

Douglas S. Rosenbloom, LLC

Attorney at law | 309 Sycamore Street
T: (404) 373-7897 | Decatur, GA 30030
F: (404) 378-0717 | doug@drosenbloomlaw.com

August 3, 2010

VIA COURIER

Dr. Benjamin Scafidi
Chair
Georgia Charter Schools Commission
205 Jesse Hill Jr. Drive SE
Atlanta, GA 30334

Mr. Mark Peevy
Executive Director
Georgia Charter Schools Commission
205 Jesse Hill Jr. Drive SE
Atlanta, GA 30334

Re: Requests from Georgia Families for Public Virtual Education

Request for re-consideration of funding for virtual students across Georgia;
Request for meeting with Georgia Charter Schools Commission (“Commission”);
Urgent policy concerns resulting from the Commission’s recent announcement;
Urgent legal concerns resulting from the Commission’s recent announcement

Dear Dr. Scafidi and Mr. Peevy:

I write on behalf of the Georgia Families for Public Virtual Education (GFPVE), a Georgia non-profit coalition that represents families who support increased access to high-quality public virtual education options for Georgia’s school children. The Georgia Charter Schools Commission (“Commission”) public announcement in June of 2010 that it would fund Commission charter virtual schools at no more than \$3,200 per pupil presents urgent concerns about the Commission’s (1) policy choice, and (2) compliance with Georgia law. For the reasons set forth herein, GFPVE requests a meeting with members of the Commission at your soonest convenience and requests the Commission’s reconsideration of its recently-announced intention to fund virtual public school students with a mere fraction of the funds they require and to which they are legally entitled.

I. The Commission’s decision is unwise public policy and harmful to students

When the Georgia legislature created the Commission as an authorizer of charter schools over two years ago, it made a simple promise to provide fair and equitable charter school funding

for students across Georgia, including students who would benefit from virtual education options as an innovative alternative to traditional “brick and mortar” schools. Today, however, at the outset of the 2010-2011 school year, not a single new virtual public school exists for Georgia school children. Why? The Commission has made an arbitrary and unexplained decision to fund virtual schools inadequately.

The 2008 passage of House Bill 881, which created the Commission as a charter schools authorizer, had the explicit purpose of “ensur[ing] that charter schools of the highest academic quality are approved and supported throughout the state in an efficient manner.”¹ The average per pupil funding in Georgia for traditional brick-and-mortar schools is over \$8,000. The Commission announced last month to provide less than \$3,200 per pupil. This decision, it appears, was not supported by any legitimate cost study. In response to GFPVE’s request for the basis of this funding decision, the Commission has provided only a one-page spreadsheet reflecting no research or investigation into virtual education costs.

Despite common misconceptions that quality virtual schools are significantly less costly than brick-and-mortar schools, data-driven research concludes that “the costs of operating a virtual school are about the same as those of a regular brick-and-mortar school.”² Sure enough, after the Commission’s announcement last month to “conditionally” authorize two virtual charter schools at the inadequate funding level, both of those schools withdrew their applications to the Commission, conceding they could not provide high-quality virtual education at or below \$3,200 per pupil. We hope this Commission appreciates that its arbitrary and opaque funding decision has deprived Georgia students of any new virtual education options for the 2010-2011 school year.

II. The Commission’s decision lacked transparency required by Georgia law

The Commission must explain how it arrived at the funding decision announced last month, and its decision-making process begs further examination by the public at large. In discharging its duties as a charter schools authorizer, the Commission has deviated, without

¹ 2008 Ga. Laws 571.

² AUGENBLICK, PALAICH, & ASSOC., “Costs and Funding of Virtual Schools: An examination of the costs to start, operate, and grow virtual schools and a discussion of funding options for states interested in supporting virtual school programs,” § 5 (Oct. 2, 2006), available at <http://www.apaconsulting.net/uploads/reports/9.pdf> (last accessed July 29, 2010).

explanation, from the following four-step process, set forth clearly in Georgia law, to establish the funding level for a Commission charter schools:

1. The state Quality Basic Education (“QBE”) payment, plus
2. A proportional share of categorical and non-QBE state and federal funds, plus
3. The proportional share of local revenue from the local school system for each student, minus
4. A potential reduction from the amount set in step 3 based, however such reduction must be based upon, “the actual cost of operating such a commission charter school” or “any efficiencies gained by using an expanded attendance zone.”³

Only step four permits any discretion by the Commission and the law demands that such discretion must be exercised based on specific, actual information.

The Commission violated the section of Georgia law to which it owes its existence in the first place. The following brief sketch of the Commission’s actions reveals that the Commission reached its virtual funding formula in a sloppy and lackadaisical manner:

1. December 2009: Commission “held over” consideration of five (5) virtual charter school petitions, while moving forward with “up” or “down” votes on twenty-seven (27) brick-and-mortar charter school petitions;
2. January – May 2010: No Commission action pertaining to the pending five (5) virtual charter school petitions;
3. June 18, 2010: Commission announced denial of three (3) virtual charter school petitions;
4. June 18, 2010: Commission announced “conditional approval” of two (2) virtual charter petitions and announcing that it would fund said schools at less than \$3200 per pupil without setting forth an explanation for how it arrived at that number, as required by O.C.G.A. § 20-2-2090(a)(3).
5. June 18, 2010: Commission tasked the two (2) “conditionally approved” virtual schools with submitting new petitions reflecting the revised budget and a revised plan for curriculum and operations reflecting the slashed budgets.

³ Georgia Code Ann. § 20-2-2090.

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The demand by the Commission that applicants slash their proposed school's educational offerings to meet the lower funding level shows, on its face, that the Commission's reductions were not based upon the "actual costs of operating such a commission charter school" or "efficiencies gained by using an expanded attendance zone." The Commission did not articulate "actual cost savings" or "efficiencies gained," as required by Georgia law. Instead, the Commission abused its discretion, blatantly ignoring the funding formula set forth in the law. Further, it undermined the integrity of the charter-authorizing process by issuing a pre-approval of schools without reviewing realistic curricular programs and performance goals under the Commission's pre-ordained budget.

GFPVE notes that no virtual charter school applicant to the Commission ever has requested the full funding allocation derived under O.C.G.A. § 20-2-2090. Most virtual charter applications have sought to operate at approximately two thirds of the full funding legally available. Without any analysis of "actual costs" or "efficiencies," the Commission demanded budgets at one third of the full funding increment. As a result, we now begin a new school year without any new public virtual school options in Georgia.

Virtual education is a proven, helpful alternative for students who do not excel in traditional brick-and-mortar schools. We hope the Commission (1) reconsiders its unwise funding decision and (2) re-visits its illegal and incomprehensible decision-making process. Georgia's school children deserve for this Commission to embrace and adhere to its important charter-authorizing power under Georgia law. We look forward to meeting with you to discuss this soon. Thank you very much.

Sincerely yours,

/s/ Douglas S. Rosenbloom

cc/via U.S. Mail (unless otherwise noted)

The Honorable Sonny Perdue, State of Georgia, Office of the Governor (via courier)
The Honorable Casey Cagle, State of Georgia, Office of the Lieutenant Governor (via courier)
The Honorable Jan Jones, State of Georgia, House of Representatives (via courier)
The Honorable Chip Rodgers, State of Georgia, Senate (via courier)

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The Honorable Dan Weber, State of Georgia, Senate (via courier)
Mr. Brad Bryant, Superintendent, Georgia State Board of Education
Dr. Gary McGiboney, Director, Policy and External Affairs, State Board of Education
Mr. Louis Erste, Charters Division Director, Georgia State Board of Education