

Cyber Schools: Much Potential, Great Controversy

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Cyber schools are a relatively new phenomenon in Pennsylvania, and they are controversial. For several years, most of the dispute concerned the statutory authority for these schools, which to date have been organized as charter schools – enrolling students from across the state under a charter typically granted by a single school district. That, in turn, has presented school districts with invoices for programs they had no role in approving, and about which they have little information.

In many ways, the issues associated with cyber schools magnify the problems that school boards have encountered since the Pennsylvania Charter School Law (Act 22 of 1997) took effect. The statute contains a formula that prescribes the amount a district must pay on behalf of each resident student who enrolls in a charter school – a figure that typically exceeds the district's spending on instruction for students in the traditional public schools. The vast majority of that expense has been borne by local property taxes; state government historically provided no significant funding to offset the cost of charter schools. (A new state law responded at least in part to PSBA's concerns, providing up to 30% reimbursement of charter school costs incurred by school districts.) Despite a provision in the law calling for the creation of regional charter schools when the enrollment would be drawn primarily from multiple districts, most charter applicants have eschewed that option, instead securing a charter from a single district and then, in turn, opening their doors to any student who applies for admission.

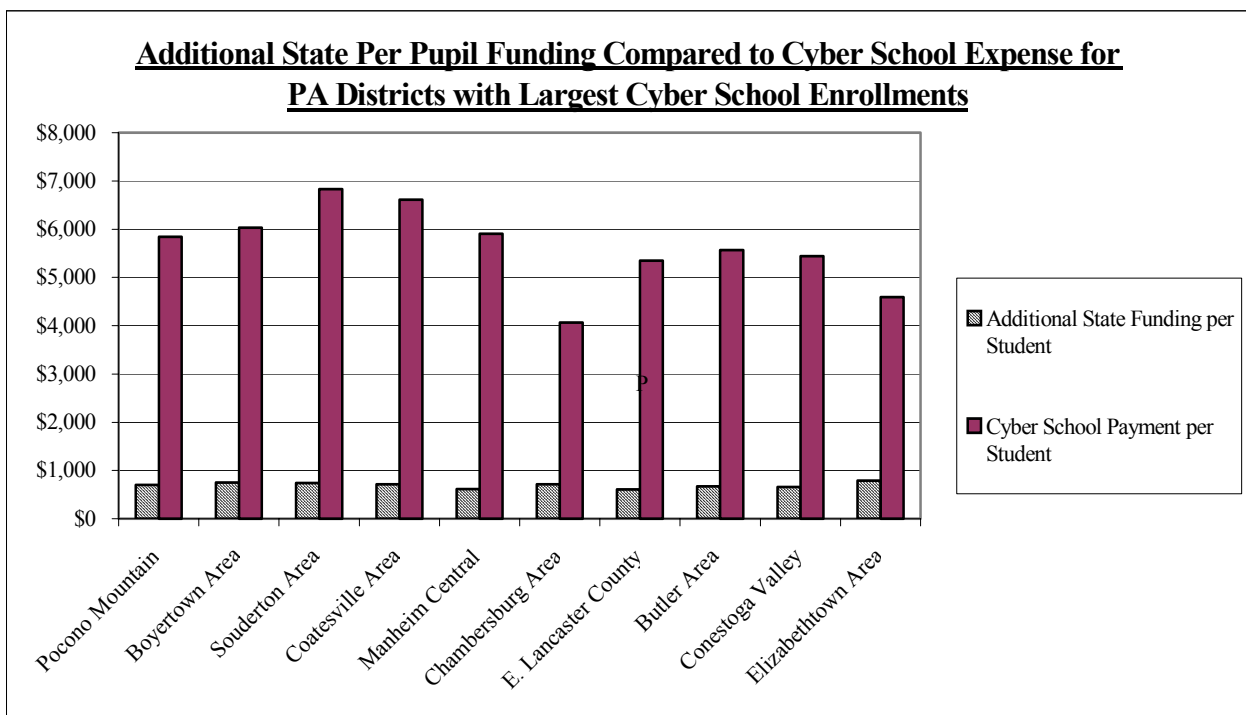
Enter cyber schools. These charter schools typically have organized under the authority of a charter granted by one district and then recruiting students from throughout the state. The districts that receive invoices for these schools have no discretion either in determining the per pupil payment or even whether local funds will be spent for that purpose. The former reflects the underlying problem with the formula in the Charter School Law, which dictates a per pupil payment amount that is unrelated to the charter school's cost of operation. By the admission of cyber school operators themselves, that figure is many times larger than the cyber school's actual costs. Most districts in the state decided not to pay these bills from cyber schools, but that action did not prevent local tax dollars from going to those schools. The state Department of Education withheld funding from the recalcitrant districts and sent the funds to the cyber schools.

PSBA examined the impact of cyber schools on school districts in Pennsylvania. In a survey conducted during August and September 2001, the Association collected data from 421 of the state's 501 districts (84%), and learned that fully 332 districts of that group (79%) reported having students enrolled in cyber schools during the 2001-02 school year. Among the key findings:

- School boards generally were not provided any notification of a child's enrollment in a cyber school prior to the enactment of their annual budgets

- School districts responding to PSBA’s survey reported cyber school enrollments totaling more than 2,700 students at a cost of approximately \$18 million. That pupil count was far lower than the number reported by the cyber operators, raising serious concerns about the accuracy of record-keeping by the cyber schools.
- Only 18% of cyber school students had been in their districts’ regular public schools a year earlier.
- About six of every 10 cyber school students were home-schooled in the prior school year. Those students remain in their homes, but no longer are afforded the protections of the state’s Home-School Law.
- Far more than one-half of all students in cyber schools are being educated at public expense for the first time – those who previously were home-schooled and students who had been in private schools.
- Cyber schools lack adequate accountability when organized as charter schools.

In the absence of state policy, cyber schools increasingly became the subject of litigation at both the state and county levels. PSBA filed a lawsuit in the state’s Commonwealth Court challenging the authority of the Department of Education to withhold state subsidies from school districts that refuse to pay cyber school bills. The Association argued that cyber schools violate provisions of the Charter School Law and the compulsory attendance law, and constitute home-schooling outside the scope of the Home-School Law. The organization repeatedly has cited the added financial burden they impose on local school district budgets:



Source: PSBA Survey, Sept. 2001

Cyber Education in Other States

Cyber schools are not unique to Pennsylvania; they are known in other states as correspondence study programs, virtual schools and electronic courses. The concerns cited by PSBA regarding attendance, home education, and program oversight all have been identified and addressed by other states with legislation, regulations, and recommended school board policy.

While most states deal with cyber schools on a state-administered level, only a few, including Idaho, have amended their Charter School Law to include virtual learning as an option for delivery of instruction.

Many states require students who intend to enroll in a cyber school to first register in their local school district. There are sensible reasons behind the practice of making the local school district a partner in statewide cyber education that vary from state to state. In Illinois, the public high schools have the authority to approve or disapprove students' participation in Illinois Virtual High School (IVHS) courses. Approval of student enrollment requires the school district to foot the \$300 per course tuition for each participating student. Oklahoma's Virtual Internet School in Oklahoma Network (VISION) pilot program requires participating school districts to install specific computer hardware. Diploma issuance is another reason for local district involvement. In Michigan, diplomas are earned through dual enrollment with the school district. In Illinois, the IVHS does not grant credit or award diplomas. As described above, the local district must approve IVHS as a valid education provider in order to accept courses as credit worthy. In Colorado, students receive guidance and oversight by the resident school district through site coordinators. Similarly, the Kansas Department of Education recommended a local policy that included school district responsibility for student monitoring.

Most states do not allow cyber schools to operate as charter schools. Laws typically provide for agreements between school districts and cyber programs.

Memoranda of agreement between school districts and cyber program providers are a popular means of establishing specific guidelines and policies concerning a variety of critical issues – for example, funding, credit approval, student record keeping and school district access, before a student may enroll in a cyber program. Alaska requires all statewide correspondence programs, including charter schools and state supported home school programs, to enter into individualized agreements with the districts of residence for students whom they enroll. For each special education student enrolled outside his or her district of residence, an individualized cooperative agreement between the correspondence program provider and the district of residence must be in place to designate special services and providers. The Florida Virtual School (FVS) requires separate agreements with each public school district, charter school, and non-public school whose students are interested in having FVS provide courses. Only under cooperative agreements can students enroll in electronic courses outside their districts of residence.

Throughout the different laws that regulate cyber school programs, student eligibility varies. In Colorado, eligibility is restricted to those students who have been enrolled in a public or public charter school in the year prior to enrolling in an on-line school. The statute expressly *prohibits* students from enrolling in an on-line program if in the previous year they had been private school or home-schooled students. On the other hand, Michigan permits nonpublic and home-schooled children to participate in the offerings of the Michigan Virtual High School (MVHS). Under West Virginia's Distance Learning law, the State Board of Education must develop a separate policy for students receiving home instruction and alternative education by way of the West Virginia Virtual School. Illinois' nonpublic students, who enroll in IVHS through the school registrar service, but not as a public school district student, are responsible for paying tuition and fees in all cases.

Several states restrict cyber programs to students previously enrolled in public schools.

PSBA has argued that the funding formula for charter schools does not account for programs, particularly cyber schools, that are able to operate and educate at a lower cost than traditional schools. Idaho and Illinois have included a fiscal impact statement in their laws that restrict student participation in cyber programs from having an adverse financial impact on the educational funding of the resident school district. In states like Illinois, where state basic educational funding is based on per pupil enrollment, the school district does not lose funding if cyber students are required to enroll in cooperation with their local districts.

Student and program accountability remain two extremely important concerns. In almost every state that offers a statewide cyber school program, either the state board of education or the state department of education provides some level of governance. Kentucky's Virtual High School (KVHS) is operated by the state Department of Educational Technology System. In Alaska, the Department of Education must approve district correspondence programs that enroll students outside of the enrolling district. In other cases, like Michigan, the MVHS falls underneath the structure of a university. The Michigan legislature passed a law authorizing the Michigan Virtual University to develop, implement, and operate the Michigan Virtual High School. The Department of Education provides technical assistance as requested by the virtual university for the purposes of operating the virtual high school.

Some states manage their cyber schools in cooperation with their local school districts. Oklahoma's VISION pilot program enjoys a balance of state and local governance. It is administered by the state Department of Education and is governed by a coordinating committee that is comprised of nine members representing each participating district. Similarly, Colorado's on-line programs are state-regulated, yet administered by an individual school district or a group of districts. Local school district coordinators monitor student progress.

In states like Florida, West Virginia and Texas, the chief administrator of the statewide cyber program is either a state official or state-appointed director. In Florida, a governor-appointed board of trustees manages FVS. The board is responsible for entering into agreements with distance learning providers, submitting legislative budget requests, and administering and maintaining personnel programs. The FVS board of trustees also establishes policies for admission of students, coordinates school district paperwork, and submits reports to the

Department of Education. Similarly, the West Virginia Virtual School's state-appointed director has the power to contract with providers, review courses, develop policy and recommend fair funding methods. The state commissioner of education in Texas oversees and selects school districts to participate in the electronic courses pilot program.

An overwhelming number of states support their statewide cyber schools by providing a legislative appropriation – particularly Florida, Kentucky, Arkansas and Michigan. State funding for these programs is well regulated with checks and balances. Arkansas's Office of Information Technology must approve state funded distance learning program spending plans before funds are disbursed. Most states require yearly financial and enrollment reports of cyber programs that benefit from state funding.

Policy Issues to Consider

It may be tempting for some to characterize the debate about cyber schools as a battle between education reformers and defenders of the status quo, but that would be a completely inaccurate portrayal. In truth, most public educators recognize the value and embrace the potential of technology as a means of delivering instruction. Their vision of the future of public education includes cyber schooling as an integral element. As with any new innovation, however, important public policy questions must be addressed. Among these:

- What constitutes the legal definition of “cyber education” that meets minimum state standards? What agency is responsible for reviewing cyber school applications and making decisions about which will be approved and which ones denied?
- Are cyber schools subject to the same requirements as other schools in terms of meeting state standards? Will cyber school performance data be tracked and reported? If so, by whom, to whom and in what form?
- Who is eligible to teach these courses? Who approves the curriculum?
- What is the role of private business in the operation of cyber schools?
- What is an acceptable per-pupil expense? How will these costs be paid – that is, what is the funding role of state government and local school districts? Who will audit the expenditures?
- How will student participation and achievement be monitored? How will students with special needs be served? Who will monitor these services and take enforcement action, where necessary? What are the consequences for cyber schools that fail to serve students?
- Are cyber schools appropriate for all students? Should their client base be restricted in some manner? Should the programs be full-time or should students be able to sign up for individual courses?

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Note: This paper contains material originally published in an October 2001 booklet, White Paper on Cyber Schools, © by the Pennsylvania School Boards Association; www.psba.org.