



Testimony of the Pennsylvania Association of Intermediate Units

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Good Morning Chairman Sonney, Chairman Roebuck and members of the House Education Committee. We are here today representing the Pennsylvania Association of Intermediate Units (PAIU). Members of our panel include:

- Dr. Jill Hackman, Executive Director of Berks County Intermediate Unit, and President of PAIU;
- Dr. Andria Saia, Executive Director of Capital Area Intermediate Unit and Co-Chair of PAIU's Government Relations Committee;
- Jennifer Beagan, Senior Program Director at Allegheny Intermediate Unit

We want to thank you for the opportunity to testify on the important issue of cyber education in Pennsylvania, and to share comments on HB 1897.

Our IUs are three of the twenty-nine regional education service agencies in Pennsylvania. Created in 1971 by the General Assembly, IUs provide instructional, operational and technology services to the public and nonpublic schools in their regions throughout the Commonwealth. Berks and Allegheny IUs are single-county IUs serving twenty-seven and forty-two school districts respectively. CAIU serves twenty-four schools districts in Cumberland, Dauphin, Perry, and northern York counties in south central PA. All three IUs, like all IUs in Pennsylvania, also offer services to hundreds of nonpublic, charter, cyber charter, and career and technical schools.

IUs deliver services to charter and cyber charter schools in much the same way we do our member school districts. Those services include direct special education instruction for students, professional development for teachers and school leaders, school improvement for

charter schools designated by PDE for improvement under ESSA, administrative and back office supports, meeting space for state assessment administration, technology network infrastructure, and more.

Given IUs' ongoing working relationship with charter and cyber charter schools, IUs have come to know charter schools well – both the positive contributions they offer students and families, and the challenges they face in delivering affordable high quality education.

Our state Association, PAIU, is quite selective in taking positions on legislation that affects charter and cyber charter schools. Our limited positions on charter and cyber charter schools include support for applying the special education funding formula to charter school tuition calculations, and support for HB 526, Representative Sonney's legislation addressing cyber charter school tuition. Both of those positions speak to better aligning school district expenses for charter and cyber charter school tuition payments with actual charter and cyber charter school costs. Later in this testimony we will offer comments on HB 1897.

As the Committee considers legislation addressing cyber charter schools in particular, we believe it is important for Representatives to understand well the breadth and depth of work IUs have done with school districts to create high quality cyber education opportunities for students, meaning cyber education programs that are not cyber charter schools.

Across the Commonwealth today, more than twenty IUs offer cyber education programs that allow students to take some or all of their courses online. Nearly 24,000 students are taking at least one online course through an IU operated cyber education program. Nearly 9,000 of those students are taking all their coursework online. These IU operated cyber education programs offer nearly 10,000 unique courses from which to choose.

While IU operated cyber education programs have unique features, they all differ from cyber charter schools in several important ways:

Students continue to be part of their school district and connected to their communities

In IU cyber education programs, students remain enrolled in their school districts. As a result, students have access to district guidance counselors and other school services, they can participate in extracurricular and co-curricular activities, and they receive their diplomas from their home district. Students can also participate in blended/hybrid cyber options: programs comprised of a blend of online and brick and mortar courses.

IU cyber education programs leverage existing resources to support students

IU cyber education programs utilize existing IU and district resources to provide an online learning experience that provides maximum support for students. Working together with districts, IU cyber education programs combine HR, technology and

business services to operate the programs; utilize existing IU special education and curriculum professional staff; and regularly convene district leaders in order to stay abreast of the districts’ and students’ needs, concerns and challenges.

IU cyber education programs offer an affordable solution for school districts

IU cyber education programs offer an affordable solution for school districts eager to provide an online learning option for students and their families. Due to the participation of multiple districts, IUs can negotiate preferred pricing from online providers of course content, and computer and software companies. By being in partnership with districts, IU cyber education programs keep tuition rates affordable for districts and their taxpayers.

We recognize that IU cyber education program costs and cyber charter school costs are not an exact “apples-to-apples” comparison. However, when IU cyber education costs are as much as 75% less than cyber charter school tuition, we believe that is a clear indication that cyber charter tuition rates have no meaningful relationship to the actual costs of cyber charter schools.

To illustrate this point, we offer data from our three IUs’ cyber education programs – Allegheny IU’s Waterfront Learning, Berks County IU’s Berks Online Learning, and CAIU’s Capital Area Online Learning Association – regarding the IUs cyber education program tuition compared to what the IUs’ districts are required, on average, to pay for cyber charter school tuition.

IU	Average Cyber Charter Nonspecial Education tuition	IU Cyber Education Nonspecial Education tuition	Average Cyber Charter Special Education tuition	IU Cyber Education Special Education tuition
Allegheny IU	\$12,353	\$5,160*	\$26,212	\$5,160*
Berks County IU	\$11,725	\$5,060**	\$25,993	\$5,060**
Capital Area IU	\$10,568	\$4,370	\$23,417	\$4,370
	* Secondary tuition. Elementary tuition = \$4,450			
	**Secondary tuition. Elementary tuition = \$4,500			

IU cyber education programs are designed to meet local school district needs and preferences. Generally, IU programs follow one of three models:

- The district and the IU worked together to create online course content and use school district and/or IU faculty to teach;
- The IU uses its purchasing power to leverage discounted pricing for online course content and instruction from third party online learning companies, so long as the

content is aligned to PA academic standards and the instructors are certified and Highly Qualified; and

- A program that combines elements of the two models.

It is also important to note that many school districts operate their own cyber education programs, using the same variety of models. In a number of cases, districts started by participating in an IU operated program, and then used that experience and assistance from the IU to create its own district program.

The benefits of choice in a 100% flexible format is that students can take one, two or all courses virtually. Students remain connected to their school, they are continuously monitored for attendance, completion and grades, and if they are not successful, the schools meet with the student and family to bring them back to the district brick and mortar option. Students remain eligible for sports, extracurriculars, clubs, social events like prom and homecoming, and of course, walking in graduation.

PAIU applauds Chairman Sonney for offering in HB 1897 important and creative provisions to ensure that all students in Pennsylvania have access to high quality cyber education options, and for proposing an approach to creating cyber education options that seeks to be affordable for school districts and their taxpayers.

If HB 1897 were to become law, there would immediately be a dramatic increase in demand for student placements in cyber education programs. Please know that IU-operated cyber education programs have the capacity to quickly absorb students who might choose a district's cyber education option.

With that in mind, PAIU is pleased to offer comments on several provisions of the bill:

- We appreciate that HB 1897's definition of "third party vendor" includes intermediate units. We believe this recognizes the important and growing work of IUs in providing affordable, high quality cyber education programs for districts and their students.
- Section 1705-D(a)(2) – page 6, line 23 – prohibits school districts from contracting with a school district or intermediate unit to provide one of the two alternative full-time cyber education programs. We seek several points of clarification regarding this provision:
 - It is unclear to us why – particularly if a school district does not contract with an IU for its primary cyber education program –an IU-operated program would be ineligible for consideration as a third party vendor for one of the alternative programs. This provision seems to treat IU programs unfairly, and importantly limits school district options for alternative providers which could impact district cost and quality of cyber education programs.

- IU-operated cyber education programs commonly contract with multiple cyber education vendors for online course content and/or instruction. IUs utilize a rigorous vetting process to ensure vendors meet such quality standards as PA Core content, state teacher certification, special education compliance, and more. Utilizing multiple vendors helps IUs keep program costs down, and ensures that the IU can offer course content and instruction that is high quality and appropriate for various grade levels. Seven IU cyber education programs contract with at least six different vendors, and twelve programs use at least four vendors. Several cyber charter schools contract with these same third party vendors.

IUs' use of multiple vendors creates questions about HB 1897's requirement for districts to have three different cyber education programs. If a school district contracts with an IU for the district's primary cyber education program, and that IU program utilizes such vendors as Edgenuity, Pearson or Odysseyware (just to name a few), would the district be permitted to contract directly with these same vendors for the district's two alternative programs? If the answer is "No" then districts' options and ability to secure favorable pricing would be further limited. If the answer is "yes", IUs' ability to secure favorable pricing would be limited. Our concern is that HB 1897's attempt to create multiple options will have the unintended consequence of limiting school districts' and/or IUs' bargaining power and thus impacting program cost and quality.

- Section 1705-D(g) - page 8, line 10 - establishes students to teacher ratios for district cyber education programs. PAIU recommends that this provision be deleted. Cyber instruction is often asynchronous and ratios are by design significantly higher. Achieving ratios of 25:1 or 30:1 – if even possible – would create enormous additional costs. We would also point out that traditional district brick and mortar schools are often unable to achieve these students to teacher ratios.
- Finally, HB 1897 requires school districts to submit their cyber education programs to PDE by November 1, 2020. This may be unreasonable, particularly for those districts that currently have no cyber education program in place. Whenever HB 1897 would become law, a longer runway for districts should be established.

The demand for cyber education at IU programs across the state continues to grow. On behalf of PAIU and the twenty-nine IUs in Pennsylvania, we stand ready to work with this committee and all members of the General Assembly to ensure that students and families have high quality, cost effective online learning options.