



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF EDUCATION

January 23, 2014

Ms. Sue Ellen Stiver  
Acclaim Cyber Charter School  
786 Coolspring Road  
Worthville, PA 15784

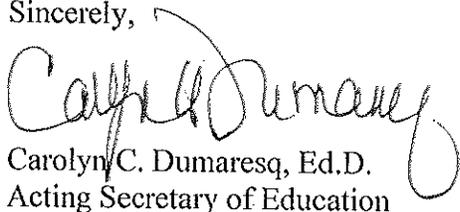
SENT VIA CERTIFIED MAIL AND E-MAIL

Dear Ms. Stiver:

Thank you for your interest in opening a cyber charter school in Pennsylvania. After reviewing the Acclaim 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](mailto:stevcarney@pa.gov).

Sincerely,



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

Enclosure

**Acclaim 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 Acclaim Cyber Charter School (Acclaim) timely submitted an application to operate a cyber charter school. The Department provided 30 days notice of a public hearing held on November 15, 2013.

**Decision**

Based on a thorough review of the written application as well as questions and responses recorded at the November 15, 2013 public hearing, the Department denies Acclaim'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 the 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 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.

Acclaim acknowledged the applicability of requirements relating to tort liability, but did not include in its application any insurance quotations or 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 only provided an assurance that it will obtain all appropriate insurances and submit copies of purchased insurance to the Department after Acclaim is granted a charter.

***(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.

At the public hearing, a founder of Acclaim discussed employing cooperative learning opportunities by grouping students in whole or small groups based upon an assignment or performance. The Acclaim representative also discussed teacher training related to cooperative learning opportunities through the Pennsylvania Training and Technical Assistance Network (PaTTAN). In addition, the Acclaim representative explained the types, locations and times of field trips so that all students will have an opportunity to participate. However, Acclaim did not include in 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.

***(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.

Acclaim indicated that it will rent a facility as an administrative office located in Worthville, Pennsylvania for minimum monthly rent. Acclaim did not provide documentation concerning the lease arrangement associated with the facility.

- (d) *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. Acclaim failed to identify the number of courses required of students in all grade levels.

- (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 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.

The Pennsylvania Independent Regulatory Review Commission recently approved final-form regulations submitted by the Pennsylvania State Board of Education that would revise certain provisions of 22 Pa. Code Chapter 4. Among other changes affecting cyber charter schools and other school entities, the revisions to 22 Pa. Code Chapter 4 will implement the Pennsylvania Core Standards. The Department anticipates that the revisions to 22 Pa. Code Chapter 4 will be published and effective prior to the beginning of the 2014-2015 school year. Beginning in the 2014-2015 school year, state assessment examinations, including the PSSA and Keystone examinations, 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 and planned instruction to be offered meet the requirements of 22 Pa. Code Chapter 4 in its expected revised form, including the Pennsylvania Core Standards and the content and assessment anchors to be measured on the PSSA and Keystone exams, which are aligned to the Pennsylvania Core Standards.

Acclaim stated it will offer grades one through twelve. The curriculum included in Appendix C of Acclaim's application does not include all of the school's grade offerings. Additionally, Acclaim did not include curriculum descriptions for courses offered to elementary students. Appendix C contains a course crosswalk for only some of the grade offerings that Acclaim plans to offer. In addition, the course crosswalk refers to only some of the course offerings that a cyber charter school is required to offer to elementary, middle school and high school students.

Finally, 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 also stated that teachers will have the option to use the Pearson, Inc. (Pearson) curriculum or supplement the curriculum with their own. However, Acclaim has yet to hire teachers and the curriculum that could be offered may differ from the curriculum presented in the application if teachers decide to supplement the Pearson curriculum with their own. Consequently, Acclaim has not presented evidence that the supplemented curriculum complies with applicable requirements or that Acclaim will have proper procedures and resources to ensure that the supplemental curriculum meets applicable requirements.

Furthermore, changing the curriculum is considered a change to a material provision of a charter, which requires approval from the Department as an amendment to the charter. If the Department were to grant Acclaim a charter and Acclaim's teachers decided to supplement the Pearson curriculum with their own, Acclaim would be required to seek approval from the Department to amend the charter. Acclaim did not describe procedures to submit the supplemental curriculum to the Department for review and approval prior to its instructional use. Changes to the curriculum would be particularly difficult in the first years of the operation of a new cyber charter school, when the school is focusing on development and implementation of various other operational requirements.

During the public hearing, the testimony of an Acclaim representative, who is expected to be a chief administrator for the proposed school, confirmed that the representative was unaware of 22 Pa. Code Chapter 4.

- (f) 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.

Acclaim stated students will take courses synchronously and asynchronously, but did not explain the amount of on-line and off-line time required for students. Acclaim also indicated that school hours of operation will be five and one half hours per day to meet the instructional requirements in the Public School Code, but failed to describe how it will define and monitor a student's school day.

**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 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.

Acclaim provided a copy of a completed Articles of Incorporation-Nonprofit form for the Acclaim Cyber Charter School entity. However, the documents do not bear any evidence that they were filed with or accepted by the Pennsylvania Department of State and that the entity has been legally established.

Acclaim provided a document purporting to be its bylaws. The document does not include any evidence that it was reviewed and adopted by Acclaim's board of trustees.

The bylaws do not evidence that Acclaim can govern itself in an organized and effective manner. The bylaws provide for the existence of positions for a chief administrative officer and the president of the board of trustees. Some portions of the bylaws discuss these as two separate positions to be filled by two separate individuals, but other portions of the bylaws address these as two positions held by a single individual. The conflicting language in the bylaws results in difficulties in reconciling the duties and relationships between the positions. Acclaim did not provide sufficient information to explain the roles for the positions and the relationships between them and the board of trustees.

Although the bylaws and other requirements applicable to charter schools and nonprofit entities prohibit members of the board of trustees from receiving certain compensation from Acclaim, the conflicting language in the bylaws relating to the board president and chief academic officer would permit this individual to receive a salary from Acclaim. The proposed budget also includes expenditures for the chief administrative officer.

The proposed budget submitted by Acclaim also includes expenditures for a position identified as the COO, but this position is not addressed in the bylaws. Acclaim did not provide sufficient information to explain the role for the position and the relationship between this position, other administrators and the board of trustees.

The bylaws also fail to contain provisions required for charter schools, including provisions specifically addressed in the form cyber charter application made available by the Department.

- (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 property that Acclaim proposes to lease and utilize as its physical facility is directly or through an immediate family member owned by a founder and proposed future administrator of Acclaim. Acclaim did not submit evidence to demonstrate that this proposed transaction complies with applicable legal requirements or 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.

Acclaim did not include any letters or other indications of support from teachers, parents or guardians and students. Acclaim included links to a facebook page and ipetitions.com webpage, which purport to serve as evidence of support for the school. Copies of evidence of any support generated through these sources were not included with the application. The Department is not required to review these websites for evidence of support. Acclaim did not include information to evidence demonstrated, 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.

Many of the policies and procedures and other documents provided by Acclaim contemplate and are prepared for providing education and other services through face-to-face interaction or otherwise at a physical facility of a school and do not provide sufficient evidence of the provision of education and services substantially through the internet or other electronic means. Acclaim did not demonstrate that it has an understanding of the proper use of physical facilities by a cyber charter school 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.

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. Acclaim did not provide evidence that it will cover the costs of all options made available to students for high-speed access. Acclaim only provided a statement, and Acclaim's proposed budget similarly disclosed, that Acclaim expected to reimburse up to \$40 per month for each student for internet reimbursement. Although an Acclaim founder assured the Department, at the public hearing, that all students would in fact have access to the internet, the application must include this assurance and information to support it.

***(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 based upon the system and software requirements necessary to deliver a robust educational experience.

Acclaim stated each student will be provided a laptop computer, all-in-one printer, copier, scanner and all necessary cables and hardware to connect to the internet. Acclaim failed to specify minimum standards for the computers and internet.

Although Acclaim did not mention student use of personal equipment in its application, an Acclaim founder testified the school will only encourage students to use school-issued equipment. Furthermore, she stated there may be instances where the school will permit a student, such as a student with a disability, to use their own equipment. Acclaim did not explain how it will ensure that this equipment meets minimum standards.

***(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.

Acclaim did not provide any evidence of procedures to provide reimbursement to students for internet connectivity. As mentioned above, Acclaim only provided a statement, and the proposed budget included by Acclaim with its application similarly disclosed, that Acclaim expected to reimburse up to \$40 per month for each student for internet reimbursement. Acclaim did not include any information to ensure that the full cost of internet reimbursement will be provided even if those costs exceed the identified \$40.

At the public hearing, an Acclaim founder stated it would provide internet reimbursement every three months. Acclaim did not address whether the reimbursement schedule could cause financial hardship for families paying monthly internet costs for several months before receiving reimbursement. Although an Acclaim representative testified that it would set up a process for reimbursement through Charter Choices, the application did not include any procedures for reimbursement of internet services throughout the year.

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

As previously stated in Section I (e), Acclaim did not provide course descriptions and curriculum for all its grade offerings. Acclaim also did not provide curriculum alignment for all its grade offerings and required course offerings for elementary, middle school and high school 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.

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

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

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

A cyber charter applicant must 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.

Acclaim did not submit policies or procedures in key areas of special education that would demonstrate it has a working knowledge of how special education operates and how it will implement these requirements within its program, including: Graduation and Dropout; and, Disproportionate Representation. Acclaim's Positive Support Behavior Support policy contains information jointly addressing exclusions, suspensions, and expulsions; however, these policies are subject to separate and different federal and state requirements. Acclaim did not include policies addressing main federal and state requirements.

**(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.

Acclaim listed some service providers that will or may provide services to its special needs students. However, Acclaim 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 fail to explain how concepts will work in a cyber setting. For instance, Acclaim failed to explain how student evaluation and IEP meetings will be conducted in a cyber setting. In addition, Acclaim provided a Homebound Instruction policy that states homebound instruction should only be considered when less restrictive placements are not appropriate, *i.e.* students obtaining instruction in their home or a location that is not a school building will be considered a last resort. Acclaim also included an Inclusion policy that states children with disabilities will be educated in a regular education classroom. It is unclear why Acclaim has such policies as cyber instruction is normally delivered in a student's home or a location that is not a school building. The policies also fail to explain how inclusion will be achieved in conjunction with the school's synchronous and asynchronous instructional options.

Moreover, Acclaim stated it will commit to a staffing level at its opening based on anticipated enrollment, but did not explain how it will engage a special education staff member prior to the opening of the school to address matters such as child find and screening, student enrollment, evaluation, IEP development, and in-service training.

Acclaim did not adequately address transition planning and the resources established to address post-secondary education, employment and independent living. For example, Acclaim did not explain how it will implement and monitor student internships and job shadowing or address college visits and career days statewide, and what resources it will dedicate to life skills and independent living transition.

Although Acclaim stated it is obligated to provide transportation for students with IEPs, it did not discuss how it will provide transportation.

- (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.

Acclaim identified projected special education student enrollment for years one through five at 10%. Acclaim's proposed budget includes an expenditure for special education teachers and Acclaim indicated it will hire 25 teachers certified in special education or willing to obtain their special education certification. Acclaim did not provide special education teacher-to-student ratios and failed to demonstrate whether it has allocated adequate personnel to meet the needs of students with disabilities.

Additionally, a cyber charter applicant should 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 provided a list of organizations, including Catapult Learning, Therasource, and Theraweb, that will provide special education and related services to students with disabilities, but did not include specific

information as to the types of services each organization will provide, pricing, location, transportation and qualifications of these service providers.

**(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.

Acclaim's Special Education Training policy fails to provide an adequate explanation of parent training, including the types and content of training to be provided.

**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.

Acclaim failed to provide sufficient evidence of an ESL Program that is appropriate for the education of ELL students. Acclaim's application does not include the main components of an ESL Program, including: (1) a discussion of the planned instruction that a qualified ESL teacher will use to educate ELL students; (2) how teachers will use the services listed in the application to offer the planned instruction; and, (3) the adaptations/modifications that teachers will use to deliver content instruction. Acclaim failed to include procedures for: the annual assessment of ELL students; language instructional program exit; and, monitoring of ELL students after language instructional program exit. Acclaim failed to include any information regarding the provision of services and/or instruction for ELL students with disabilities pursuant to the applicable federal and state requirements.

At the public hearing, an Acclaim founder stated it will not develop an ESL program until a certified staff member is hired.

**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 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.

Acclaim acknowledged that it anticipates using Title I funds, if available. Accordingly, Acclaim anticipates that it will be subject to federal achievement standards for Title I LEAs. Even if Acclaim does not seek or receive Title I funds, if approved to operate a cyber charter school, Acclaim will receive an SPP score and the Department will review Acclaim's performance based on the SPP.

**(a) *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.

Acclaim did not include any information acknowledging the ESEA Flexibility Waiver, the Department's planning tools and SPP. At the public hearing, an Acclaim representative stated that she had heard of the ESEA Flexibility Waiver, but did not have a working knowledge of it.

**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 provide sufficient evidence of start-up funding and expenditures.***

Acclaim's proposed budget 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 did not specifically identify the school's startup expenditures. Because the annotated expense schedule includes five years of projected expenditures based on constant enrollment, it

is reasonable to conclude that line items that are significantly higher in year one than in subsequent years are those that include startup expenditures. The only line items that are significantly higher in year one are allocated to the school's learning management system, computers and related hardware, and staff hardware and software. Acclaim is likely to incur other startup costs, such as rent, marketing, student recruitment costs, information sessions and advertisement, but did not identify such expenditures.

Acclaim did not demonstrate that services it was receiving or anticipated receiving from Charter Choices would be properly reimbursed through its budget. The term of the Business Services Agreement between Acclaim and Charter Choices (Charter Choices Services Agreement) begins on July 1, 2014. Acclaim did not provide any explanation for how it could reimburse Charter Choices for services provided before this date. However, the timetable of projected steps and dates leading to the opening of the school suggests that Acclaim will need Charter Choices to perform services prior to July 1, 2014. In addition, the Charter Choices Services Agreement states that Charter Choices will provide training to the Acclaim's board members in the winter/spring 2014. At the public hearing, a representative from Charter Choices testified that the organization has been actively engaged with this proposal and has been providing services for six months, but Acclaim did not provide the terms for this arrangement.

Although Acclaim stated it reached out to various entities in Commonwealth communities for donations to start the proposed school, it did not indicate that any such donations have been secured nor were any letters of intent from donors submitted. The Charter Choices Services Agreement states that Charter Choices will assist Acclaim in securing a line of credit from a financial institution to be utilized to fund seasonal or other cash flow deficiencies. At the public hearing, a Charter Choices representative testified that Charter Choices has already been discussing a possible line of credit between Acclaim and a financial institution and that he was confident that Acclaim would be successful in securing a line of credit. The Charter Choices representative also testified that it may be difficult for Acclaim to obtain a sufficient short-term loan and that a loan in the amount of \$250,000 to \$300,000 would be needed, based on his experience with other charter schools trying to open up with no credit or operational history. The Charter Choices representative also testified that securing this amount of credit for a new organization is a significant challenge. The budget does not include a line of credit as a revenue source or an expenditure for repaying a short-term loan or interest associated with such a loan. Additionally, 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.

Acclaim did not provide evidence that its budget includes all start-up costs or whether it has sufficiently budgeted for these expenditures. Acclaim has not demonstrated that it has the necessary financial support and planning to provide a comprehensive learning experience to its students.

***(b) The applicant failed to budget consistently with projected student enrollment.***

Acclaim's proposed five-year operating budget includes projections that assume a constant level of enrollment of 300 students per year. This assumption is inconsistent with the enrollment projections stated in the application, which indicate enrollment growing from 300 in year one to 4,000 in year five. Acclaim and Charter Choices representatives acknowledged the information in the application and budget was inconsistent.

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

Acclaim identified several elements that have budgetary implications, including: (1) monthly student meetings at sites around the Commonwealth; (2) professional training, memberships and other programs; (3) field trips and student activities; (4) agreements with school districts relating to extracurricular activities; and, (5) a marketing plan. The budget and application contain insufficient information to evidence that Acclaim appropriately budgeted for these programs. The budget does not include any line items or dollar amounts allocated specifically to these expenditures. The budget does include a \$15,000 expenditure for Student Services, but this would allow for an average of \$50 per student at the projected 300 student enrollment. Given the stated intention of having monthly meetings, and assuming nine monthly meetings per school year, the \$50 per student would translate into \$5.55 per student per meeting. There is not enough information in the application to evaluate the sufficiency of this amount for travel to monthly meetings, field trips and extracurricular activities.

Acclaim acknowledged the need to provide professional education programs for educators and administrators and included some information relating to its professional development and teacher induction plans. However, Acclaim's budget did not identify any funds assigned for the expenditures related to these programs.

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

Acclaim did not demonstrate that the individuals responsible for finance and accounting functions will be qualified and experienced in charter school finance. The Charter Choices Services Agreement states it will provide Acclaim with business and educational administration services, including accounting and financial management functions. However, Acclaim and Charter Choices failed to identify the staff that will be providing these services, minimum qualifications and professional experience required of the staff, or the amount of time dedicated to Acclaim.

The Charter Choices Services Agreement does 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. The resumes of Acclaim's founders do not reveal relevant financial expertise or qualifications.

Finally, the Charter Choices Services Agreement states Acclaim will pay Charter Choices three and one half percent of its revenue for services. The Charter Choices Services Agreement 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.

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

The Charter Choices Services Agreement states Charter Choices will provide business and educational administration services, including: (1) processing account payable; (2) preparing checks for invoices; (3) ensuring timely payment is made and that all payment discounts are taken where feasible; (4) depositing the school's gross revenues into one or more accounts and paying for all expenses out of those accounts, including payments due to Charter Choices; and, (5) producing monthly financial reports. Charter Choices would be permitted to make payments to itself from Acclaim's funds for products and services provided to Acclaim.

Acclaim did not demonstrate that it has systems in place, directly or through Charter Choices, for proper internal controls of Acclaim's finances to ensure proper financial management.

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

Acclaim stated it will contract with the owner of its proposed physical facility to provide upkeep of the outside building and that it will pay \$300 to rent the building each month. Acclaim's proposed budget only includes a \$3,600 expenditure in budget line item 2600-400, Operation and Maintenance, Purchased Property and Services, which appears to only take into account monthly rent and not other services it will receive from the property owner.

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

Acclaim provided contradictory information relating to contract and audit procedures. The Governance section of the application includes a requirement that action by the board of trustees is required to enter into contracts of any kind where the amount involved exceeds \$200. However, Acclaim's proposed bylaws state that the board of trustees must approve contracts of any kind where the amount involved exceeds \$5,000.

The Charter Choices Services Agreement states that Charter Choices will engage an independent accounting firm to perform an audit. Acclaim's proposed bylaws state that the chief administrative officer and board of trustees will select and approve the auditor and do not provide for alternative procedures for the selection of auditors.

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

Acclaim 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. Acclaim will have limited ability to reduce its

teacher complement and associated costs if enrollments are lower than projected in certain grades. The enrollment projections and staffing allocations used to develop the budget assume an even distribution of students in all grades (1-12) in each year of operation. Failure to meet enrollment targets will lead to lower than expected student/teacher ratios required to teach certain grades and subjects. As also explained above, Acclaim admitted that the enrollment projections and budget projections in the application were not consistent and were contradictory.

**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.

Although Acclaim provided a three-year professional development plan, it does not address all required components. A cyber charter school must identify the name and type of the professional development provider as well as whether the Department has approved the provider. Acclaim provided an extensive list of Department-approved professional development providers for the Nazareth Area School District. It is not clear whether Acclaim is choosing to use the approved providers for the Nazareth Area School District, and, if so, why and which providers it will use.

A cyber charter applicant must indicate which group of educators will participate in professional development offerings. Acclaim failed to indicate whether administrators, teachers and/or support staff will be required to participate in professional development.

A cyber charter applicant should provide a name and description for each professional development offering as well as an explanation of the knowledge and skills that educators will gain as a result of participating in each professional development offering. Acclaim only included a list of professional education options (such as conferences, workshops, and in-service programs) and a reference to Pearson's Professional Development programs, rather than identifying the actual professional development offerings. In addition, Acclaim included a list of professional learning standards, including leadership and learning designs, which generally explain the intended outcomes of its professional learning program. However, the specific

knowledge and skills that educators will gain because of their participation in each professional development offering is not identified.

A cyber charter applicant's professional development program must include an explanation of how the content of each professional development offering is based on research or best practices. Acclaim provided a list of standards for professional learning developed by the National Staff Development Council (Council), but did not include literature or other explanation that supports these standards.

A cyber charter applicant must indicate the duration of each professional development offering. Acclaim indicated that it will ensure all participants fulfill the six credits and/or 180-hour statutory requirement and that it will offer monthly professional development opportunities; however, the school's 2014-15 calendar only identifies about five days of professional development. The frequency of professional development is unclear, as is whether the schedule will enable participants to satisfy the statutory requirement. Furthermore, Acclaim failed to indicate the number of hours per session and the number of sessions per school year.

A cyber charter applicant should identify the follow-up activities that participants will engage in to ensure professional development is occurring. Acclaim provided a list of professional development options, but failed to include a list of activities that will occur after these professional development options occur to determine whether the options are effective.

As previously mentioned, Acclaim failed to budget for its professional development program.

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

A cyber charter school 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. Acclaim did not include a detailed Teacher Induction Plan in its application and did not include other evidence that the plan components are included in its policies and procedures. An Acclaim representative confirmed that a committee has yet to be established to address teacher induction.

**Conclusion**

Based on the deficiencies identified above, individually, collectively, and in any combination, Acclaim's 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:

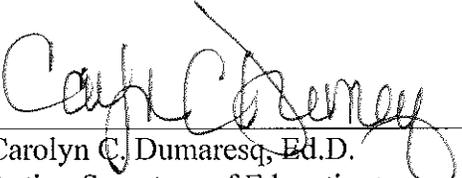
Pennsylvania Department of Education

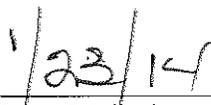
Office of Chief Counsel  
333 Market Street, 9<sup>th</sup> Floor  
Harrisburg, PA 17126-0333.

Alternatively, Acclaim 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 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. 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 Acclaim 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, 10<sup>th</sup> 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.

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

  
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Date Mailed