufficient evidence that it would operate as an independent public school.*

A cyber charter school is an independent public school established and operated under a charter issued by the Department. A cyber charter school must be organized as an independent, nonprofit corporation. Provost stated that it will partner with Edison, a for-profit, virtual educational products and services provider, and that Edison will provide curriculum and management services to Provost. As mentioned above, Provost included only a sample Edison Services Agreement in its application.

Not only does the application require a copy of a management agreement, the Commonwealth Court has held that a cyber charter applicant must provide a copy of a finalized management agreement in the application so that the authorizer can determine whether the Board of Trustees of the charter school will have ultimate control of the school. *School District of the City of York v. Lincoln-Edison Charter School*, 772 A.2d 1045 (Pa. Cmwlth. 2001). Provost failed to provide an executed, finalized copy of the Edison Services Agreement in its application.

However, the information provided by Provost demonstrated a significant dependence by Provost on Edison that evidences ultimate control of the school is with Edison and not Provost, thus, a lack of the independence required of a cyber charter school. The sample Edison Services Agreement contains numerous termination provisions. The sample Edison Services Agreement also requires Provost to change its name upon the termination of the agreement. More specifically, the sample Edison Services Agreement states:

10.2. Name of Charter School; Changes. The name of the Charter School shall be "Provost Academy Cyber Charter School." In recognition of the fact that EdisonLearning owns the rights to the use of the name "Provost" and has agreed to license it to the Charter Holder for the sole purpose of this Agreement, should this Agreement terminate for any reason, Charter Holder warrants and represents that it shall, no later than thirty (30) days after such

termination, change the name of the Charter School to another name not containing any reference to "Provost."

Under the sample Edison Services Agreement, Edison will provide Provost with all or a majority of the products and services needed to operate the proposed cyber charter school, including: student recruitment; special education and related services; English as a Second Language; curriculum content and delivery; business administration services: financial management and reporting, procurement, payroll and benefits administration, legal services; staff recruitment screening and training; technical support and maintenance; and, maintenance and disclosure of student records.

The members of Provost's board of trustees that participated in the public hearing were unable to provide responses to a majority of the programmatic questions posed at the hearing or deferred to Edison representatives for responses to the questions.

Provost testified that it will employ twelve full-time instructors, but the bulk of its instructors will be Edison employees.

It is not clear that Provost would be able to continue its operations if the sample Edison Services Agreement became the finalized agreement and subsequently was terminated. The Provost board of trustees did not demonstrate that they were prepared and had the support and planning in place to continue the educational and other programs necessary to provide a comprehensive learning experience to students, including the administrative, financial and technology products and services needed to operate effectively.

Although the Department noted deficiencies regarding Provost's significant dependence on Edison, the Department did not identify all possible deficiencies regarding the provisions of the agreement because the Edison Services Agreement is only a sample and not the required finalized agreement.

(b) 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 must include governing documents such as the articles of incorporation filed with the Pennsylvania Department of State, bylaws, the proposed governing body or board of trustees.

Although Provost provided a copy of Articles of Incorporation (Articles), the Articles do not contain the stamp of the Pennsylvania Department of State; thus, these documents do not bear any evidence that they were filed with or received by the Pennsylvania Department of State. Without filed Articles, Provost has not provided required evidence that the cyber charter school will be a public, nonprofit corporation.

The word "charter school" must be in the name of a cyber charter school. The Articles display Provost Academy Pennsylvania, Inc. as the name of the nonprofit corporation. In addition,

Provost refers to the school with different names. The sample Edison Services Agreement is between Edison and Provost Academy Cyber Charter School while another sample agreement is between The Hope Learning Center (Hope) and Provost Academy Pennsylvania, Inc.

Provost provided a document purporting to be its bylaws. The document does not include any evidence that it was reviewed and adopted by Provost's board of trustees. The bylaws provide that the board shall determine the compensation, if any, to be paid to directors and officers. However, board members are not permitted to receive compensation for their services as board members. In addition, the bylaws allow a director or officer to be compensated for services rendered on behalf of the corporation and permit customary and reasonable compensation for services even if the member participated in the decision to engage himself or herself to render the services. However, the bylaws also provide that no board member shall engage in any business transaction with the charter school, be employed by the charter school or receive any compensation for services rendered to the charter school. These provisions are inconsistent and authorize at a minimum, the appearance of a conflict of interest.

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. However, Provost's bylaws provide for distribution of assets upon dissolution, as the board of directors shall determine.

(c) The applicant failed to provide sufficient evidence that teachers will be employees of the school.

Although the sample Edison Services Agreement states that all personnel at the charter school shall be employees of the charter holder, Provost testified that it will employ twelve full-time instructors and that the bulk of the instructors will be Edison employees. The Commonwealth Court has held that the CSL does not prohibit the involvement of for-profit entities in the operation of a charter school so long as the school itself is nonprofit, the charter school's board of trustees have real and substantial authority and responsibility for the educational decisions, and the teachers are employees of the charter school itself. *West Chester Area School District v. Collegium Charter School*, 760 A.2d 452, 468 (Pa. Cmwlth. 2000).

III. The applicant failed to demonstrate that the school 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 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.

Provost provided copies of petitions of support for its cyber charter school plan that included 12 signatures. Provost also provided copies of 10 letters of support for Hope and a letter of support from Hope. However, the letters of support for Hope are not letters of support for the cyber charter school plan. In addition, the letter of support from Hope must be discounted since Hope is to be Provost's contractor. With Provost's first year enrollment anticipated to be 400 students, only 12 signatures evidencing support for the cyber charter school plan fails to 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 detail in the Cyber Charter School Physical 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.

The primary focus of Provost's educational model is to provide instruction to students by combining on-line curriculum with Support Centers. Provost stated that Support Centers will be an integral part of the educational model and will primarily serve students with disabilities.

Provost failed to demonstrate that it will utilize Support Centers to provide students only with supplementary services. Although Provost stated that students will be able to receive supplemental services, such as tutoring, at Support Centers, Provost identified several other services that it will offer at Support Centers that are more akin to students working on their curriculum and instruction. For example, Provost stated that students will be able to receive academic guidance, face-to-face instruction and specially designed instruction as well as participate in preparatory classes and collaborative meetings.

Provost failed to demonstrate that it will be able to function and provide all curriculum and instruction to all of its students without the need for students to attend a physical facility. Provost stated, "online learning was even more effective when 'blended' with face-to-face instruction. Through the use of Provost Academy Support centers students will have opportunity to receive web based and face-to-face instruction. Thereby, providing them the very best education designed to meet their individual needs." This demonstrates that Provost intends to use physical facilities for purposes other than providing supplemental services.

Provost failed to demonstrate that it will be prepared to enroll students from across the state and provide equitable access to all services for all students. Provost discussed a Launch Event that

will be held at each Support Center as a grand opening event, but Provost failed to explain how the Launch Event will be accessible to students who choose not to go to a physical facility for the Launch Event.

Provost failed to explain how it will provide all curriculum and instruction to all of its special education students without the need for these students to attend a physical facility or the alternatives that the school will have in place to provide services at locations or in methods other than at physical facilities. Although Provost stated that students in need of related services as specified in their individualized education program (IEP) will have access to on-line services, Provost placed heavy emphasis on special education students receiving specially designed instruction at Support Centers as often as needed. Provost stated that it will offer a variety of related services, such as speech therapy, occupational therapy and behavioral therapy, at Support Centers. In addition, Provost stated that the time each student spends at a Support Center will be dependent upon each student's IEP. Provost did not discuss special education consultants traveling to student homes to provide related services or the types of technology that it will use to provide related instruction, curriculum or related services electronically. In addition, Provost failed to demonstrate that it will first try to meet its students' IEP needs by engaging a consultant or staff member to provide services electronically or at a non-Support Center location.

Even though a representative from Hope testified to Hope's ability to provide all related services online, which is its practice in all other states where Hope has a presence, a representative from Provost testified that it will use Support Centers for Hope to provide related services.

Provost intends to use physical facilities as part of its school and to provide services to students at the facilities. Provost 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.

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 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.

Provost stated that all families must obtain high-speed internet. Provost failed to identify specific internet connectivity requirements and options that will be made available to students who cannot obtain high-speed internet access, such as satellite connections or air cards, at Provost's expense to ensure these students have broadband connectivity. In fact, a representative from Provost testified he is still trying to determine how the school will address situations where students do not have high-speed internet. An Edison representative testified that satellite internet would be an option, but there would be the potential for some delay with the synchronous writing tools.

(b) The applicant failed to demonstrate compliance with equipment requirements.

A cyber charter school is required to provide each student enrolled with all equipment necessary for the student's participation in the school, including a computer, monitor and printer. In order to ensure a continued, comprehensive learning experience for its students, a cyber charter school must provide all students with all necessary equipment.

Provost stated that each student will be provided with all equipment necessary, including computers and printers, to engage in the learning environment and perform all required school and coursework. However, Provost also stated that it is highly recommended that students and their families have a printer with scanning capability.

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

A cyber charter school must 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 based upon the system and software requirements necessary to deliver a robust educational experience.

Provost failed to demonstrate that it will prohibit students from using their own equipment. Provost stated that only limited technical support will be available to students who use their own equipment and that these students will be responsible for troubleshooting internet service. In addition, an Edison representative testified that Provost will permit students to use their own computers and that Provost is assuming students will bring their own technology if they can afford it.

Provost's Technology Model document in Attachment F contains assumptions about the number of students receiving computers, which do not align with enrollment assumptions. The document indicates that 60 students will receive computers in year one; however, the same document indicates that 400 students will be enrolled in the school in year one. This practice of not budgeting computers for all enrolled students continues through year five and is inconsistent with the applicant's statement that all students enrolled in the school will receive the necessary equipment to access courses and engage in the educational program.

Provost failed to demonstrate how the USB tablet will complement the equipment being provided. Provost also failed to specify all necessary minimum technology standards, such as the web browser, operating system and browser settings, to demonstrate that students will have an effective and equitable educational experience.

(d) 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.

Provost stated that those families who qualify for the Federal Free and Reduced Lunch Program will be eligible for limited internet reimbursement. Provost also stated that it will provide limited reimbursement to any student.

Moreover, Provost's Non-personnel Expenses document in Attachment F indicates that it budgeted the following for student internet reimbursement for FY15 through FY19: \$10,000, \$25,000, \$47,275, \$59,100 and \$67,925. Total student enrollment projections for years one through five are as follows: 400, 1000, 1891, 2364 and 2717. This amounts to only \$25 per enrolled student per year.

Provost failed to provide a policy addressing the amount and frequency of internet reimbursement.

(e) The applicant failed to explain policies, procedures and software that the school will use to ensure internet safety for all students.

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 create and implement an Acceptable Use Policy (AUP)/Internet Safety Policy that includes requirements for compliance with the Children's Internet Protection Act (CIPA) and the Child Internet Protection Act (Act 197 of 2004). Cyber charter schools must also create and implement procedures to ensure internet safety for all students and staff, including the

monitoring of online activities for minors. Cyber charter schools must enable protection measures, or internet filtering software, that will block or filter access to inappropriate materials.

Provost failed to provide any policies and procedures to address appropriate use and internet safety. In addition, Provost failed to discuss internet filtering software and the process for installing and updating filtering software. An Edison representative testified that Edison would present a draft policy to Provost's board of trustees for adoption. Neither of the representatives for Edison and Provost was able to testify to the content of policies or procedures regarding appropriate use and internet safety.

- (f) The applicant failed to provide sufficient information to demonstrate preparation and education of students in the area of appropriate online behavior.*

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 provide for the education of minors regarding appropriate online behavior. This includes education that addresses interacting with others on social networking websites and in chat rooms, as well as cyberbullying awareness and response. The curriculum must be age/grade appropriate since education must be provided to students of all ages.

Provost stated all students will demonstrate proficiency in the use of technology, but this only includes competency in the areas of spreadsheets, word processing, databases, multimedia presentations, telecommunications and internet systems. Provost also stated that students will have a discussion with their advisor at the beginning of the school year, but this is only to ensure students have the necessary equipment and software. Although an Edison representative testified that courses regarding appropriate online behavior will be included in Edison's curriculum, Provost failed to provide any information as to the educational experiences available to students regarding appropriate online behavior.

- (g) The applicant failed to provide a damage/repair policy that addresses procedures and financial responsibility.*

A cyber charter school is required to provide each student enrolled with all equipment necessary for the student's participation in the school, including a computer, monitor and printer. In order to ensure a continued, comprehensive learning experience for its students, a cyber charter school must have policies and procedures to address the financial responsibilities and procedures for the quick and convenient repair and/or replacement of equipment that has been damaged or stolen.

Provost failed to include any policies regarding financial responsibility for damaged and stolen equipment. Provost failed to provide procedures for the repair and replacement of damaged and stolen equipment to ensure a student's educational experience will continue without disruption in the event of equipment malfunction, damage or loss.

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

As previously stated in Section I (e) above, Provost only made a conclusive statement that its curriculum is aligned to the academic standards in 22 Pa. Code Chapter 4.

VII. The applicant failed to demonstrate that it is 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 IEPs.

(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. Provost stated it will assume that all students who enroll will be in need of special education and programs. The purpose of evaluation is to gather information that will be used to determine if a student is eligible for special education services. There is no presumption of eligibility. Provost also stated that the school will comply with all applicable special education laws, including the Exceptional Children's Education Act. However, this is a Colorado law and would not be applicable to the school's operations.

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. Provost failed to submit policies or procedures in key areas of special education that would demonstrate a working knowledge of how special education operates and how Provost will implement these requirements within its program, including: Assistive Technology and Hearing Aids; Positive Behavior Support; Graduation and Dropout; Independent Educational Evaluation; Least Restrictive Environment; Provisions for Extended School Year (ESY); Related Services Including Psychological Counseling; Parent Training; PSSA and Alternative Assessments; Surrogate Parents; Personnel Training; Intensive Interagency Approach; and, Disproportionate Representation.

Provost stated that students who qualify for an IEP or are currently receiving special education services outside of Provost's capabilities must complete an enrollment counseling process during which the student's current IEP will be discussed with the IEP team. Provost must provide every

qualified student with FAPE and cannot exclude students because of an inability to provide the required services; Provost must provide whatever services are necessary to provide FAPE.

(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 school is required to accept students who reside anywhere within the Commonwealth and provide all necessary services to those students. A cyber charter applicant is required to demonstrate that it can comply with federal and state special education requirements within the appropriate operation of a cyber charter school. Provost stated that it will ensure all students have equal access to the technology used to deliver the curriculum and communicate with students. Provost indicated that Support Centers are an integral part of the school's educational model and students with disabilities can receive services required as part of their IEP at these Support Centers. However, Provost plans to roll out Support Centers, beginning with the facilities in the most populated areas of the Commonwealth—Philadelphia and Harrisburg. Provost failed to explain how those special education students who are unable or chose not to go to a Support Center will be able to obtain the services that those special education students are obtaining at the Support Centers. For example, although the application identifies Hope as the school's special education service provider, there is no explanation within the application as to whether Hope staff will travel to student homes or public places outside of Philadelphia and Harrisburg to ensure all special education students have access to the same services. Provost failed to explain how the services provided to special education students will be available synchronously or asynchronously through the internet or other electronic means.

A cyber charter applicant must identify all actual or potential service providers that 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. Provost stated that it will provide all special education and related services by partnering with Hope. Provost provided a sample agreement between Provost and Hope (sample Hope Agreement); but the sample Hope Agreement identifies Provost as the service provider. It is unclear why Hope would be entering into a services agreement with Provost for Provost to provide Hope with services. This contractual relationship indicates that Hope will not be providing special education services to Provost. Therefore, Provost failed to provide any information to demonstrate it has the ability to meet the needs of special education students, which comprises a majority of Provost's population and is the primary focus of Provost's educational program. However, based on information provided at the public hearing, the Department believes that the sample Hope Agreement is to be an agreement for Hope to provide services to Provost and will base its review and comments on that premise.

Notwithstanding that the sample Hope Agreement identifies Provost, rather than Hope, as the service provider and states that Provost, rather than Hope, will provide services as needed, as requested and as described in the attached Schedule of Services, the Schedule of Services is not attached to the sample Hope Agreement and Provost failed to provide any other information regarding the specific services that Hope will provide to Provost. The sample Hope Agreement contains a paragraph regarding qualifications; however, it states that any personnel providing services under the sample Hope Agreement must hold all licenses and/or certifications necessary

to practice the designated specialty within the state of Indiana. Individuals who provide special education or related services to children with disabilities in the Commonwealth must have appropriate Pennsylvania certification. In addition, the sample Hope Agreement states that services provided to students shall be provided outside the student's home and in a private facility of Provost. Requiring that services be provided outside the home and in a private facility of Provost does not comply with cyber charter school operations. This also evidences that Provost's use of Support Centers will not be in compliance with the Cyber Charter School Physical Facilities BEC, as previously addressed. The sample Hope Agreement also fails to address transportation and pricing.

Although it appears that Provost will significantly rely on Hope for special education services, Provost did not provide a finalized services agreement between Provost and Hope. The Department has identified some deficiencies with the sample Hope Agreement but did not identify all the possible deficiencies because it is only a sample agreement.

Provost failed to adequately address transition planning and the resources that Provost has established to address post-secondary education, employment and independent living. For example, Provost failed to explain how it will implement and monitor student internships and job shadowing, how it will address college visits and career days statewide, and what resources it will dedicate to life skills and independent living transition.

Although Provost stated it will provide transportation to students who have such needs written into their IEP, Provost failed to discuss how it will achieve this.

Provost designed its educational model to serve primarily special education students, and Provost plans for special education students to make up the majority of its student population; however, Provost failed to demonstrate a readiness to administer a special education program and that it has the capability, in terms of support and planning, to provide comprehensive learning experiences to all students.

(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. Although cyber charter schools are not subject to Chapter 14 of the State Board of Education regulations, 22 Pa. Code 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. Provost indicated that a majority of its student population will be comprised of special education students. For example, special education enrollment projections are 300, 750, 1418, 1773 and 2038 for years one through five respectively. As mentioned above, total student enrollment projections are 400, 1000, 1891, 2364 and 2717 for years one through five respectively. Thus, Provost has projected 75% of their student population as special education. Provost provided information regarding its targeted staff size and teacher-to-student ratio. More specifically, the school has modeled a ratio of one advisor to 150 students, one

teacher to 30 students and one learning coach to 15 students. Based upon this information, it is reasonable to conclude the teacher to special education student ratio will be approximately one teacher to every 22 students. This ratio greatly exceeds the maximum number of students allowed on a teacher's caseload even for those students who have the mildest disability. Provost failed to demonstrate that it will not have enough special education teachers and support staff to meet the needs of students with disabilities.

Provost discussed the importance of the special education advisors and the support these advisors will provide to its special education program. Based on Provost's Personnel document in Attachment F and testimony given by an Edison representative, Edison will provide these advisors. Provost failed to explain the accountability measures for these advisor services to ensure that the needs of special education students will be met. Provost listed a special education director as administrative staff, but only for year one. Provost failed to discuss any other related services personnel, such as paraprofessionals and educational interpreters.

(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 demonstrate that a continuum of alternative placements will be available to meet the needs of students with disabilities for special education and related services. Although Provost discussed Support Centers, which appear to be a type of placement where special education students can receive individualized instruction and related services, it is not clear whether Provost intends placement at a Support Center to be alternative, supplemental or both depending on student needs. As discussed above, Provost has not provided sufficient evidence that its use of Support Centers will be in compliance with the Cyber Charter School Physical Facilities BEC. Notwithstanding the type of placement option, Provost failed to demonstrate that this placement option will be available to those students who are unable or do not wish to go to Philadelphia or Harrisburg, which is the initial location of Support Centers, as mentioned above. Provost failed to provide any other information regarding the required continuum of placement options.

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

A cyber charter applicant must ensure that parent counseling and training are offered to assist parents in understanding their children's special needs, 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 children's IEP. Although Provost emphasized the importance of parent communication and involvement, Provost failed to include any information as to the types and extent of training that will be made available to parents who have children with disabilities.

(f) The applicant failed to demonstrate preparation to provide sufficient personnel training related to special education and related services.

A cyber charter applicant must ensure that all personnel are appropriately and adequately prepared to provide special education and related services to students with disabilities. Provost discussed several professional development opportunities available as initial trainings for new staff, but none of the training focused on its special education program or meeting the needs of special education students.

VIII. 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.

Provost failed to provide sufficient evidence of an ESL Program that is appropriate for the education of ELL students. Provost provided only a general explanation of how it will identify, instruct and exit ELL students. In addition, an Edison representative testified that Provost will begin to develop an ESL program once it hires a guidance counselor and assesses the needs of its students.

A cyber charter applicant must explain how students will be identified as ELLs and placed in an ESL program. If a student is identified as having a language other than English based on the student's responses to the home language survey, cyber charter schools must administer the WIDA Access Placement Test (W-APT) to assess students for placement in language instructional programs for ELLs. Although Provost stated it will administer a placement test to those students identified as having limited English proficiency, Provost failed to reference the W-APT. In addition, an Edison representative testified about Provost's ESL program, but his testimony was based upon Edison's practices in other states and related requirements. Provost stated the results of placement tests will be used by the school to monitor language progress over time, and not to determine placement.

A cyber charter applicant must explain the planned instruction for ESL classes. Provost stated that ELL students will receive the same academic content as those students who are non-ELL

students. Provost also stated that all instruction will be in English, but modifications, such as text-to-speech tools, and interventions, such as native speaking support, would be available to ELL students. Provost failed to demonstrate that it will offer language instruction to ELL students in addition to content classes.

A cyber charter applicant must discuss instructional program exit and monitoring of students. Provost stated that it will monitor a student removed from an ESL program for only one year, not the required two-year period, to ensure that the student was not removed prematurely.

Provost failed to provide procedures for the annual assessment of ELL students, including how it will ensure that all ELL students participate in state assessments with appropriate accommodations. Provost failed to demonstrate any awareness of curriculum and assessment requirements related to PA English Language Proficiency Standards. Furthermore, Provost failed to include any information regarding the provision of services and/or instruction for ELL students with disabilities pursuant to the Individuals with Disabilities Education Act (IDEA).

IX. 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).

Beginning with the 2013-2014 school year, the Department will no longer use AYP as the federal accountability standard and to determine the designation of LEAs. Instead, in accordance with the ESEA Flexibility Waiver, the Department will use 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, will receive a School Performance Profile (SPP) score based on 100 points. This score will be 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 will use 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 Provost does not seek or receive Title I funds, if approved to operate a cyber charter school, Provost will receive an SPP score and the Department will annually review Provost's performance based on the SPP.

(a) The applicant failed to demonstrate an understanding of academic assessment and accountability for defined subgroups and content areas.

A cyber charter applicant must set measurable academic goals and objectives for all its students, including specific goals and objectives for subgroups and content areas defined by federal and state requirements. In addition, a cyber charter school must explain strategies and plans to achieve the academic goals for the defined subgroups and contents. Provost set measurable academic goals and objectives, but not for each year of its operations. In addition, although one of Provost's measurable academic goals relates to one subgroup—special education students, there are no other goals specific to the remaining subgroups and content areas. Provost explained the measurement and performance criteria associated with each goal, but failed to explain how it plans to achieve these goals. For example, one of the measurable academic goals is for students with IEPs to achieve the goals determined in each student's IEP. Provost will determine whether each student is meeting the goals by the measures in each student's IEP. In addition, Provost expects students to achieve the goals and specifies that the IEP team will determine whether they were met. Provost failed to explain how it plans to assist students with IEPs in achieving the goals in their IEPs, such as the use of interventions, assistive technology, or psychological counseling.

A cyber charter school also must set measurable non-academic goals and objectives for each year of its operation. Provost provided a list of these goals with measurement and performance criteria, but failed to explain how it plans to achieve these goals.

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

As noted above, the Department received the ESEA Flexibility Waiver that lays out the federal accountability standards, referred to as AMOs, and intervention systems for Title I schools. The Department has planning tools that schools are encouraged to utilize to ensure compliance with all federal requirements. For example, schools are encouraged to complete school improvement plans and the Comprehensive Planning Tool. In addition, as noted above, the Department will use 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 in the review of the school's performance on assessment examinations, standards tests and other performance indicators. As a result, cyber charter applicants must demonstrate an understanding of the ESEA Flexibility Waiver, including the accountability measures, and the Department's planning tools. 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.

Provost failed to include any information that demonstrates a working knowledge of the ESEA Flexibility Waiver, the Department's planning tools and SPP. A representative from Provost testified that she was not aware of the waiver. She also testified that she is only aware of the Department's planning tools and SPP in the context of educator effectiveness.

X. 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 correctly categorize budget items.

Provost's Personnel Expenses document in Attachment F incorrectly categorizes budget items. For example, the central services—advisor services are listed under instructional staff as a personnel expense. In addition, employee benefits, such as health and retirement benefits, are budgeted for this instructional staff. However, an Edison representative testified that Edison will be providing these central services—advisor services. Also, as noted previously, instructional staff must be employees of the charter school.

- (b) *The applicant failed to budget for costs associated with services that the school will provide to students.*

Provost discussed specialized student services, such as evaluation and treatment services for children with developmental disorders and special needs as well as speech, occupational and behavioral therapy. These services are likely to require additional costs, such as travel, yet the budget or supporting documentation does not include any line items allocated specifically to costs incidental to these specialized student services. Since the Schedule of Services identifying services to be provided by Hope is not attached to the application, as previously noted, the Department cannot determine whether these specialized student services are included in the Hope Agreement.

- (c) *The applicant failed to provide accurate revenue estimates given the school's enrollment projections.*

Provost's General Inputs document in Attachment F contains total enrollment figures over a five-year period. As mentioned above, special education students are estimated to represent 75% of total enrollment over a five-year period. Total enrollment is projected to grow from 400 students in year one to 2,717 students in year five. Therefore, Provost anticipates enrolling 100 regular education students in year one to 679 in year five. However, the Budget Sum Analysis document shows that Provost's regular education revenue projections remain flat over the five-year period.

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

Provost's Start-Up Budget document in Attachment F includes a \$263,608 revenue line item with the assumption of the line item being a loan for start-up costs at 15% interest over five years. However, Provost failed to provide a letter of intent from a financial institution or any other information to evidence that there have been discussions with a financial institution about securing a loan.

The sample Edison Services Agreement permits Edison to provide start-up capital to the school. The relevant provision states:

8.7 Start-up Capital. If required, Edison Learning may, in its sole and absolute discretion, provide the Charter Holder with a start-up capital loan (the "Start Up Loan") at zero (0) percent. The Charter Holder shall repay the Start Up Loan (if any) less an amount commensurate with shortfalls in enrollment, as early as possible during the 5-year term of the charter as the Charter Holder is able to do so based on net cumulative cash flow.

However, this provision does not obligate Edison to pay start-up costs or make advances.

In addition, Provost provided contradictory information about interest rates associated with loans for start-up costs. As noted above, the Start-Up Budget document has a stated assumption of 15% interest. There are references to interest rates of zero percent in the sample Edison Services Agreement and 10% in the Financing document in Attachment F.

Provost's Financing document includes amortization tables listing both interest and principal payments associated with the start-up loans for both technology capital and startup costs. However, neither the Non-Personnel Expenses document nor the Non-Personnel Summary document in Attachment F represents these payments.

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

Provost intends to use PSERS for a retirement system and uses a 10.28% retirement contribution rate in its personnel schedule, yet the PSERS schedule projects the rate for FY14 at 21.31%, a rate which will likely increase in future years.

Provost's Technology Model document in Attachment F contains staff technology that is disproportionately high when compared to staff assumptions in Provost's Personnel Expenses document contained in Attachment F. According to the equipment quantity table in the Technology Model document, Provost plans to purchase 411, 467, 695, 370 and 275 laptops in FY15 to FY19 respectively. Thus, Provost plans to purchase 411 staff laptops in year one, increasing to a total of 2,218 staff laptops in year five. However, according to the instructional staff listed under the final school staffing (FTE) count in the Personnel Expenses document, Provost plans to staff 12 full-time teachers and one part-time tutor in year one and 24 full-time teachers and 3.4 part-time tutors in year five. This count excludes advisor services and bonus line items.

Provost failed to provide assumptions used in estimating facility costs for its proposed Support Centers, which Provost stated are an integral part of the school's educational model. In addition, the growth assumptions for expense items related to Provost's Support Centers are inconsistent throughout budget documentation. Some line items appear to assume one additional Support Center per year, whereas other line items assume multiple additional Support Centers per year. For example, the learning center equipment table in the Technology Model document in Attachment F shows the planned purchase of one additional desktop computer, keyboard and monitor each year with the assumption that one set of equipment would be required at each learning center. Based upon this, it is reasonable to conclude that there would be one additional learning center each year. However, other line items, such as the LCD projector, network laser printer and CISCO equipment, for which the "One per Paxe/BLC" note suggests this set of equipment would be purchased at a rate of one per learning center, are budgeted to be purchased at a higher rate. The budget indicates that one set of equipment would be purchased in year one, two in year two, three in year three, such that by the end of five years, there would be 15 of these items purchased rather than five. It is unlikely that the former set of equipment has a useful life of five years, while the latter set of equipment has a useful life of one year.

Provost's Non-personnel Expenses document in Attachment F contains exorbitantly high teacher recruiting expenses given the school's projected number of teachers. The document identifies an administrative expense of \$317,800, \$469,022, \$251,787, \$188,619 and \$1,400 for years one through five respectively for teacher recruiting. According to the instructional staff listed under the final school staffing (FTE) count in the Personnel Expenses document, Provost plans to

employ 12, 14, 16, 20 and 24 teachers for years one through five respectively. This amounts to a per-teacher recruiting fee of \$26,483, \$33,501, \$15,736, \$12,589 and \$58 for years one through five respectively. The document also identifies an annual instructional employee recruitment expense of \$1,000 for years one through five.

Provost failed to budget for staffing numbers that align with the teacher-to-student ratios identified within the application. The application states that the school has modeled a ratio of one advisor to every 150 students, one teacher to every 30 students, one learning coach to every 15 students, and one special education advisor to every 50 students. The school projected enrollment to be 400, 1,000, 1,891, 2,364 and 2,717 in year one to five respectively. Based upon this information, it is reasonable to allocate staffing configuration as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
Advisors	3	7	13	16	19
Special Education Advisors	6	15	29	36	41
Teachers	14	34	64	79	91
Learning Coaches	27	67	127	158	182

However, Provost's final school staffing (FTE) count in the Personnel Expenses document indicates that it will have 12 teachers as instructional staff in year one, increasing to 24 teachers in year five. Learning coaches are not included as instructional staff. Although 400 regular and special advisors are listed as instructional staff to be provided by Edison, there is no clause within the sample Edison Services Agreement obligating Edison to preserve this staffing count. In addition, as stated previously, instructional staff must be employees of the charter school. Finally, a special education director is listed as administrative staff for only year one.

In addition, as noted previously, Provost's Technology Model document in Attachment F indicates that 60 students will receive computers in year one while Provost anticipates a total enrollment of 400 students. This practice of not budgeting computers for all enrolled students continues through year five.

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

The sample Edison Services Agreement indicates that Edison will be responsible for finance and accounting functions, including, but not limited to the following: (1) providing quarterly financial statements; (2) paying the school's operational costs; (3) developing budgets; and (4) maintaining accurate financial and business records. However, Provost's application and the sample Edison Services Agreement failed to identify the Edison staff that will provide these services, minimum qualifications and professional experience required of the staff, or the amount of time dedicated by Edison staff to provide services to Provost.

Provost failed to identify the minimum qualifications and professional experience that a Provost board member or employee will be required to possess in order to adequately oversee Edison's

performance. In addition, the sample Edison Services Agreement does not assign responsibility for monitoring and overseeing the quality of Edison's performance to any Provost board member or employee nor does this appear to be a responsibility memorialized in Provost's by-laws.

The sample Edison Services Agreement states that Provost will pay a management fee to Edison as a percentage of External Public Funds revenue. The sample Edison Services Agreement does not obligate Edison to provide Provost with a report regarding services provided to enable Provost to determine whether the services provided were consistent with the fees paid to Edison.

Provost's application and the sample Edison Services Agreement failed to address a number of necessary financial management functions, such as accounting; accounts payable, and management of billing procedures; reconciliation of cash accounts; establishment and implementation of policies and procedures to maintain proper internal controls; separate tracking of legally restricted revenue streams; preparation of Annual Financial Reports; and financial planning and forecasting.

The sample Edison Services Agreement indicates that Edison will provide the school with quarterly financial statements, which would not be frequent enough to allow Provost's board of trustees to identify potential financial challenges and develop plans for managing such challenges in a timely manner.

Provost did not demonstrate that it has the necessary support and planning to oversee properly the finance and accounting functions directly or under its proposed contract with Edison. In addition, as stated previously, although the Department has identified some deficiencies in the sample Edison Services Agreement, this review is not all inclusive because the agreement is not the finalized agreement that is required to be submitted with the application.

(g) The applicant failed to provide sufficient information to support budgeted facility expenditures.

As mentioned above, Provost failed to provide any information concerning the school's lease or purchase of facilities and offices. The application does state that the school will maintain the facilities, including custodial and maintenance. However, without information, such as the amount of space for each facility, the geographic location of each facility, and the maintenance plans, at the very least, the Department is unable to determine whether the amounts budgeted for rent and maintenance services are adequate.

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

The sample Edison Services Agreement states that Edison will provide business administration services. Some of these services include the following: (1) receiving all external public funds received by the charter school; (2) paying the costs associated with operating the charter school; (3) providing quarterly financial statements, including an itemized accounting of all amounts paid to Edison or otherwise paid for the goods and services paid by Edison on the charter school's behalf; and (4) providing purchasing, contracting and vendor management assistance. Some of the financial services to be provided under the sample Edison Services Agreement provide for paying all school expenses out of school funds. Under these terms, Edison would be

permitted to make payments to itself from Provost's funds for services provided to Provost under the sample Edison Services Agreement. In addition, the sample Edison Services Agreement does not define internal controls or discuss how accounting functions will be segregated.

Provost did not demonstrate that it has systems in place, directly or through the sample Edison Services Agreement, for proper internal controls of Provost's finances to ensure proper financial management.

XI. 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 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. Provost did not include a detailed Professional Education Plan or other information sufficient to address a professional education program in the application.

Provost demonstrated an understanding that it must offer a professional education program to its teachers and staff, as the application contains several references to Provost offering professional development opportunities. However, Provost demonstrated limited knowledge of the Department's professional development requirements or the plan components.

A cyber charter applicant should provide a name and description for each professional development offering, identify the knowledge and skills that educators will gain as a result of participating in each offering and explain how the content of each offering is based on research and best practices. A cyber charter applicant should also indicate the duration of each offering, including the number of hours per session and the number of sessions per school year. Provost stated it will offer initial training to its new staff and ongoing training to all staff. Provost identified the initial trainings as the induction program for four days, the software suite for six days, the synchronous training for five days, the online pedagogy training for five days and the scenario response activities for five days.

Provost's budget contains an expenditure line item allocated to professional development, but it is unclear whether Provost adequately budgeted for the professional development program and

whether this allocation includes teacher induction expenditures since the application refers to teacher induction as a component of professional development.

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

A cyber charter school 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. Provost did not include a detailed Teacher Induction Plan or other information sufficient to address a teacher induction program in the application.

Provost demonstrated an understanding that the school must offer a teacher induction program to its new teachers, as the application indicates that new staff will undergo an ongoing training program, including an induction program. However, Provost failed to demonstrate any knowledge of the Department's induction requirements or the plan components. The length of an induction program must be a minimum of one school year, but Provost indicated that its induction program will be a four-day program. Provost failed to include any other information regarding its teacher induction program.

Conclusion

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

Provost 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 Provost files an appeal with CAB, it shall serve a copy of its appeal on the Department at the following address:

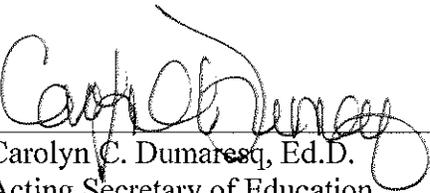
Pennsylvania Department of Education
Office of Chief Counsel
333 Market Street, 9th Floor
Harrisburg, PA 17126-0333.

Alternatively, Provost 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 Provost submits a revised application, it shall submit the revised application to the Department at the following address:

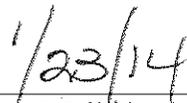
Pennsylvania Department of Education
Charter Schools Office

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



Date Mailed