

**Cyber Schools: Virtual Innovation?  
TRANSCRIPT**

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JUDY WOODRUFF: Now, learning lessons in virtual classrooms.

Online charter schools are on the rise around the country.

Special correspondent John Tulenko of Learning Matters Television went to Pennsylvania, where the demand is high and where questions are being raised about the quality and costs of the instruction.

JOHN TULENKO: It's 8:00 a.m. at the Smiths' home in New Castle, Pennsylvania.

ALICIA SMITH, mother: Is everybody in your class today? There you go.

JOHN TULENKO: Time for 7-year-old Landon (ph) Smith to log in to school.

WOMAN: Good morning. We will start with the question of the day.

JOHN TULENKO: Down the hall, his brothers Cameron, age 10, and Austen, age 12, are also logged in.

BOY: Nine, 12 and 15.

JOHN TULENKO: The boys have gone to school this way for most of their lives. They're among some 30,000 Pennsylvania students who go to school online full-time.

ALICIA SMITH: I think the main benefit is, my influence on them is greater.

JOHN TULENKO: Alicia Smith works nights to be home during the day.

ALICIA SMITH: My day is structured that when they're in school, that's what I'm doing. I'm doing school. The older ones are a lot more independent. I'm their facilitator.

JOHN TULENKO: The children's classes meet five mornings a week, led by virtual teachers.

AUSTEN SMITH, student: I can see the teacher. They can be anywhere in the country. I have had teachers in Florida. I have had teachers in Pittsburgh.

JOHN TULENKO: What happens if you have a question?

AUSTEN SMITH: We will raise our hand or they will just call on you, and then you will have a . . .

JOHN TULENKO: How do you raise your hand?

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AUSTEN SMITH: There will be a button to click it, and then the mike will pop up. And whatever you have to say, you will say it.

JOHN TULENKO: Full-time public online schools are now an option in 30 states. Pennsylvania alone has 13.

Nationally, these cyber-schools, as they're called, serve some 250,000 students in kindergarten through grade 12, and that number is growing.

Are cyber-schools a fringe movement, or a better, revolutionary approach to public education? In Pennsylvania, we examined these schools closely to see what students are getting, how they're performing, and, because this is taxpayer money, exactly where the dollars are going.

JOHN TULENKO: Like most cyber-schools, the one the Smiths chose, called P.A. Cyber Charter, supplied them with all the equipment they needed free of charge.

NICK TROMBETTA, CEO, Pennsylvania Cyber Charter School: Something kids get in this country is how to power up into technology. They get that.

JOHN TULENKO: Nick Trombetta started P.A. Cyber 12 years ago. With 11,000 students from across Pennsylvania, it's among the largest public online schools in the country.

NICK TROMBETTA: Cyber-school is sort of a leveling. It is like the great equalizer in education. So, for kids who are trapped in schools that don't have many choices or bad choices, cyber-schools are necessary. No matter who you are, where you live, you're going to get the same quality of service.

TOM WARD, teacher, Pennsylvania Cyber Charter School: I get 100 percent participation from my kids every single class. And I get it through either them doing a problem on the board, from them sending me a chat. I get 100 percent every single class.

So then we're going to multiply both sides.

JOHN TULENKO: For P.A. Cyber teachers like Tom Ward, the classroom is this workspace, designed with the look and feel of an Internet start-up.

TOM WARD: So let's break you guys into groups of four.

JOHN TULENKO: Webcams allow for real-time teaching.

TOM WARD: I'm going to eliminate the last row of problems.

JOHN TULENKO: And whatever teachers write or put on their screens can be seen by their students at home.

CHRISTINE CROW, teacher, Pennsylvania Cyber Charter School: And with the click of a button, we can access a different Web site, a different video clip. We can have students doing different things at the same time.

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TOM WARD: I'm going to be popping through the groups, checking to see how everything is going.

JOHN TULENKO: There are new ways to keep tabs on students too, like instant polling and private messaging.

CHRISTINE CROW: They can send me an anonymous note, "I don't understand number seven at all," and we say, let's go over number seven again. I'm getting several notes.

TOM WARD: And you can't do that in a brick and mortar. A lot of kids have those poker faces, and they can fake you out. This puts that right live, right in your face, saying, I don't get it.

WOMAN: Today, we're going to discuss past tense verbs.

JOHN TULENKO: But in practice, it can look and sound a little different.

WOMAN: Now, I believe we might have a video, if that's right, Mrs. Rangel. That's right.

MAN: It's the teacher's. . .

ALICIA SMITH: I think one of the most common problems would be the technology. You can't get connected if something goes down.

(LAUGHTER)

ALICIA SMITH: Sorry about that.

JOHN TULENKO: The Smiths say P.A. cyber Does its best to troubleshoot, but even that has limits.

TOM WARD: Students that have satellite Internet, if it's snowing, if its rainy, if there's a cloud that goes through the sky, it's going to throw them off a little bit.

JOHN TULENKO: Something else threw off Austin Wall. One of many struggling students drawn to P.A. Cyber for a fresh start, Wall was never given live courses taught by virtual teachers.

AUSTIN WALL, student: I really didn't know who was in my class. It was just me, myself, and I all alone doing schoolwork. It's boring, extremely boring.

JOHN TULENKO: Cheaper to run, self-paced independent study courses like Wall's are the kind given to 60 percent of online students statewide.

AUSTIN WALL: I had to do six hours a day, and I did like an hour every day, if that.

JOHN TULENKO: What did you do instead?

AUSTIN WALL: Play "Call of Duty."

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JOHN TULENKO: Video games? For how long?

AUSTIN WALL: All day, until my friends came home. Then I went outside.

JOHN TULENKO: Did the school ever call up?

AUSTIN WALL: They called me two -- like three or four times in a week to do schoolwork, and I just never did it.

JOHN TULENKO: Did they ever send anyone out to your house?

AUSTIN WALL: No. Eventually, they called me and was like, we're going to kick you out. And then I came back here.

JOHN TULENKO: To prevent students from falling through cracks, P.A. Cyber employs 170 instructional supervisors, people whose job it is to call homes and make sure students are doing what they're supposed to be doing.

In Austin's case, that wasn't enough.

NICK TROMBETTA: Disappointing, not what we want to be and what we want to represent. And I'd want to know who that person was. And we struggle not to be that kind of place and that kind of school.

JOHN TULENKO: Wall lasted only two months at P.A. Cyber. That's not unusual. The school's turnover rate is around 25 percent.

However, at Pennsylvania's other online schools, turnover rates typically exceed 50 percent.

ROB POSTUPAC, superintendent, Western Beaver Schools: And so we have had to remediate those students and get them back onto their grade level.

JOHN TULENKO: Rob Postupac and Ron Sofo are school superintendents in two small districts that neighbor P.A. Cyber's home base. It was Sofo's district that took back Austin Wall.

RON SOFO, superintendent, Freedom Area School District: When kids attend a cyber-school, they attend if they turn the computer on for one minute. If a kid comes to my school and they show up for one minute and go out the door, they're truant. I don't get it.

ROB POSTUPAC: They do have students that attend there. And that's a reasonable education that students strive in that environment. But if a student is not striving in that environment, should we not be notified since it's our tax dollars that are paying the bill?

JOHN TULENKO: Funding is another controversial issue. Every student who attends cyber-school represents a financial loss to school districts.

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ROB POSTUPAC: We don't have the ability to reduce costs for those students. You lose a kindergartner, you lose a first-grader, you lose a fifth-grader, you lose a ninth-grader, you can't close down a fifth-grade classroom because two students left.

JOHN TULENKO: So how do you make that up?

ROB POSTUPAC: We have cut programs, we have reduced staff, we have made larger classrooms.

JOHN TULENKO: But at P.A. Cyber, it's another story. The way the funding works, cyber-schools bill school districts for each student they take. But they're allowed to charge different amounts based on what the districts themselves spend.

RON SOFO: He's sending 11. I'm sending eight. Rich school districts are sending 14,000 or 16,000.

JOHN TULENKO: But P.A. Cyber spends less running its school.

ROB POSTUPAC: The P.A. Cyber school profited in the past two years \$20 million, a profit of \$20 million.

JOHN TULENKO: Other online companies are also doing well and drawing scrutiny for executive pay packages worth up to \$5 million.

NICK TROMBETTA: So this is our virtual classroom building.

JOHN TULENKO: Last year, Nick Trombetta earned \$163,000. However, since its founding in 2000, P.A. Cyber has collected a total of \$45 million in profit.

And the question is, what is P.A. Cyber doing with leftover money?

NICK TROMBETTA: Well, we're investing it back into research and development. We're investing it back into our program. We're investing it to multiple centers across the state to serve more children. We're investing that back into P.A. Cyber.

JOHN TULENKO: Most of the money has been spent within a 12-block area of tiny Midland, Pa., a former steel mill town where P.A. Cyber is based.

Midland now boasts its own performing arts center, also designed to house the company's offices, for which P.A. Cyber paid \$10 million. A few blocks away, \$12 million more built the virtual teachers center in what had been a steelworkers union hall. And close by, the money is also funding construction of new corporate headquarters, in addition to \$5 million in other properties recently purchased in Midland.

To critics, hiring more teachers and creating more live courses would have made better use of taxpayers' education dollars, but Trombetta defends his choice.

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NICK TROMBETTA: We do need buildings for our employees. I mean, it costs money to lease them. It costs money to build them. And the dollars that we do receive, we were able to squirrel away some dollars over the course of the years and invest in that.

JOHN TULENKO: P.A. Cyber also spun off its own not-for-profit business, developing online curriculum to sell across the country.

Together, the nonprofit and the school have grown to employ 694 people in what was a dying steel town.

NICK TROMBETTA: We decided to create a new industry. And it was an industry that replaced the old. And you're right, and it was to create opportunities for children across this commonwealth and across the United States. This has been huge for this area.

JOHN TULENKO: The town's comeback even earned it a nickname, the Midland miracle, though not everyone believes.

RON SOFO: Wait a minute. I didn't know that public schools and the funding of public schools should be an economic development strategy for one small section of one county. I don't think that's the purpose of public education in this commonwealth or in America.

JOHN TULENKO: Some people might say, all well and good that you're creating jobs, but doesn't the money belong to the kids?

NICK TROMBETTA: It does belong to the kids. And it belongs to the kids. And as long as the children are receiving a quality service for that investment, and it is of the quality that gets them what they need, then we're happy to be able to provide that to them.

JOHN TULENKO: But here's the catch. Math and reading scores at P.A. Cyber are below the state average in regular schools, sometimes well below.

Most other online schools in the state do worse. But it's P.A. Cyber, the largest, that's had to respond to stepped-up criticism.

NICK TROMBETTA: Don't go telling people that your state scores are better when you know that I'm taking kids from you that weren't performing well. And now I have got to do the catch-up. You know, that's not fair.

JOHN TULENKO: But school districts don't buy that.

RON SOFO: At the end of the day, you're taking resources away from school districts that are doing a reasonably decent job to serve entities that have mixed results. And I think there's the rub.

NICK TROMBETTA: I understand that they're angry. I understand that, financially, this is a hit when you lose a kid. Win them back. Win them back. Don't complain about the school that won them from you. Win them back.

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JOHN TULENKO: To win them back, one Pennsylvania district has started its own cyber-school, and is offering \$1,000 toward computers and supplies to every student who transfers in from schools like P.A. Cyber.

JEFFREY BROWN: And for more, two cyber-students offer real-life tales about going to school online. Plus, educators weigh the costs and benefits. You'll find a link to those Learning Matters stories on our website.