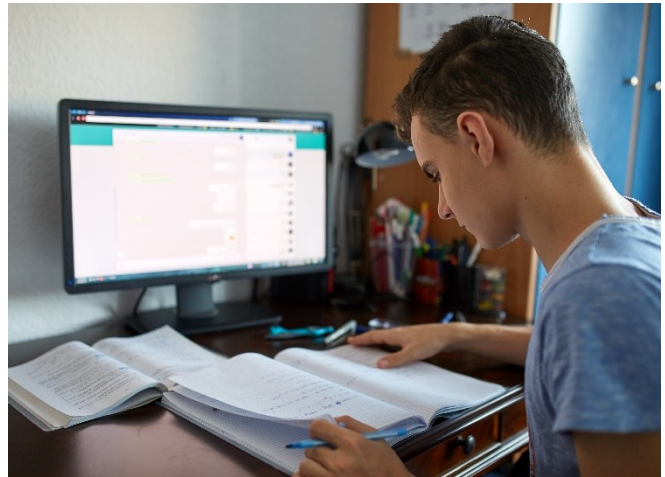


Georgia Cyber Academy

ANNUAL REPORT

April 2021



Prepared by the Georgia Department of Audits and Accounts

Greg S. Griffin, State Auditor

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DEPARTMENT OF AUDITS AND ACCOUNTS

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April 28, 2021

The Honorable Brian Kemp, Governor
The Honorable Geoff Duncan, Lieutenant Governor
The Honorable David Ralston, Speaker of the House
Members of the State Charter Schools Commission
Members of the State Board of Education
Members of the Georgia Cyber Academy Board of Directors

Ladies and Gentlemen:

In accordance with the O.C.G.A. § 20-2-2093, we have completed our annual report on Georgia Cyber Academy for the 2019-20 school year.

The information used in the report was obtained from a number of sources, including the Georgia Department of Education (GaDOE), the State Charter Schools Commission (SCSC), the Governor's Office of Student Achievement (GOSA), Georgia Cyber Academy, and the school's financial audits. As an annual report, the review was not conducted in accordance with generally accepted government audit standards. However, we used information from the source deemed most reliable and assessed all information to determine if it was reasonable.

We appreciate the cooperation and assistance provided by Georgia Cyber Academy, SCSC, GaDOE, and GOSA during the review.

Respectfully submitted,

Greg S. Griffin
State Auditor

GSG/co

Mission Statement

The Department of Audits exists to provide decision-makers with credible management information to promote improvements in accountability and stewardship in state and local government.

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Changes in Reporting

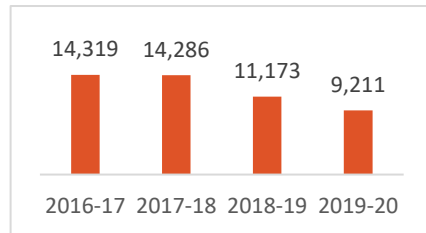
O.C.G.A. § 20-2-2093 requires the Department of Audits and Accounts to produce an annual report for each virtual charter school. The annual reports include information related to school enrollment and attendance, academic achievement, academic performance, governance, operations, staffing, finances, and future plans.

In the 2020 legislative session, the General Assembly changed the publication date of the report from December to April, which allows us to report more timely data. While we included the most recent data available in each of the prior annual reports, the publication date specified in the law meant that some information for the school year under review was not available prior to publication.

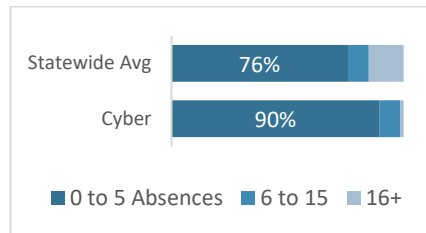
This year's annual report is also impacted by the COVID-19 pandemic. In the 2019-20 school year, Georgia Milestones tests were not administered and College and Career Ready Performance Index (CCRPI) was not produced due to the pandemic, both of which serve as the basis for a number of data points that we typically include in the annual report.

Enrollment & Attendance

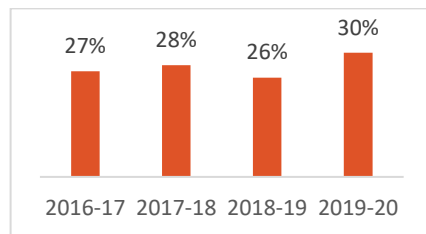
Georgia public schools are responsible for tracking and reporting data for student enrollment and attendance. This section contains enrollment, attendance, and various statistics which indicate the level of student participation at Georgia Cyber Academy (Cyber). Key points in this section include:



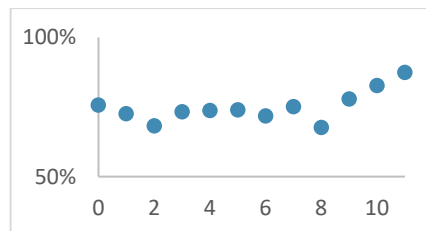
Cyber's **enrollment** was over 14,000 students in 2016-17 and 2017-18, however it dropped to approximately 9,200 in school year 2019-20. The school's student demographics are similar to Georgia's public school students, with exceptions being a lower portion of Hispanic students, Asian students, and English language learners, and a higher percentage of economically disadvantaged students in the 2019-20 school year.



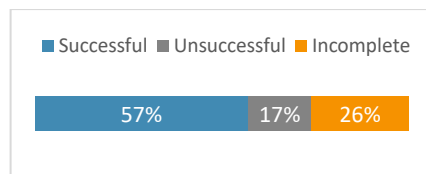
Student **attendance** at Cyber is higher than most schools, with 90% of students missing five or fewer days in 2019-20. The variance may be partially attributed to the methodology Cyber uses to calculate attendance, which is necessarily different than a traditional brick-and-mortar school. This variance can also be attributed to the ease of access to education associated with virtual schools.



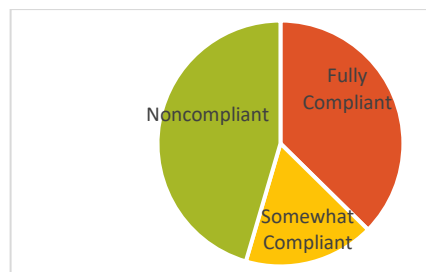
Like many virtual charter schools, Cyber has relatively high **withdrawal and student mobility rates**. Approximately one-third of students withdrew before the end of the 2019-20 school year, with many transferring to another Georgia public school or to home schooling. The school's student mobility rate, which captures enrollments and withdrawals between October and May, was 30%, higher than the statewide median rate of 13%.



Of students who completed the 2018-19 school year at Cyber, approximately 76% returned the following year. The **retention rates** were lowest in 2nd and 8th grades and highest in 11th grade in 2018-19.



In the 2019-2020 school year, the **overall course segment completion rate** was 74%, with completion rates generally higher as the grade level increased. The rate of students completing courses with a passing grade was 57% across all grade levels.



Cyber measures **student engagement** by tracking factors such as attendance, frequency of assignment submissions, frequency of teacher contact, and others. As of April 2020, approximately 63% of students were deemed either somewhat or noncompliant with these measures.

School Enrollment

Cyber had 9,211 students across grades kindergarten through 12 in the 2019-20 school year. This was approximately 18% lower than the previous year.¹ As shown in **Exhibit 1**, the number of students in most of the subgroups tracked by the Georgia Department of Education (GaDOE) was similar over the 2016-17 and 2017-18 years, and significantly lower in the following two years. Cyber's Pacific Islander population decreased by 38%, which was a much larger decrease than for any other subgroup. Cyber's population of American Indian, the only subgroup to increase, increased by 6% in 2019-20.

Exhibit 1

Cyber enrollment, 2016-17 to 2019-20 school years

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|--------------------|---------|
| Total Students | 14,319 | 14,286 | 11,173 | 9,211 |
| Gender | | | | |
| Male | 6,883 | 6,890 | 5,437 | 4,444 |
| Female | 7,436 | 7,396 | 5,736 | 4,767 |
| Race | | | | |
| Hispanic | 1,091 | 1,158 | 914 | 755 |
| American Indian | 46 | 47 | 35 | 37 |
| Asian | 277 | 273 | 226 | 197 |
| Black | 4,966 | 5,088 | 4,212 | 3,657 |
| Pacific Islander | 22 | 24 | 26 | 16 |
| White | 7,086 | 6,799 | 4,999 | 3,917 |
| Two or More Races | 831 | 897 | 761 | 632 |
| Other Subgroups | | | | |
| Student With Disabilities | 1,824 | 1,902 | 1,524 | 1,414 |
| English Language Learners | 80 | 132 | 144 | 119 |
| Economically Disadvantaged ¹ | 9,161 | 9,626 | 8,031 ² | 6,410 |

¹ GaDOE defines economically disadvantaged as the number of students eligible to receive free or reduced-price meals. However, Cyber does not serve lunch.

² Beginning in the 2018-19 school year, the United States Department of Education approved the Charter School Poverty Rate Formula, which GaDOE used to calculate the poverty level for Cyber. This formula allows poverty to be calculated from direct certified numbers that can be verified.

Source: GaDOE student enrollment records

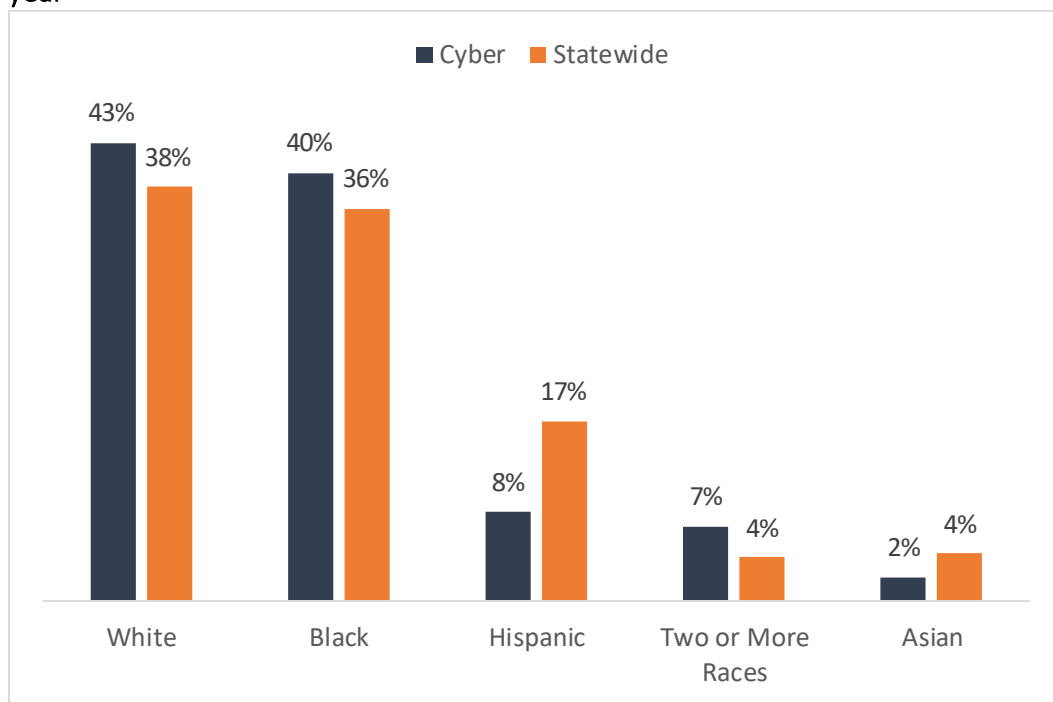
Cyber has a racially diverse student population, somewhat similar to the demographics of Georgia's public school students. As shown in **Exhibit 2**, Cyber's student body has a greater portion of White, Black, and students of two or more races

¹ For school funding purposes, student enrollment is captured during October and March full-time equivalent (FTE) counts. GaDOE uses the October count when reporting enrollment for a school year.

than the statewide enrollment and a smaller portion of Hispanic and Asian students in 2019-20.

Exhibit 2

White students represent a greater portion of Cyber enrollment, 2019-20 school year¹



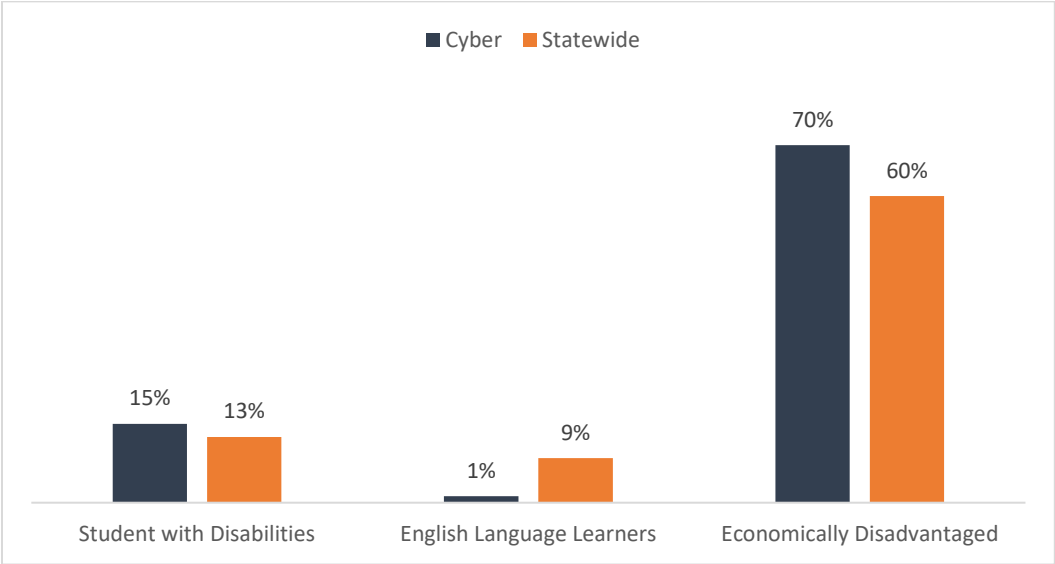
¹Total enrollment for American Indian and Pacific Islander students was less than 1% each.

Source: GaDOE student enrollment records

When looking at the other subgroups tracked by GaDOE, Cyber had a similar portion of students with a disability as the statewide public school population (see **Exhibit 3**). The percentage of economically disadvantaged students were higher while the English language learners were lower than the statewide percentages. Seventy

percent of Cyber students were economically disadvantaged, compared to 60% statewide. Only 1% of Cyber students were English language learners in 2019-20, compared to 9% statewide.

Exhibit 3
Cyber had a higher percentage of economically disadvantaged students enrolled, 2019-20 school year

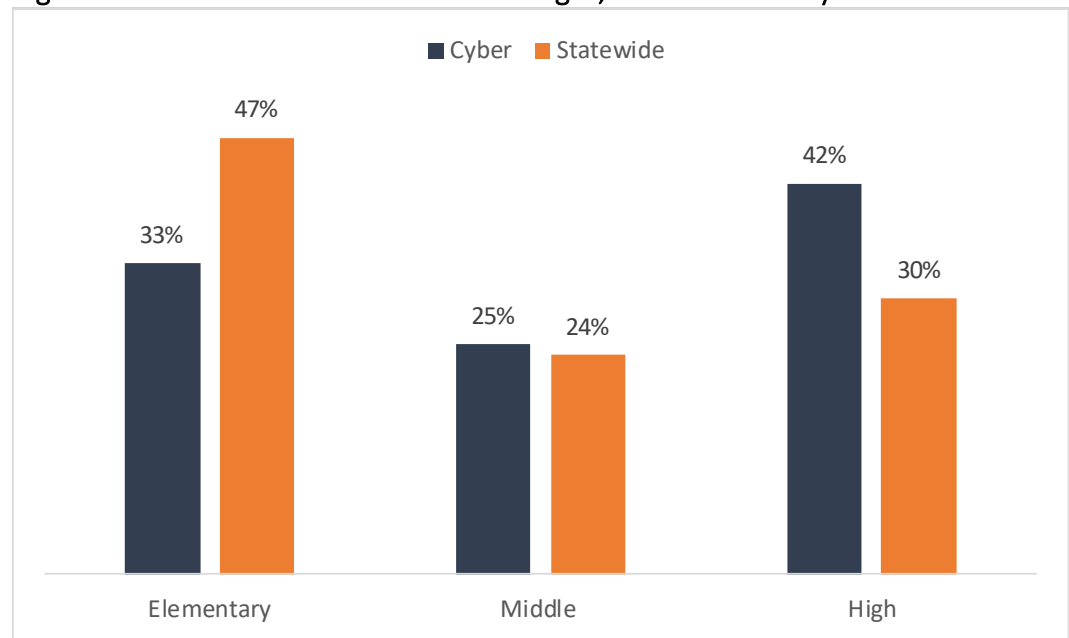


Source: GaDOE student enrollment records

Cyber had a smaller percentage of students in elementary school and higher percentages of students in high school than statewide public school enrollment (see **Exhibit 4**). Nearly half of all Georgia public school students were in elementary school during the 2019-20 school year, but the percentage was 33% for Cyber. Approximately 40% of Cyber's students were in high school, 12 percentage points higher than the statewide number. Cyber's middle school percentage of 25% was similar to the statewide middle school percentage of 24%.

Exhibit 4

Cyber had a smaller portion of elementary school students and a larger portion of high school students than statewide averages, 2019-20 school year

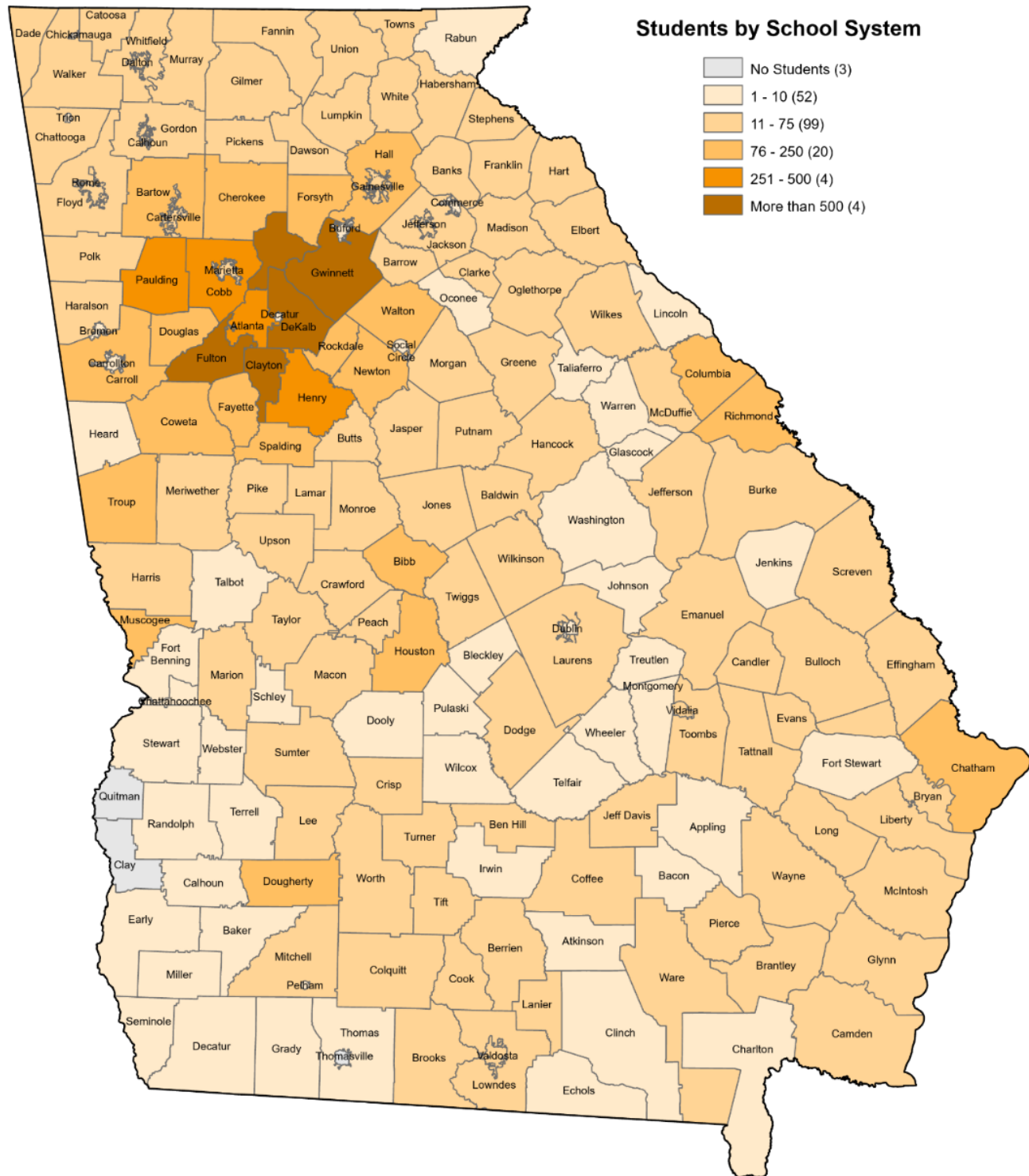


Source: GaDOE student enrollment records

As shown in **Exhibit 5**, most Cyber students are from metropolitan Atlanta, with more than 500 enrolled students residing in the Clayton, DeKalb, Fulton, and Gwinnett school districts. There are between 251 and 500 students from four districts. Fifty-two school districts have 10 or fewer residents enrolled at Cyber, and three have zero students enrolled.

Exhibit 5

Students enrolled at Cyber are primarily located in the Atlanta metropolitan area, 2019-20 school year¹



¹In addition to the state's 180 public school districts, the map shows Fort Benning and Fort Stewart as separate school districts. Some students were removed because they did not have a complete physical address on file.

Student Attendance

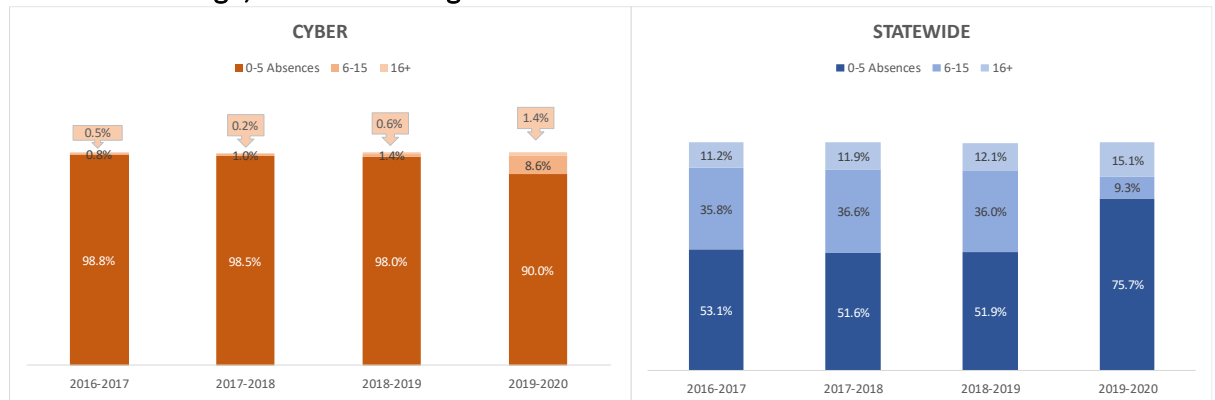
Student attendance is one predictor of academic performance in school. Low attendance rates are associated with decreased achievement in school and higher high school dropout rates. Measuring attendance in a traditional, brick-and-mortar school is relatively straightforward: a student is present if they are present in the classroom. Attendance in a virtual environment is less obvious. Because students may attend live lessons, view recorded lessons, or work offline, virtual schools may use a variety of methods to gauge attendance. Typical considerations include assignments submitted, teacher interactions, login data, and self-reported records provided by students or their learning coach (i.e., adult monitoring the student at home).

In 2019-2020 Cyber calculated attendance based on student duration in online courses and time spent in Class Connect, the online classroom where live instruction is provided to students. Cyber also considers the offline time that students spend on course work as determined by the learning coach (typically a parent/guardian) who logs these additional attendance hours in the school's online system. Cyber students are required to follow the school calendar which includes 180 school days, and therefore must log in each school day to be considered present. GaDOE's attendance policy requires students in grades K-5 to complete between 22.5 and 25 hours per week. Students in the 6th – 12th grades are expected to complete 28 hours of school per week.

For each school's annual report card, the Governor's Office of Student Achievement (GOSA) calculates the percentage of students who missed five or fewer days, 6 to 15 days, and more than 15 days. In the 2019-20 school year, 90% of Cyber students missed five or fewer days, 8.6% missed 6 to 15 days, and 1.4% missed 16 or more days. Attendance has remained relatively stable and has been higher than the statewide rates over the four most recent school years (see **Exhibit 6**); however, in the 2019-20 school year, attendance declined, which, according to Cyber officials is primarily a result of the COVID-19 pandemic. The statewide attendance has also been relatively stable over the prior three years, but in the 2019-20 school year, was impacted by COVID-19 pandemic when public schools were forced to switch to virtual learning, which impacted their ability to track and report attendance.

Exhibit 6

Cyber's student absences remain low in 2019-20 school year and were lower than the statewide average, 2016-17 through 2018-19¹



¹The percentages GOSA reports are rounded, and therefore may not total exactly 100.0% for each school in each year.

Source: Governor's Office of Student Achievement (GOSA) Attendance Data and GaDOE student enrollment records

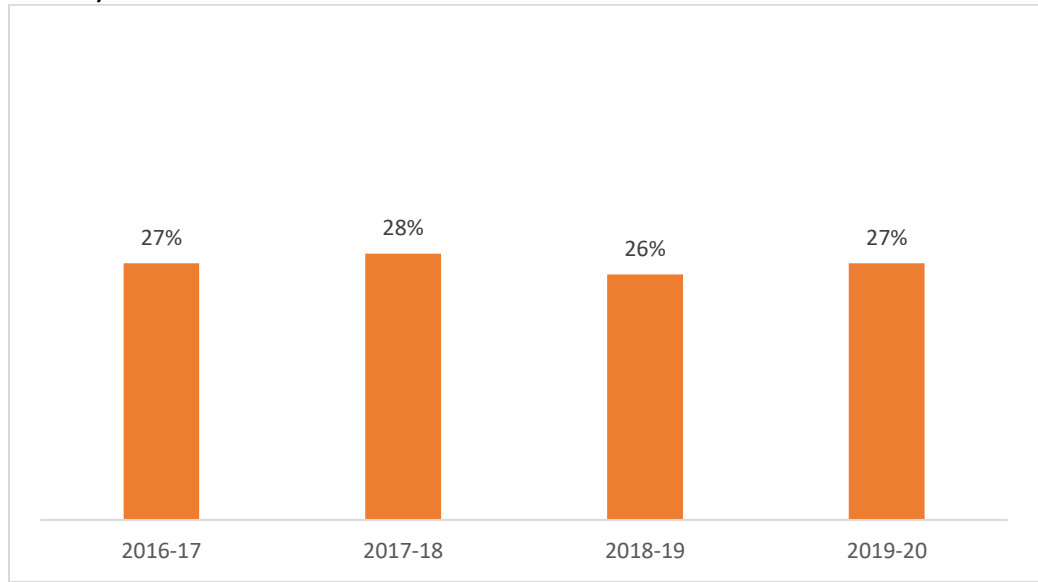
Attrition

Virtual charter schools normally experience a high amount of student mobility or attrition through withdrawals. Withdrawals serve as the basis to calculate school attrition, which refers to students who are enrolled in school but withdraw prior to the end of the school year. In a virtual school, some students withdraw because they determine that they are not well-suited for a virtual education, lacking the discipline or educational support at home. Others may have enrolled to satisfy temporary needs (e.g., health issues, extracurricular activities, family issues) without an intention to remain in the school throughout the year. Regardless of the reason for withdrawals, changing schools can negatively impact student performance. Curriculum can vary among school districts and different teachers and classrooms move at different paces.

As shown in **Exhibit 7**, the percentage of students that withdrew from Cyber before the end of the school year has remained relatively stable in the last four school years. In the 2019-20 school year, Cyber recorded a total of 10,589 enrollments and 2,905 withdrawals.

Exhibit 7

Approximately one-quarter of students enrolled at Cyber withdrew during each school year from 2016-17 to 2019-20

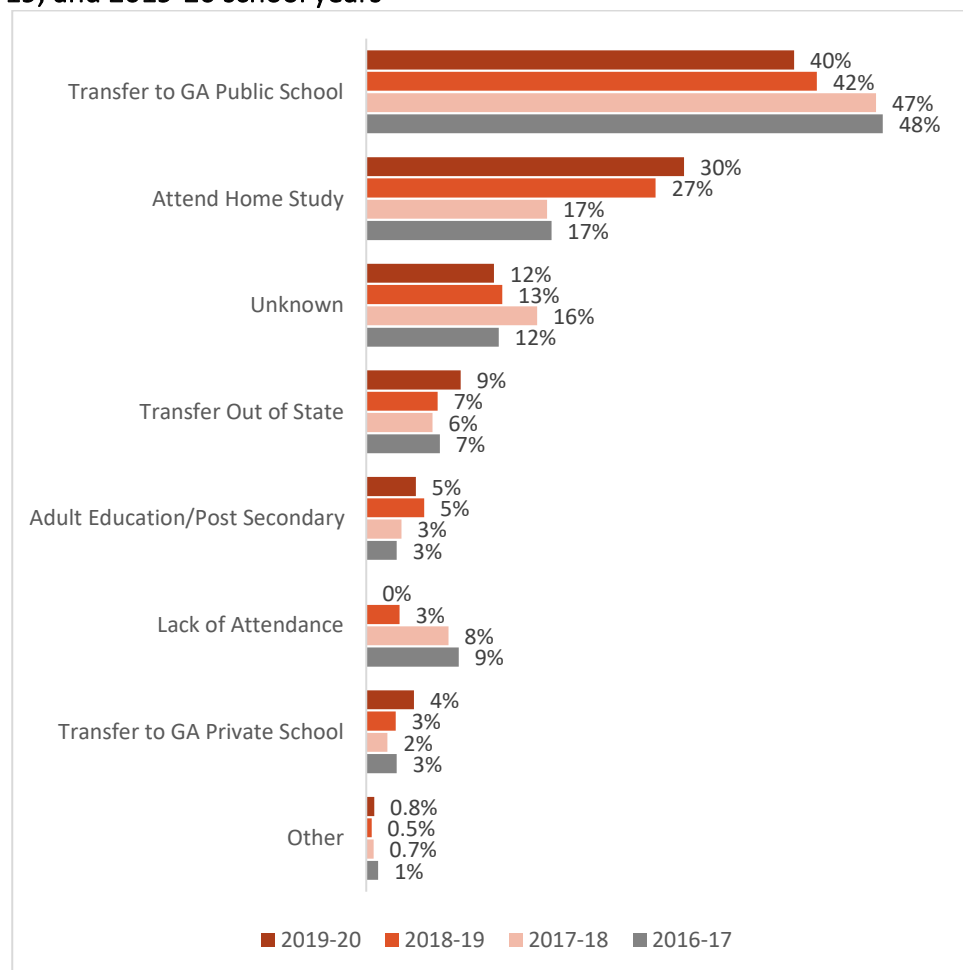


Source: GaDOE student enrollment records

As shown in **Exhibit 8**, 40% of withdrawals from Cyber during the 2019-20 school year were students transferring to another state public school. This was the most common reason for withdrawals in each of the last four years, with annual withdrawals of 1,300 to 2,100 students. At 30% in 2019-20, an increasing proportion of withdrawals are due to students opting for homeschooling (shown as “attend home study” in Exhibit 8). While the percentage of students Cyber removed for lack of attendance is reported as 0% in 2019-20, Cyber officials indicated that this is the result of a change in the way that withdrawals are captured. Students who were removed for lack of attendance will be included in the “Unknown” category initially and subsequently will be recategorized after the school obtains documentation related to why the student left Cyber, which could include lack of attendance.

Exhibit 8

Reported reasons for student withdrawal from Cyber, 2016-17, 2017-18, 2018-19, and 2019-20 school years¹



¹ Beginning with the 2019-20 school year, Cyber changed the way that it reports withdrawal codes and the “Unknown” category may include students whose withdrawal reasons are determined at a later date, including those withdrawn for “Lack of Attendance”.

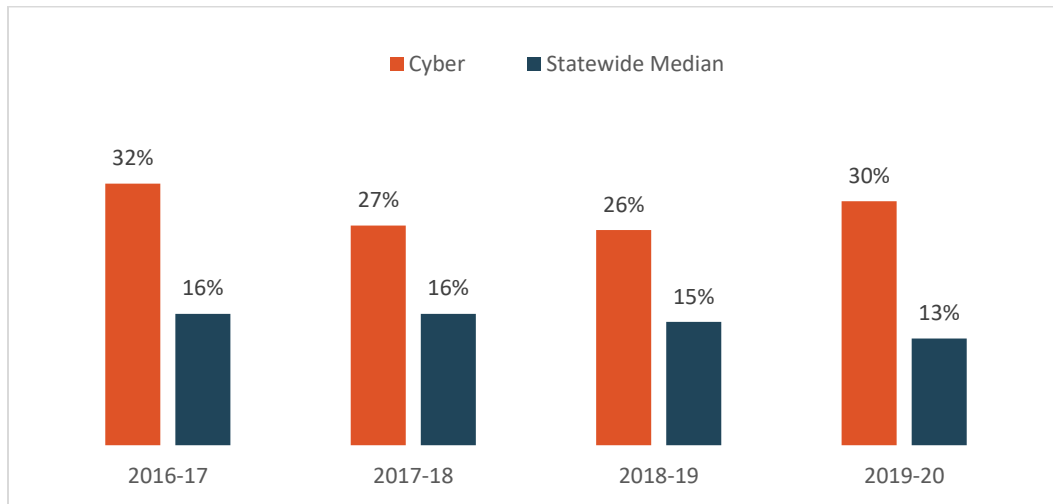
Source: GaDOE student enrollment records

GOSA also calculates a student mobility rate based on entries and withdrawals during the school year. GOSA determines this student mobility rate, also known as a “churn” rate, for all Georgia schools. The rate measures the percentage of a school’s students who entered or withdrew from a school between the October FTE count date and May 1st. Because the churn rate also includes students who entered school in its calculation, it is slightly different from the withdrawal rate.

As shown in **Exhibit 9**, Cyber had a student mobility rate of 30% during the 2019-20 school year. The rate is higher than the previous school year. The statewide median mobility rate for 2019-20 was 13%, slightly lower than in previous years. Research indicates that virtual schools generally have higher turnover rates than brick-and-mortar schools.

Exhibit 9

Cyber’s student mobility rate increased in 2019-20 school year, remains above the statewide median



Source: GaDOE student enrollment records and GOSA mobility analysis

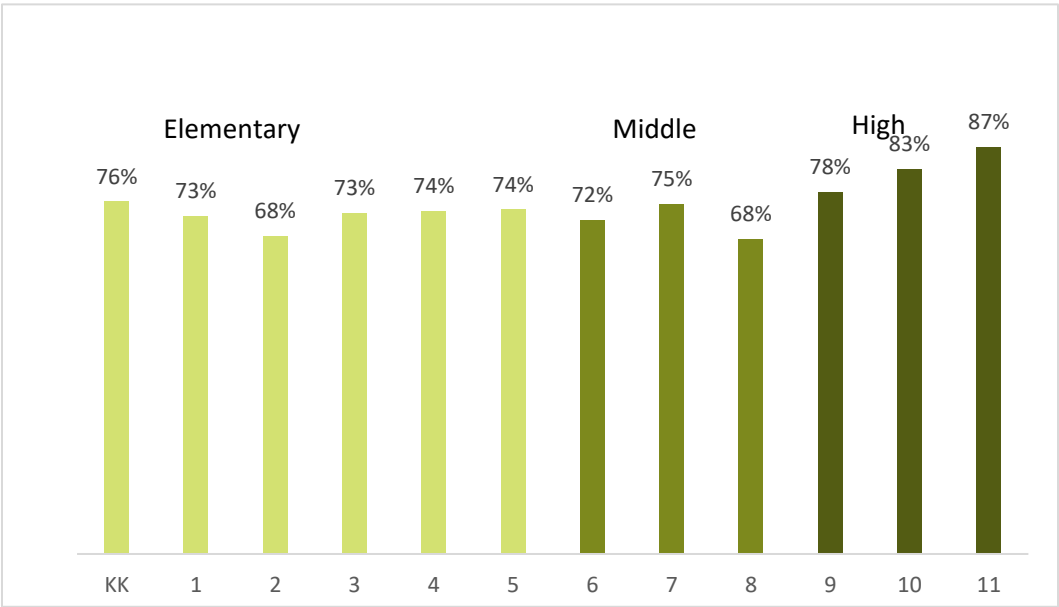
Student Persistence

Student persistence is the act of continuing towards an educational goal. It is a measure generally used in the postsecondary education environment when students can more easily discontinue their education. Student persistence can be measured by a year-to-year retention rate for a school and can provide a proxy measure for students' satisfaction with the learning environment at their school.

We found that 76% of students who completed kindergarten through 11th grade in the 2018-19 school year returned the following year. As shown in **Exhibit 10**, there was significant variation across grade levels. The highest retention is for 11th graders at 87%, while 2nd and 8th graders' retention rates of 68% were the lowest by several percentage points.

Exhibit 10

Between 68% - 87% of students in each grade level returned to Cyber in 2019-20

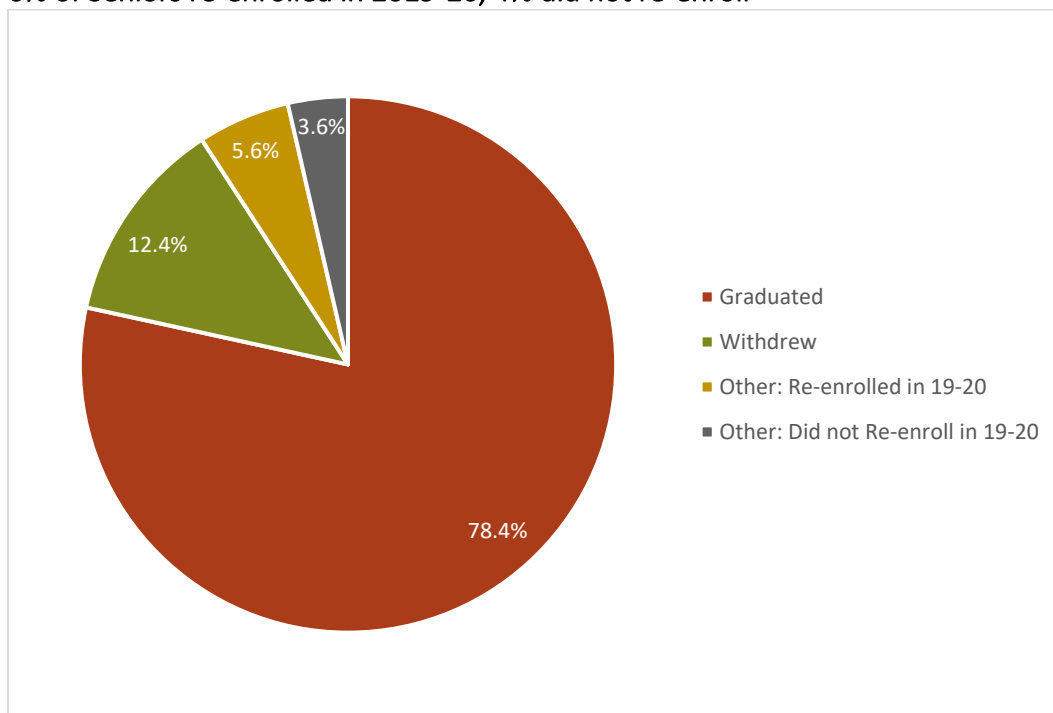


Source: GaDOE student enrollment records

We also examined the persistence of students who are likely old enough to discontinue their education – non-graduating seniors. In the 2018-19 school year there were 1,024 Cyber students in 12th grade. While the majority (78.4%) graduated and another 12.4% withdrew in 2018-19, 9.2% of students did not graduate or withdraw. Of those 9.2% of seniors, 5.6% (57) re-enrolled at Cyber in 2019-20, and 3.6% (37) did not re-enroll (see **Exhibit 11**).

Exhibit 11

6% of Seniors re-enrolled in 2019-20, 4% did not re-enroll

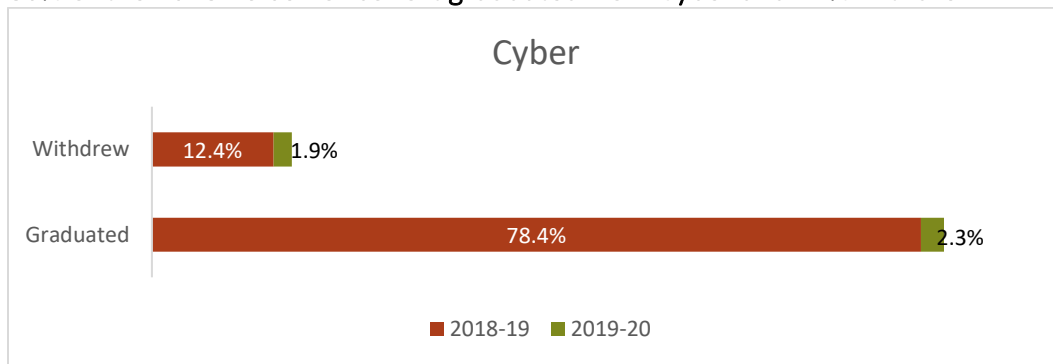


Source: GaDOE student enrollment records

We found that an additional 2.3% (24) of 2018-19 seniors graduated in 2019-20, bringing the graduation rate to 80% over two years (see **Exhibit 12**). Another 1.9% (19) of seniors withdrew in 2019-20, bringing the withdrawal rate to 14.3%.

Exhibit 12

80% of the 2018-19 senior cohort graduated from Cyber and 14% withdrew



Source: GaDOE student enrollment records

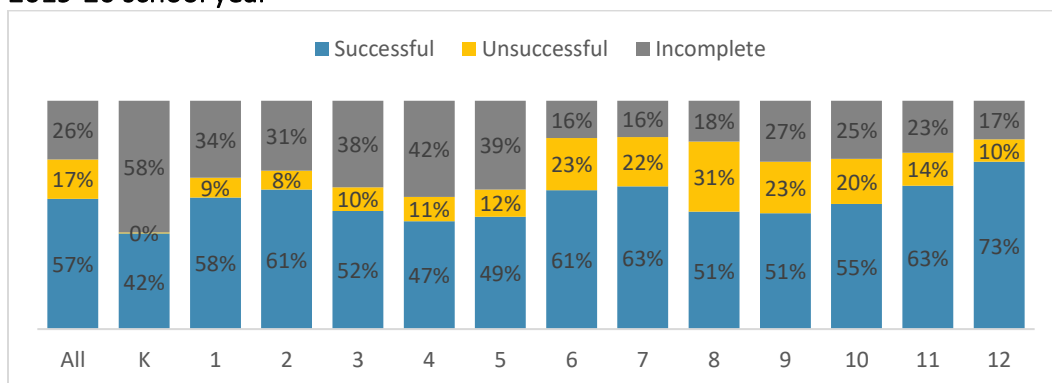
Course Segment Completion Rate

Given student mobility and attrition, not all students will complete their enrolled courses. GaDOE data does not permit a determination of the percentage of students who complete a course, but we were able to determine the portion that complete a course segment. A yearlong course will often have two segments (first and second semester). Completing a single segment in a multi-segment course does not result in academic credit; a passing grade in the final segment is required.

In the 2018-19 school year, the overall course segment completion rate was 74% (see **Exhibit 13**), with rates for grade levels ranging from 42% to 84%. The rate of students completing courses with a passing grade (i.e., successful completions) was 57% across all grade levels, ranging from 42% in kindergarten to 73% in 12th grade. The percentage of students who completed the course with a failing grade (i.e., unsuccessful completions) was highest in grade eight at 31%.

Exhibit 13

Course segment completion rates at Cyber increase as grade levels increase, 2019-20 school year

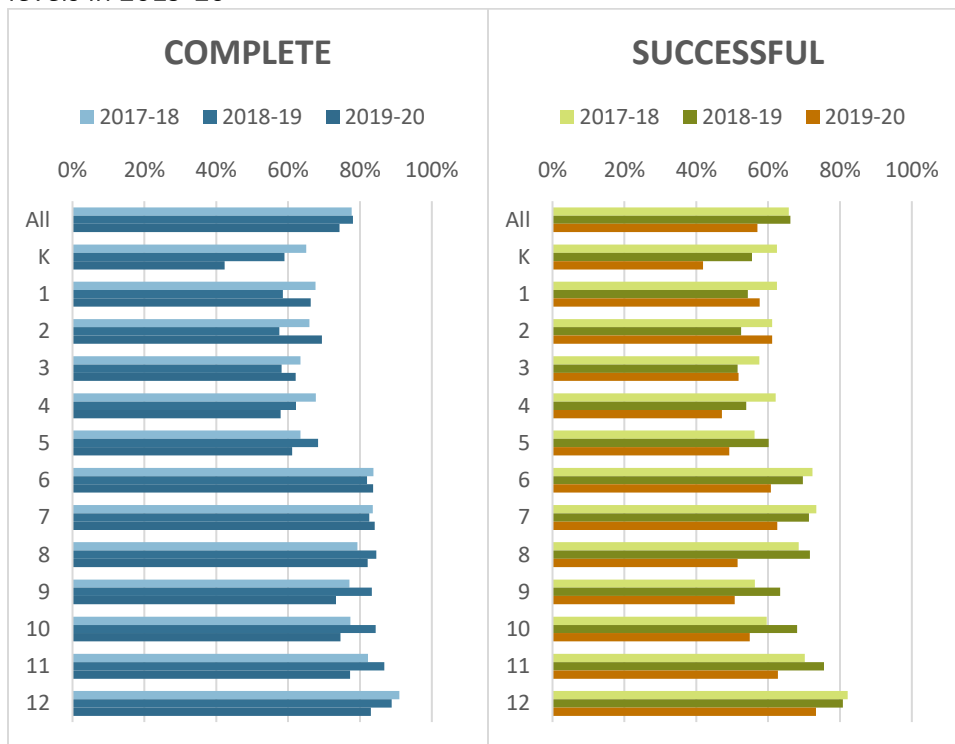


Source: Cyber course records

The rates of completion and success for Cyber students for school year 2019-20 are similar to those for school year 2018-19 (see **Exhibit 14**). However, shifts in these rates for individual grade levels vary. Rates decreased for kindergarten 4th, 5th, and 8th through 12th grades. Rates increased for remaining grades: 1st-3rd and 6th-7th.

Exhibit 14

Percent of completed and successful course segments decreased for ten grade levels in 2019-20



Source: GaDOE and Cyber course records

Student Engagement

Student engagement is the degree to which students are attentive and interested in their coursework, and engaged students are more likely to perform well in school. Common measures of engagement, such as students raising their hands to pose or answer questions, participating in class discussion, or interacting with in the classroom, are not available in an online environment. As such, virtual schools must develop systems to define and capture student engagement.

Cyber implemented a school-wide engagement policy and method for measuring student engagement during the 2018-19 school year. The engagement policy awards a student a certain level of flexibility for each subject or course. Students who meet criteria related to performance and participation are granted the most flexibility, required to check in with the teacher for short time each week with optional participation in many other sessions. Students with the lowest grades and performance are granted the least flexibility. They are required to attend all live and other types of sessions and to have a formal class participation agreement. If a

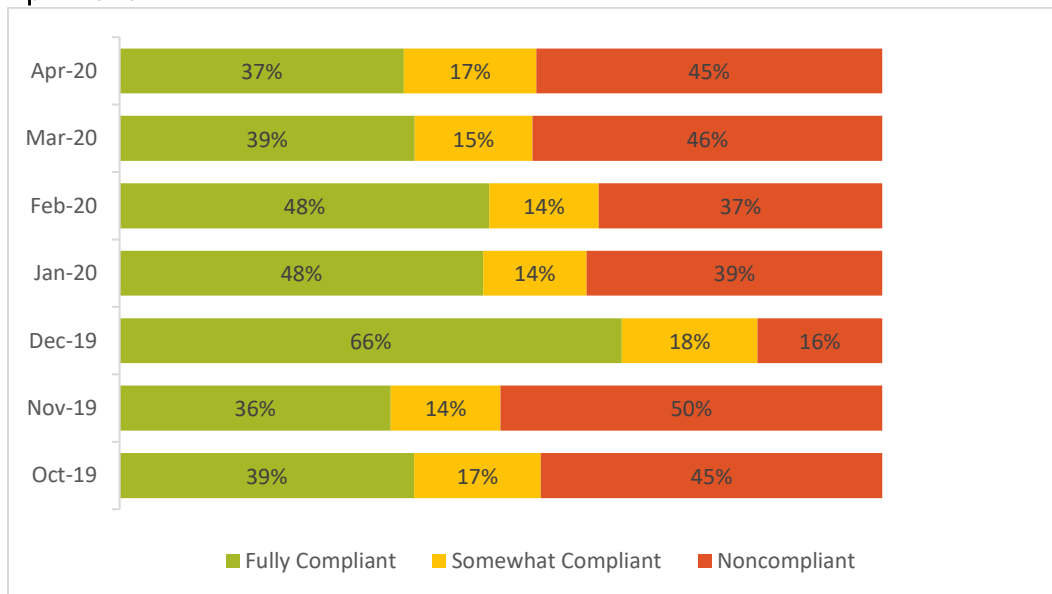
student's performance declines, the flexibility level will change to a more restrictive level. A student can only move up in level at the end of each semester.

Cyber designates a student as "Noncompliant," "Somewhat Compliant," or "Fully Compliant" based on the flexibility requirements with which each is complying. A fully compliant student is on track regarding attendance, assignments and performance. A somewhat compliant student is meeting some requirements, but not others, while a noncompliant student is not meeting requirements.

Cyber's engagement data covers seven months during the 2019-20 school year. As shown in **Exhibit 15**, while 66% of students were fully compliant in December 2019, less than half students were fully compliant for the remaining six months. It should be noted that Cyber personnel reported that in December, Cyber administers a number of assessments and December's engagement is based on attendance.

Exhibit 15

Student engagement is consistent, with few significant changes, October 2019 – April 2020



Source: Cyber engagement data report

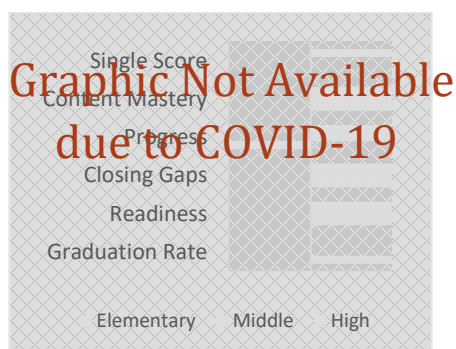
Academic Achievement, 2019-20 School Year

Charter schools are expected to use their flexibility from certain state and local rules to raise student achievement. Numerous methods are used to measure academic achievement in Georgia's public schools. For the academic measures that follow, 2019-20 school year data was used. Some academic performance data for the 2019-20 school year is not available because of the COVID-19 pandemic and, as a result, is not included.

Key points in this section include:



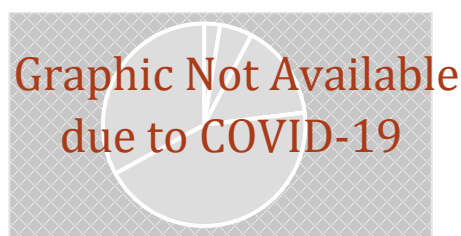
In the December 2019 annual report, we included the 2018-19 CCRPI; however, because of the COVID-19 pandemic, the GaDOE did not publish a CCRPI for the 2019-20 school year.



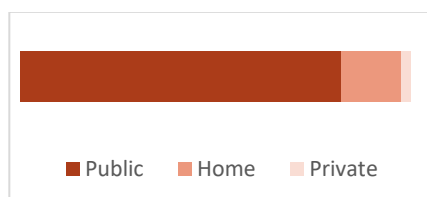
In addition to the single score and overall scores, CCRPI contains several sub-scores for each grade band (elementary, middle, and high), including content mastery, progress, closing gaps, and readiness. In the 2019 Annual Report, we reported that when looking at the **change in sub-scores from 2017-18 CCRPI to 2018-19 CCRPI**, we found that Cyber improved in all but one sub-score in the 2018-19 year. This information is not available for the 2019-20 school year.



Alternative options for students enrolled at Cyber include attending a local district school, private school or home school. In the 2019 Annual Report, we reported that most students enrolled in 2018-19 live close to a traditional, brick-and-mortar public school with a CCRPI score higher than Cyber. This information is not available for the 2019-20 school year.



In the 2019 Annual Report we reported that the majority of Cyber students enrolled in 2018-19 live near a local district school with a climate rating of 4 or 5; the **climate rating** scale is from 1 (low) to 5 (high). The school climate survey was not conducted because of the COVID-19 pandemic.



Over 70% of Cyber's new student enrollments for 2019-20 **previously attended** another Georgia public school. Some new students transferred from home school (13%) and private school (2%).

College and Career Ready Performance Index

The College and Career Ready Performance Index (CCRPI) is an accountability tool the state uses to measure performance and hold schools accountable for student achievement. In the December 2019 annual report, we included the 2018-19 CCRPI; however, because of the COVID-19 pandemic, the GaDOE did not publish a CCRPI for the 2019-20 school year.

School-Specific Academic Goals

In addition to academic measures listed above, Cyber has established an academic goal in its charter to develop an individualized learning plan (ILP) for at least 95% of enrolled students each year of the charter term. The ILP will specify individualized service and plans for student success. The State Charter Schools Commission found that Cyber met this goal in the 2017-18, 2018-19, and 2019-20 school years.

Alternative Academic Options

Students enrolled at Cyber have several alternatives for obtaining an education, including attending a local district school, private school, or home school. The availability of these options may vary for some students.

Local District School

Students enrolled at Cyber have the option of attending one of 2,300 public schools throughout the state. These schools are operated by the 181 school districts and are available to students who live within the school's attendance zone. These schools are publicly funded and available to all students.

In prior year annual reports, we compared the CCRPI scores of traditional, brick-and-mortar public schools that Cyber students lived close to with Cyber's CCRPI score; however, because of the lack of testing, the CCRPI was not available for the 2019-20 school year.

Availability of Private Schools

Some students enrolled at Cyber may have the option to attend one of more than 600 private schools. Private schools are available in 107 Georgia counties. Fulton and DeKalb counties have a combined 145 private schools, 23% of all private schools in the state. Forty-five counties have a single private school.

Private schools charge tuition and may have various attendance restrictions, limiting the option for many students. The annual cost of attending a private school in Georgia varies from a few thousand dollars to tens of thousands of dollars, though scholarships may be available for qualifying students. In addition, the private schools in Georgia may restrict attendance eligibility based on grade level (e.g., K-5), religious affiliation, gender, or any other criteria that fits their mission.

Home School

Some students enrolled at Cyber may have the option to be home schooled. As shown in **Exhibit 16**, at least 13% of students entering and exiting Cyber are transitioning between home school and virtual school.

In order for a student to be home schooled in Georgia, state law requires parents or guardians who wish to teach their children at home to have a high school diploma or GED at minimum and annually declare their intent to homeschool to GaDOE. At least 180 days instruction (a minimum of 4.5 hours of per day) must be completed annually unless the child is physically unable to comply with this requirement. Home study programs are to include a minimum of the following five content areas: mathematics, English language arts, science, social studies, and reading. Students are required to participate in a nationally standardized testing program administered by a person trained in the administration and interpretation of such tests; the student must be evaluated at least every three years beginning at the end of third grade.

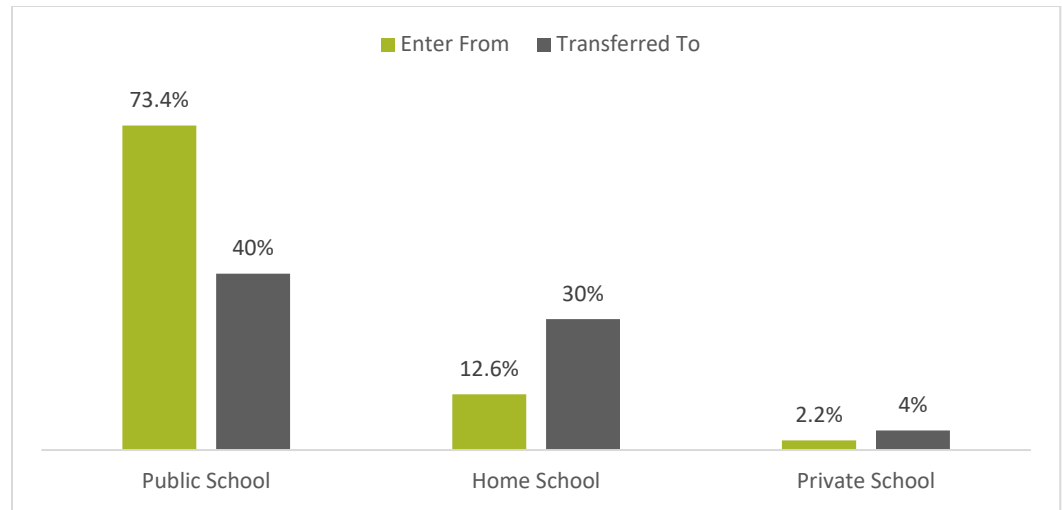
The costs of home schooling vary depending on a variety of factors, such as the method (e.g., being taught by a parent only or participating in a cooperative home school with other students), curriculum purchased, and number of children in the home being home schooled (the more students, the lower the cost per student). Students may also require textbooks, school supplies, extracurricular activity fees and/or computer equipment. The National Home Education Research Institute estimates homeschool families spend an average of \$600 per student annually for their education.

Students' Previous School Locations

Using student enrollment records, we also identified where new Cyber' students in the 2019-20 school year had previously received their education. Of 4,217 new student enrollments, 73% (3,096) transferred from another Georgia public school (see **Exhibit 16**). Approximately 13% (532) transferred from home schools, while another 8% (322) entered school for the first time. Forty percent of students leaving Cyber in the 2019-20 school year transferred to a public school. Thirty percent of withdrawals transferred to home school, and 4% transferred to private school.²

Exhibit 16

Most students that transferred to Cyber were from another public school, 2019-20



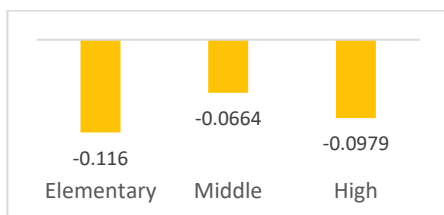
Source: GaDOE student enrollment records

² The remaining students withdrew transferred out of state, pursued post-secondary education, were removed for lack of attendance, or withdrew for other reasons.

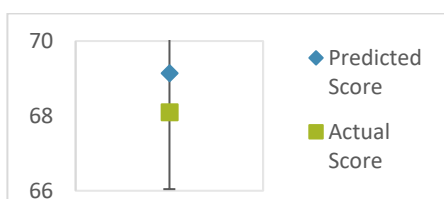
Academic Achievement, 2018-19 School Year

Charter schools are expected to use their flexibility from certain state and local rules to raise student achievement. Numerous methods are used to measure academic achievement in Georgia's public schools. For the academic measures below, 2018-19 school year data was primarily used in this report because the 2019-20 data was not available as a result of the COVID-19 pandemic. In instances in which the 2019-20 was available, we used that data.

Key points in this section include:

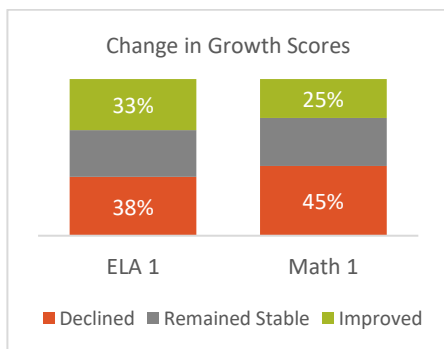


The 2018-19 **value added impact score** for Cyber is lower than its comparison district (the statewide average) for elementary, middle, and high schools. Cyber's impact scores in 9th grade Literature and American Literature exceed the statewide average.



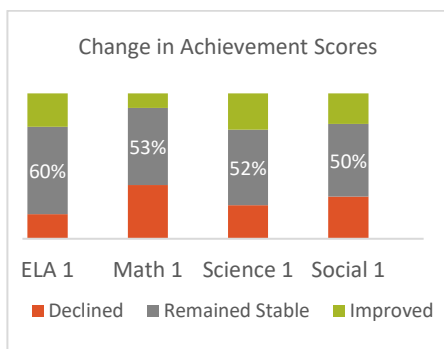
In comparison to similar schools during the 2018-19 school year, Cyber's performance was lower than the statewide average in all grade bands. Therefore, the school was not designated as **Beating the Odds**.

Approaches Standards



Cyber scored a school designation of "approaches standards" in the **Comprehensive Performance Framework** for the 2018-2019 school year. No academic performance data is available for the 2019-2020 school year. Cyber did, however, meet its school-specific goal in 2019-20.

Change in students' **growth scores** after one year at Cyber varied by subject. Both English Language Arts (ELA) and Math growth scores declined after one year at Cyber.



Improvement and decline in students' **achievement scores** after one year at Cyber varied by subject. However, across all subjects and cohorts at least 50% of students' scores remained stable after time at Cyber. English Language Arts (ELA) and science scores showed more improvement than math and social studies scores.

Value-Added Model

The Value-Added Model (VAM) established by the Governor's Office of Student Achievement (GOSA) measures the ability of state charter schools to positively impact student performance. The VAM controls for demographic, academic, and socioeconomic factors so that student achievement can be attributed to the school. After controlling for certain factors, the VAM calculates a predicted score for each student. The difference between the predicted and actual score is the school's impact on the student's achievement.

The analysis consists of a two-step process to get the final value-added measurement. The first step is to find the difference between a student's actual score and their predicted score. For each student, a predicted score is calculated based on the student's characteristics, the student's previous test scores, and the student's school characteristics. For each school, the difference between the predicted and actual scores for all students is averaged. In the second step, the scores are weighted to account for the unique populations that each school serves. The model has separate estimates by grade level and subject. A negative value-added measurement denotes that the actual scores for the students were lower than the predicted scores and a positive score denotes the opposite. The state average value-added effect is zero and it is used as the comparison district for virtual schools since they serve students across the state.

As shown in **Exhibit 17**, Cyber's value-added impact score was lower than the statewide average for elementary and middle schools and lower in two of four high school subjects. Cyber's value-added score exceeded the state average in 9th grade Literature and American Literature. It was lower in Algebra 1 and Geometry.

Exhibit 17

Cyber's Value-Added impact scores are lower than the comparison district in most grades and subjects, 2018-19 school year

| Grade Band Subject or Course | Value-Added Impact Score | Impact Relative to Statewide Average |
|----------------------------------|-----------------------------|---|
| Elementary | -0.1160 | Lower |
| English Language Arts | -0.1126 | Lower |
| Math | -0.1841 | Lower |
| Middle | -0.0664 | Lower |
| English Language Arts | -0.0056 | No Statistical Difference |
| Math | -0.1398 | Lower |
| High | -0.0979 | Lower |
| 9 th Grade Literature | 0.0686 | Higher |
| American Literature | 0.0728 | Higher |
| Algebra 1 | -0.2584 | Lower |
| Geometry | -0.1936 | Lower |

Source: GSU report for the State Charter Schools Commission

Beating the Odds Analysis

The Beating the Odds (BTO), established by GOSA, is an outcome measure that compares charter schools' performance on the CCRPI with the performance of similar schools. The BTO model also calculates a predicted score and range (confidence interval) for each school based on demographic characteristics. The characteristics used in the 2018-19 comparison include the following:

- Percentage of female students
- Percentage of students in certain races/ethnicities (including Asian, Black, Hispanic, and Multi-racial)
- Percentage of students with disabilities
- Percentage of English language learners
- Percentage of economically disadvantaged students
- Student mobility rates
- School grade cluster
- Whether the school is traditional or non-traditional
- School size: the model splits schools into three size groups for small (0 to 500 students), medium (501 to 1,000 students), and large (over 1,000 students) schools because there was a large difference in variability between small and large schools.

The BTO analysis includes only those students counted in the October full-time equivalent (FTE) count. The school will receive a score of "Below Expected Range" if the CCRPI score is below the predicted range, "Within Expectations" if the CCRPI score falls within the predicted range, or "Beating the Odds" if the score is above the predicted range. Given that the analysis controls for certain characteristics, a school with a relatively low CCRPI could be Beating the Odds.

For the 2018-19 school year, Cyber was classified as Within Expected Range. Cyber's CCRPI score for this year was 68.1, which was within the predicted range of 65.88 to 72.41. In the previous school year, Cyber was found to be Below Expected Range.

Comprehensive Performance Framework Academic Measures

The State Charter Schools Commission (SCSC) conducts annual performance reviews of all state charter schools. The Comprehensive Performance Framework (CPF) contains the performance standards each charter school is evaluated against in three sections – operational performance, financial performance, and academic performance. The SCSC uses each year’s CPF results to inform charter renewal.

In the 2018-19 school year, the SCSC revised the method used to report performance. In general, the measures reviewed in the performance framework remain similar; however, points are no longer assigned in the Academic Performance section. Schools receive a score of “meets standards”, “approaches standards,” or “does not meet standards.” To receive a “meets the standard” designation, the school must outperform the district it serves (i.e., the State for virtual schools) in one of the 6 academic metrics evaluated.

Cyber’s academic performance results for the 2018-2019 school year are shown in **Exhibit 18**. The first measure looks at the CCRPI single score. Cyber received a “does not meet standards” score, meaning the school earned a lower CCRPI single score than the attendance zone (in Cyber’s case the comparison district is the statewide average). The second through fourth measures look at different CCRPI sub-scores. To earn the “meets the standards” designation, the school must earn a higher “student progress” score on the CCRPI than the attendance zone. To earn the “approaches standard” score on any measure, the school must be performing the same as or above its comparison district in at least one of the grade bands served. Cyber earned an “approaches standard” score for measure 2, student achievement, based on Cyber’s “content mastery” CCRPI scores. Cyber earned a “does not meet standards” score for measure 3, student growth, based on Cyber’s CCRPI progress scores. Cyber earned an “approaches standard” score for measure 4, grade band score, based on Cyber’s CCRPI grade band scores.

The CPF also provides “Value-Added Model Impact Scores” and “Beating the Odds” scores as another way for schools to approach or meet the academic performance standards. Cyber earned a “does not meet standards” score for measure 5, Value-Added Model (VAM) Impact scores. Cyber earned a “does not meet standards” score for measure 6, Beating the Odds, based on the GaDOE’s determination.

As part of the 2018-2019 rubric’s comparison score calculation methods, Cyber was categorized with the school designation of “approaches standards,” meaning that Cyber Academy performed as well as the district it serves.

Exhibit 18

SCSC determined that Cyber approaches standards in the 2018-19 school year

| Cyber Academy: CPF Academic Performance Measures | Designation |
|--|-------------------|
| Measure 1 - CCRPI Single Score: Is the school annually outperforming the attendance zone (as measured by CCRPI single score)? | Does Not meet |
| Measure 2 - Student Achievement: Is the school annually outperforming the attendance (as measured by grade-band CCRPI content mastery scores)? | Approaches |
| Measure 3 - Student Growth: Is the school annually outperforming the attendance zone (as measured by grade-band CCRPI progress scores)? | Does Not Meet |
| Measure 4 - Grade Band Score: Is the school annually outperforming the attendance zone (as measured by grade-band CCRPI grade band scores)? | Approaches |
| Measure 5 - Value-Added Model (VAM) Impact Scores: Is the school annually outperforming the attendance zone (as measured by value-added impact scores)? | Does Not Meet |
| Measure 6 - Beating the Odds: Is the School “beating the odds” as determined by the Georgia Department of Education? | Does Not Meet |
| School Designation | Approaches |

Source: State Charter Schools Commission 2018-19 CPF results

Comparison of Academic Growth Prior to Placement

Academic growth indicates how a student has progressed academically over a period of time. GaDOE uses the student growth percentile (SGP) to describe student academic growth relative to academically-similar students across the state. Using state assessment scores, GaDOE compares the change in a student’s performance from one year to the next in relation to other students who had a similar score in the initial year. Regardless of their initial assessment score, all students are able to demonstrate growth or decline in relation to other students who started with a similar initial score. Student growth levels range from 1 to 99, with higher percentiles representing more academic growth. Beginning in 2016-17, SGP scores were calculated for English Language Arts (ELA) and math only.

| Student growth percentile levels | |
|----------------------------------|-------|
| Low | 1-34 |
| Typical | 35-65 |
| High | 66-99 |

We analyzed cohorts of students to determine the extent to which scores improved after the students attended Cyber (see methodology text box). A decrease in the percentage of “low growth” level and/or an increase in the percentage of “high growth” level indicates improvement, while the opposite indicates decline. Comparing the cohorts also allows us to see if more time at Cyber has an effect on SGP levels.

Cohort Analysis Methodology

To compare academic growth prior to entering Cyber and after time at Cyber, we conducted cohort analyses for two subsets of Cyber students.

- **First Year:** The first group includes students that entered Cyber in 2018-19. We compared their SGP results for 2017-18 (labeled “Brick & Mortar” in exhibits) to their SGP results in 2018-19 (labeled “Cyber” in exhibits).
- **Second Year:** In the 2019 report, we included a comparison of student performance after their second year at Cyber; however, due to the COVID-19 pandemic and the lack of testing in the 2019-20 school year, data is not available to conduct this analysis.

For each subject and cohort, we analyzed results two ways:

- **Student-level change:** First, we looked at the change in each student’s SGP level over the period to determine if their SGP level declined, remained stable, or improved.
- **Distribution change:** Then, we looked at the distribution of the entire sample’s SGP levels between low, typical, and high growth before and after time at Cyber.

Note: The sample sizes for each subject area and cohort are slightly different because we matched on the SGP results. Students may not have SGP results in each subject for each school year. In addition, some Cyber students in the first-year cohort are not enrolled in year two.

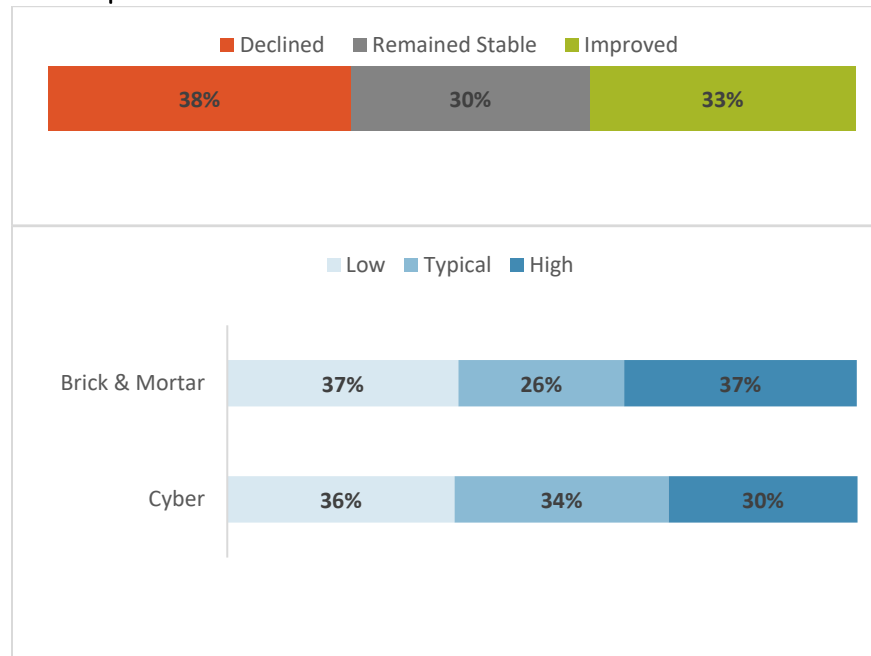
Academic Growth: English Language Arts

First-year students’ performance declined in English Language Arts (ELA) SGP levels when comparing Cyber results to brick-and-mortar results.

- **First Year:** As shown in **Exhibit 19**, 38% of students’ ELA SGP levels declined in their first year at Cyber, while 33% improved, and 30% remained stable. The distributions of low, typical, and high growth pre- and post-Cyber also show a decrease in both high growth and low growth. At their brick-and-mortar schools, 37% of students’ SGP was “low,” 26% “typical,” and 37% “high.” At Cyber, the percentage in high range decreased to 30%, and the percentage in the typical range increased to 34% while the percentage in the “low” range decreased to 36%.

Exhibit 19

38% of students' ELA growth levels declined after first year at Cyber while 33% improved



Source: GaDOE Assessment Data

- **Second Year:** Due to the COVID-19 pandemic, test data did not exist for the 2019-20 school year. As a result, the Second Year analysis was not completed.

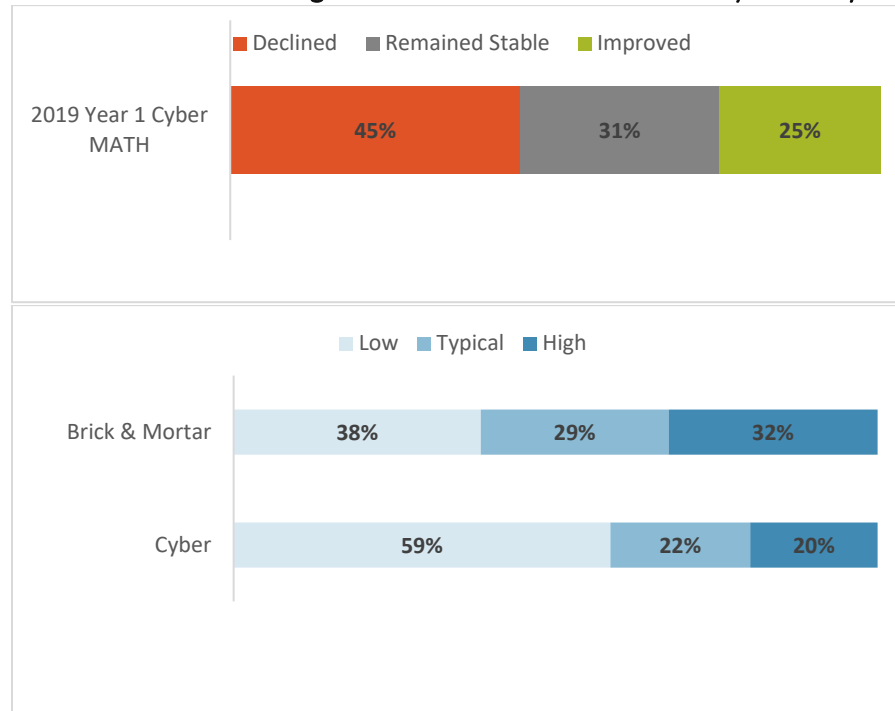
Academic Growth: Math

Students in the first-year were more likely to have lower academic growth at Cyber than they had in their brick-and-mortar schools.

- **First Year:** Exhibit 20 shows that 45% of students' math SGP levels declined after their first year at Cyber, while only 25% improved. The distribution of low, typical, and high SGP at Cyber also shows lower performance than brick-and-mortar performance. The proportion of low SGP increased from 38% at the brick-and-mortar schools to 59% at Cyber. The percentage of typical growth decreased from 29% to 22%, and the proportion of high growth SGP decreased from 32% to 20% after year one at Cyber.

Exhibit 20

45% of students' math growth levels declined after first year at Cyber



Source: GaDOE Assessment Data

Milestones Assessment System Achievement Levels

Beginning learner – does not yet demonstrate proficiency; needs substantial academic support.

Developing learner – demonstrates partial proficiency; needs additional academic support.

Proficient learner – demonstrates proficiency; is prepared for the next grade level/course.

Distinguished learner – demonstrates advanced proficiency; is well prepared for the next grade level/course.

- **Second Year:** Due to the COVID-19 pandemic, test data did not exist for the 2019-20 school year. As a result, the Second Year analysis was not completed.

Comparison of Academic Achievement Prior to Placement

The state uses the Georgia Milestones Assessment System to measure student achievement in grades 3 through 12. The Milestones tests measure how well students have learned the knowledge and skills outlined in the state content standards for core content areas. Students in grades 3 through 8 take an end-of-grade assessment in English language arts (ELA) and mathematics, and students in grades 5 through 8 also take an end-of-grade assessment in science and social studies. High school students take an end-of-course assessment for each of the ten courses designated by the State Board of Education.³

Based on Milestones tests, students may be placed into one of four achievement levels: beginning learner, developing learner, proficient learner, or distinguished learner. Student assessment scores are reported by grade and subject for the state, school system, and school. We analyzed cohorts of students to determine the extent to which scores improved after the students attended Cyber (see methodology text box). A decrease in the percentage of beginning and developing learner achievement

³ The ten courses include: ninth grade literature and composition, American literature and composition, algebra I/coordinate algebra, geometry/analytic geometry, biology, physical science, United States history, and economics/business/free enterprise. These tests serve as a final exam for the course and contribute 20% to the final grade for the course.

levels and/or an increase in the percentage of proficient and distinguished learners indicates improvement, while the opposite indicates decline. Comparing the two cohorts also allows us to see if more time at Cyber has an effect on achievement levels.

Cohort Analysis Methodology

In order to compare academic achievement prior to entering Cyber and after time at Cyber, we conducted cohort analyses for two subsets of Cyber students.

- **First Year:** The first group includes students that entered Cyber in 2018-19. We compared their milestone assessment results for 2017-18 (labeled “Brick & Mortar” in exhibits) to their assessment score results in 2018-19 (labeled “Cyber” in exhibits).
- **Second Year:** In the 2019 report, we included a comparison of student performance after their second year at Cyber; however, due to the COVID-19 pandemic and the lack of testing in the 2019-20 school year, data is not available to conduct this analysis.

For each subject and cohort, we analyzed results two ways.

- **Student-level change:** first we looked at the change in each student’s achievement levels over the period of time to determine if their level declined, remained stable, or improved.
- **Distribution change:** Then, we looked at the distribution of the entire sample’s achievement levels between beginning, developing, proficient, and distinguished learners before and after time at Cyber.

Note: The sample sizes for each subject area and cohort are slightly different because we matched on the milestone assessment results. Students may not have these results in each subject for each school year. In addition, some Cyber students in the first-year cohort are not enrolled in year two.

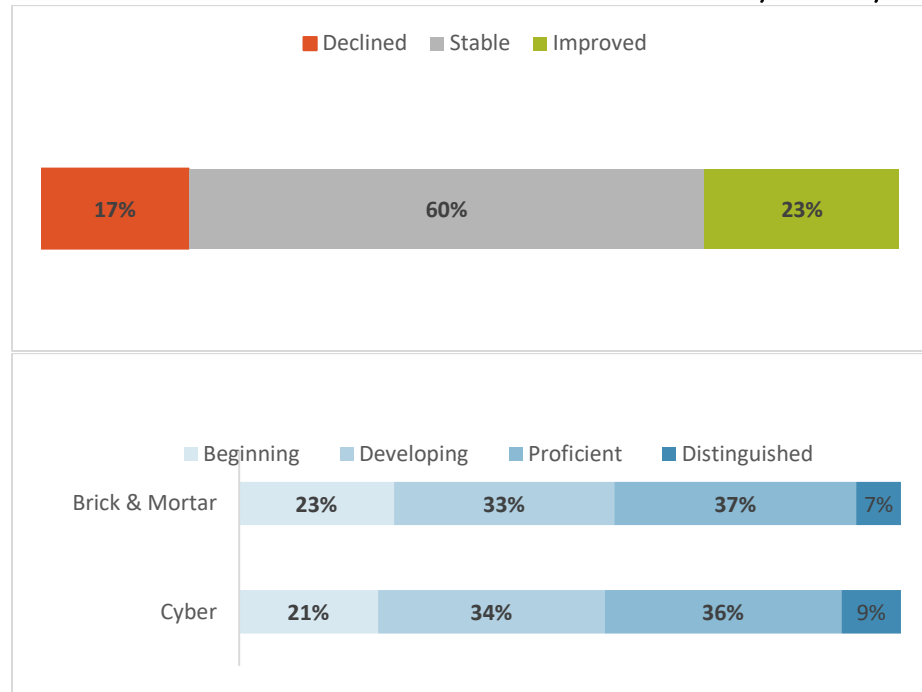
Academic Achievement: English Language Arts

Students had similar performance in their first year at Cyber compared to their brick-and-mortar schools.

- **First Year:** The majority of students’ achievement levels remained stable after one year at Cyber, 23% had an improved level, and 17% had a declining level. As shown in **Exhibit 21**, the combined percentage of beginning and developing learners decreased by 1% after the first year at Cyber.

Exhibit 21

60% of ELA achievement levels remained stable after one year at Cyber



Source: GaDOE Assessment Data

- **Second Year:** Due to the COVID-19 pandemic, test data did not exist for the 2019-20 school year. As a result, the Second Year analysis was not completed.

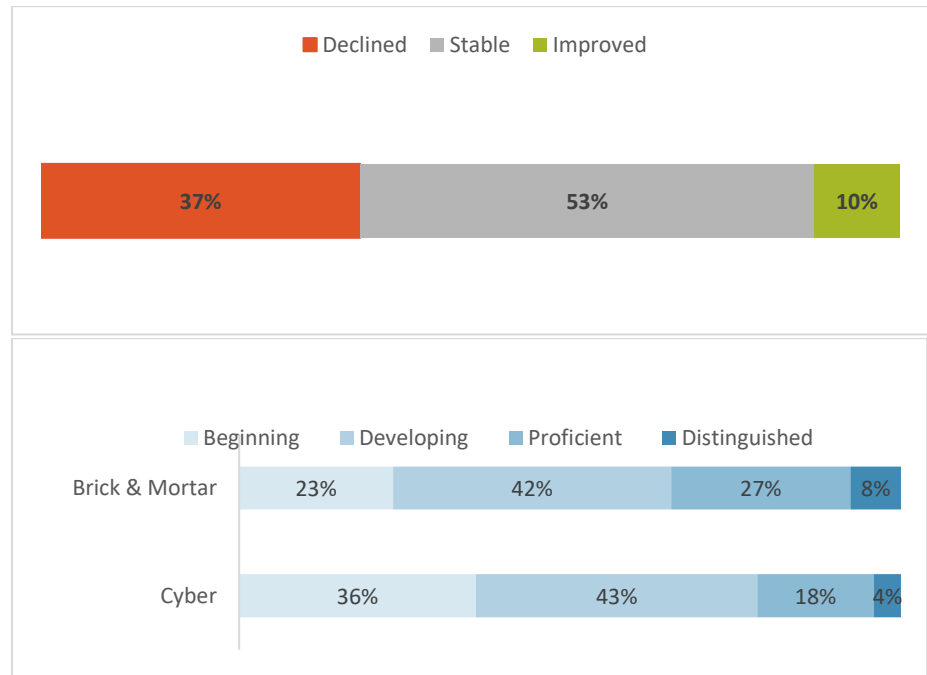
Academic Achievement: Math

Students had lower math achievement levels at Cyber than they did in their brick-and-mortar schools.

- **First Year:** The majority of students' math achievement levels remained stable after one year at Cyber, but 37% declined and only 10% improved (see **Exhibit 22**). The combined percentage of beginning and developing learners increased from 65% at the brick-and-mortar schools to 79% at Cyber.

Exhibit 22

53% of math achievement levels remained stable after one year at Cyber;
37% declined



Source: GaDOE Assessment Data

- **Second Year:** Due to the COVID-19 pandemic, test data did not exist for the 2019-20 school year. As a result, the Second Year analysis was not completed.

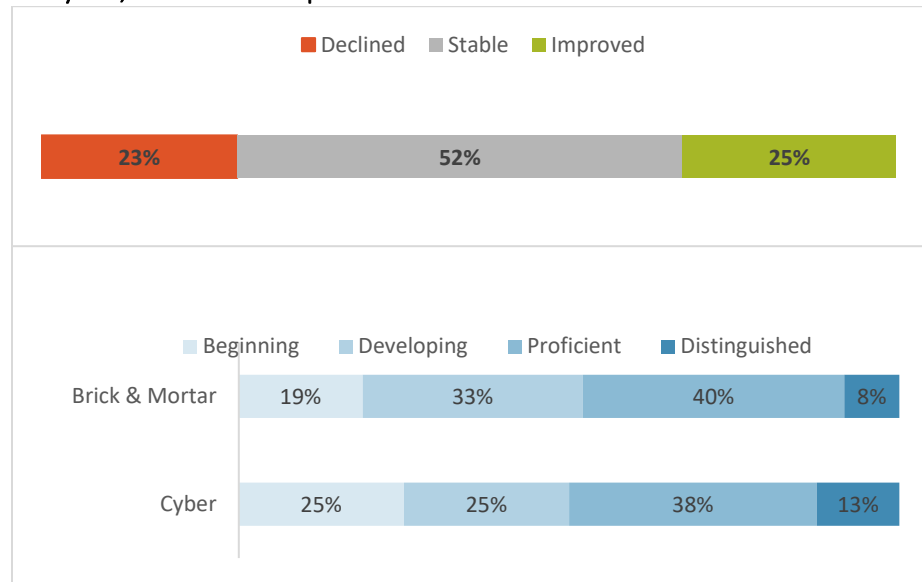
Academic Achievement: Science

Students' academic achievement in science was improved after one year at Cyber.

- **First Year:** As shown in **Exhibit 23**, 52% of students' achievement levels remained stable after one year at Cyber, while 23% declined and 25% improved. In addition, the combined percentage of beginning and developing learners decreased from 52% prior to entering Cyber to 50% after one year at Cyber.

Exhibit 23

52% of science achievement levels remained stable in student's first year at Cyber, while 25% improved



Source: GaDOE Assessment Data

- **Second Year:** Due to the COVID-19 pandemic, test data did not exist for the 2019-20 school year. As a result, the Second Year analysis was not completed.

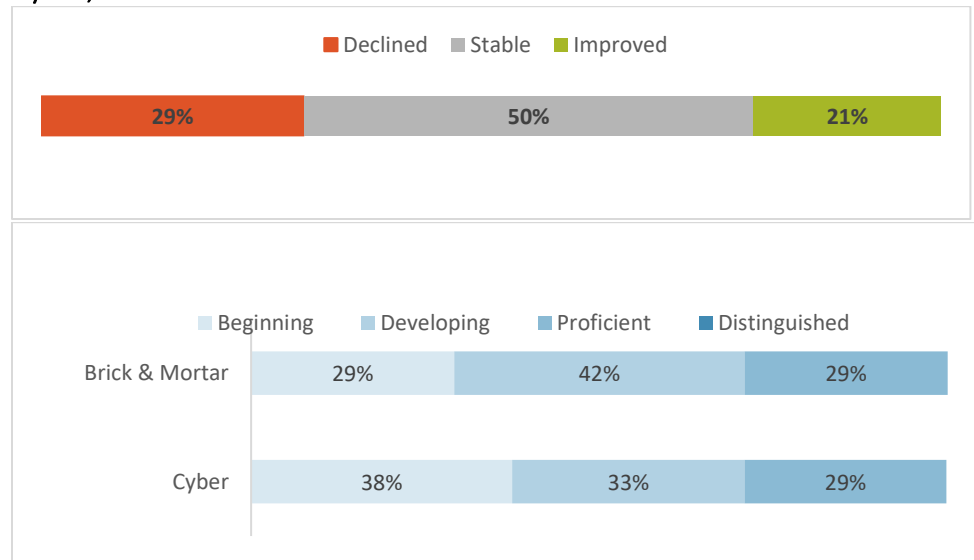
Academic Achievement: Social Studies

Performance in social studies remained stable in the first year at Cyber.

- **First Year:** As shown in **Exhibit 24**, half of students' social studies achievement levels remained stable after one year at Cyber while 29% declined and 21% improved. The combined percentage of beginning and developing learners was 71% at both brick-and-mortar schools and Cyber.

Exhibit 24

50% of social studies achievement levels remained stable after one year at Cyber, while 29% declined



Source: GaDOE Assessment Data

- **Second Year:** Due to the COVID-19 pandemic, test data did not exist for the 2019-20 school year. As a result, the Second Year analysis was not completed.

Management & Staffing

Charter schools, unlike traditional public schools, operate under the terms of a charter and are governed by an autonomous non-profit board of directors. This section provides information about Georgia Cyber Academy's agreements, governance, staffing, and certification. Key points in this section include:

- Cyber no longer has an educational services agreement with K12 Virtual Schools, LLC (K12) in the 2019-20 school year. All services previously handled by K12 are now managed in-house. The only exception is a contract for computer support. All other service management agreements or contracts with K12 were phased out during the past year.
- Cyber had a five-member governing board in the 2019-20 school year.
- During its 2019-20 review (the most recent available), the State Charter Schools Commission (SCSC) concluded that Cyber's governing board met all SCSC standards pertaining to governance.
- Cyber had 698 employees during the 2019-20 school year—a 7% increase from the prior year. The teaching staff employed by Cyber decreased slightly between 2018-19 and 2019-20, the level of education and experience of the teaching body remained constant. The average teaching experience across instructors was 11.9 years, and most instructors have a bachelor's degree or higher (52% have a master's degree or higher).
- While Cyber does not require those in leadership positions, such as superintendents, principals and assistant principals, to obtain state certification, 22 of its 25 staff in leadership positions were certified and five had a leadership certification. Teachers at Cyber are required to have certification, but Cyber does not require Georgia certification specifically. In 2019-20, the school reported to GaDOE that five instructors were teaching under a charter waiver certificate.

Agreements for Corporate Management Services

Charter school governing boards may contract with education management organizations to assist with the school's operation. These corporate entities provide a variety of operational services to public school districts and charter schools. They can provide either comprehensive management or selective services. The scope of services may include educational and administrative services such as accounting, procurement, and reporting.

During the 2019-20 school year, the school board was under contract with K12 Virtual Schools, LLC (K12) for a broad range of educational products and services, as well as management and administrative services; however, K12 did not provide services to Cyber in the 2019-20 school year. Cyber and K12 were in arbitration to end the contract during the 2019-20 school year and a final settlement was reached in July 2020. Cyber manages all services previously provided by K12 in-house. The only exception is a contract for computer support which includes the provision of laptops and computer support services/maintenance for those laptops.

Financial Aspects of Cyber's Agreement with K12 Virtual Schools

During the 2019-20 school year, Cyber did not pay K12 for any services; however, as a part of its settlement agreement with K12, Cyber will make annual payments over three years. Cyber made a payment of \$10 million in July 2020 and will make payments of \$4.5 million in July 2021 and July 2022.

Cyber leadership stated that approximately 80% of the settlement was prior year invoices for K12 fees that the school had not paid. They also indicated that Cyber will save approximately \$18 million in the 2020-21 school year by not having to pay the management, services, and product fees of K12. Cyber expects the savings to continue in future years.

Governance and Management

Charter schools operate under the leadership of a board that serves as the governing authority of the school. The primary responsibilities of the governing board relate to strategic planning and policymaking, budgeting and fiscal stability, hiring and providing oversight for the school leader, and ensuring accountability. The governing board is also responsible for ensuring compliance with laws and regulations, maintaining records of meetings, committees and policies, and monitoring school achievement. Board members with diverse backgrounds and skills in areas such as education, finance, human resources, and legal affairs can contribute to a board successfully performing its duties.

State law and State Charter School Commission guidelines establish qualifications for governing board membership and member training requirements. O.C.G.A. § 20-2-2084 requires board members to be a U.S. citizen and Georgia resident, and it prohibits members from being an employee of the school. The law also prohibits board members from being an officer or board member of any organization that sells goods or services to the school. State Charter School Commission guidelines require

board members to receive 12 hours of training annually. The required training must consist of charter school finance and budgeting, best practices for charter school governance, requirements relating to public records and meetings, and other applicable laws, rules, and regulations.

Cyber's by-laws authorize between five and thirteen board members. Cyber had a five-member governing board in the 2019-20 school year.

The board elects its members and officers at its annual meeting. Members are elected to serve three-year terms and may serve up to four successive terms. They are not paid but may be compensated for expenses incurred in connection with their duties. A majority of board members are required to transact business at meetings. The board held 14 meetings during the 2019-20 school year.

Comprehensive Performance Framework Governance Measures (2019-20)

The Operational Performance section of SCSC's Comprehensive Performance Framework (CPF) covers several aspects of charter school operations, including governance. The CPF states that a governing board must provide adequate oversight of school management and operations to ensure that the school is fulfilling its duties to students, employees, parents, and the general public. Given that CPF indicators and measures are incorporated into all charter contracts, a school's CPF standing is a reflection of whether the school has met the requirements and goals set forth in its charter contract, as well as applicable law, and SCSC rules and policies.

The framework consists of four standards for charter school governance as part of its expectations for operational performance. The State Charter Schools Commission (SCSC) concluded that Cyber met all standards pertaining to governance in the 2019-20 school year (see **Exhibit 25**).

Exhibit 25

SCSC Comprehensive Performance Framework Results for Governance, 2019-20

| CPF Governance Performance Indicators | Available Points | Points Earned |
|--|------------------|---------------|
| General Governance – <i>The school complies with applicable laws rules, regulations, charter contract provisions and school policies relating to board governance.</i> | 4 | 4 |
| Open Governance – <i>The school complies with the Georgia Open Meetings Act and open records requirements.</i> | 4 | 4 |
| Governance Training – <i>The school ensures that all governing board members participate in required trainings.</i> | 4 | 4 |
| Transparent Governance and Communication with Stakeholders – <i>The school complies with all applicable laws, rules, regulations, provisions of its charter contract or its policies relating to operating transparently and effectively communicating with stakeholders.</i> | 4 | 4 |
| Total Points | 16 | 16 |

Source: State Charter Schools Commission report

Staffing and Teacher Qualifications

Both GaDOE and the Georgia Professional Standards Commission (GaPSC) have roles in assessing the qualifications of public school staff. GaDOE requires public school teachers to hold a teaching certificate and a clearance certificate issued by GaPSC. A clearance certificate is issued after completion of a criminal background check, while a teaching certificate has additional educational and testing requirements. All public school teachers—including those in charter schools—are required to have a clearance certificate. Charter schools are permitted to employ instructors without a teaching certificate.

As shown in **Exhibit 26**, Cyber had 698 employees during the 2019-20 school year, 46 more than the previous year (a 7% increase). Of the staff, 543 were in certified positions⁴ and 155 in classified positions. Though the majority of certified staff are instructors, certain staff in leadership, special education, and student or instructional support roles have certification as well⁵. The increase in staffing reflects modifications to curriculum and instruction practices during the 2019-20 school year aimed at improving student achievement, including decreasing class sizes and removing administrative tasks from teachers by expanding support staff.

Exhibit 26

Staffing Composition at Cyber Academy, 2018-19 and 2019-20 school years

| Personnel Type (Total) | 2018-19 | | 2019-20 | |
|--|--------------------|---------------------|--------------------|---------------------|
| | Certified (536) | Classified (116) | Certified (543) | Classified (155) |
| Superintendent/Asst Superintendent | 1 | 3 | | 3 |
| Principal/Asst Principal | 11 | | 22 | |
| Curriculum & Instructional Manager/Supervisor | 48 | | 61 | |
| Elementary Instructor | 109 | | 129 | |
| Middle School Instructor | 98 | | 95 | |
| Secondary Instructor | 147 | | 163 | |
| Special Education Instructor | 51 | | 9 | |
| Other Special Education | 13 | 4 | 3 | 7 |
| Instructional Support | 7 | 1 | 15 | 2 |
| Student Support Services | 41 | 80 | 40 | 68 |
| Administration/IT | 11 | 28 | 6 | 75 |

Note: Certain staff have multiple assignments that cross categories, therefore a staff member may be counted in more than one category. As a result, the sum of numbers within a column may exceed the column total.

Source: GaDOE CPI data

⁴ With limited exceptions, certified positions are occupied by individuals with state certification. Charter schools may employ those without a certificate.

⁵ While instructors are typically required to be certified, certification for other positions is not uniformly required.

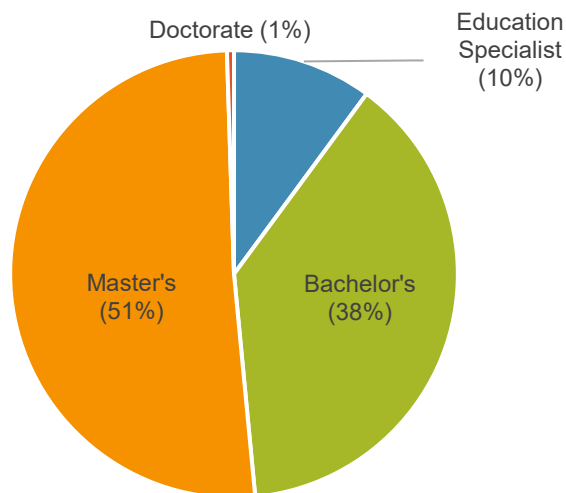
Cyber does not require those in leadership positions, such as superintendents, principals and assistant principals, to hold Standard Professional Leadership (SRL) certification. Cyber had 25 staff in leadership positions in the 2019-20 school year. Of those, 22 were certified and five of those held a leadership certification.

School officials generally require teachers to be certified in Georgia, but the school's policy allows for exceptions for those with certification in another state or for those teaching electives. In 2019-20, the school reported to GaDOE that five instructors were teaching under a charter waiver certificate. Of the five teachers, three held certifications, and two were in the renewal process during the 2019-20 school year.

As shown in **Exhibit 27**, GaDOE data shows that all of Cyber's instructors have a bachelor's degree or higher. Over half (62%) have a master's degree or higher.

Exhibit 27

Instructor education level, 2019-20 school year

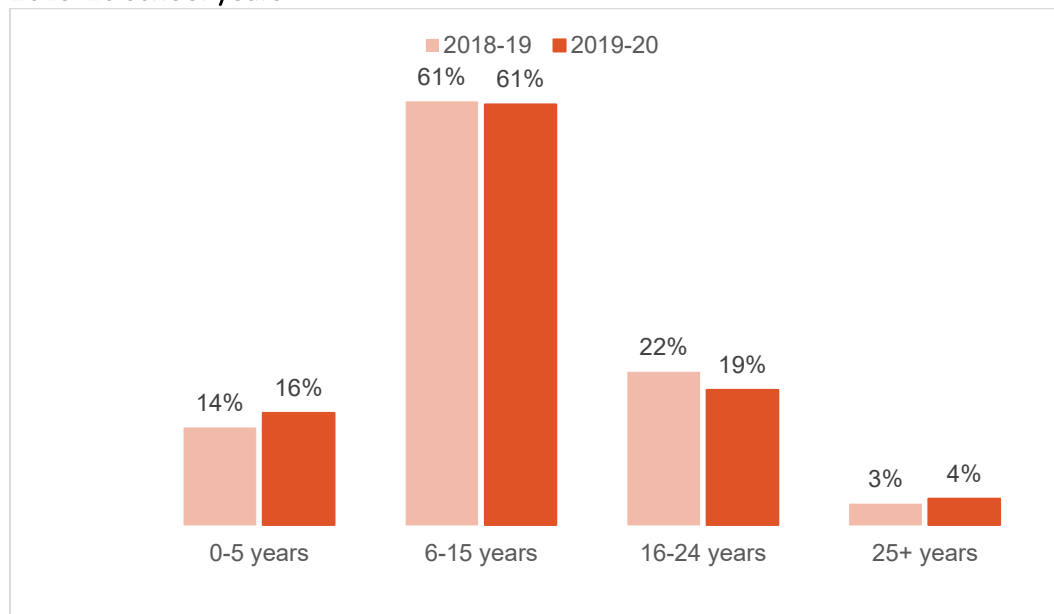


Source: GaDOE CPI data

Though the teaching staff employed by Cyber decreased slightly between 2018-19 and 2019-20, the level of experience of the teaching body remained relatively constant (see **Exhibit 28**). Sixteen percent of Cyber instructors had under five years of experience and 23% had more than 15 years of experience in the 2019-20 school year. The average teaching experience across instructors was 11.9 years.

Exhibit 28

Majority of instructors have between 6-15 years of experience, 2018-19 and 2019-20 school years



Source: GaDOE CPI data

Development Plans for Leadership without Certification

Cyber does not require those in leadership positions, such as superintendents, principals and assistant principals, to obtain state certification. Of the 25 staff in leadership positions at Cyber in the 2019-20 school year, 22 were certified employees and five had Standard Professional Leadership (SRL) certification specifically.

According to Cyber officials, professional development opportunities are provided to staff in leadership positions; however, the school does not have a specific professional development plan tailored to leaders who do not hold an administrative license. Training opportunities are available to all staff in a variety of configurations: district-wide, subject-specific, grade-band specific, as well individualized training and mentoring. Cyber schedules district leadership professional development and asks that those in leadership positions attend state-mandated and recommended trainings and conferences. Cyber officials state that training offered to all staff is needs-based and data driven.

Operations & Planning

Charter schools can use their funding to implement innovative or unique programs that are not typically available in traditional public schools. This section discusses Georgia Cyber Academy's funding, innovative practices, and future plans. Key points in this section include:

- Cyber received 93% of its funding from state funds, which is approximately 40 percentage points higher than the state average. Like all state charter schools, Cyber does not receive any local funds.
- Compared to the state average, Cyber spent a higher percentage of funds on school administration and pupil services. Cyber spent a lower percentage of funds in general administration, staff services, and maintenance and operations.
- Cyber's per student full-time equivalent (FTE) expenditure of \$9,000 is approximately 84% of the statewide average. Additionally, when comparing Cyber's per-student expenditures and test scores, GOSA rates the school a 3.5. That is higher than 59% of the state's rated schools.
- Cyber identified innovative methods that it uses to adapt hands-on experiences and experiential learning, encourage cross-curricular activities, and ensure teachers receive and share professional development resources. Additionally, Academic intervention specialists and behavior intervention specialists assist with customized academic support, monitor student attendance, and intervene if students are getting off-track.
- Georgia Cyber Academy is still committed to continued development of the practices submitted last year and as discussed in the 2019 report, which include: hiring plans for additional instructional positions, continuing commitment to continuously evaluating curriculum to ensure standards are being met, and supporting increased academic opportunities for students as appropriate to include College and Career Pathways, dual enrollment, work based learning, and advanced placement courses.

School Finances

During the 2017, 2018, 2019, and 2020 fiscal years, state charter schools received Quality Basic Education (QBE) funding and supplemental state funding from the State Charter Schools Commission (SCSC). The supplemental funds were provided because SCSC-chartered schools are not eligible for local funds. Virtual charter schools received two-thirds of the supplemental funding provided to brick-and-mortar schools, did not receive capital funding until fiscal year 2019, and generally received no transportation or nutrition funding.⁶

Cyber's annual financial reports show that revenue decreased from \$94 million in fiscal year 2019 to \$88.6 million in fiscal year 2020 (see **Exhibit 29**). State funds provide the majority of Cyber's funding, with federal and other funds providing the remainder. Revenue in 2017 was approximately \$2.7 million more than expenditures, while in 2018 and 2019 revenue equaled school expenditures. According to Cyber officials, the revenue and expenditure amounts match in fiscal years 2018 and 2019 because of adjustments made to expenditures after the end of the fiscal year. K12 provided a balanced budget credit, applied as a discount on the management fee/school administration costs charged to Cyber each year. Those reductions are made to the expenditure categories listed below.⁷ These adjustments are made to result in expenditures exactly equal to revenue. In fiscal year 2020, Cyber's revenue was approximately \$18 million more than expenditures, which Cyber officials indicated is a result of its separation with K12.

⁶ With passage of HB 787 during the 2018 legislative session, funding for all state charter schools increased in the 2018-19 school year and virtual schools began receiving capital funding. As part HB 787, virtual charter schools were, for the first time, provided with capital outlay funding equal to 25% of the capital funding provided to Commission brick and mortar charter schools in order to pay for the computer hardware and software their students require in order to attend classes.

⁷ The contract states that K12 will provide the school balanced budget credits to ensure that it does not end the fiscal year in a negative net asset position. Cyber received balanced budget credits of \$13.7 million in fiscal year 2017, \$9.9 million in fiscal year 2018, and \$6.9 million in fiscal year 2019.

Exhibit 29

Cyber's Revenue and Expenditures, Fiscal Years 2017 – 2020

| Description | 2017 | 2018 | 2019 | 2020 ¹ | Percent Change from 2019 to 2020 |
|---------------------------------------|---------------------|---------------------|----------------------|---------------------|----------------------------------|
| Revenue | | | | | |
| State | \$78,316,134 | \$82,728,184 | \$86,437,251 | \$82,231,707 | -5% |
| Federal | \$6,648,407 | \$7,166,871 | \$7,573,721 | \$6,379,906 | -16% |
| Other income | \$17,332 | \$18,464 | \$53,013 | \$8,075 | -85% |
| Local | \$ - | \$ - | \$ - | \$ - | N/A |
| Total Revenue | \$84,981,873 | \$89,913,519 | \$ 94,063,985 | \$88,619,688 | -6% |
| Expenditures | | | | | |
| Instruction | \$62,496,763 | \$71,582,812 | \$70,859,097 | \$50,593,209 | -29% |
| School Administration | \$14,151,631 | \$11,412,682 | \$15,901,532 | \$7,245,754 | -54% |
| Pupil Services | \$4,427,746 | \$5,557,166 | \$5,250,903 | \$8,174,648 | 56% |
| Improvement of Instructional Services | \$271,507 | \$443,224 | \$595,851 | \$1,260,299 | 112% |
| General Administration | N/A | \$370,644 | \$501,904 | \$67,126 | -87% |
| Operation of School | \$945,215 | \$337,196 | \$348,065 | \$367,507 | 6% |
| Support Services – Business | N/A | \$209,795 | \$606,633 | \$2,062,589 | 240% |
| Federal Grant Administration | N/A | N/A | N/A | \$309,391 | N/A |
| Instructional Staff Training | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>\$471,254</u> | N/A |
| Total Expenditures | \$82,292,862 | \$89,913,519 | \$94,063,985 | \$70,551,777 | -25% |
| Revenues Less Expenditures | \$2,689,011 | \$ - | \$ - | \$18,067,911 | |

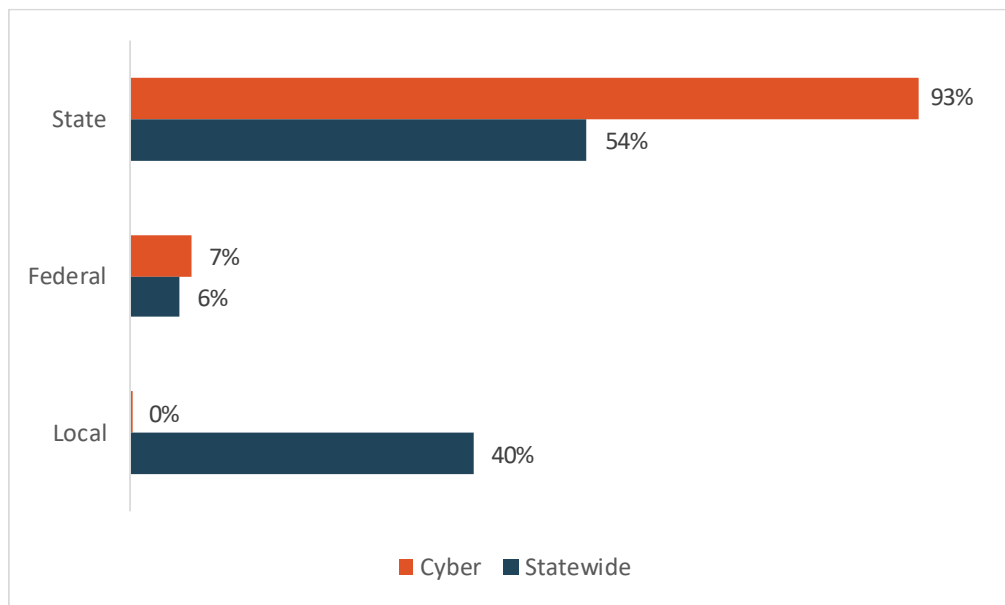
¹ Beginning in FY2020, Cyber began using the state chart of accounts. In prior years, Cyber used its EMO chart of accounts. This change contributes to some of the changes in categories from FY2019 to FY2020.

Source: Georgia Cyber Academy, Inc. audited financial statements

We used GaDOE’s fiscal year 2020 revenue and expenditure reports to compare Cyber’s revenue and spending patterns to other public schools.⁸ As shown in **Exhibit 30**, Cyber relies on state funding more than typical public schools. This is true of all state charter schools that do not qualify for local funding. State charter schools receive QBE funding and a state charter commission supplement to offset a portion of the local funding that they do not receive.

Exhibit 30

State funds are nearly twice the revenue source for Cyber than the statewide average, Fiscal Year 2020



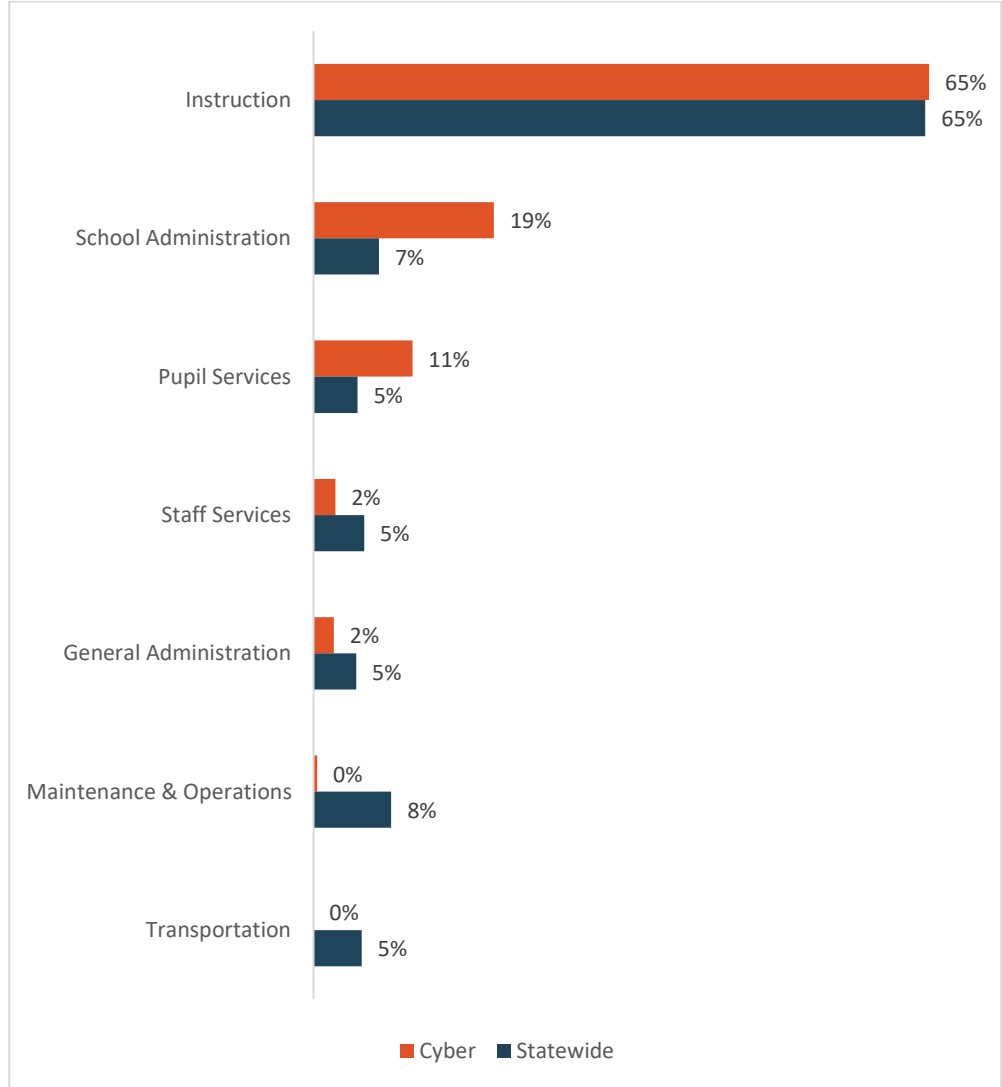
Source: Statewide GaDOE financial report and DE46 financials

⁸ The amounts in GaDOE’s financial reports are slightly different than those in the school’s financial statements due to the exclusion of certain revenue sources (e.g., in-kind contributions) and expenditure categories. However, GaDOE’s reports allow a comparison to other Georgia public schools.

As shown in **Exhibit 31**, Cyber reported spending the same proportion of funds on instruction compared to the state average. Cyber reported spending a higher proportion on school administration and pupil services than the state average. However, it reported spending little on general administration, staff services, and no expenditures on transportation.

Exhibit 31

Cyber spent more on school administration and pupil services and less on all other categories than the statewide average, Fiscal Year 2020



Source: Statewide GaDOE financial report and DE46 financials

Cyber's expenditures per FTE were lower than the statewide average. As shown in **Exhibit 32**, Cyber spent \$9,000 per FTE in the 2019-20 school year. This was approximately 84% of the statewide average of \$10,759.

Exhibit 32

Per-pupil expenditures at Cyber are approximately 84% of per-pupil expenditures statewide, Fiscal Year 2020



Source: Statewide GaDOE financial report

Academic Performance as a Ratio of Per-Student Expenditures (2018-19 Results)⁹

The Governor's Office of Student Achievement (GOSA) calculates a Financial Efficiency Star Rating (FESR) for each school in the state. The FESR compares a school district's spending per student with its overall academic performance. The 2018-19 FESR compared each school's spending per student to its CCRPI score and assigned between 0.5 and 5 stars to each school. Schools in the highest spending category with low CCRPI scores received only 0.5 stars, while those in the lowest spending category with CCRPI scores at 90 or above could receive 5 stars.

Cyber received 3.5 stars as part of GOSA's 2018-19 FESR. More than 1,200 schools (59%) received a lower rating, and 370 other schools (17%) received the same rating as Cyber.

Innovative Practices

Charter schools operate with freedom from certain regulations applied to traditional public schools. This freedom can allow the charter schools to adopt innovative practices or new approaches that may lead to better student outcomes. Innovation

⁹ We used the 2018-19 FESR for continuity because the 2019 annual report reported the 2017-2018 FESR.

can be implemented in various areas of education, including instruction, governance and accountability. While student outcomes are generally the ultimate goal of innovative practices, intermediate goals may include increasing the learning opportunities for students or adopting the use of creative teaching methods.

Examples of Goals for Innovation in Charter Schools

1. Increase learning opportunities for all students
2. Encourage the use of different and innovative teaching methods
3. Create different innovative forms of measuring outcomes
4. Establish new forms of school accountability
5. Create new professional opportunities for teachers

Source: Minnesota Association of Charter Schools

Cyber has incorporated a variety of practices intended to improve academic outcomes for students of all levels and flexibility for advanced learners. Cyber has added behavior intervention specialists to address student attendance rates. Cyber's events team coordinators have also adapted experiential and cross-curricular learning opportunities into virtual field trips during the pandemic. Customized support is offered through academic intervention specialists to suit the needs of individual students. Cyber's state-wide partners for the Work Based Learning opportunities are available to all students

Systemic supports for professional development have also been put into place to improve staff's teaching effectiveness. Each team and individual staff member at Cyber have developed a Professional Development plan to support individual and department goals. In order to support these goals, Cyber has implemented a redelivery policy- staff that attend outside professional development recreate the information learned to be stored in an institution-wide virtual professional development library for the use of all staff.

Future Goals and Plans

Cyber intends to expand organizational development efforts already underway, including plans for restructuring the Instructional Support Services and Special Education departments. Many departments have completed restructuring, and the responsibilities of department directors have been expanded. The review boards and certification systems developed for accountability and human resource development will continue to be supported.

In addition, Cyber intends to expand its Multi-tiered System of Supports (MTSS) department¹⁰—formerly called RTI (Response to Intervention), which they tested in

¹⁰ The Multi-tiered System of Supports (MTSS) is a prevention framework intended to identify, predict, and assist any students that may be at risk of poor learning outcomes. This system of supports is also used to provide aid to students who may have emotional/social needs, or behavioral concerns that would impact learning. The multiple tiers of core curriculum instruction, intervention, and intensive intervention comprise the school-wide multi-level prevention system.

the 2019-20 year and determined worked well in their virtual environment. Cyber noted that 50-60% of incoming students in the 2019-20 school year were struggling with their core academics and the MTSS department approach will be used to close those gaps by ensuring there is an adequately sized department dedicated to support students with foundational skill gaps. Cyber began expansion of the program in the 2020-21 school year by increasing the MTSS staff from a team of 4 to a team of 12 in grades K-8. Cyber's goal is to double the size of the MTSS staff in the following 2021-22 school year, depending on available funding.

Cyber intends to continue the expansion of elective course offerings, and other learning opportunities in the future. There are currently 2 electives required in elementary and middle school and 3 other electives that are optional. Cyber intends to work towards having electives mandatory 5 days per week. This initiative will require hiring additional specialty teachers.

The Head of School's vision for the future includes 1) increasing support employee hiring to augment the Multi-tiered System of Supports Department, 2) continuing to lower class sizes, and 3) pursuing additional development of electives.

APPENDIX A

Georgia Cyber Academy's Contractual Agreements

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE (hereinafter, the “Agreement”) is made and entered into as of the 30th day of June, 2020 (“Effective Date”) by and between K12 VIRTUAL SCHOOLS LLC (“K12”), a Virginia limited liability company, and GEORGIA CYBER ACADEMY, INC. (“GCA” or the “School”), a Georgia nonprofit corporation. Throughout this Agreement, K12 and GCA are each referred to as a “Party” and may be collectively referred to as the “Parties”.

WHEREAS, GCA is an Atlanta-based online public charter school serving Georgia students in grades K-through-12;

WHEREAS, K12 is a technology-based education company that offers proprietary curriculum, software systems, and educational services to a variety of schools and school districts, including public charter schools like GCA;

WHEREAS, on April 11, 2014, K12 and GCA executed an Educational Products and Services Agreement (the “EPSA”) that provided K12 would be the “sole provider to the School” of certain Educational Products and Services, as specified in the EPSA;

WHEREAS, K12 filed a Demand for Arbitration against GCA on May 10, 2019, asserting claims for breach and/or anticipatory breach of the EPSA, relating to GCA’s purchase of certain educational products and services covered by the EPSA in violation of K12’s exclusive rights thereunder;

WHEREAS, GCA filed an Answering Statement and Counterclaim on May 29, 2019, asserting counterclaims against K12 for breach of contract, breach of the duty of good faith and fair dealing, fraud, and negligent misrepresentation, relating to the prices charged to GCA by K12 for student computers, printers, and related software;

WHEREAS, the American Arbitration Association (“AAA”) confirmed the appointment of Brian Burgoon, Esq. as the sole arbitrator in this matter, without objection from the Parties, on June 12, 2019;

WHEREAS, following discovery, K12 amended its demand to assert a claim against GCA for fraudulent inducement on January 17, 2020, relating to the Fourth Amendment to the EPSA executed on January 3, 2019;

WHEREAS, K12 and GCA presented evidence in support of their respective claims, counterclaims, and defenses during a merits hearing in Atlanta, Georgia on March 2, 3, 10, 11 and June 22, 23, 24, and 25, 2020;

WHEREAS, the Parties reached an agreement in principle on June 25, 2020 to resolve the claims and counterclaims asserted in this matter, and subsequently negotiated final settlement terms in the following days;

NOW THEREFORE, in consideration of the mutual promises, covenants, agreements and acts set forth below, and for other good and valuable consideration as stated herein, the receipt and sufficiency of which are hereby acknowledged, the Parties memorialize their agreement to compromise, settle, release, and dismiss with prejudice all claims, counterclaims and defenses asserted by either Party in this matter, upon and subject to the following terms and conditions:

1. Recitals:

The above recitals and preambulatory clauses are true and accurate and are incorporated herein by reference.

2. Mutual Releases and Covenants Not to Sue:

2.1 K12, for itself, its past and present parent entities (expressly including, but not limited to, K12 Inc.), subsidiaries, divisions, affiliated entities, successors and assigns, does hereby knowingly and voluntarily release and forever discharge GCA and all of its corporate parents, subsidiaries, divisions, and affiliates, as well as such entities' current and former owners, Board members, officers, directors, managers, employees, shareholders, servants, agents, officials, insurers, and attorneys, in their official and individual capacities, together with their predecessors, successors, and assigns, both jointly and severally (collectively defined as the "GCA Releasees"), from any and all actions, causes of action, suits, debts, sums, accounts, damages, judgments, claims, and demands whatsoever in law or in equity, whether known or unknown, that K12 ever had, now has, or may or might in the future have against the GCA Releasees based on any acts, omissions, transactions, or occurrences whatsoever from the date of the beginning of the world to the Effective Date of this Agreement, including but not limited to any claim which was asserted or which could have been asserted in the Arbitration.

2.2 GCA, for itself, its past and present parent entities, subsidiaries, divisions, affiliated entities, governing board, successors and assigns, does hereby knowingly and voluntarily release and forever discharge K12 and all of its corporate parents, subsidiaries, divisions, and affiliates, as well as such entities' current and former owners, officers, directors, managers, employees, shareholders, servants, agents, officials, insurers, and attorneys, in their official and individual capacities, together with their predecessors, successors, and assigns, both jointly and severally (collectively defined as the "K12 Releasees"), from any and all actions, causes of action, suits, debts, sums, accounts, damages, judgments, claims, and demands whatsoever in law or in equity, whether known

or unknown, that GCA ever had, now has, or may or might in the future have against the K12 Releasees based on any acts, omissions, transactions, or occurrences whatsoever from the date of the beginning of the world to the Effective Date of this Agreement, including but not limited to any counterclaim or crossclaim which was asserted or which could have been asserted in the Arbitration.

2.3 The Parties represent and warrant that they have not assigned, sold or otherwise conveyed any such claims as described without limitation in this Section 2.

2.4 Notwithstanding any provision of this Agreement, the Parties are not released from their respective obligations as set forth in this Agreement.

3. **GCA's Obligations:**

3.1 As consideration for K12's acceptance and return of this Agreement and its fulfillment of the promises described herein, GCA agrees to pay K12 the total sum of **Nineteen Million Dollars** (\$19,000,000) divided into three (3) installments, including the full release of claims set forth in Section 2.1, above, and the Stipulation of Dismissal of the Arbitration, as set forth below, except for the enforcement of this Settlement Agreement as provided below:

3.1.1 On or before 5:00pm EDT on July 13, 2020, GCA will initiate a wire transfer in the amount of Ten Million Dollars (\$10,000,000) to the K12 Management account designated for such payments (presently, ABA routing number 031000053, account number 5303550723).

3.1.2 On or before 11:59pm EDT on July 31, 2021, GCA will initiate a wire transfer in the amount of Four Million Five Hundred Thousand Dollars (\$4,500,000) to the K12 Management account designated for such payments (presently, ABA routing number 031000053, account number 5303550723, or such other account as K12 identifies on or before June 30, 2021).

3.1.3 On or before 11:59pm EDT on July 31, 2022, GCA will initiate a wire transfer in the amount of Four Million Five Hundred Thousand Dollars (\$4,500,000) to the K12 Management account designated for such payments (presently, ABA routing number 031000053, account number 5303550723, or such other account as K12 identifies on or before June 30, 2022).

3.2 In the event that any of the three (3) above-described installments is not delivered in full on or before the deadline associated with such installment, then K12 (or its legal representative) shall alert GCA's in-house counsel (presently, Michael Kooi) and the Chairperson of GCA's Board, of such failure via written notice prior to taking any legal

action to enforce the terms of this Agreement. GCA shall then have two (2) business days from the date of delivery of such written notice to cure the apparent breach. If the requisite payment is not made within two (2) business days, then K12 may proceed with an enforcement action pursuant to Section 9, below.

3.4 As of the Effective Date of this Agreement through December 31, 2020, GCA agrees to use best efforts to promptly return to K12 any K12 issued laptop or desktop computers or printers that may have been inadvertently sent to GCA and/or Southeastern Computer Associates (“SCA”) by GCA students or their families, or which are otherwise in the possession, custody, or control of GCA or SCA.

4. K12’s Obligations:

4.1 On or before July 31, 2020, K12 will remove any mentions of and/or references to “Georgia Cyber Academy” or “GCA” (including, but not limited to, archived GCA Board minutes) as well as all instances of GCA’s logo, branding, and iconography from K12’s website, written and online marketing materials, press releases, social media platforms (including, but not limited to, Facebook and Twitter), and all other mediums, including any website redirects except for any such mention or reference that is limited to noting that GCA was formerly a K12 managed school. In the event GCA discovers or is made aware of any apparent violation of this Section 4.1, then GCA (or its legal representative) shall alert K12’s General Counsel (currently, Vince Mathis) of such failure via written notice prior to taking any legal action to enforce the terms of this Agreement. K12 shall then have two business days from the date of delivery of such written notice to cure the apparent breach. If the violative content is not removed in full within two business days, then GCA may proceed with an enforcement action pursuant to Section 9, below.

4.2 K12 agrees to investigate any specific requests from GCA concerning historical GCA student or financial records that GCA in good faith believes it is missing (despite the significant documents already produced to GCA by K12). If GCA identifies any specific materials it believes it does not have in its possession, GCA shall request K12 investigate whether it has the requested documents and K12 will use its reasonable best efforts to locate and produce the requested documents to GCA.

4.3 K12 will follow its normal processes in responding to any verification of employment request submitted by any past or present GCA employee who was formerly employed by K12.

4.4 As of the Effective Date of this Agreement through December 31, 2020, K12 agrees to use best efforts to promptly return to GCA any GCA issued laptop or desktop computers or printers that may have been inadvertently sent to K12 by GCA students or their families, or which are otherwise in the possession, custody, or control of K12.

5. Mutual Non-Disparagement:

K12 and GCA hereby agree and covenant not to make or cause to be made any oral or written statements, including without limitation Internet posts and comments (whether through social websites such as Facebook, Twitter and LinkedIn, or otherwise), directly or indirectly, that are derogatory, defamatory, disparaging, intentionally harmful or critical concerning the other Party and/or such Party's governing board, officers, directors, executives, managers, employees or attorneys, including any statements or comments regarding the other Party's competence, integrity, acumen, ethics, morals, interpersonal skills, intelligence, job performance, credibility, business practices, or reputation, to any non-party to this Agreement at any time after the Effective Date of this Agreement. The Parties acknowledge that such criticism or comments will constitute a material breach of this Agreement.

6. Suspension and Dismissal of Arbitration:

6.1 Within five (5) days after GCA pays K12 \$10,000,000 pursuant to paragraph 3.1.1 above, the Parties shall circulate and execute a joint Suspension of Arbitration, intending to suspend the Arbitration until the Parties have complied with their obligations under this Agreement. Once the Parties have fully and finally discharged their obligations under this Agreement, the Parties shall dismiss the Arbitration with prejudice. Mr. Brian Burgoon shall retain jurisdiction over the Arbitration only for purposes of enforcing any alleged breach of the terms of this Agreement. The Parties agree to pay Mr. Burgoon as his normal and customary rates for any and all fees and expenses incurred pursuant to this Agreement.

6.2 Under no circumstances shall any claims or counterclaims released under paragraphs 2.1 or 2.2 above be revived or relitigated in any enforcement proceeding in the Arbitration or any other action. Such claims are forever released upon execution of this Agreement.

6.3 The Parties remain responsible for their respective one-half (½) shares of all fees and costs currently payable to the AAA and/or Mr. Burgoon in connection with the Arbitration.

7. No Admission of Liability and/or Wrongdoing:

The making of this Agreement is not intended, and shall not be construed, as an admission by any Party of any violation of any federal, state or local law, ordinance or regulation, any breach of contract, or of any tort or legal wrong whatsoever, the same being expressly denied by all Parties hereto.

8. Review by Counsel:

The Parties represent and warrant that they have carefully read this Agreement in its entirety; that they have had a reasonable opportunity to consider the terms and provisions of this Agreement; that they consulted with an attorney of their choosing in connection with this Agreement, if they chose to do so but have at least had the opportunity to do so; that they fully understand all of the terms and conditions of this Agreement and their significance; that they voluntarily assent to all the terms and conditions contained herein; that they are signing this Agreement voluntarily and of their own force and will; and that they will abide by the provisions of this Agreement without exception.

9. Enforcement / Agreement to Arbitrate:

Both Parties retain the right to pursue a breach of contract action against the other Party for any material breach of this Agreement. Nevertheless, the Parties agree that they will attempt in good faith to settle any and all disputes arising in connection with this Agreement amicably in the ordinary course of business. If a dispute cannot be resolved through such good faith efforts, the aggrieved Party may proceed to final and binding arbitration in Fulton County, Georgia, pursuant to the then-existing AAA Commercial Rules with Mr. Brian Burgoon continuing as the presiding arbitrator to the extent that he is available and willing to serve. If Mr. Burgoon is unavailable to serve for any reason, the AAA shall select an arbitrator according to the then-existing AAA Commercial Rules. The arbitrator will award the prevailing party all of the fees and costs incurred in enforcing its rights under this Agreement (including but not limited to attorneys' fees and the costs associated with the arbitrator and AAA).

10. Miscellaneous:

10.1 If, at any time after the date of execution of this Agreement, any provision of it shall be held to be illegal, void or unenforceable, such provision shall be of no force and effect. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Georgia, without giving effect to the conflicts of laws principles thereof.

10.2 This Agreement constitutes the complete understanding between the Parties. Each Party acknowledges that neither the other Party nor any of its representatives has made any representations or promises to it other than as set forth herein. No changes to this Agreement shall be binding unless in writing and signed by the Parties.

10.3 This Agreement may be executed in several counterparts, each of which shall be deemed as an original, but all of which together shall constitute one and the same instrument. Facsimile or .PDF scanned signatures in lieu of original signatures are acceptable.

10.4 This Agreement is binding upon, and shall inure to the benefit of, the Parties and their respective heirs, executors, administrators, successors and assigns. Neither this Agreement nor any of the rights, interests or obligations of any Party hereto may be assigned without the prior written consent of the other affected Party.

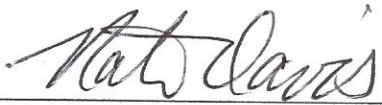
10.5 Should any provision of this Agreement require interpretation or construction, it is agreed by the Parties that the entity interpreting or construing this Agreement shall not apply a presumption that the provisions hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared this Agreement, it being agreed that all parties have participated in the preparation of all provisions of this Agreement.

10.6 The Parties covenant and agree, without further consideration, to prepare, execute, acknowledge, file, record, publish, and deliver such other instruments, documents, and statements, and to take such other action as may be required by law or that is reasonably requested by the other Party as necessary to effectively carry out the purpose of this Agreement.

10.7 This Agreement is not confidential and may be published by any Party.

IN AGREEMENT HERETO, intending to be legally bound, duly authorized representatives from K12 and GCA set their hand and seal as of the Effective Date.

ACKNOWLEDGED AND AGREED:

| | |
|---|---|
| K12 VIRTUAL SCHOOLS LLC  By: Nate Davis, Chief Executive Officer | GEORGIA CYBER ACADEMY, INC. By: Kenneth Tennyson Asher, Chairman of the Board of Directors |
|---|---|

10.4 This Agreement is binding upon, and shall inure to the benefit of, the Parties and their respective heirs, executors, administrators, successors and assigns. Neither this Agreement nor any of the rights, interests or obligations of any Party hereto may be assigned without the prior written consent of the other affected Party.


10.5 Should any provision of this Agreement require interpretation or construction, it is agreed by the Parties that the entity interpreting or construing this Agreement shall not apply a presumption that the provisions hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared this Agreement, it being agreed that all parties have participated in the preparation of all provisions of this Agreement.

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| K12 VIRTUAL SCHOOLS LLC <hr/> By: Nate Davis, Chief Executive Officer | GEORGIA CYBER ACADEMY, INC.  <hr/> By: Kenneth Tennyson Asher, Chairman of the Board of Directors |
|---|--|



Proposal for Managed IT Services

Presented To:

Georgia Cyber Academy

Presented By:

Southeastern Computer Associates, LLC

1690 Stone Village Lane

Suite 521

Kennesaw, GA 30152

678-401-2465

| Managed Services | Quantity | GOLD | |
|--|----------|-----------------|-----------------|
| | | Per item amount | Extended amount |
| Users / Devices: | | | |
| SCA Endpoint Protection for PC Users/Computers (see service description for details) | 100 | \$38.00 | \$3,800.00 |
| Unassigned Computers (PC) / Additional Computers (PC) for Users listed above | 1 | \$30.00 | \$30.00 |
| Support for Chromebook Users/Computers (see service description for details) | 0 | \$11.50 | \$0.00 |
| Unassigned Computers (Chromebook) / Additional Computers (Chromebook) for Users listed above | 0 | \$8.50 | \$0.00 |
| Network / Printing / Peripherals (per site): | | | |
| Firewall, router, VPNs, Managed and Unmanaged Switches, Wi-Fi Network, MFP (Printer, Scanner, Fax, Copier), Shared Network Printer | 1 | \$200.00 | \$200.00 |
| Servers / Storage: | | | |
| SCA Server Protection (physical or virtual) | 1 | \$250.00 | \$250.00 |
| Managed Services Subtotal | | \$4,280.00 | |

| | | | |
|--|--|--|--------|
| Services & Subscriptions Payable to SCA (hosting fees, device leasing, security bundles, etc.): | | | |
| n/a | | | |
| Services & Subscriptions Subtotal | | | \$0.00 |

| | | | |
|------------------------------|--|--|--------|
| Additional Services: | | | |
| | | | |
| Additional Services Subtotal | | | \$0.00 |

| | | |
|---|----------|------------|
| Base Agreement - 36 month term (monthly): | | \$5,650.00 |
| Managed Services and Subscription Fees (monthly): | | \$4,280.00 |
| Toll-Free Helpdesk phone number - GCA exclusive (monthly): pass thru expense \$5 per month plus \$0.039 per minute | variable | \$0.00 |
| Total (monthly): | | \$9,930.00 |

| | | |
|---|---------|--------|
| Managed Services Implementation Fee (one time): | covered | \$0.00 |
| Additional Services Fees (one time): | | \$0.00 |
| Total (one time): | | \$0.00 |

| | | |
|---|----------|--|
| Hourly Rate For Labor Not Covered By Agreement | | |
| Monday – Friday 8am-5pm excluding holidays | \$150.00 | |
| After-hours | \$225.00 | |
| Travel charges; Metro-Atlanta | \$25.00 | |
| Travel charges; outside Metro-Atlanta (.5X hourly Rate) | | |

| | |
|--|--|
| Included Labor: | |
| Unlimited remote and onsite support (Admin) during business hours of Monday through Friday 8am – 5pm | |
| Please note: After hours labor, which is not included, is billed hourly at 1.5x the stated rate | |

MANAGED IT SERVICES AGREEMENT

This Agreement is entered into between Georgia Cyber Academy ("Client") and Southeastern Computer Associates, LLC ("SCA"). This document constitutes the entire agreement between the parties with respect to the services set forth herein.

CLIENT INFORMATION

| | | | | |
|--------------------------------------|--------------|------------|---|--------------------------------------|
| Company Name | | | Subscription | |
| Georgia Cyber Academy | | | Managed IT Services 36-Month – Administrator and Teachers | |
| Billing Information | | | Primary Contact | |
| Billing Contact Name | | | Primary Contact Name | |
| Andre Hopewell | | | Angela Lassetter | |
| Address | | | Title | |
| 1745 Phoenix Blvd, Suite 100 | | | Head of School | |
| City | State | Zip | Primary Contact Email Address | |
| Atlanta | GA | 30349 | alassetter@georgiacyber.org | |
| Billing Contact Email Address | | | Primary Contact Day Phone | Primary Contact Evening Phone |
| ahopewell@georgiacyber.org | | | | |
| Phone | Fax | | Primary Contact Cell Phone | Primary Contact Fax |
| (404) 849-9404 | | | (404) 333-5166 | |

SCA "Gold" Managed IT Support Plan

Agreement Start Date: ____ July 10, 2019 ____

Agreement Term: SCA shall provide the Services set forth below for a period of thirty-six (36) months commencing as of the date of this Order or a date mutually agreed upon by Client and SCA. Any changes or cancellations require ninety (90) days written notice. Should Client choose to cancel the Agreement, the number of months remaining in the Agreement will be due and payable to SCA at time of cancellation.

Payment Terms:

- Client agrees to provide SCA with a Credit/Debit card that will be charged for each month's recurring service charge.
- Services shall be paid in advance.
- First month's service will be prorated if service does not cover a complete month.
- Implementation Fee, Additional Services and the first prorated or full month's service will be paid at the commencement of this Agreement.

• Out of Scope Support:

- For any support work that falls outside the scope of this agreement, client will be billed hourly at the stated hourly rate. Client will receive a separate invoice at the end of each month. All invoices are Net 15 day terms. Support work will be billed in 15 minute increments. On-site visits require a minimum of 1 hour of billing. Normal business hours are from 8:00 to 5:00 p.m., Monday through Friday, excluding holidays. Services performed outside of normal business hours will be invoiced at 150% the stated rate.

• Materials:

- For any hardware, software or other materials needed or requested, client agrees to pay, in advance, for item(s) which total \$500.00 or more. Items below \$500.00 will be included in a separate invoice at the end of each month along with any out of scope support charges.

SUBMITTING A NEW REQUEST/ISSUE

There are 2 ways to submit a request to SCA Support (in order of fastest response):

1. **Call the SCA Help Desk** at GCA's exclusive support number: 404-965-5016
 - a. This is the best method to use to get the fastest response.
 - b. The Services Manager will get your information and assist you in creating a new service request (ticket).
2. **Email the Help Desk** at support@sca-atl.com or client specific email address
 - a. Emails are processed automatically and converted to tickets for the support team to address.

Managed IT Service Descriptions and Scope of Work:

Service Bundle Descriptions:

This support plan includes the SCA Endpoint Protection bundle for users and computers, which includes the following:

SCA Endpoint Protection for Users/Computers:

Maintenance and support of the following user-related items:

- Workstation (PC/Laptop/Desktop/Mac/Chromebook)
- Email account
- Spam filtering system
- File syncing applications (such as File Sync, Dropbox, SharePoint, Box, etc.)
- Local printer (not shared networked printer)

Maintenance and security tools and services (per user):

- Email Protection (where applicable): Spam Filtering, Antivirus, Malware Protection, Email Encryption, Email Continuity, Anti-phishing Protection, Sandboxing of Attachments, Email Archiving for O365, O365 email backup
- Managed deployment of Microsoft Updates
- Managed deployment of 3rd party application patches
- Managed anti-virus software
- 24x7 event log monitoring
- Online and offline status monitoring
- 24x7 disk drive health and free space monitoring
- Daily backup monitoring
- Asset and inventory tracking
- Potential hardware failure alerting
- Remote access software

Maintenance and security tools and agents (per company):

- Local image backup for key PCs on the network (to client-provided local storage device; NAS or server)
- File-level Cloud backup for PCs on the network (200GB of cloud backup storage; \$0.25/gb/month over 200GB)
- Security awareness training (to Managed Users w Managed Email Services)
- Monthly dark web scanning

SCA Server Protection:

This support plan includes the SCA Server Protection bundle for Windows servers, which includes the following:

Maintenance and security tools and agents, and regularly scheduled services:

- 24x7 server event log monitoring
- 24x7 application service monitoring
- 24x7 performance monitoring
- 24x7 disk drive health and free space monitoring
- Daily backup monitoring
- Asset and inventory tracking
- Potential hardware failure and outage alerting
- Remote access software
- Managed deployment of Microsoft Updates
- Managed deployment of 3rd party application patches
- Advanced endpoint protection (managed anti-virus software)
- Server local image backup and 500GB of cloud backup storage (\$0.25/gb/month over 500GB)



Deep hardware maintenance: RAID controller firmware, drivers and BIOS updates performed quarterly onsite by an SCA engineer during regular business hours.
Backup file restore testing - performed quarterly

Included Services:

Client Onboarding & Network Discovery – SCA will provide initial client onboarding, network discovery and documentation services at the commencement of Managed Services. In addition, SCA will provide recommendations and a list of required updates to Client's infrastructure to comply with SCA's Managed Services guidelines and industry best practices. Client agrees that, in order to continue to be eligible for SCA's Managed Services, the required updates will be implemented over a time acceptable to both SCA and Client.

Performance, Availability & Predictive Failure Monitoring – SCA will monitor and track the availability and performance of designated servers according to SCA best practices. The monitoring system will provide SCA with real time alerts that will be responded to under the terms of this agreement.

Patch Monitoring & Management – SCA will monitor the Microsoft Windows operating system patch levels of SCA managed systems that are connected to the network(s). This includes servers and workstations (desktop and laptop/notebook computers). This system also allows SCA to deploy security patches utilizing strategic timing based on SCA best practices. SCA is also able to monitor and manage security patch levels of Microsoft Office applications, and certain critical Microsoft back office server based applications such as Exchange and SQL Server. It is expected that SCA, as the Managed Services Provider, will be the sole entity to apply patches and updates to all managed devices. Resolutions of problems related to unauthorized patches or updates will result in normal billing rates for all labor performed in the course of resolution. SCA's patch approval and deployment process requires servers to be patched (and rebooted) once monthly and workstations to be left powered on, patched and rebooted once weekly.

Client agrees to provide SCA with a maintenance window and any exclusions to the maintenance window, as follows:

Virus Definition Monitoring & Management – SCA will monitor antivirus definition levels of the SCA deployed managed antivirus solution. SCA will utilize methodologies that are consistent with most major antivirus software vendors. If a malware or virus outbreak occurs, SCA may require infected or offending devices to be disconnected from the network(s) and cleaned prior to restoring connectivity. If infected devices cannot be reasonably and reliably cleaned, the device may be re-imaged and data restored prior to restoring connectivity.

Hardware/System Support – SCA will provide support of all hardware and systems as specified in Pricing Worksheet on Page 1. All PCs and servers must be under a manufacturer's hardware warranty to ensure quick access to parts. According to SCA best practices it is recommended that all business class equipment, including servers, workstations, and networking equipment, be protected by an appropriately sized Uninterruptible Power Supply (UPS). Additionally, all software must be genuine, currently licensed and under a current vendor support agreement. Should any hardware or software system fail to meet these provisions, at SCA's discretion, they may be excluded from this Agreement and any work performed will be billed at the appropriate rate (as posted above). Should 3rd party vendor support charges be required in order to resolve an issue, or non-warranted hardware require support, SCA charges will apply and any 3rd party charges will be passed on to the Client after first receiving the Client's authorization.

Managed Security – SCA will employ industry standard IT security best practices throughout the course of managing Client's network, devices, data, backups and all other IT related systems.

Workstation/Server Count Maintenance – SCA will provide support under agreement only for systems which have SCA's Managed Services monitoring software installed. If a user requests support from a client's office that is under Managed Services and monitoring software is not already installed on the workstation or Server which requires support, an SCA employee will install the monitoring software prior to initiating the troubleshooting process. Additional workstations or servers will increase the total counts automatically and the customer will be billed based on the new count as of the 1st of the following month.

Workstations or servers which do not communicate, through use of the SCA monitoring agent for more than 30 days will be removed from our systems, thus decreasing the total count of devices prior to monthly invoicing. Removal of devices will be done by SCA prior to the end of each month to ensure proper counts.

If during onboarding SCA discovers any discrepancies in system quantities, client will be notified and pricing of this agreement will be updated to reflect actual quantities.

System Maintenance and Administration – Basic maintenance and administration tasks are included as part of this agreement (labor inclusions, hours and rate terms more specifically defined on Page 1). Each maintenance task is performed using the most expedient and unobtrusive method available, including automatic/remote, manual/remote, and manual/on-site support.

Technical Support – Systems or end-user problems or issues that involve systems listed as part of this agreement, assuming Client has met all expectations and requirements contained herein, and assuming the nature of the issue is not listed as an exclusion, will be handled in the most appropriate and expedient manner, as determined by SCA.



By default, response to all alerts and requests are covered during normal business hours, defined by SCA as **8:00 AM – 5:00 PM Monday through Friday EST** (excluding official company holidays). Escalation support outside of our normal business hours is available on a case by case basis and billed by the hour.

Monthly Reporting & Quarterly Business Review Meetings/Phone Call:

Client will receive electronic Management Reports and quarterly business reviews. These meetings or phone calls will be held to discuss monitoring reports and service requests, to review upcoming priorities, and to assess the overall satisfaction of the services being provided.

Additional CIO Consulting Services outside of the Recurring Business Reviews to consult with the client's management team on technical, business and financial objectives are billable by the hour at a rate of \$175/hour with a one hour minimum.

SCA Remote Workstation Access – SCA provides the ability for users of Managed Services to connect to their workstations remotely via a secure remote connection. This is a complimentary service provided by SCA and uptime/availability is not guaranteed by any service level agreement. This complimentary service provides basic remote connectivity only and may not provide all of the features that are required by any particular end user (remote printing, sound, etc.) For features that are desired or required by the end user an additional license may be available at additional cost.

Exclusions/Assumptions:

Exclusions based on Onboarding & Network Discovery – Client will be notified of items found during network discovery that are not covered/included in managed services. Tickets will be created for all non-compliant items which will be resolved outside of managed services at the hourly rate.

Project Work – Project work is defined as any client-directed elective service designed to add or increase functionality. In other words, any work that is not designed to support or maintain existing systems or users. Project work is outside the scope of this agreement and as such will be invoiced separately on a time and materials basis. Examples include: Physical office move to new facility, addition of new users, installation of new major software applications, installation of additional server not already in production, server hardware replacement, email system migrations, new computer installations for existing users, replacement of firewalls, server operating system upgrades, or other major changes to the network.

Line of Business Applications – Line of business applications such as accounting packages, CRM software, ERP software, etc. that are not under a manufacturer's support agreement and approved during Client onboarding and network discovery fall outside this Agreement. Reasonable attempts will be made to correct connectivity issues to such applications; however, problems specific to the application or network problems caused by the application are excluded. An excluded (or newly implemented) line of business application may be included in this Agreement by the completion of a Line of Business Discovery project that will be quoted and invoiced separately on a time and materials basis.

Server Hardware and Software Replacement – Server Hardware and Software replacements fall outside this agreement. Server hardware and software replacement may include new servers replacing existing servers, or addition of new server operating systems. These replacements will be discussed as part of periodic business reviews to ensure an appropriate hardware replacement strategy exists for all critical equipment.

Excluded Systems

Only the systems listed on page 1 of this agreement are covered by this agreement. Systems that are not listed are not covered, and SCA assumes no responsibility for the maintenance of such systems. Examples of excluded systems may include camera and DVR systems, phone systems unless specified on page 1, building access systems, security systems, audio-video systems, copiers managed by another vendor, Servers or data resources managed by another vendor, or any other item not listed on page 1 of this agreement.

Excluded Services

Services rendered under this Agreement do not include:

1. Parts, equipment or software not covered by vendor/manufacturer warranty or support.
2. The cost of any Software, Licensing, or Software Renewal or Upgrade Fees of any kind.
3. The cost of any 3rd Party Vendor or Manufacturer Support or Incident Fees of any kind.
4. The cost of any 3rd Party hosting or subscription fees (email hosting, file management systems, online application hosting, etc.)
5. The cost to bring Client's environment up to minimum standards required for services.
6. Failure due to acts of God, building modifications, power failures or other adverse environmental conditions.
7. Service and repair made necessary by the alteration or modification of equipment other than that authorized by SCA.
8. Rebuilding of computers or systems and reloading of software (including Operating Systems) that have failed due to Client's disregard of SCA's "Failure Eminent" recommendations, including but not limited to hardware failure or critical system threatening scenarios.
9. Rebuilding of computers or systems and reloading of software (including Operating Systems) due to files or programs that have been downloaded from inappropriate, non-business related sites. File types and programs this can encompass include but are not limited to streaming media, music download, file sharing and pornographic sites. If it is determined that the files causing corruption/infection are of this variety, then the cost to rebuild the system will be billed at the posted labor rates identified in this agreement.
10. Maintenance of unapproved applications and software packages unless specified.
11. Low-voltage cabling; as part of this agreement, SCA will assist in identifying that issues related to low-voltage cabling exist. However, any installation, repair, testing, toning, labeling or other work or troubleshooting related to low-voltage cabling is outside the scope of this

- agreement. SCA may recommend one or more low-voltage cabling vendors for any needs. Cost of these vendors and their work is the responsibility of the client.
12. Mounting, unmounting or physically accessing any included equipment that is mounted in high or hard to reach areas is outside the scope of this agreement, and may require a third-party vendor at the client's cost. An examples of this is a Wi-Fi access point mounted on a high ceiling beyond the reach of a small step ladder.
 13. Programming (modification of software code) and application (software) maintenance unless specified.

"No Show" Service Calls/Service Calls Where Issue Could Not Be Reproduced – If Client requests an on-site service call and no one is at the office or available to work with SCA or no problem can be found or reproduced, Client may be billed at the current applicable rates.

Minimum Standards Required for Services:

In order for Client's existing environment to qualify for Managed Services, the following minimum requirements must be met:

1. Internet service provider speed rating of 50 mbps or higher is required in order to accommodate cloud backup data transfer and system patching downloads.
2. All servers with Microsoft Windows Operating Systems must be running Windows Server 2008 R2 or later with all of the latest Service Packs and Critical Updates installed. As server operating systems move into Microsoft's non-support phase, they will need to be upgraded or removed from this agreement.
3. All PCs and servers must be under a manufacturer's hardware warranty to ensure quick access to parts.
4. All workstations (desktop, laptop & notebook) with Microsoft Windows Operating Systems must be running Windows 7 Professional or later, and have all of the latest Service Packs and Critical Updates installed. As workstation operating systems move into Microsoft's non-support phase, they will need to be upgraded or removed from this agreement.
5. Users may not be local administrators of included Workstations (desktop, laptop & notebook), Servers, or Line of Business applications without approval of SCA and Client management. Support for unapproved workstations with users who are local administrators will be billed at the posted labor rates identified in this agreement.
6. All Server and Desktop Software and Hardware must be Genuine, Licensed and vendor-supported.
7. By default, the environment must have SCA's advanced endpoint protection antivirus solution protecting all servers and workstations. This service is included in this agreement.
8. By default, the environment must have SCA's image-based backup solution protecting all servers and file-level backup on PCs. This service is included in this agreement.
9. The environment must have a currently licensed, vendor-supported hardware firewall between the local network (LAN) and the Internet.
10. Wireless (Wi-Fi) data traffic in the environment must be secured using WPA2 Personal encryption with a complex, regularly changed passphrase at a minimum.
11. Client must have a properly sized and maintained UPS power management in place for servers.
12. Client's local network(s) must use a gigabit or better switch-based technology.
13. Infrastructure must be built around standard vendor stated best practices.

Costs required to bring Client's environment up to these Minimum Standards are not included in this Agreement and will be quoted upon request under a separate project estimate. At SCA's discretion, systems that do not meet these requirements may be included and have the necessary agents installed for monitoring and support, but any issues that cannot be readily and easily supported will be billed to the Client after first receiving Client's authorization.

GENERAL TERMS & CONDITIONS

Limitations of Technology - Client acknowledges that technologies are not universally compatible, and that there may be particular services or devices that SCA may be unable to monitor, manage, or patch. SCA agrees to inform Client when such situation exists. Client agrees to correct situation if applicable, and to hold SCA harmless in any case.

Because there are risks associated with applying and failing to apply patches, SCA constantly reviews and updates our best practices based on the relative threats to patch delivery timing. Every effort is made to balance the reduction of vulnerabilities with the slight destabilization risk associated with applying new patches to otherwise stable systems.

Spam control, patch definitions and antivirus definitions are managed and/or distributed by their respective software vendors, and as such, SCA has no direct control over the effectiveness or lack thereof of the software being applied. SCA shall not be held responsible for interruptions in service due to patches released by software vendors.

Force Majeure & Limitation of Liability - SCA shall not be deemed to be in default of any of its obligations hereunder to the extent that the performance thereof is delayed or rendered impossible by acts of God, war, civil commotion, governmental action, fire, storm, flood, explosion, strikes, walkouts, other



industrial disturbances, inability to obtain raw materials from usual sources or any other cause, whether of the same or different nature, which is beyond its reasonable control. SCA shall not be responsible or liable to Client or any third party for any damages of any kind (including attorney's fees) including, without limitation, damage to property, lost profits, loss of use, or incidental, consequential, indirect, direct, special, reliance, punitive or contingent damages resulting from any breach by SCA of this agreement, except to the extent caused by the sole and absolute negligence of SCA. Notwithstanding anything contained herein to the contrary, the extent of SCA's liability and Client's sole and exclusive remedy hereunder is limited to SCA's correction of any defective services performed hereunder, and Client shall not be entitled to any other remedies, whether in contract, tort or otherwise. Under no circumstances shall SCA's liability hereunder exceed the Client's cost for those services performed by SCA hereunder found to be defective. SCA shall be given a reasonable opportunity to investigate all claims made by Client, and under no circumstances shall Client be permitted to set off or credit any amounts due and owing to SCA hereunder. Furthermore, damage and/or significant problems that result from anomalies and/or abnormal circumstances such as fire, flood, electrical surges, deliberate malicious acts, theft, acts of God, wars, insurrections, terrorist acts and/or any other cause beyond the reasonable control of either party fall outside the terms of this agreement.

Loaned/Rented Equipment - The Client agrees that any equipment used by SCA in the execution of this or any service that is not explicitly purchased by Client shall remain the property of SCA, and must be returned if requested. Client further agrees to cease the use of any technology that remains the property of SCA upon termination of this agreement. SCA may, from time to time, provide "Loaner Equipment" to Client under a SCA Loaner Equipment Agreement if requested or required based on availability of requested or required equipment. See the SCA Loaner Equipment Agreement for specific details.

Site Access - Client will be responsible for obtaining proper and adequate permission for SCA to enter upon and operate within the lands and properties designated as Client's work area, including after-hours access.

Equipment & Facilities - The Client agrees that SCA may utilize certain items of the Client's equipment and may gain access to certain Client facilities. The Client retains title and ownership in all of Client's equipment owned by Client and utilized by SCA, and must grant authority for SCA to access Client's facility. Facility access may be denied for any reason at any time, however if access to facilities is denied, Client understands that SCA may be unable to perform their duties adequately and if such a situation should exist, SCA will be held harmless.

Passwords - Client acknowledges that SCA must have access to any and all systems and resources to perform their duties under this agreement. As such, Client agrees that SCA must have access to any and all passwords including but not limited to the System and Administrative passwords.

Warranty - SCA warrants and represents that all services hereunder will be performed in a skillful and workmanlike manner according to the industry standards generally prevailing among consultants performing similar services under similar circumstances. SCA does not warranty any hardware or software products purchased by SCA on Client's behalf that are manufactured by a party other than SCA. Any warranties with respect to such products shall be those provided by the manufacturers thereof only and not SCA.

Non-Solicitation of Employees - For the term of this Agreement (including all renewals hereto) and for a period of one year thereafter, neither party shall hire, solicit or accept solicitation of, through employment or otherwise, directly or indirectly, any of the other party's employees, agents or independent contractors, unless it first obtains the prior written consent of the other party.

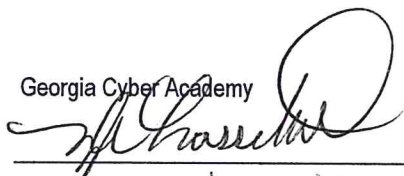
Entire Agreement - This agreement constitutes the entire agreement between SCA and Client with respect to the subject matter hereof, and supersedes all prior agreements, oral or written, related to the subject matter hereof. Executed copies of this Agreement may be delivered by facsimile transmission or scanned and emailed.

Governing Law - This agreement shall be deemed to be made in the State of Georgia and shall be construed and governed by the laws thereof. Any disputes arising out of this agreement shall be subject to the exclusive jurisdiction of a court of competent jurisdiction located in Cobb County, Georgia.

Confidentiality - SCA agrees that information pertaining to the Client will be kept confidential including, but not limited to, any information discussed or seen during the performance of their duties. Client agrees to keep information about SCA, including hourly rates, confidential.

SIGNATURES

By signing below, parties are indicating that they have read and agree to the terms of this agreement in its entirety, and that they are authorized to make such decisions for their respective organizations.

| | | | |
|------------|---|------------|--|
| Company: | Georgia Cyber Academy | Company: | <u>Southeastern Computer Associates, LLC</u> |
| Signature: |  | Signature: | _____ |
| Name: | <u>M. Angela Lassetter</u> | Name: | _____ |
| Title: | <u>GCA Head of School</u> | Title: | _____ |
| Date: | <u>7/12/19</u> | Date: | _____ |

APPENDIX A

NOTES:

The following is a guideline to clarify what labor items are included, and what items are excluded and billable

Included Regular Support Items

| | | |
|--|----------|------------------------------------|
| User's PC goes down, loaner installed, then de-installed | Included | Regular support of existing user |
| Operating system upgrade on PC | Included | Regular support of existing user |
| User moves from one hallway to the next | Included | Regular support of existing user |
| PC hand-me-down | Included | Regular support of existing user |
| User upgrades to a new PC | Included | Regular support of existing user |
| Loaner server for repair | Included | Regular support of existing server |
| Major application upgrade | Included | Regular support of existing server |

Billable Moves, Adds, Changes

| | | |
|--|------------------|--------|
| Entire office moves across town | Billable project | Move |
| Add a new user with all their technology needs | Billable project | Add |
| Install new major software application | Billable project | Add |
| Add an additional server | Billable project | Add |
| Server hardware replacement | Billable project | Change |
| Exchange to Office 365 migration | Billable project | Change |
| Change Line of Business application | Billable project | Change |
| Replace client-owned firewall | Billable project | Change |
| Server operating system upgrade | Billable project | Change |

APPENDIX B

ISSUE RESPONSE TIMES AND TARGETED RESOLUTION TIME

| Issue | | Targeted Response Time |
|--|--|------------------------|
| Response Time | | 15 min |
| Resolution time 20 minutes for most issues, up to 1 hr for extenuating circumstances If an issue cannot be resolved in 1 hour, a replacement unit will be sent within 24 hrs, along with a return label for the defective unit. | | 20 mins to 1 hr |

Virtual Substitute Services Agreement

Submitted By:



To

Georgia Cyber Academy

BUSINESS AGREEMENT

This agreement dated September 9, 2019 sets forth the terms and conditions whereby WiserEd Solutions, LLC ("WiserEd") agrees to provide certain services to Georgia Cyber Academy ("Client") located at 1745 Phoenix Boulevard, #100, Atlanta, GA 30349.

Hiring A Substitute Teacher/Counselor/Staff Pool

WiserEd will be responsible to recruit qualified substitute teachers, counselors, and staff. All personnel will be employees and/or contractors of WiserEd Solutions, LLC and will be required to complete a Federal Background and Fingerprint check in the state in which the substitute resides. WiserEd will review these reports prior to the first day of work and only place substitutes with a clear criminal history record.

Training Substitute Teachers/Counselors/Staff

WiserEd will provide its employees with initial and ongoing training necessary to provide high quality substitute teaching services. The Client will provide substitutes assigned to their school to perform the daily technical functions of teachers at Georgia Cyber Academy. This includes training on the learning management system, data management and entry, and communication protocols and requirements. WiserEd will require access to the learning management system and unique usernames and logins for all employees from the Client.

WiserEd will require all employees/substitutes to sign a FERPA Acknowledgement and to complete Child Safety Training for online child abuse prevention if included in the training for the Client's faculty and staff.

Scheduling Substitute Teachers/Counselors/Staff

WiserEd will provide a substitute services request portal for the Client to use for the substitute request. WiserEd will provide confirmation of the substitute request along with the assignment within 10 business days of the request.

PRICING

WiserEd charges a base fee according to the following schedule:

- \$5000 for Year 1 (September 2019 – June 2020) due upon execution of agreement,
- \$3500 for Year 2 (July 2020 – June 2021) due on July 1, 2020, and
- \$2000 for Year 3 (July 2021 – June 2022) due on July 1, 2021.

This base fee covers the costs of recruitment, training, and management.

The daily rate for a substitute teacher is \$155 per day. The daily rate for a substitute counselor or leader is \$185 per day. Rates are subject to annual increase based on the school calendar year. If you call upon us to perform services on other matters, our fees will be the same as those set forth herein unless an alternate arrangement is made. Fees are fixed for the academic year(s) in which the contract was established.



TERMS AND CONDITIONS

- 1. Service:** It is understood and agreed that WiserEd services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the Client. In connection with its services hereunder, WiserEd shall be entitled to rely on all decisions and approvals of the Client.
- 2. Fees and Expenses:**
 - 2.1** As compensation for the services and the rights granted to WiserEd in this Agreement, the Client shall pay WiserEd within 30 days of the invoices, as outlined in the Pricing, payable bi-monthly. WiserEd acknowledges that WiserEd will receive an IRS Form 1099-Misc from the Client, and that WiserEd shall be solely responsible for all federal, state, and local taxes.
 - 2.2** Properly submitted invoices upon which payment is not received within thirty (30) days of the invoice date shall accrue a late charge of the lesser of (i) 1 1/2% per month or (ii) the highest rate allowable by law, in each case compounded monthly to the extent allowable by law. Without limiting its rights or remedies, WiserEd shall have the right to halt or terminate entirely its services until payment is received on past due invoices. The Client will hold WiserEd harmless for the discontinuance of and/or delay in providing recordkeeping services as a result of late or nonpayment of fees. No obligation will exist to refund any deposit or fees for which services have been rendered.
- 3. Term:** The term of this Agreement shall commence on September 9, 2019 and shall continue until June 30, 2022. Any extension of the Term will be subject to mutual written agreement between the parties. Unless terminated sooner in accordance with its terms, this engagement shall terminate on the completion of WiserEd's services hereunder. Either party may terminate this engagement at any time by giving written notice to the other party not less than 10 calendar days before the effective date of termination.
- 4. Ownership:** WiserEd has created, acquired or otherwise has rights in, and may, in connection with the performance of services hereunder, employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methodologies, procedures, process, know-how, and techniques (including, without limitation, function, process, system and data models): templates; the generalized features of the structure, sequence and organization of software, user interfaces and screen designs; general purpose consulting and software tools, utilities and routines; and logic, coherence and methods of operation of systems (collectively, the "WiserEd Tools & Systems").
- 5. Indemnification:** The Client agrees to indemnify and hold WiserEd harmless from any liabilities, expenses and damages (including attorney fees) arising out of, or in connection with this Agreement.
- 6. Non-Disclosure:** The Client agrees not to publish or disclose, or allow to be published or disclosed, Confidential/Financial/Trade Secret Information to any person or entity without the prior written authorization of WiserEd Solutions, LLC unless pursuant to or in connection with Client's duties to WiserEd Solutions, LLC under this Agreement.



7. Employment of WiserEd Solutions, LLC Personnel/Contractors: Each party agrees that during the term of this agreement and for a period of 12 months following the termination or expiration of the agreement that:

- (a) The Client shall not make any solicitation to employ WiserEd Solutions' personnel without written consent from WiserEd, to be given or withheld in WiserEd's sole discretion.
- (b) WiserEd shall not make any solicitation to employ the Client's personnel without consent from the Client, to be given or withheld at the Board of Director's discretion.
- (c) Should WiserEd grant consent to the Client regarding employment of a WiserEd Contractor/Personnel, the Client shall pay to WiserEd a fee of \$3500 within thirty (30) days of the date that the WiserEd Contractor/Personnel accepts employment with Client.

WiserEd Solutions, LLC is looking forward to providing Georgia Cyber Academy with quality substitute services to ensure the school's academic success!

SIGNATURES



BY:

Name: **Heather Robinson**

Title: Co-Owner and COO

WiserEd Solutions, LLC

Federal Tax Id. No.: 83-1199722

UNDERSTOOD AND AGREED:

BY: 

(signature)

Name: Mary A. Lassetter

(printed name)

Title: GCA Head of School

(Title at Georgia Cyber Academy)

Date: 9/13/19

The Performance Audit Division was established in 1971 to conduct in-depth reviews of state-funded programs. Our reviews determine if programs are meeting goals and objectives; measure program results and effectiveness; identify alternate methods to meet goals; evaluate efficiency of resource allocation; assess compliance with laws and regulations; and provide credible management information to decision makers. For more information, contact us at (404) 656-2180 or visit our website at www.audits.ga.gov.