To: All Members, PA General Assembly
From: Susan Spicka, Executive Director
Re: Transparency in cyber charter advertising - results of Right to Know request to Commonwealth Charter Academy
Date: March 4, 2020

Education Voters of PA is a statewide, nonprofit, nonpartisan advocacy organization that supports strong public schools in every community in the Commonwealth.

Cyber charter school costs and transparency are a significant concern to school districts, families, and taxpayers. Of particular note is the extensive use of paid advertising by cyber charters, which compete to attract students, a competition that is underwritten with public tax dollars. The incentive to attract students is quite strong as cybers can receive as much as $20,000 for a nonspecial education student and more than $40,000 for a special education student—the same rate as that paid to brick-and-mortar charters.

Education Voters of Pennsylvania sought to better understand both the amount cyber charters are spending on advertising and how those funds are used. Over the past six months we have learned that deficiencies in current law allow charter schools to hide information about how they spend taxpayer money.

Commonwealth Charter Academy (CCA) is one of the largest cyber schools in the state. For the fiscal year ending June 2018, Commonwealth Charter Academy had revenues of $130 million and expenditures of $111 million, leaving a surplus of $18 million for the year, or 14% of their budget (990 form attached). CCA also reported spending $7.9 million on advertising through a contract with the Bravo Group and $6.6 million for “advertising and promotion.”

In September 2019, after reviewing CCA’s 990, Education Voters filed a Right to Know request seeking details on CCA’s advertising expenditures. CCA refused to turn over unredacted documents, claiming that these contained “protected trade secrets.” Upon appeal, Education Voters received a determination from the Office of Open Records on December 23, 2019, that determined that expenditure records are public information and that CCA was required to turn over the documents. (See attached.)

CCA appealed this decision to the Dauphin County Court of Common Pleas and on January 21, 2020, and lawyers representing CCA and the advertising firms they work with sent more than 100 pages of documents to us.

Education Voters of PA lacks the resources to defend the OOR’s decision in an attempt to make this information public. We recently agreed to give up our claim on these records and received hundreds of pages of heavily-redacted documents from CCA.

The documents show the extensive sums CCA is spending on advertising and raise the question of whether taxpayers should be forced to support cyber charter promotional expenses.

The documents show expenses that include:

- $850,000 on August 8, 2018, for TV, radio, print, and digital marketing to boost enrollment in the fall of 2018 (unredacted) (attached).
- $7 million on March 1, 2016, for services (redacted) from the Bravo Group.
◆ $2.3 million on March 1, 2017, for services (redacted) from the Bravo Group and $7.9 million for advertising and promotion expenditures in 2017-18 in an unredacted invoice schedule (attached).

◆ $6.4 million in redacted invoices for the 2018-19 school year. (No contracts with the Bravo Group provided.)

◆ $6.2 million on March 1, 2019, for services (redacted) from the Bravo Group.

The information in these documents differs from the testimony provided by Dr. Reese Flurie, CEO of Commonwealth Charter Academy, at a public hearing on charter school funding that was hosted by the Senate Education Committee on August 14, 2019.

When asked directly how much money CCA spent on advertising, Flurie stated his school spent an average of $3-$4 million per year in direct advertising. In addition, when asked if their budget is transparent, Flurie states that CCA is, “so transparent with their budget that we send a copy of it to every employee and every parent.”

This information can be found at 3:02:13 in the video that is posted on the Senate Education Committee website.

Commonwealth Charter Academy is one of 16 cyber charter schools in the state. The total amount spent by cyber charters on advertising and how this money is spent is unknown. The public deserves accountability for expenditures of taxpayer funds by cyber charter schools, including information on the cost, location, and type of advertisements. **Charter schools are supposed to be open to all students, but advertising dollars could be used to skew enrollment, to focus on high tuition school districts, or to exclude some students or student populations. Greater accountability and oversight are needed.**

In addition, money spent on cyber charter advertising and promotion is removed from school districts where it would otherwise be spent educating students. The $850,000 that CCA spent over the course of three months on recruitment efforts could have paid for nine school counselors or nurses to work for a year helping students cope with the mental health crisis in our public schools. The $7.9 million in spending detailed on the 2017-2018 invoice schedule could have paid for 80 or more teachers to help students who are in under-resourced classrooms or for hundreds of teachers’ aides who could help students with disabilities reach their potential.

We strongly encourage you to support changes to the charter school law this session that will: align payments to cyber charter schools with the cost of educating a student at home on a computer; ensure all charter schools are accountable to taxpayers for their academic performance; and require transparency for the nearly $2 billion charters receive in taxpayer money each year.

We would be happy to discuss this issue further and can provide copies of the documents upon request.

Thank you for your service and your consideration of this issue.

Susan Spicka
Executive Director
Education Voters of PA
sspicka@educationvoterspa.org
Cell: 717-331-4033