THE Center for Education Reform

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BEYOND BRICK AND MORTAR:
Cyber Charters Revolutionizing Education

Genesis of the Cyber Charter

In 1991, Mark MaCahill and a team of computer programmers at the University of Minnesota created a cutting-edge tool for obtaining information on the "Internet," an obscure network of computers accessible only to academics, large corporations, and government agencies. MaCahill's creation was called "Gopher" in honor of the University's Golden Gopher mascot. More importantly, though, the name symbolized the program's function -- to bring the wealth of information on the Internet not just to a select few people, but to anyone with a computer and a phone line. Characterized by MaCahill as "the first Internet application my Mom can use," Gopher changed forever how knowledge would be stored and shared.

While MaCahill was developing Gopher, not far from the University's Twin Cities campus Minnesota's lawmakers were also taking revolutionary steps to break a stranglehold on knowledge long held by government agencies and academics. The same year Gopher threw open the gates to the Internet, Minnesota passed the nation's first charter school law, permitting the creation of institutions freed from the rules and regulations that were stifling innovation and hobbling education in traditional schools. A year later City Academy, the nation's first charter school, opened in St. Paul.

That charter schools and the Internet would eventually merge was, it seems, inevitable.

What are Cyber Charters?

In many ways, cyber charter schools are the same as more traditional brick and mortar charters. They are independent public schools sponsored by local or state educational organizations. The charter issuing authority monitors their quality and integrity, but they are otherwise free of traditional bureaucratic and regulatory control. A cyber charter school's success - and existence - is dependent on its meeting student achievement goals specified in its charter, and on effectively managing its financial and operational responsibilities.

Of all the traits shared by cyber and physical charter schools, however, the most important is this: they are first and foremost accountable to parents and students, the consumers of their products. If they fail to meet their needs, they will cease to exist.

Of course, the differences between the charters are not inconsequential. While traditional charter schools are constrained by geography and can only serve limited areas, most cyber charters can be accessed at any time, from anywhere in the world. It is this freedom that is the source of cyber charters' greatest strength -- and greatest problems.

Another key to understanding cyber charter schools is to recognize that there is a difference between the schools and the curricula they offer. Cyber charter schools can offer multiple curricula or programs from which families can choose, whereas a site-based charter has only one. The Western Pennsylvania Cyber Charter School (WPCCS), for instance, offers not just one curricular choice, but four.

Finally, though "cyber" is an integral part of their name, cyber charters often offer programs beyond just computer-based lessons. These can include physical education classes coordinated with organizations such as the YMCA; regular educational trips with teachers and other cyber charter students; and various extra-curricular activities.

The Benefits of a Cyber Charter Education

In a 2001 report by the National Association of State Boards of Education (NASBE) titled *Any Time, Any Place, Any Path, Any Pace: Taking the Lead on e-Learning Policy*, the benefits of virtual schooling are made clear. The "most valuable benefit of e-learning" writes NASBE, "is its potential ability to deliver high quality instructional services to all learners regardless of location, family or cultural background, or disability." The NASBE report does not look exclusively at charter schools, but rather the positive effects of all e-learning. The same positive effects, though, are generated by cyber charters, which further magnify e-learning benefits by combining them with the flexibility of charter schools.

An October 2001 cyber charter review prepared by KPMG Consulting for the Pennsylvania Department of Education confirms what NASBE suggests -- cyber charter schools are able to provide an education to children who have historically been under-served by conventional schools. According to KPMG, included in the marginalized population that now receives an education through cyber charters are students "in need of a non-traditional setting due to medical conditions or other mental or physical health related circumstances," "students seeking to accelerate or enrich their course work," and even "professional entertainers/athletes." Through cyber charters, students who for medical, professional, disciplinary or other reasons could not attend a brick and mortar school now have access to a good education.

Parents who have chosen cyber charters cite their many advantages. An article in the October 18, 2001 *Philadelphia Inquirer*, for instance, notes that parents "love the flexibility" of cyber charters, which allow them to "choose a mixture of online and off-line learning" for their children. The mission statement of Citizens for Cyber Charter Choice argues that the ultimate benefit of cyber charters is "the control and freedom" they offer parents in the "design and delivery of their children's education."

The Opposition

Opposition to cyber charters is mainly a matter of control. "Cyber Schools: Friend or Foe?," a report in the October 2001 issue of *School Administrator*, a publication of the American Association of School Administrators, lays out the case against cyber charters from a superintendent's perspective:

> "I cannot think of one superintendent who is not upset with cyber schools," says Stinson Stroup, executive director of the Pennsylvania Association of School Superintendents. "They're concerned that the quality of some of the cyber programs that are being offered is not good, that they do not have an opportunity to review the programs and that there's no documentation that the cyber schools provide that verifies where the students actually live." . . .
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> Free of bricks and mortar, the virtual school can grow indefinitely, without the fear of stretching library facilities or adding portable buildings. But many state lawmakers . . . are wrestling with laws so wide open - or even nonexistent - that they fear anyone could throw up a Web page, hire a couple of teacher aides and start recruiting home schoolers.

Questions of control are inextricably linked with money. Specifically, debates are raging over how much money, if any, should be redirected from public school districts to provide per pupil fees of district children who enroll in cyber charters. At the heart of that debate are these questions: how much does a cyber charter education really cost, and how much of a district's per-pupil budget should follow students instead of being earmarked for the district? Again from the AASA:

> The issue for Superintendent Thomas Daluisio isn't technology. It isn't competition. Rather, Daluisio has labeled the underwriting of his state's new wave of cyber schools as an "unfunded mandate."
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> Daluisio, like other Superintendents in Pennsylvania, is fuming that he has to send away money to charter schools and cyber charters in particular. Throughout this past summer, long after the budget for the 14,000-student Bethlehem, PA Area School District was passed, Daluisio continued to receive letters asking him to issue tuition checks from the district to schools across the state at a cost of $6,000 per child.

Many public school officials cite the fixed costs of traditional schools ranging from transportation to air conditioning - and the absence of such costs for cyber schools - as grounds to insist that only a small percentage of a district's per-pupil allocation follow a student to a cyber charter. But while cyber charters do not have the same expenses as most other schools, they do have significant overhead, design, and programming development costs that are unique to their new "products."

The education establishment's fixation with money has prompted accusations that cyber charters are claiming students who have not really enrolled in them, and are hence claiming funds that would otherwise have gone to district schools. In November 2001, for instance, Ohio's Auditor of State Jim Petro accused the Electronic Classroom of

Tomorrow (eCOT) of inflating its enrollment figures at a cost of $1.7 million. Like many cyber charters, however, eCOT was scrutinized during its first year of operation, a difficult time for any new venture. Making its job even harder, the Ohio cyber charter serves the entire state and has to verify enrollment with 600 districts state-wide, a difficult task for even a veteran organization.

Pennsylvania at the Crossroads:

There are at least 30 cyber charter schools nationwide, operating in twelve states: Alaska, Arizona, California, Colorado, Florida, Kansas, Minnesota, New Mexico, Ohio, Pennsylvania, Texas, and Wisconsin. Of these states Pennsylvania has the most cyber charters – and the greatest controversy.

Prior to 2001 only two cyber charters were operating in Pennsylvania. With the beginning of the 2001 school year, however, the Keystone state saw a boom in its cyber charter population, with five new schools either opening or scheduled to open. It was estimated they would serve approximately 4,500 students. Apparently it was too great a number to go unnoticed by the education establishment.

In April the Pennsylvania School Boards Association (PSBA) and four school districts filed a suit challenging the requirement that districts release funds for their students who enroll in cyber charters. The action claimed that cyber charters cater to home schoolers, a population not covered by the state's 1997 charter school law. The suit asked for an injunction to prevent the state Department of Education from withholding funds to districts that refused to pay the costs of their students attending cyber charter school.

In May, Judge Warren G. Morgan ruled against the PSBA, arguing that to grant the injunction would put the state's cyber charters and the students they serve at risk. However, despite the setback, the PSBA and the aggrieved districts vowed to continue their fight.

As a sign of the defiant districts' resolve, cyber charters continue to have great difficulty collecting funds. The Einstein Academy Charter School (TEACH), which accounts for over half of the state's cyber charter students, has collected only a fraction of the funds it is due. As of the middle of October 2001 Einstein founder Mimi Rothschild reported having received only $500,000 of the $5 million she estimated her school was owed.

Although much of the cyber charter fight has taken place in court, action hasn't just occurred in the judicial arena. Executive and legislative entities have also entered the fray, attempting to exert increased state control over cyber charters.

In September, Pennsylvania Auditor General Robert P. Casey released a report highly critical of cyber charters. Casey – a likely gubernatorial candidate – said he has "concerns about the ability of these schools to accurately document student membership and to ensure that minimum required instructional time is provided to students." Casey's conclusion was based on limited information from an audit of the SusQ-Cyber Charter School conducted in its first two years of operation, the 1998-99 and 1999-2000 school years. SusQ was chartered by the school districts in the Central Susquehanna

Intermediate Unit (CSIU), and at the time of the report served 76 students in grades 9-12. The school now serves 115 students. Considering the major problems faced by any school in its first years of existence, the report should be taken with a grain of salt.

Like Casey, the October 2001 KPMG review of cyber charter schools recommended that the state take greater control of cyber charters, citing the importance of measuring "the progress of these schools in their infancy, before new and/or poorly implemented programs can have a detrimental effect on student achievement." Among the report's proposals:

- the state should consider new approval, oversight, and school closure measures
- the details and amount of information required on cyber-charter applications should be expanded
- financial reporting by cyber charters should be made more regular and detailed.

The KPMG recommendations appear to be part of a preemptive effort to curb the autonomy of cyber charters. Such efforts, however, are not new.

Even before the release of the Auditor General and KPMG reports, Pennsylvania legislators with ties to reform opponents like PSBA were working to impose state control over cyber charters. In June the state Senate education committee passed an amendment that would make it illegal for students to enroll in a cyber charter without approval from the student's district. That same month, a more restrictive proposal was introduced in the state's House of Representatives that said because "technology permits students enrolled in cyber school to access instructional programming without being physically present in an educational facility, cyber schools do not fit the requirements of the Charter School Law." Chartering authority would be taken away from local entities, and all power to authorize, maintain and dissolve cyber charters would be in the hands of the Secretary of Education.

The arguments leveled against cyber charters in Pennsylvania are very similar to those that have been thrown against many reforms that have sought to change education on a systemic level. In fact, when the PSBA joined forces with the Pennsylvania State Education Association (PSEA) in opposing the state's original charter provision, it attacked that law on the same grounds it uses to attack cyber charters. Their 1996 argument that charters schools would provide "virtually no safeguards to the public" is no different from their assertions about cyber charters.

Reaction to the assault on cyber charters has come quickly from supporters. As the Pennsylvania Family Institute wrote in August, 2001, "Families pay their local property taxes and state taxes, which in turn fund public schools. Cyber charter schools are public schools, its students are public-school students, rightfully supported by tax dollars." Supporters argue that there "are already three levels of accountability" for cyber charters, making them highly accountable to not only their sponsor and the Department of Education, but to those people who are best able to judge their performance: the parents of the students who attend them.

Conclusion

A decade ago, when Mark MaCahill and his team of programmers created Gopher, they knew what they were doing. The same can be said of the Minnesota legislators who passed the nation's first charter school law. Gopher was designed to overcome technical barriers that had separated most Americans from the wealth of knowledge stored on the Internet. Similarly, Minnesota's leaders broke through legal and political barriers, throwing open a door to increased knowledge through education.

Today these innovations have merged into cyber charter schools, and together they offer greater opportunities for the dissemination of knowledge than have ever existed before. These gains, however, are not irreversible; the special interests that have tried in the past to squash revolutions such as these are just as active now as they were in 1991, and today their sights are set squarely on cyber charter schools.

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The Center for Education Reform is a national, independent, non-profit advocacy organization providing support and guidance to individuals, community and civic groups, policymakers and others who are working to bring fundamental reforms to their schools. For further information, please call (202) 822-9000 or visit our website at http://edreform.com.