Testimony of Secretary of Education Charles B. Zogby Federal Trade Commission workshop "Possible Anticompetitive Efforts to Restrict Competition on the Internet" October 8, 2002

Chairman Muris and Members of the Commission:

Good afternoon. Thank you for inviting me today to discuss one of Pennsylvania's most dynamic and innovative education reforms – cyber charter schools.

Pennsylvania prides itself in being a national leader in cyber education and over the past five years, has made extensive progress integrating technology and the power of the Internet to deliver a quality education to children across our state. Cybers have the power to combine the customized curriculum of charter schools with the easy access and flexibility of the Internet – making these schools uniquely adaptable to students' individual learning needs. Children who need more time with math can slow down their studies. Meanwhile, students ready for advanced course work can move on. And these schools bring the benefits of a public education to children, who, for whatever reason, choose to learn at home.

Pennsylvania's cyber movement began in the fall of 1998, when the Susq-Cyber Charter School, located in northeastern Pennsylvania, opened its virtual doors to 47 students. This school became the Commonwealth's first online public school. Now, just a few short years later, enrollment in the school has nearly doubled, and 100 students in grades 9-12 are enrolled in the school and receive their education via the Internet.

Today, Susq-Cyber School has seven cyber-counterparts across the state – all recognized as public schools under Pennsylvania's Charter School Law. In total, using technology, they deliver education to nearly 5,250 students.

The Ridge-Schweiker Administration believes fully in competition and the free market. We have prided ourselves in giving parents a choice when it comes to choosing the education option that works best for them and their children – because ultimately it creates better schools and improves education.

Our successes are many. Through our Charter School Law, this year alone, more than 90 schools now deliver education to more than 32,000 students. Others are choosing to create "independent schools," which have the same faculty and same school district – but new freedoms and new ideas. Organized through collective bargaining, independent schools are governed by teachers, administrators and parents who are empowered to make decisions about the operation of the schools, and who are held accountable for fiscal and academic results. We have also been a champion for school choice through vouchers, albeit unsuccessfully.

Cyber education is one more way of offering choice to parents. And we are confident that cyber schools are a viable education option, and should continue to be that way. While

we support competition, we also realize that that cyber charter schools are still young, and, as with any new initiative, there are ways we can make them better. Our goal continues to be working to enhance this dynamic new option for our children.

Under Pennsylvania's Charter School law, the first line of charter and cyber school accountability rests with the chartering school district. And, as states begin to embrace cyber education, they need to be mindful of concerns from parents, taxpayers and educators regarding educational services and business operations, and ensure children have proper tools, such as computers and Internet access, and make sure schools are adequately serving children with special needs.

While oversight and accountability are key components, we need to strike a balance so cyber schools have room to compete, while also holding them accountable for educating our children. This year, Gov. Schweiker signed the nation's first comprehensive law strengthening and improving the academic accountability and financial structure of cyber schools. The law creates a framework for the Department of Education to ensure that parents and children are protected as consumers, while at the same time ensuring that cyber schools are delivering high-quality, standards-based education.

We recognize that cyber schools – by their very nature – pose new and unique challenges. The Internet and available technologies enable cyber charter schools to draw students from across Pennsylvania, and enrollments are not bound by traditional physical or geographic limitations. A student in Erie, located in the northwest part of the state, can literally log on each day to attend a cyber school in the opposite corner of the map.

For these very reasons, it would be difficult for any single school district to provide adequate oversight and monitoring of a cyber school whose reach is truly statewide. That's why a key component of legislation should include centralized evaluation, approval and oversight of cyber schools, which in Pennsylvania, rests with the Department of Education. We also will have the responsibility to assess annually whether cyber schools are meeting the goals within their charters, conduct a comprehensive evaluation before granting a five-year renewal of cyber schools, and review state assessment scores each year.

This new framework will help us hold cyber schools to the same standards as other public schools: they are accountable based on educational performance. Just as with any public school, we have high expectations for our cyber charter schools, since the future of our children is at stake.

The new law also helps to enhance educational accountability – cyber charter school applications now must include a description of the school's proposed curriculum, showing how course work aligns with the state's academic standards and assessments; a description of the school's education-delivery system, including technologies used and the amount of time students will spend online; a list of the materials and services, such as computers and Internet access, the school will provide to students; a description of the

school's attendance policy and how it will be monitored; and a description of the school's special-education services.

Pennsylvania has encouraged and supported the cyber school movement – we believe in empowering parents to make the education decisions that are best for their children, and providing alternative public education options. I believe we have reached a balance that ensures their longevity while making sure they deliver the education they promise using any technology. Any efforts to restrict competition in terms of the use of technology would stifle the growth of new cyber schools across the nation.

Thousands of Pennsylvania parents already have embraced cyber charter schools as an exciting and viable education alternative for their children. Yet, as with any new initiative, the Department of Education has a responsibility to assess their success and strengthen cyber schools to make them better. Thanks to our efforts, I believe that cyber schools will be part of Pennsylvania's educational landscape for many years to come.

Mr. Chairman, that concludes my formal remarks. I want to thank you and the Committee for the opportunity to speak on this important education reform. I would be happy to answer any questions.