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## Homeschool loophole spurs call for reform

Some charter operators seen as abusing system

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State lawmakers and educators are urging reforms to close an apparent legal loophole that lets some charter school operators keep millions of dollars meant for children's instruction.

California pays as much money to homeschooling charters as it does to traditional schools, even though the home-based programs have no classrooms or teachers. Tens of thousands of children are taught at home by their parents through charters, which are autonomous public schools that hold a contract — the charter — with a local school board.

The situation is ripe for fraud, state Board of Education President Reed Hastings said yesterday, noting that California could save \$10 million a year by restricting lucrative payouts to the low-cost homeschool programs.

Hastings and state lawmakers called for reform in response to a Chronicle article about a husband-and-wife team in Antioch who were able to keep much of the nearly \$1.4 million they got from the state this year to run HomeSmartKids, a homeschool of 300 students.

"The charter school system was set up to give parents more say in

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their children's education, not for some third-party fly-by-night to make money," said John Vasconcellos, a Santa Clara County Democrat who chairs the Senate Education Committee. "We have to put a stop to that."

The state Department of Education also is investigating allegations of profiteering at the Sierra Summit homeschooling charter run by a Sierra County school district.

State schools chief Delaine Eastin said yesterday that she will ask Controller Kathleen Connell to investigate HomeSmartKids. "Our goal is to educate children, not feather someone's nest," she said.

Next week, Hastings said, he will give lawmakers his proposal to make the homeschooling system more accountable and stop any "fiscal shenanigans." He wants the state to pay homeschooling charters based on the number of days each student goes to a local school to show work and consult with a teacher.

State Department of Finance director Tim Gage said through a spokesman that he is "receptive to proposals" to ensure money goes to educating children, "not creating profitable business ventures."

Of California's 280 charter schools, about 90 are for homeschoolers.

As an incentive to enroll in the charter, homeschooling parents share a small portion of the school's state money, while the rest is kept by the district or non-profit that runs the charter.

"There are some outstanding programs," Hastings said. "But there are some irresponsible situations where the question is whether the school is spending taxpayer dollars on kids and teachers — or not."

HomeSmartKids receives about \$4,600 per child from the state. Directors Rod and Joslyn Pocock give parents up to \$1,500 for books and supplies. They also pay for a Web site, a small office and a few clerks and keep much of the rest for themselves.

Also calling for reform were Carole Migden, a San Francisco Democrat who chairs the Assembly Appropriations Committee, and Virginia Strom-Martin, a Sonoma County Democrat who chairs the Assembly Education Committee. Even some parents from HomeSmartKids said they had not understood how much money the Pococks could keep and called it unethical.

"It does seem like a loophole," said Strom-Martin.

Charter advocates oppose reforms that could reduce funding, but they said they support vigorous enforcement of the existing law that lets the state close charters that mismanage funds.

Joe Lucente, president of the California Network of Educational Charters, yesterday urged Eastin to look into HomeSmartKids.

"It is critical that immediate and decisive action be taken," Lucente wrote Eastin, offering the group's help in an investigation.

State Board President Hastings earned the respect of charter school advocates when he backed a 1998 ballot initiative they favored. When lawmakers approved a similar bill, the measure was dropped.

Despite his strong standing among charter schoolers, Hastings said he believes changes are needed. Although HomeSmartKids may be the only explicitly for-profit company in the homeschooling business, he said, its lucrative deal is not unique.

He calls his proposal "proportional payment" because homeschooling parents would receive state funds only in proportion to how often their children brought work samples to a local school.

"Let's say the kid comes in once a week, that's 20 percent funding. Two times a week is 40 percent funding," he said.

He said the change would also add accountability to many homeschooling programs that, like HomeSmartKids, have parents fax in work samples and attendance records that may not be accurate.

In many cases, parents also proctor their own children when taking the state's achievement test.

"That's nuts," Hastings said. "(Homeschooling) law has lots of flexibility. Charter school law has lots of flexibility. The two put together is a volatile mix."

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