

Legislative Education Study Committee
Legislative Finance Committee
Joint Program Evaluation

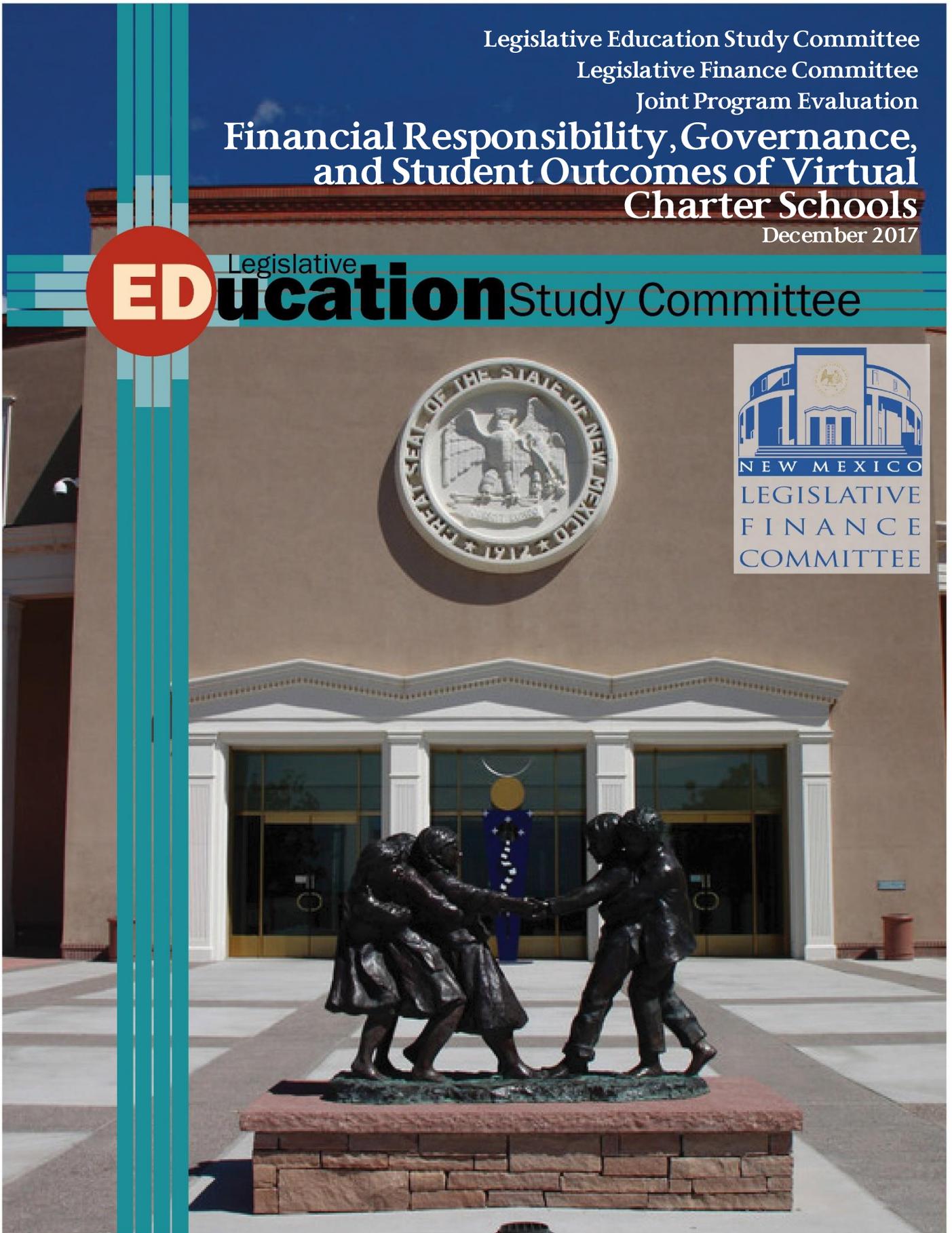
Financial Responsibility, Governance, and Student Outcomes of Virtual Charter Schools

December 2017



Legislative

EDucation Study Committee



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December 19, 2017

Christopher Ruskowski, Secretary Designate
Public Education Department
Jerry Apodaca Education Building
300 Don Gaspar
Santa Fe, New Mexico 87505

Dear Secretary Designate Ruskowski:

The Legislative Education Study Committee (LESC) and Legislative Finance Committee (LFC) are pleased to transmit the evaluation, *Financial Responsibility, Governance, and Student Outcomes of Virtual Charter Schools*. The evaluation reviewed student academic achievement and growth, funding and expenditures, and authorization and governance, of New Mexico virtual schools.

The report will be presented to LESC on December 19, 2017, and to LFC in January 2018. An exit conference to discuss the contents of the report was conducted with the Public Education Department on December 12, 2017. The Committees would like a plan to address the recommendations within this report within 30 days from the date of the hearing.

We believe this report addresses issues both Committees asked us to review and hope your department and New Mexico's school districts and virtual schools will benefit from our efforts. We very much appreciate the cooperation and assistance we received from you and your staff.

Sincerely,

Handwritten signature of Rachel S. Gudgel in black ink.

Rachel S. Gudgel, LESC Director

Handwritten signature of David Abbey in black ink.

David Abbey, LFC Director

Cc: Senator Mimi Stewart, Chair, Legislative Education Study Committee
Representative G. Andrés Romero, Vice-Chair, Legislative Education Study Committee
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Ms. Duffy Rodriguez, Secretary, Department of Finance and Administration
Mr. Keith Gardner, Chief of Staff, Office of the Governor
Mr. Wayne Johnson, State Auditor
New Mexico School Superintendents' Association
New Mexico School Boards Association

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Virtual education represents a relatively new frontier in public education. While technology offers promising ways to enhance student learning, incorporating these new methods of teaching and learning presents challenges for state education systems. Virtual charter schools, where students receive all of their instruction online and are not required to attend classes at a physical school location, have grown in New Mexico, serving more than 2,000 students in FY17. Meanwhile, New Mexico statute is silent regarding virtual charter schools. Since opening, these schools have struggled to produce acceptable student outcomes, demonstrate fiscal responsibility, and comply with state law.

This evaluation examines the three virtual charter schools in New Mexico, assessing each school's academic outcomes, fiscal responsibility, and governance.

Virtual charter schools produce lower academic outcomes than brick-and-mortar schools despite serving fewer at-risk students.

Virtual charter schools serve lower rates of low-income, English learning, and special education students than the statewide average. Despite serving fewer at-risk students, virtual charter schools generally produce lower academic proficiency rates and growth in academic achievement compared with statewide averages. According to staff calculations, the average fourth through eighth grade virtual charter school student at New Mexico Virtual Academy and New Mexico Connections Academy experienced the equivalent of between 91 and 161 fewer days of learning than the average brick-and-mortar school student from FY15 to FY16. Virtual charter school students that changed schools between FY15 and FY16 experienced the equivalent of about 50 fewer days of learning than virtual charter school students that did not change schools.

The funding formula treats virtual charter schools similarly to brick-and-mortar school, causing financial waste and possibly incentivizing school districts to authorize virtual charter schools.

Virtual charter schools spend about a third of the amount spent on instructional staff per student compared with brick-and-mortar schools, and a quarter of the amount per student spent on plant operations and maintenance.

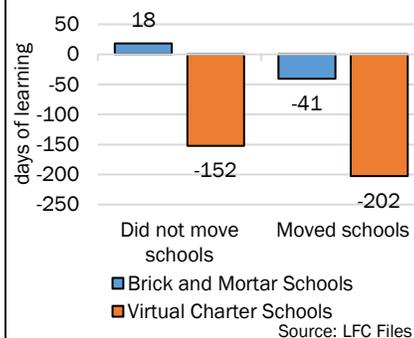
In FY17, the three virtual charter schools in the state spent \$7.5 million, or 50 percent of the schools' \$15 million in total funding, to two out-of-state, for-profit companies to provide curriculum and other educational services. However, these expenditures lack oversight and transparency. Invoicing from curriculum providers lacks detail, and

The three virtual charter schools in New Mexico are:

- **New Mexico Virtual Academy** in Farmington, which opened in the 2012-2013 school year.
FY17 Enrollment: 494
FY17 School Grade: D
- **New Mexico Connections Academy** in Santa Fe, opened in the 2013-2014 school year.
FY17 Enrollment: 1,359
FY17 School Grade: F
- **Pecos Connections Academy** in Carlsbad, opened in the 2016-2017 school year.
FY17 Enrollment: 296
FY17 School Grade: F

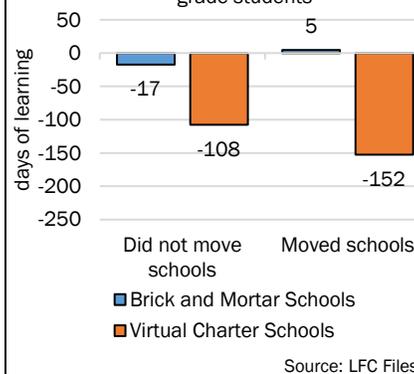
Student Growth at NMVA and NMCA compared with Brick and Mortar Schools

Reading, FY16, fourth through eighth grade students

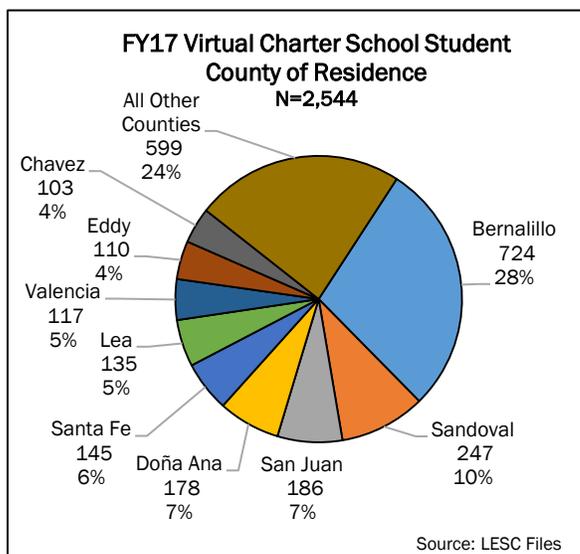


Student Growth at NMVA and NMCA compared with Brick and Mortar Schools

Math, FY16, fourth through eighth grade students



some virtual charter schools failed to get approval from procurement officers prior to signing contracts and making large purchases.



Locally chartered virtual charter schools enroll students from around the state. This allows school districts to collect revenue for students who reside outside of district boundaries in the form of the 2 percent administrative set aside. Virtual charter schools can also access local capital outlay funding despite limited use of the physical school location by students.

For-profit companies play large roles at virtual charter schools.

These virtual charter schools sign large sole source contracts with for-profit companies that provide curriculum and other education services. State law prohibits the involvement of for-profit companies in managing public schools, which statute defines as the hiring, termination, and day-to-day direction of school

staff. One virtual charter school, Pecos Connections Academy, signed a contract with the school’s for-profit curriculum provider that delegates to the company authority to support the lead school administrator in all responsibilities associated with oversight, discipline, and dismissal of school staff. However, school officials have said that the for-profit company has not been involved in staffing decisions since the school opened.

Charter school authorizers have struggled to provide proper oversight for virtual charter schools, but have enhanced their accountability efforts in recent years.

Independent auditors noted multiple findings in audits of New Mexico Virtual Academy and New Mexico Connections Academy in FY15 and FY16. Additionally, two virtual charter schools appeared to select curriculum providers prior to charter authorization. This suggests the schools intended to contract with Connections for curriculum and online services before putting out a request for proposals for the services. Though many charter school authorizers were initially optimistic about the benefits of virtual education, authorizers also often lacked knowledge about virtual education as they authorized these schools. While virtual charter schools continue to struggle to meet academic, financial, and administrative standards, charter school authorizers have increased scrutiny of these schools in recent years. In December 2017, the Public Education Commission voted to not renew New Mexico Connections Academy’s charter, citing the school’s failure to meet numerous performance standards.

Key Recommendations

The Legislature should consider:

- Defining “virtual charter school” in statute;
- Limiting the initial charter term for virtual charter schools or placing enrollment caps on virtual charter schools;
- Defining an expedited performance-based closure process for virtual charter schools or prohibiting virtual charter schools from operating as full-time open enrollment schools;
- Developing a scale adjustment factor that reduces formula funding for virtual charter schools due to lower staffing and plant operations and maintenance costs compared with brick-and-mortar schools, or an alternative funding mechanism for virtual charter schools;
- Amending state law to allow only PEC to authorize virtual charter schools that enroll students outside of the school district where the school is physically located.

PED and charter authorizers should:

- Design a performance standard framework specific to virtual charter schools and revoke the charter of any virtual charter school that does not meet standards. Performance standards should include specific academic outcomes and financial and administrative protocol that must be followed.
- Enforce state law prohibiting charter school management by for-profit companies; and
- Require virtual charter schools to provide additional details for any contracts over a certain percentage of a school’s budget.



Virtual education encompasses a wide variety of online education models and programs, including statewide and district-level supplemental programs, and locally or state-chartered virtual charter schools. Virtual charter schools in New Mexico utilize a full-time online education model and offer students an alternative way to access education.

This program evaluation focuses on the three virtual charter schools in New Mexico.

Legislative Education Study Committee (LESC) and Legislative Finance Committee (LFC) staff examined the three New Mexico virtual charter schools that provide an entirely online curriculum – New Mexico Virtual Academy (NMVA), New Mexico Connections Academy (NMCA), and Pecos Connections Academy (PCA). NMVA was authorized by Farmington Municipal Schools, opening its doors to 489 students in 2012. NMCA was authorized by the Public Education Commission, serving 481 students beginning in 2013. PCA was authorized by Carlsbad Municipal Schools, providing 296 students access to a virtual education beginning in 2016. Since NMVA’s opening in 2012, the state’s virtual charter school student population has grown threefold, from 489 students in FY13 to 2,149 students in FY17 (see Table 1). Additional information about all schools included in the evaluation can be found in the School Profiles section on page 11.

A “virtual charter school” is a charter school where students receive the majority of their instruction online and are not required to attend classes at a physical school location.

According to the National Education Policy Center, during the 2014-2015 school year, 454 virtual schools enrolled close to 262 thousand students nationally. Almost half of those schools, 220, were charter schools that enrolled nearly 216 thousand students. The other 234 full-time virtual schools were district-run and enrolled over 45 thousand students.

Table 1: FY17 40-Day Enrollment

Virtual Charter Schools, Year Opened	Enrollment by Grade Level													Total All Grades
	K	1	2	3	4	5	6	7	8	9	10	11	12	
All Public Schools														336,153
All Charter Schools														25,140
New Mexico Virtual Academy, 2012	0	0	0	0	0	0	32	57	92	76	91	68	78	494
New Mexico Connections Academy, 2013	0	0	0	0	51	82	113	155	156	299	223	175	105	1,359
Pecos Connections Academy, 2016	52	44	48	56	22	23	22	16	13	0	0	0	0	296
<i>Subtotal Virtual Charter Schools</i>	<i>52</i>	<i>44</i>	<i>48</i>	<i>56</i>	<i>73</i>	<i>105</i>	<i>167</i>	<i>228</i>	<i>261</i>	<i>375</i>	<i>314</i>	<i>243</i>	<i>183</i>	<i>2,149</i>

Source: PED

The three virtual charter schools in New Mexico contract with one of two for-profit virtual education curriculum providers:

- K12 Inc. (K12), based in Virginia, partners with over 2,000 schools and school districts through its virtual and blended managed public school programs in 33 states and the District of Columbia.
- Connections Education, LLC, based in Maryland, serves nearly 73 thousand students in all grades in 28 states. It was acquired by Pearson PLC in 2011.

This evaluation continues the work of a charter school evaluation conducted by LFC in 2016, wherein NMVA and NMCA were studied. Two major recommendations from the LFC evaluation included a closer examination of virtual charter school funding and the creation of an advisory group to review online education issues. To date, no changes to virtual charter school funding have

been made. While LESC and LFC have continued to examine virtual charter schools, no separate advisory group has been established.

A typical day for virtual charter school students. Instead of walking into class at the same time every morning, a student enrolled in a virtual charter school may start the day by walking into their living room, turning on their computer, and logging in to their virtual learning platform to check the day’s schedule and assignments. They may access a previous lesson to catch up or review content, or they may join a synchronous (live) classroom session where their teacher gives the day’s lesson.

During synchronous instruction, virtual charter school students can interact with their teachers and classmates in a number of ways, including using a chatbox to send their questions or using their microphones to answer questions verbally. Using the virtual platform’s chatroom capabilities, the teacher may have students work in small groups by assigning them to different chatrooms – all of which the teacher can supervise at the same time. Following the lesson, the student may complete assignments offline, train for a state competition, go to work, or engage in a variety of other activities. By having access to their coursework at home at any time, students enrolled in a virtual education program can work at their own pace or move ahead when they are ready.

A learning coach is an adult responsible for ensuring a student enrolled in a virtual charter school meets the school’s attendance policy, completes coursework, and remains engaged. A learning coach can be the student’s legal guardian or an adult the legal guardian designates.

Virtual education schools like NMVA, NMCA, and PCA rely on learning coaches to oversee student work and provide additional academic support. Older students need less supervision than younger students. (Table 2 shows the roles NMCA and PCA expect learning coaches to serve by grade level.) Learning coaches are also responsible for navigating the learning management system and tracking and submitting student attendance data.

Table 2: Connections Academy Suggested Learning Coach and Student Roles

Elementary School	
Student	Learning Coach
Schoolwork completed mostly offline, using provided workbooks and resources	Heavy oversight and help recommended
One primary teacher	Helps to set a schedule with a good balance of schoolwork, breaks, and activities
Flexible schedule	Keeps an eye on progress and grades
	Communicates with teacher often
	Tracks student instructional hours
Middle School	
Student	Learning Coach
Schoolwork completed both offline and online	Oversight varies based on progress
Subject-specific teachers	Keeps an eye on progress and grades
Recommended schedule provided	Encourages student-teacher communication
Growing independence	Tracks student instructional hours
High School	
Student	Learning Coach
Schoolwork completed mainly online	Oversight varies based on progress
Subject-specific teachers	Keeps an eye on progress and grades
Recommended schedule provided	Refers student to teacher
Mostly independent	Tracks student instructional hours

Source: Connections Academy

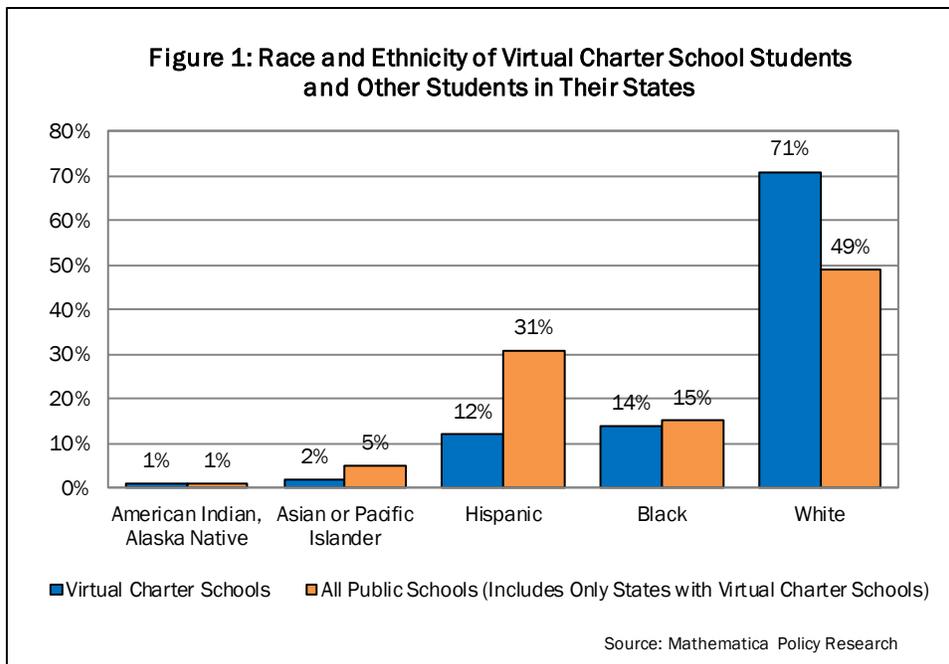


LESC and LFC staff conducted site visits at all three virtual charter schools and observed classes at NMCA and PCA. During each site visit, school administrators gave LESL and LFC staff a tour of the learning management system teachers and students log in to access classes. Teachers can upload presentations or videos, give lessons via their webcams, and work one-on-one with students. With their teachers' permission, students can also interact with classmates via their webcams. Teachers can work together on the virtual learning platform to do a number of things, including collaborate on lesson plans and discuss student progress.

Student demographics at virtual charter schools.

Nationally, virtual charter schools enroll a much higher percentage of white students than brick-and-mortar schools.

Virtual charter schools differ from brick-and-mortar public schools with respect to student demographics nationally. Mathematica Policy Research (2015) (Mathematica) – a nonpartisan research organization – reported virtual charter schools served significantly more white students than the brick-and-mortar public schools included in their study (see Figure 1). Hispanic students and English learners (ELs) were underrepresented, making up 12 percent and 0.4 percent (respectively) of virtual charter school students; the brick-and-mortar schools in the study served 31 percent Hispanic students and 4.3 percent ELs.



Students at virtual charter schools display higher mobility than students at brick-and-mortar schools.

Virtual charter schools, which have low barriers for entry and exit, often serve mobile student populations. Students traditionally attend three different schools before graduating high school, but many students change schools more often. Mobility rates were calculated as the percentage of students in a grade level cohort who changed schools between academic years. Increased student mobility creates both administrative challenges for schools and increased pressure on students.

Both nationally and within New Mexico, virtual charter schools experience much higher student turnover than average brick-and-mortar public schools. According

to a 2015 virtual charter school study by the Center for Research on Education Outcomes (CREDO) – a non-profit non-partisan education research organization at Stanford University – nearly half of students at full-time virtual charter schools in the 2010-2011 school year did not return for a second year of virtual schooling, and fewer than one out of every six students remained at a full-time virtual charter school for five years between the 2008-2009 school year and 2012-2013 school year (see Table 3). Additionally, the percentage of students returning for a second year at virtual charter schools nationally has declined every year since the 2008-2009 school year.

Table 3: Percentage of Students Remaining in Virtual Charter Schools by State

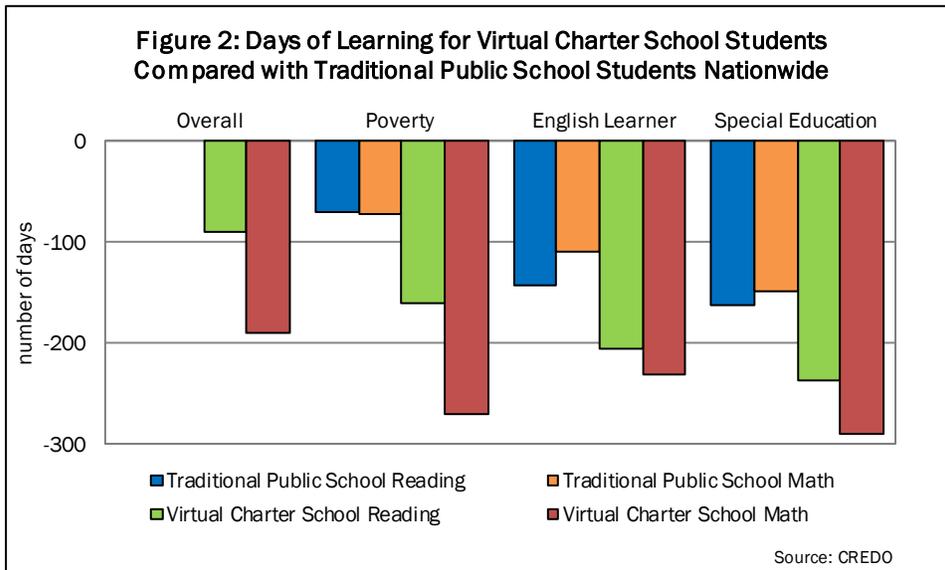
State	Beginning of 2nd year	Beginning of 3rd year	Beginning of 4th year	Beginning of 5th year
AR	64%	32%	16%	6%
AZ	37%	16%	7%	3%
CA	57%	29%	16%	8%
CO	48%	21%	9%	4%
DC	72%	28%	11%	3%
FL	19%	1%	1%	0%
GA	60%	23%	11%	4%
IL	83%	42%	20%	7%
LA	39%	-	-	-
MI	54%	14%	-	-
MN	51%	23%	13%	5%
NM	50%	15%	9%	-
NV	50%	22%	9%	4%
OH	57%	32%	17%	8%
OR	46%	19%	10%	4%
PA	60%	32%	19%	10%
UT	43%	15%	4%	1%
WI	35%	14%	-	-
Total	53%	25%	13%	6%

- Duration not possible in given state

Source: CREDO

Virtual charter schools produce lower student outcomes than brick-and-mortar schools nationally.

Many peer-reviewed research studies criticize full-time virtual charter schools for lower student academic growth compared with brick-and-mortar schools (see Appendix B). The majority of research on student academic outcomes indicates public virtual charter school students do not demonstrate the same level of academic growth on average as their peers at traditional brick-and-mortar schools, even after accounting for differences in demographics. CREDO found virtual charter school students lost 180 days of learning in math and 72 days of learning in reading during the course of a single school year, based on a 180-day school year. These results are even more pronounced among at-risk student populations (see Figure 2).



Graduation rates at virtual high schools typically lag behind traditional brick-and-mortar high schools. According to the *2016 Building a Grad Nation* report by Civic Enterprises and the Everyone Graduates Center at Johns Hopkins University, virtual schools, alternative schools, and charter schools disproportionately produce a substantial amount of non-graduates in a number of states. Though altogether these schools make up about 14 percent of high schools and enroll 8 percent of high school students, they make up about 50 percent of low-graduation-rate high schools nationwide and produce 20 percent of non-graduates. About 87 percent of virtual schools were low-graduation-rate high schools in 2014 and only 4 percent were high-graduation rate high schools.

New Mexico laws are silent regarding virtual education.

The Public School Code does not define “virtual school” or “virtual charter school,” which has led to questions about whether they are able to legally operate in the state. While LESC has heard testimony concerning virtual charter schools since the 2012 interim, the Legislature has not enacted any laws specific to online education. In 2011, the Public Education Commission rejected NMCA’s initial charter application because the Commission did not believe virtual charter schools had legal standing. However, NMCA successfully appealed to the Secretary of Public Education who argued that although statute does not explicitly reference virtual charter schools, neither does it explicitly prohibit them.

Legislative attempts to address virtual charter schools have not gained traction.

House Bill 454 and Senate Bill 305 of the 2017 legislative session attempted to address virtual charter schools, but each bill died in committee. Both bills:

- Provided a definition of virtual charter schools;
- Decreased the program units virtual charter schools are eligible to generate; and

Recently, two states have brought legal action against virtual charter schools. In July 2016, the California Attorney General’s office reached an \$8.5 million settlement agreement with K12 over allegations that the company violated fair competition laws, made misleading claims about course offerings, class sizes, and students’ progress, as well as inflated attendance numbers. K12 agreed to make changes to accurately record attendance and account for students’ learning time. K12 serves about 13 thousand kindergarten through 12th-grade students in California.

Additionally, the full-time virtual charter school Electronic Classroom of Tomorrow is currently bringing a lawsuit against the Ohio Department of Education regarding attendance verification. The Department clawed back some funding from the school after claiming that the school could only verify the instructional hours of about 600 of 1,500 students. The Ohio Supreme Court will hear the case next year.

- Required virtual charter schools to apply for charter school authorization from the Public Education Commission if they are going to enroll students from school districts across the state.

Additionally, House Bill 454:

- Required virtual charter schools to provide synchronous instruction only to kindergarten through fifth-grade students while sixth through 12th grade students could receive synchronous instruction or a combination of synchronous and asynchronous instruction; and
- Included a provision for automatic closure of virtual charter schools that fail to produce student academic growth.

School Profiles

New Mexico Virtual Academy (NMVA)

Mission Statement. To provide a quality virtual learning community focused on the unique needs and goals of our students.

Recruitment and Enrollment Process. NMVA hosts in-person and live online information sessions throughout the year for prospective families and students to learn about the school. Parents complete the registration and enrollment process through the school’s website where they upload and submit required documentation. When the number of applicants exceeds the enrollment cap, the school must employ a lottery selection process.

Student and Family Responsibilities and Supports. Each family is loaned a computer and course materials for the school year. Families must provide their own internet access. Students can visit the physical school location in Farmington to use on-site computers or get face-to-face support, but must provide their own transportation. Learning coaches have to monitor and submit student attendance data, keep track of student progress, and maintain regular communication with teachers. The amount of required supervision is reduced as students get older.

Attendance Policy and School Schedule. Students must meet statutory requirements for public school attendance. Attendance is calculated based on students’ time logged in to live sessions and their time spent on the virtual platform. Time spent completing or attempting assignments is considered evidence of attendance. Teachers are required to monitor student attendance biweekly at minimum. The school also coordinates school activities and field trips to encourage student interaction.



Type
Locally chartered virtual charter school

Grades
6-12

Opened
2012-2013 school year

Authorizer
Farmington Municipal Schools

Location
Farmington

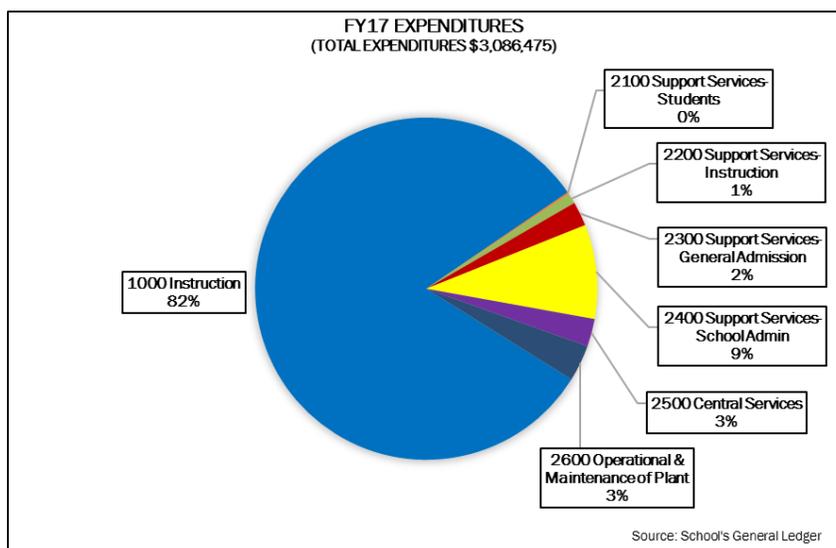
School Director
Carla Morales

Assessments Academic Coordinator
Kelli Loudermilk

Business Manager
Sean Fry

Curriculum Provider
K12 Inc.

Governing Council
Cory Lee, President
Lawrence Palmer, Vice President
Erin Baca-Muffoletto, Secretary
Delea Taylor, Treasurer
Nicole Sandoval



	Enrollment	School Grade
FY15	529	C
FY16	499	D
FY17	494	D

	ELA % Proficient	
	NMVA	State
FY15	27%	33%
FY16	29%	37%
FY17	24%	37%

	Math % Proficient	
	NMVA	State
FY15	15%	18%
FY16	12%	20%
FY17	10%	20%



New Mexico Connections Academy (NMCA)

Type

State-chartered virtual charter school

Grades

4-12

Opened

2012-2013 school year

Authorizer

Public Education Commission

Location

Santa Fe

School Director

Ramoncita Garcia

Assistant/SPED Director

Mary Atkins

Business Manager

Justine Vigil

Curriculum Provider

Connections Education, LLC

Governing Council

Mark Boitano, President
 Jerry Schalow, Treasurer
 Paul Gessing, Secretary
 Patrick Chavez

Mission Statement. To help each fourth- through 12th-grade student throughout the state of New Mexico who needs an alternative to the traditional classroom for a particular time period, maximize their potential, and meet the highest performance standards through uniquely individualized learning programs, access to high quality New Mexico-certified teachers, and high parental involvement. This mission also includes a school-within-a-school model with a focus on science, technology, engineering, and math (STEM).

Recruitment and Enrollment Process. NMCA hosts in-person information sessions, webinars, and other family events, such as parent-led sessions, for families to learn about NMCA’s online education program. These sessions are organized in tandem with Pecos Connections Academy. Parents complete the registration and enrollment process through the school’s website where they upload and submit required documentation. When the number of applicants exceeds the enrollment cap, the school must employ a lottery selection process.

Student and Family Responsibilities and Supports. Each family is loaned a computer and course materials for the school year. Families may be eligible for internet subsidies based on income. Students can visit the school’s administrative office in Santa Fe to use on-site computers or get face-to-face support, but must provide their own transportation. Learning coaches have to monitor and submit student attendance data, keep track of student progress, and maintain regular communication with teachers. The amount of supervision required diminishes as students get older.

Attendance Policy and School Schedule. Students must meet statutory requirements for public school attendance. Learning coaches are expected to record attendance daily. The school suggests students in fourth through sixth grade log into the virtual platform at least five and a half hours a day to stay on track and avoid being considered truant. Students in seventh through ninth grade should log in at least six hours a day. The school also coordinates school activities and field trips to encourage student interaction.

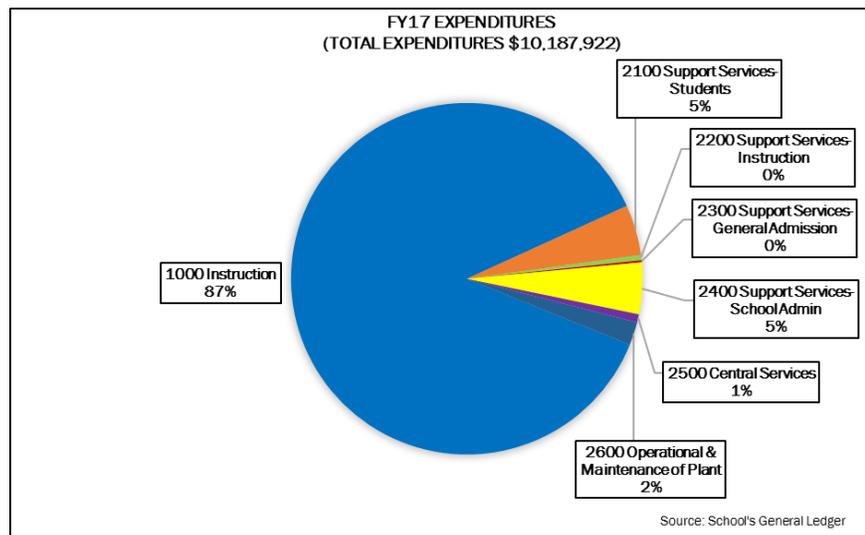
	Enrollment	School Grade
FY15	792	C
FY16	1,104	F
FY17	1,359	F

ELA % Proficient

	NMCA	State
FY15	39%	33%
FY16	23%	37%
FY17	18%	37%

Math % Proficient

	NMCA	State
FY15	15%	18%
FY16	13%	20%
FY17	11%	20%



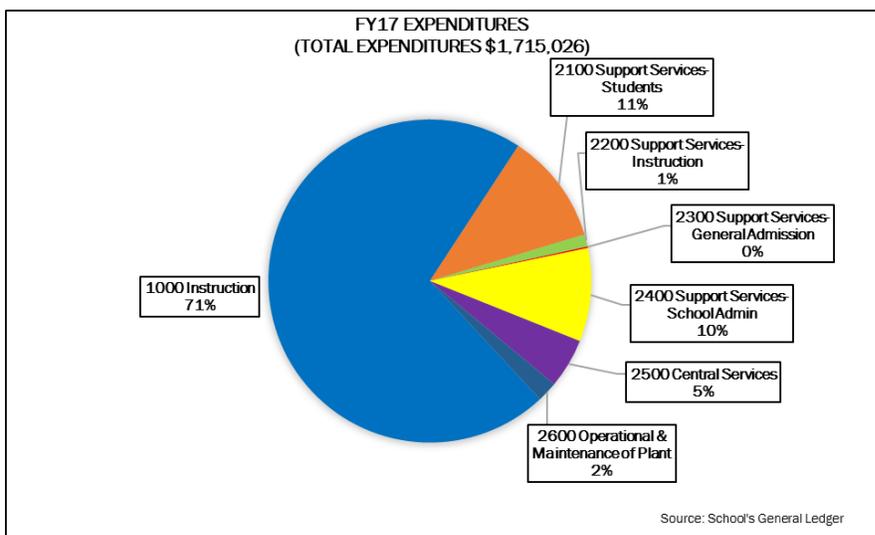
Pecos Connections Academy (PCA)

Mission Statement. To create a personalized, student-centered approach to learning. This approach unites online learning with New Mexico-certified teachers resulting in scholastic and personal success for students statewide.

Recruitment and Enrollment Process. PCA hosts in-person information sessions, webinars, and other family events, such as parent-led sessions, for families to learn about PCA's online education program. These sessions are organized in tandem with New Mexico Connections Academy. Parents complete the registration and enrollment process through the school's website where they upload and submit required documentation. When the number of applicants exceeds the enrollment cap, the school must employ a lottery selection process.

Student and Family Responsibilities and Supports. Each family is loaned a computer and course materials for the school year. Families may be eligible for internet subsidies based on income. Students can visit the school's administrative office in Carlsbad to use on-site computers or get face-to-face support, but must provide their own transportation. Learning coaches have to monitor and submit student attendance data, keep track of student progress, and maintain regular communication with teachers. The amount of supervision required diminishes as students get older. Parents and guardians generally express satisfaction with the school, according to a survey that includes responses from 79 families with students at the school. Of those families, 91 percent would recommend the school, and 79 percent said their child would likely or definitely continue at the school the following year.

Attendance Policy and School Schedule. Students must meet statutory requirements for public school attendance. Learning coaches are expected to record attendance daily. The school suggests students in kindergarten through sixth grade log into the virtual platform at least five and a half hours a day to stay on track and avoid being considered truant. Students in seventh through ninth grade should log in at least six hours a day. The school also coordinates school activities and field trips to encourage student interaction.



Type
Locally chartered virtual charter school

Grades
K-9

Opened
August 2016

Authorizer
Carlsbad Municipal Schools

Location
Carlsbad

School Director
Jed Duggan

Business Manager
Gloria Lopez

Curriculum Provider
Connections Education, LLC

Governing Council
Kyla Anderson, President
Ted Cordova, Secretary
Brenda Suggs, Treasury
Paul Perez
Miley Grandjean

	Enrollment	School Grade
FY15	not open	not open
FY16	not open	not open
FY17	296	F

ELA % Proficient		
	PCA	State
FY15	not open	33%
FY16	not open	37%
FY17	46%	37%

Math % Proficient		
	PCA	State
FY15	not open	18%
FY16	not open	20%
FY17	8%	20%

Virtual charter schools generally produce lower academic outcomes than brick-and-mortar schools despite serving fewer at-risk students.

Similar to national data, New Mexico virtual charter schools generally lag behind the academic outcomes of brick-and-mortar schools in the state. All three New Mexico virtual charter schools have earned below average grades in New Mexico's A-F school grading system during the last two years (see Table 4). However, a 2016 LFC evaluation on charter schools noted that charter school directors felt their schools were not getting credit for addressing the needs of their students and

Table 4. Virtual Charter School Grades

School	FY13	FY14	FY15	FY16	FY17
NMCA		D	C	F	F
NMVA	C	B	C	D	D
PCA					F

Source: PED

providing students different, stimulating curriculum, teaching approaches or social emotional learning. To address these concerns, the remainder of this section examines student demographics at New Mexico virtual charter schools and additional measures of academic outcomes.

New Mexico virtual charter schools serve fewer students of color and fewer ELs, low-income students, and students with disabilities than an average New Mexico school.

Most New Mexico virtual charter schools share similar student populations (see Table 5). Caucasian students are overrepresented at all virtual charter schools, while Hispanic and Native American students are underrepresented compared with statewide averages. Additionally, virtual charter schools serve significantly fewer ELs and low-income students compared with statewide averages. Each virtual charter school serves a slightly lower percentage of students with disabilities than the statewide average.

Table 5. Student Demographics, FY17

Subgroup	NMCA	NMVA	PCA	Statewide
Caucasian	39%	36%	33%	24%
Hispanic	50%	54%	52%	61%
African American	2%	2%	4%	2%
American Indian/ Alaska Native	4%	4%	4%	11%
Asian	1%	1%	1%	1%
Male	43%	43%	51%	51%
Female	57%	57%	49%	49%
Never EL	98%	99%	97%	86%
FRL	35%	40%	0%*	73%
Non-Gifted Special Education	13%	12%	10%	14%

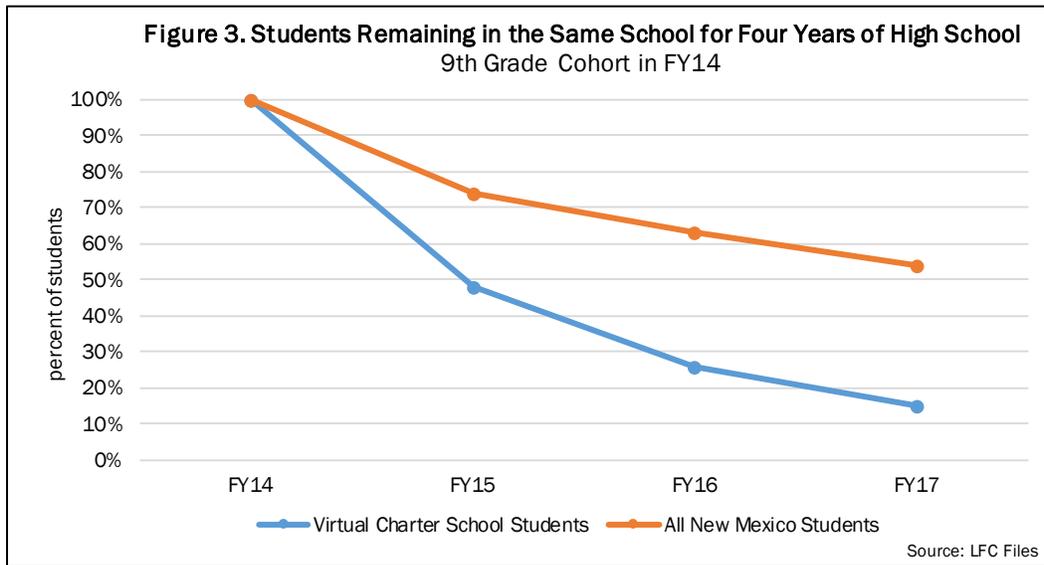
*PCA officials report actual FRL student population is 65%. However, this is not reflected in PED data.

Source: PED

At-risk factors, which include student mobility, low socioeconomic status, and EL status, correlate with lower student performance. To make up for this academic performance gap, schools must help lower performing students grow at a faster rate than their higher performing peers. A recent LFC study found that school districts around the state produced widely varying rates of academic growth for at-risk students.

Fewer than 15 percent of students who entered high school in FY14 at NMVA and NMCA remained at the schools in FY17. New Mexico full-time virtual charter schools experience similar rates of mobility compared with national virtual charter school averages. Of the 128 ninth grade students enrolled in NMVA and NMCA in FY14, fewer than 15 percent of those students were enrolled in NMVA or NMCA in their senior

year in FY17 (see Figure 3). Statewide, for the cohort of students entering ninth grade in FY14, 54 percent stayed at the same school through all four years of high school.



Nearly 30 percent of NMCA’s students and over a third of PCA’s students withdrew during the 2016-2017 school year. Reasons for student withdrawals varied widely according to student surveys conducted by the school, but two main reasons emerged. About 30 percent of NMCA and PCA students left because the school was an “academic mismatch” (see Table 6). Additionally, about 20 percent of students who withdrew at either school cited “life change” as the primary cause for leaving. Just under 21 percent of NMCA students made the decision to withdraw because better schooling options were available to them.

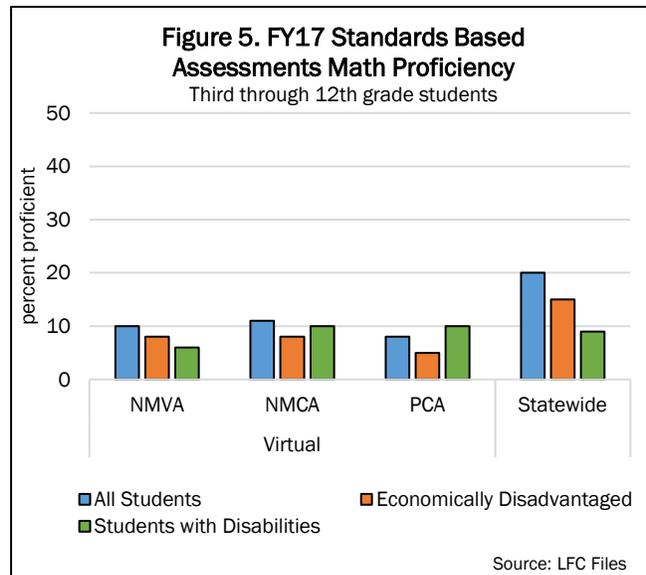
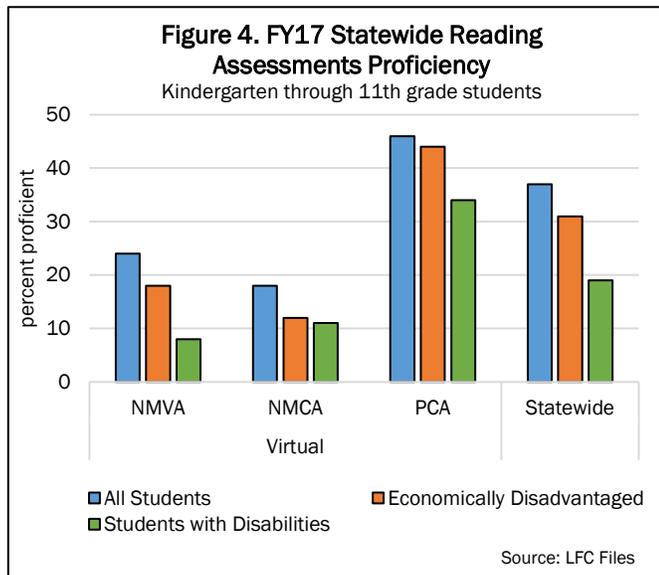
Table 6. Student Withdrawals at NMCA and PCA, FY17

Student Enrollment and Withdrawal	NMCA		PCA	
	Students	% of Total Students	Students	% of Total Students
Students enrolled at end of year (5/31/2017)	1,657	69.9%	365	66.4%
Students who withdrew during school year	704	29.7%	185	33.6%
Students who graduated	10	0.4%	0	0.0%
Total Year to Date Enrollment	2,371	100.0%	550	100.0%
Reasons for Student Withdrawal	NMCA		PCA	
	Students	% of Students who Withdrew	Students	% of Students who Withdrew
Academic mismatch	228	32.4%	55	29.7%
Better schooling option available	147	20.9%	1	0.5%
Life change	142	20.2%	39	21.1%
Family schedule mismatch	3	0.4%	18	9.7%
Other	97	13.8%	53	28.6%

Source: LESC Files

Virtual charter schools have lower overall proficiency rates in math and two out of three schools have lower overall proficiency rates in reading than statewide averages.

Academic proficiency among virtual charter school students on New Mexico statewide assessments generally falls below brick-and-mortar school students in both reading and math (see Figures 4 and 5). Statewide, 37 percent of students were proficient in reading, and 20 percent were proficient in math in FY17. In FY17, only 18 percent of NMCA students were proficient in reading and 11 percent were proficient in math. Twenty-four percent of NMVA students were proficient in reading and 10 percent were proficient in math for the same year. While proficiency levels tend to be lower at virtual charter schools, the difference between proficiency rates of low socioeconomic status students and the statewide average is about the same at virtual charter schools and statewide.



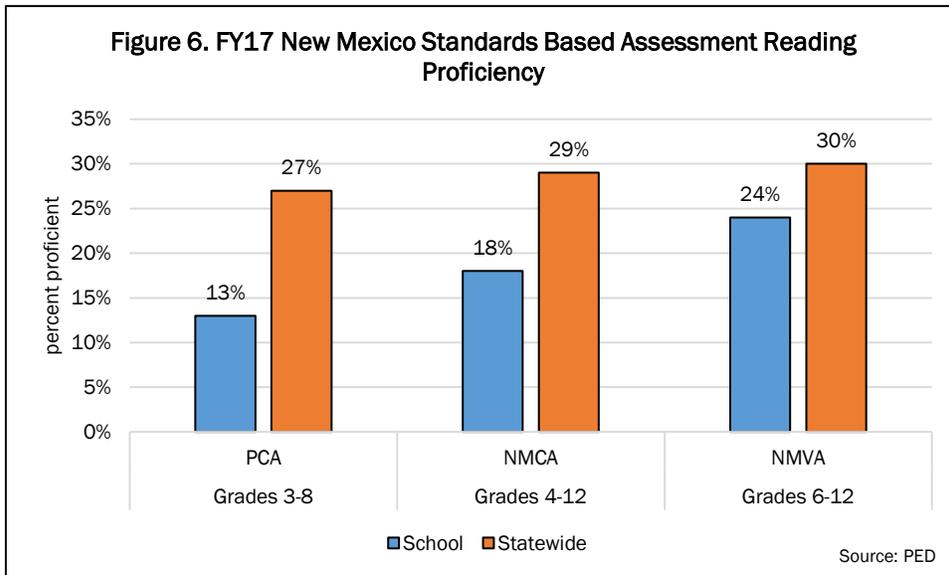
Proficiency rates at virtual charter schools exceed statewide averages on some assessments and among some student subgroups. In FY17, a higher percentage of PCA students achieved proficient scores on statewide reading assessments than the statewide average. Additionally, a higher percentage of economically disadvantaged students and students with disabilities at PCA were proficient in reading than the statewide average for those subgroups. In math, both NMCA and PCA slightly exceeded the statewide proficiency rate for students with disabilities.

The statewide assessment results for reading in Figure 4 include:

- The PARCC assessment which assesses common core state standards in third through 11th grade.
- The iStation assessment which tracks foundational literacy skills in kindergarten through second grade. In virtual environments, these assessments are administered by learning coaches at the student’s home.
- The New Mexico Alternate Performance Assessment which is an alternative assessment that assesses the reading skills of the 1 percent of students with severe cognitive difficulties.
- The Standards Based Assessment for Spanish Language Arts which assesses proficiency in Spanish language arts.

Statewide, there is a large discrepancy between the percentage of students on benchmark on the short-cycle iStation assessment, 61 percent, compared with the percentage of students proficient on the suite of assessments, 29 percent.

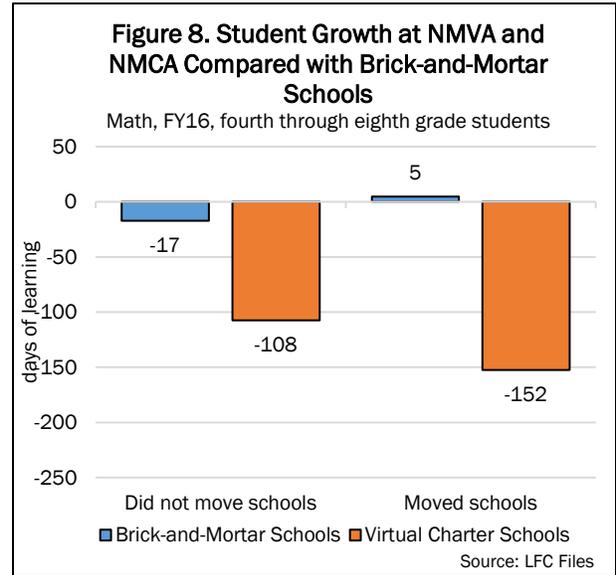
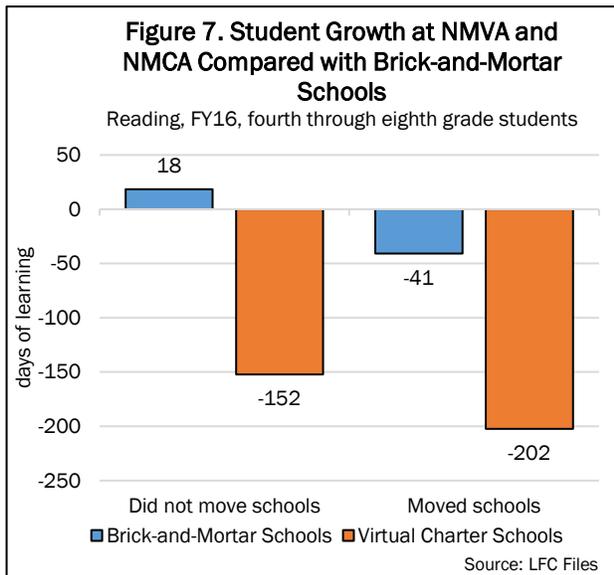
When iStation results are disaggregated from statewide summative, standards-based assessment scores, 88 percent of PCA students are on benchmark compared with the statewide average of 61 percent. Figure 6 reports assessment results without iStation scores, which constitute the suite of summative, standards-based assessments administered in New Mexico. Students at all three New Mexico virtual schools are underperforming the average performance of students of the same grade levels statewide. PCA students are achieving proficiency on assessments that are aligned with state content standards at less than half the rate of similar grade level students statewide. NMCA students achieve proficiency at a rate 11 percent below the statewide average, while NMVA students' proficiency rate is six percent behind.



NMVA and NMCA students experienced significantly fewer days of learning than the average brick-and-mortar student from FY15 to FY16.

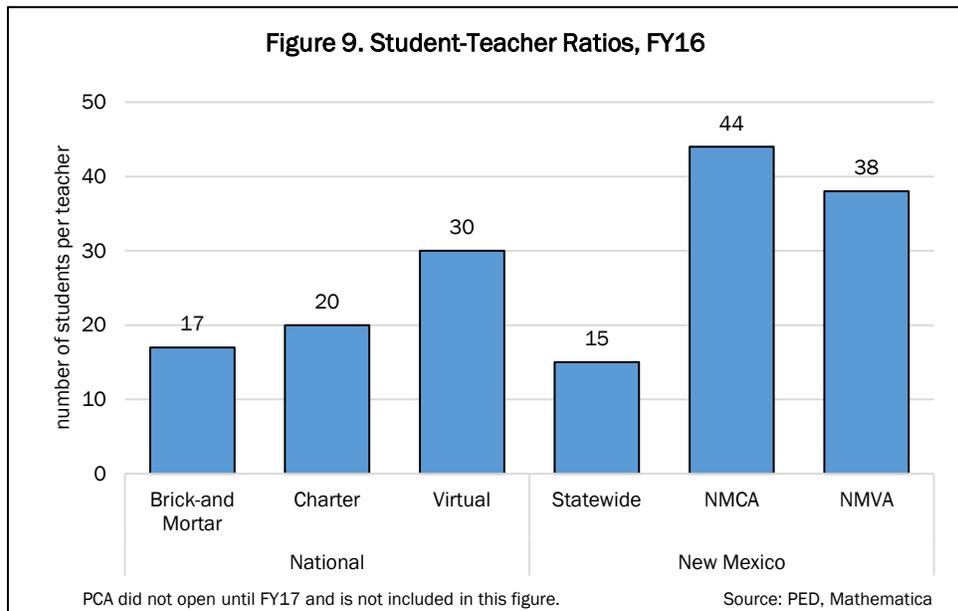
Students in public schools should show a year of growth from one year to the next as measured by PARCC scores. Consistent with previous LFC findings, New Mexico students in brick-and-mortar public schools on average experience an additional 18 days of academic growth beyond what is expected. (For information on how growth was calculated for this evaluation, see Appendix A.)

Students at NMVA and NMCA, however, are experiencing significantly less than a full year of growth. Students who spent the entire year at these two schools had the equivalent of about 150 fewer days of learning in reading than expected. If an NMVA or NMCA student moved schools, they experienced about 200 fewer days of learning in reading than expected (see Figure 7). Math scores show similar results (see Figure 8).



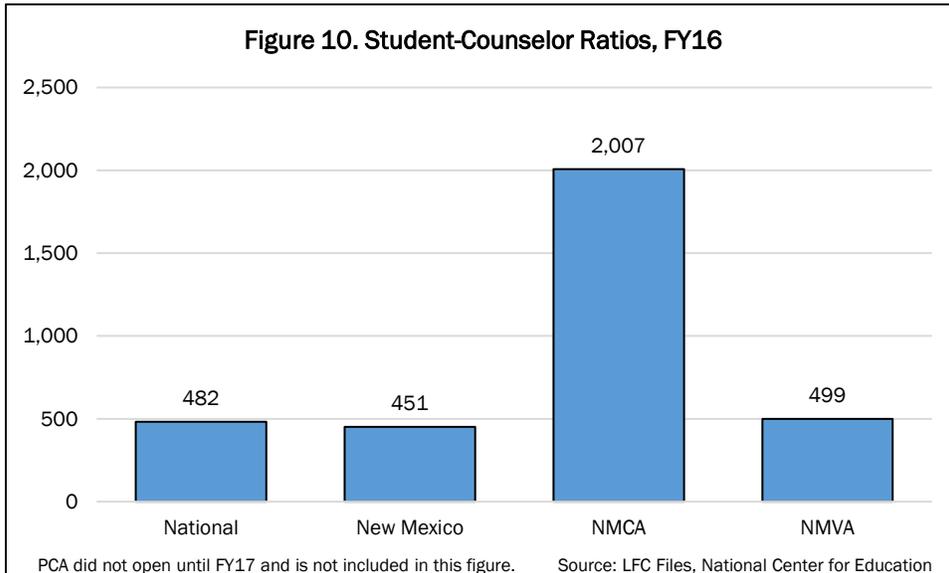
Virtual charter schools have fewer staff members to support students.

NMVA and NMCA have student-teacher ratios up to three times the statewide average. NMVA and NMCA, with student-teacher ratios of 44 and 38, respectively, have significantly higher student-teacher ratios than the statewide average, based on FY16 data (see Figure 9). Additionally, both schools also exceeded the national student-teacher ratio average at virtual charter schools by at least 25 percent, as reported by Mathematica.



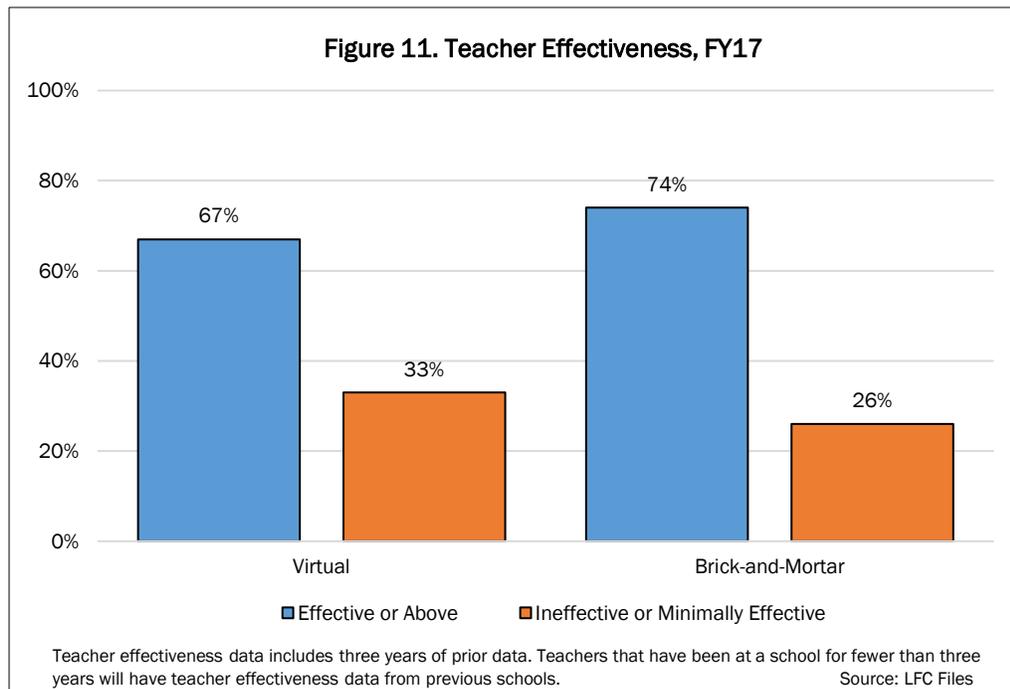
Mathematica’s nationwide survey of virtual charter schools found that although all virtual charter schools offer one-on-one instructional support for students, most students only receive 45 to 60 minutes of one-on-one instruction time per week. Most virtual charter schools do not balance less synchronous instruction with increased one-on-one student-teacher interaction, suggesting students do the majority of their school work on their own and, if possible, with the help of a parent or learning coach. Increased student-teacher ratios place even more pressure on teachers’ time, which creates further challenges in creating student-teacher relationships.

NMCA's student-counselor ratio is more than four times the statewide average. Though NMVA provides about the same level of counseling staff as state and national averages, NMCA employs significantly fewer counselor FTEs (see Figure 10). Without the appropriate support services, such as school counselors, highly mobile students could continue to fall behind. School counselors are vital to student academic achievement as well as personal, social, and career development. According to the American School Counselor Association, counselors are trained in child and adolescent development, learning strategies, self-management, and social skills to help guide students through different stages in their life and provide resources when necessary.



Though virtual charter schools in New Mexico provide some counseling services through contracted employees, these schools provided one or fewer guidance counselor FTE, which could hinder the coordination of counseling services. According to Mathematica, the median virtual charter school nationally has only one guidance counselor and one other instructional support staff member.

New Mexico virtual charter schools have fewer teachers rated as effective or above than brick-and-mortar schools. In FY17, 67 percent of teachers at the three virtual charter schools were rated effective or above and 33 percent were rated ineffective or minimally effective (see Figure 11). Previous LFC studies found that schools with a higher percentage of teachers rated as effective or above also have a higher percentage of students achieving proficient scores on PARCC exams.



Recommendations

The Legislature should consider:

- Defining an expedited performance-based closure process for virtual charter schools or prohibiting virtual charter schools from operating as full-time open enrollment schools.

Charter authorizers should:

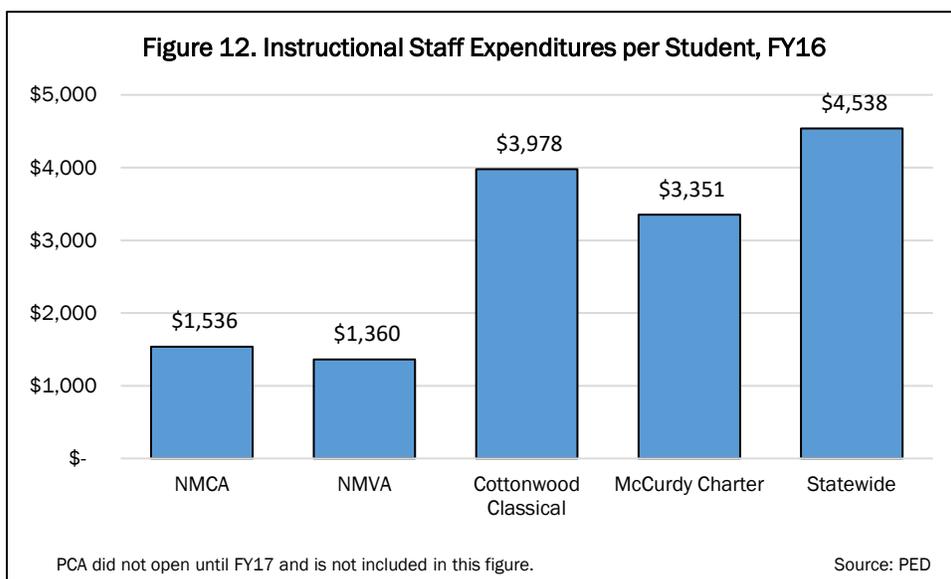
- Design a performance standard framework specific to virtual charter schools and revoke the charter of any virtual charter school that does not meet standards. Performance standards should include specific academic outcomes and financial and administrative protocol that must be followed.

The State overfunds virtual charter schools and fails to provide proper fiscal oversight.

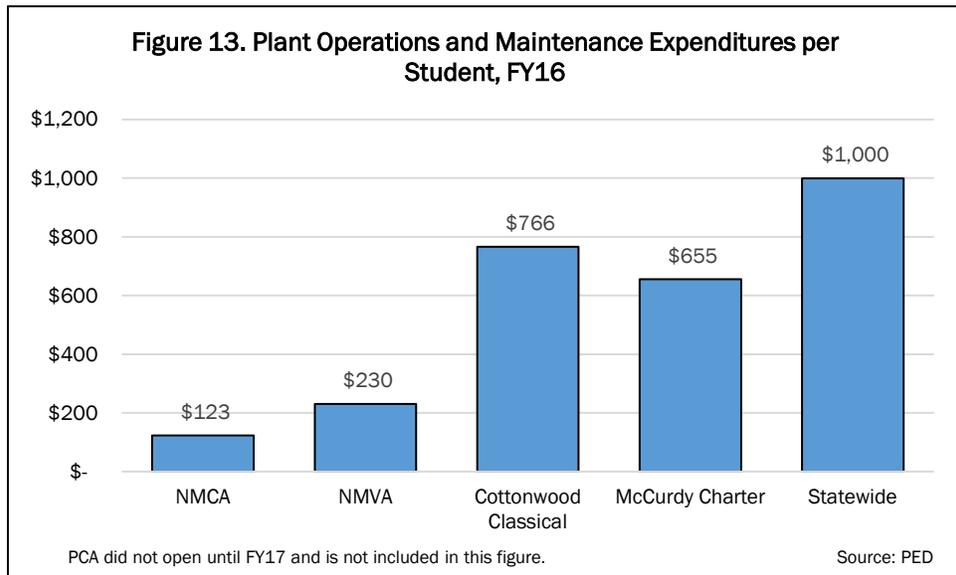
In FY17, New Mexico virtual charter schools spent over \$15 million to serve over 2,100 students statewide. However, the Education Commission of the States estimated that virtual education should cost about 24 percent less than brick-and-mortar schooling, based on decreased facilities, maintenance, and transportation costs. Though virtual education should theoretically cost less than brick-and-mortar education, the funding formula treats virtual charter schools identically to brick-and-mortar schools.

The funding formula and other education funding mechanisms treat virtual charter schools identically to brick-and-mortar schools despite lower operating expenses.

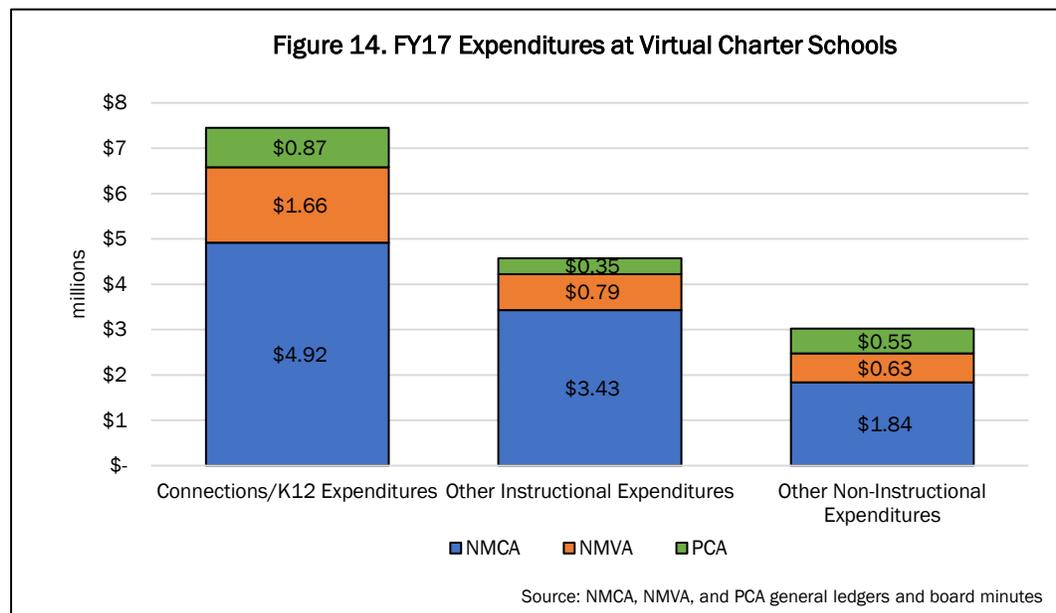
Per student instructional staff costs at NMVA and NMCA are about one third of the statewide average. Virtual charter schools have much higher student-teacher ratios than brick-and-mortar schools. Because of the lower instructional staffing levels, virtual charter schools spend about a third of the statewide average on instructional staff compensation and benefits (see Figure 12). Cottonwood Classical Preparatory School in Albuquerque and McCurdy Charter School in Española, similarly sized charter schools to NMVA and NMCA in terms of student enrollment, have per student instructional staff expenditures more than double virtual charter schools in the state.



NMVA and NMCA spend about a quarter of the amount brick-and-mortar schools do on plant operations and maintenance. Virtual charter schools incur very small plant operations and maintenance costs because few students consistently utilize the physical school building. Per student operations and maintenance costs are between four to eight times lower at virtual charter schools compared with the statewide average (see Figure 13). Cottonwood Classical Preparatory School and McCurdy Charter School also spend between two to six times as much per student on plant operations and maintenance costs. Despite significantly lower instructional staff and operations and maintenance costs, the state funds virtual charter schools and brick-and-mortar schools in the same manner.



Overfunding and open-ended contracts allow virtual charter schools to send large amounts of money to for-profit companies with limited transparency. Virtual charter schools’ contracts with for-profit educational services providers encompass a wide range of services, but invoicing and expenditure reporting obscures the actual costs of the individual components. K12 and Connections invoice schools monthly, with total charges often approaching and sometimes exceeding six figures. Invoices tend to lump required payments together under generic labels such as “monthly student fee” and “annual fee,” which limits the ability to compare costs for specific services with costs at other schools. In FY17, Connections charged PCA a \$25 thousand annual fee for use of the company’s services. Additionally, NMCA and NMVA spent about 47 percent and 19 percent, respectively, of their total instructional expenditures on “other contractual instructional services,” much higher than the statewide average of less than one-half percent. The large amount spent by virtual charter schools in this category limits the transparency of school expenditures.



While contracts between schools and curriculum providers set a per-student amount the school pays, there is no overall cap on how much curriculum providers

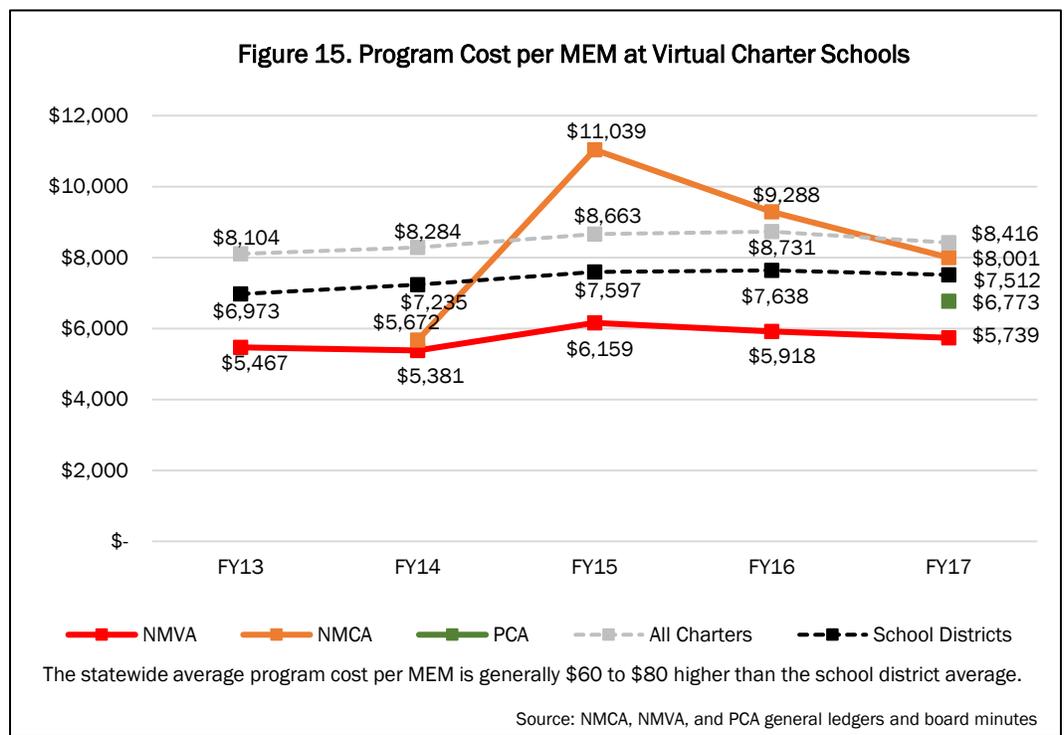
can charge the schools for their products and services. In FY17, New Mexico virtual charter schools paid K12 and Connections a combined \$7.5 million (see Figure 14). LFC’s Performance, Cost, and Governance of Selected Charter Schools evaluation found that NMCA and NMVA paid \$4.5 million to Connections and K12 in FY15.

Planned enrollment growth at virtual charter schools can result in large annual financial windfalls and significant swings in per-student funding levels. Per-student funding levels at full-time virtual charter schools have varied significantly since FY13. Overall, the amount of program cost per MEM generated by virtual charter schools through the funding formula has ranged from a low of \$5,381 at NMVA in FY14 to a high of \$11,039 at NMCA in FY15 (see Figure 15). The amount of funding a virtual charter school generates through the funding formula tends to depend heavily on the amount of enrollment growth program units generated.

Section 22-8-2 NMSA 1978 defines “MEM” as the total enrollment of qualified students at a school on a specified day. This number is expressed as a full-time-equivalent, meaning half-day kindergarten students are counted as 0.5 MEM, while full-day students are counted as one MEM.

Enrollment caps implemented by the charter authorizer plays a large role in the amount of enrollment growth funding virtual charter schools receive. NMCA has a 2,000 student enrollment limit and the school has grown enrollment in a way that maximizes state funding. Between FY15 and FY17, NMCA generated over 30 percent of total funding, or just under \$7 million from enrollment growth program units, leading to increased funding per student compared with statewide averages. Like NMCA, PCA also has a 2,000 student enrollment cap and a similar plan to grow enrollment. Assuming that the program unit value remains constant and PCA follows a similar growth pattern as NMCA, PCA would generate more than \$8 million in enrollment growth funding from FY18 through FY22.

Meanwhile, Farmington Municipal Schools placed a 500 student enrollment cap on NMVA, limiting the amount of growth units the school received and lowering per student funding. Unlike many other charter schools, NMVA enrolled too many students to generate size adjustment units, and therefore received lower per student funding than the statewide average each year.



Virtual charter schools can apply for lease assistance funding despite limited, regular in-person student attendance. According to virtual charter school officials, few students utilize the physical building where the school is located, and those that do typically do not use the facility regularly. Because of this, the Legislature may want to prohibit virtual charter schools from accessing lease assistance funding unless the schools have a regular student attendance requirement. No virtual charter school applied for lease assistance funding in FY17, and PCA officials expressed support for limiting capital outlay funding for virtual charter schools.

State-chartered virtual charter schools are not prohibited from receiving transportation funds. Because all students receive online instruction at virtual charter schools, students do not need transportation between home and school. However, state law allows all state-chartered charter schools to receive funds from the state transportation distribution. To date, no virtual charter school has applied to receive transportation funding, but these schools could be considered for funding in future years.

States, school districts, and schools pay different rates to the same virtual charter school curriculum providers, impacting the profit-margin for these for-profit companies.

A 2012 Pennsylvania Department of the Auditor General special report found Pennsylvania was spending the most out of five U.S. states with the largest student enrollment in independently operated charter and virtual charter schools, paying about \$3,500 more per student in a virtual charter school.

One of the recommendations from the report was to develop limitations on private management company contracts, citing Pennsylvania's deficient law on placing limits on contracts with and fees paid to private management companies which the report claimed could result in excessive profit making with public education dollars. Additionally, the report found management company fees increase a charter school's administrative costs and result in less money being available to educate students and that unless specifically provided for in statute, it is difficult for authorizers, oversight bodies, and the taxpayers to see how their money is spent by these private companies.

The report reviewed the management company contract at one Pennsylvania charter school where the fees were based on a percentage of the school's total revenue and not on the management services provided, which equated to approximately \$1,300 per student in management fees. This fee schedule incentivizes large enrollment caps at virtual schools, as the size of the school drives the fees the management company receives.

A curriculum provider can provide services for a lower per-student cost by reducing the number of courses and teachers. According to a New York Times article, a representative of Connections explained during a presentation at the Virginia Legislature that its services were available at three price points per student:

- Option A: \$7,500, a student-teacher ratio of 35-40 to 1, and an average teacher salary of \$45 thousand.
- Option B: \$6,500, a student-teacher ratio of 50 to 1, with less experienced teachers paid \$40 thousand.
- Option C: \$4,800 and a student-teacher ratio of 60 to 1, as well as a narrower curriculum.

In New Mexico, each of the two virtual charter schools associated with Connections has a different contract structure with the provider. NMCA has a relatively simple contractual agreement with a flat fee calculated at \$1,700 for every enrolled student on the first of November plus \$1,700 per student on the first of March. Additionally, Connections charges a \$575 annual leasing fee for computer equipment per household. PCA's contract is much more complicated and includes:

- Upfront fee of \$1,000 for every enrolled student;
- Monthly fee of \$305 for each enrolled student;
- Additional monthly fee of \$185 for enrolled students with an IEP;
- Monthly fee of \$520 for each FTE at the school; and
- Annual fee of \$25 thousand for the school.

Though contracts are structured differently, the contracted costs per non-IEP student are similar at both NMCA and PCA, at about \$3,975 per student. However, the IEP monthly fee at PCA substantially increases the cost for special education students at PCA, at about \$5,645 compared with \$3,975 at NMCA. The only services Connections provides to special education students, per the contract, are to assist the school in the development of special education protocols and provide consultative support to the special education director. It is unclear what additional services, if any, Connections is providing PCA for the additional cost. Invoiced amounts are reduced by a percentage negotiated by the school and Connections due to funding variability. Connections reduces invoiced amounts at both NMCA and PCA by 25 percent.

Both Connections, a subsidiary of Pearson, and K12 are growing year over year. K12's 2017 revenues topped \$889 million with \$305 million of that considered overhead. According to Pearson's Annual Report Connections FTE grew by 6 percent last year while revenues grew by 8 percent. Connections has 34 virtual schools in 28 states, and are opening 12 percent more school annually. K12's top five executives made a combined \$11 million in FY17 and they all have multimillion dollar payouts guaranteed should they leave the company voluntarily or involuntarily. The executive chairman is guaranteed over \$8 million, and the chief executive officer over \$4 million even if forced to resign.

K12 identifies risks in their Annual Report, including the risk that their, "curriculum and approach to instruction may not satisfy certain state standards, which would limit our growth and profitability." Additionally, K12 identifies the following as "risks":

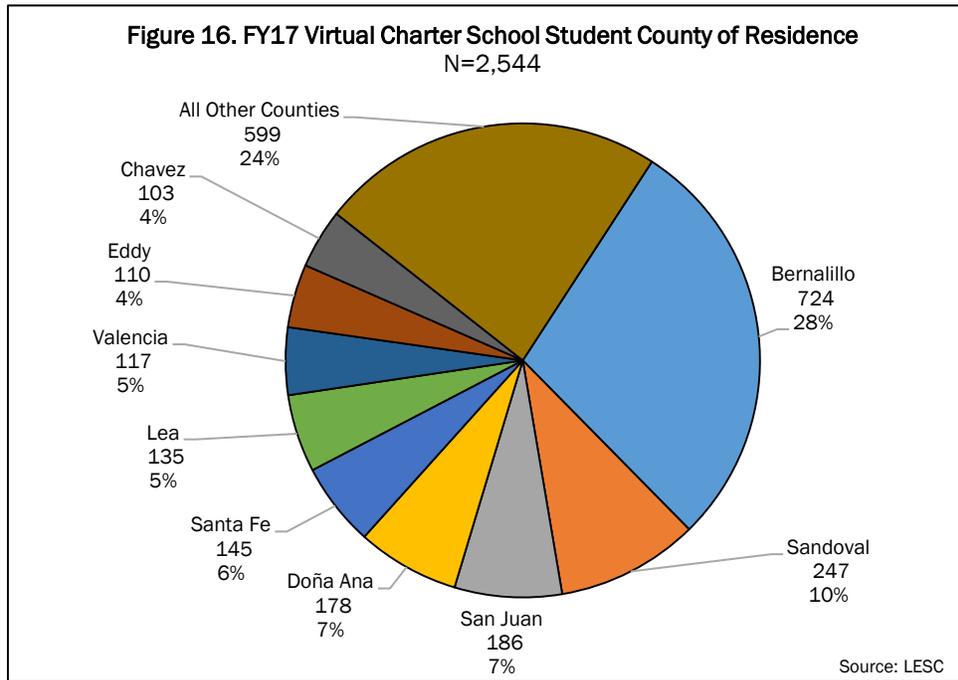
- "The majority of our revenues come from Managed Public School Programs and depend on per-pupil funding amounts and payment formulas remaining near the levels existing at the time we execute service agreements with the managed public schools we serve. If those funding levels or formulas are materially reduced or modified due to economic conditions or political opposition, new restrictions adopted or payments delayed, our business, financial condition, results of operations, and cash flows could be adversely affected."
- "Failure to comply with regulatory requirements, poor academic performance, or misconduct by us or operators of other virtual public schools could tarnish the reputation of all the school operators in our industry, which could have a negative impact on our business or lead to punitive legislation."
- "The changing nature of state curriculum standards and new state assessments could result in a decline in state test scores that might adversely affect our

enrollment and financial condition, and cause academic performance to decline.”

- “We may be unable to attract and retain skilled employees.”

Locally chartered virtual charter schools enroll students from across the state, possibly incentivizing school districts to authorize virtual charter schools.

Because virtual charter schools do not require students to be physically present, students from around the state can enroll in virtual charter schools. The three virtual charter schools collectively enroll students who reside in each of the state’s 33 counties (see Figure 16).



The 2 percent set-aside is a reduction of a charter school’s SEG by 2 percent for administrative services or administrative support, as included in the Public School Finance Act and the Charter Schools Act. The 2 percent is withheld by the authorizing school district for locally chartered charter schools or by PED for state-chartered charter schools.

School districts that authorize virtual charter schools receive funding for students who reside outside of the school district due to the 2 percent state equalization guarantee distribution (SEG) set aside for charter authorizers. This may create an incentive for school districts to open virtual charter schools to increase district revenues. In FY17, Farmington Municipal Schools received about \$57 thousand and Carlsbad Municipal Schools received about \$40 thousand from NMVA’s and PCA’s 2 percent set asides, respectively. Additionally, previous LFC and LESC reports have raised concerns that charter school authorizers and PED cannot account for how the 2 percent set asides are spent.

The large number of students enrolled from outside of the school district where the virtual charter school is geographically located causes funding for school districts and other charter schools to decrease. Every additional charter school adds another entity that receives funding from the statewide public school support budget, reducing funding for existing school districts and charter schools. Second, students from school districts and charter schools throughout the state may transfer to a new virtual charter school, causing some funding to transfer from the student’s old school district or charter school to the virtual charter school. Charter authorizers are not explicitly required to consider these fiscal impacts when authorizing new charter schools. Also, virtual charter school founders are only

required to notify the school district where the school will be physically located, despite being able to enroll students from across the state.

Statute allows virtual charter schools to access local mill levy funds for capital outlay dollars and requires a distribution to eligible charter schools based on a headcount. The lack of geographical limitations to student enrollment at virtual charter schools means virtual charter schools enroll students from outside of the county that the charter school is geographically located in. Sections 22-24-25 and 22-24-26 NMSA 1978, the Public School Buildings Act, commonly referred to as House Bill 33 funds, and the Public School Capital Improvements Act, commonly referred to as Senate Bill 9, allow locally and state-chartered charter schools access to a per-student allocation of these local mill levies if certain requirements are met. The per-student distribution is problematic for virtual charter schools. If the per-student distribution was interpreted to mean a virtual charter school is entitled to a per-student distribution for all enrolled students, this would mean local mill levy dollars would be allocated to a virtual charter school for students that do not reside in the school district and in some cases never set foot in the school district. While no virtual charter school has yet requested to be included in a local mill levy election, the Legislature may want to address this to ensure virtual charter schools are not entitled to distribution for students that reside outside of the county.

Recommendations

The Legislature should consider:

- Developing a scale adjustment factor that reduces formula funding for virtual charter schools due to lower staffing and plant operations and maintenance costs compared with brick-and-mortar schools, or an alternative funding mechanism for virtual charter schools;
- Prohibiting virtual charter schools from generating enrollment growth program units;
- amending state law to allow only PEC to authorize virtual charter schools that enroll students outside of the school district where the school is physically located;
- Requiring virtual charter schools to make notice of intent to apply for charter authorization to PED and all 89 school districts in the state; and
- Prohibiting virtual charter schools from applying for capital outlay and transportation funding

PED should:

- Require virtual charter schools to provide additional details for any contracts over a certain percentage of a school's budget.

Charter authorizers should:

- Require detailed invoices from virtual charter school curriculum providers that allow cost comparisons for specific items or services purchased by the school.

For-profit companies play large roles at virtual charter schools and charter authorizers struggle to hold the schools accountable.

The contract that PCA signed with Connections may allow the company authority over school management.

Subsection R of Section 22-8B-4 NMSA 1978 allows a charter school to contract with a school district or other party for provision of financial management, food services, transportation, facilities, education-related services or other services. **However, the provision prohibits a governing body from contracting with a for-profit entity for the management of the charter school.**

State law prohibits charter schools from contracting with for-profit companies for school management functions. In 2014, Attorney General Gary King issued an opinion regarding NMVA's contract with K12, stating "the administrative and managerial involvement by K12, a for-profit entity, constitutes 'management'" and "places a school in a position of dependency regarding issues of regular operation and control." NMVA disagreed with the Attorney General's opinion, claiming that the term "management" was not defined in the Public School Code, and that K12's involvement did not rise to the level of traditional definitions of management. The Legislature responded by passing Laws 2015, Chapter 108 (Senate Bill

148), which established the current definition of "management" as having authority over the hiring, termination, and day-to-day direction of a school's employees or contractors, whether they are licensed or not.

PCA's contract with Connections may allow a for-profit company authority over employee termination. All three virtual charter schools in the state have signed contracts with K12 or Connections that delineate the role the companies play at the school. PCA's contract with Connections states "[T]he Governing Council delegates to Connections ("Delegation of Responsibility"), responsibility to support the Lead School Administrator, all responsibilities associated with the recruiting, training, supervision, oversight, discipline, and dismissal of Teachers, Administrative Staff, the Special Education Director, 504 coordinator, clerical staff, and other such support positions as may be necessary to support School operations." While this language appears to be in direct violation of state statutes, PCA officials indicated that Connections has not been involved in staffing decisions since the school opened.

Unlike PCA's contract, NMVA's and NMCA's contracts clearly designate schools with the task of hiring and terminating employees. NMVA's contract with K12 states that although the school is ultimately responsible for hiring staff, the school and "K12 shall be invited to interview candidates and the school will consider K12's input." NMCA's contract with Connections states the charter school is responsible for "[providing] all day to day management and administration of the Charter School, including hiring, evaluation and retention of the Principal, as well as the teaching and administrative staff, counseling and other related services, in accordance with applicable local, state, and federal law and in accordance with the Governing Council adopted budget."

While not illegal, K12 and Connections are also contractually obligated to provide many other services at virtual charter schools that could be described as day-to-day operations, including:

- Maintaining student records;
- Providing access to student extracurricular activities;
- Enrollment processing;
- Providing professional development for staff; and
- Dedicating for-profit staff members to schools for "operations support."

Virtual charter schools lack proper oversight when signing contracts and making large purchases.

Virtual charter schools appear to select curriculum providers before authorizers approve charters. NMCA and PCA used “Connections” in their names on charter applications and contracts before being authorized and before officially selecting their curriculum provider. NMCA contracts with Connections Academy of New Mexico, LLC for the use of the name New Mexico Connections Academy and has a limited, royalty-free, nontransferable license to use the name as long as they continue their contractual agreement. This suggests the school intended to contract with Connections for curriculum and online services before putting out a request for proposals for the services.

Virtual charter schools subvert procurement statutes by awarding large sole source contracts to curriculum providers. All three virtual charter schools utilize large dollar amount sole source contracts with for-profit companies to provide curriculum and administrative services. According to Section 13-1-126 NMSA 1978, sole source contracts may only be awarded if a state or district purchasing official “makes a determination, after conducting a good-faith review of available sources and consulting the using agency, that there is only one source for the required service.” Though virtual charter school officials claim only one company can provide the necessary services, multiple companies currently provide similar virtual curriculum services to New Mexico schools.

NMVA signed contracts and made purchases over \$60 thousand without having a chief procurement officer. The New Mexico Office of the State Auditor’s FY16 audit on Farmington Municipal Schools revealed that NMVA made over \$111 thousand in purchases prior to procurement officer approval. The audit also flagged NMVA for not having a chief procurement officer at the time of a purchase over \$60 thousand and for employee travel reimbursement totaling more than the actual receipts.

In December 2015, the PCA governing body president signed a sole source contract with Connections in which the company agreed to provide curriculum and other services for the school. At that time, PCA had an agreement with Carlsbad Municipal Schools for the school district’s chief procurement officer to also serve as the chief procurement officer for PCA. The chief procurement officer submitted a notice of intent to award a sole source contract to the State Purchasing Division in November, 2015. Section 13-1-126.1 NMSA 1978 requires a notice of the intent to award a sole source contract to include the contract amount. The posted notice for PCA’s sole source contract with Connections states the amount of the contract “will vary, depending on the number of students enrolled in a given year minus authorization fees, salaries, and expenses and other flow through costs.” No further pricing information is included in the notice.

However, in a letter dated April 28, 2017, the school district’s director of finance submitted a letter to the State Purchasing Agent and Director claiming, “The contract executed between PCA and Connections included services outside the scope of the procurement authority, was not reviewed by the school district chief procurement officer prior to execution, a firm contract price was not negotiated and the contract award was not encumbered against the PCA budget.” According to Section 13-1-95.2 NMSA 1978, only certified chief procurement officers may approve procurement pursuant to the Procurement Code, make determinations regarding exemptions, and issue purchase orders. However, the Procurement Code

does not specify whether a chief procurement officer must sign a sole source contract.

Charter authorizers often lack knowledge about virtual education, but have enhanced accountability efforts in recent years.

School boards, serving as charter authorizers, failed to recognize the significant challenges of governing virtual charter schools. While student enrollment at virtual charter schools has grown significantly since 2012, charter school authorizers have struggled to provide effective and meaningful oversight. Authorizing and implementing a virtual charter school presented a unique set of challenges for Farmington Municipal Schools and Carlsbad Municipal Schools. Both school districts and their respective school boards had to familiarize themselves with a relatively new online education model able to serve students outside of their jurisdictions.

NMVA applied for a charter from Farmington Municipal Schools in 2011. NMVA's original charter application lacked a final budget, educational plans for special education students and English learners, and standardized testing plans. Additionally, the Farmington Board of Education requested documentation of a property lease and a staff list. After requiring the charter applicants to produce the missing planning documents, the Farmington Municipal School Board of Education authorized NMVA's charter in 2011 to begin serving students in FY13.

Selected conditions from NMVA's two-year charter renewal from Farmington Municipal Schools in 2017:

- For the 2016-2017 and 2017-2018 school years, NMVA must maintain a three-year average school grade of C or better. After all appeals have been exhausted and NMVA's three-year average school grade is not a C or better, the charter will be revoked and NMVA will close at the end of the school year.
- NMVA created a strategic plan to improve student performance, graduation rates, and a plan for working with credit recovery students. The board of education approved the strategic plan during its July 2017 meeting.

Farmington Municipal Schools voted to close NMVA in FY17, but reversed the decision and extended the school's charter for two years. In December 2016, the Farmington Municipal Schools Board of Education voted to close NMVA. The decision was the culmination of several years of mounting anxiety about the school's performance and fiscal practices. At the hearing, the Board of Education cited concerns with NMVA's graduation rate, math and reading proficiency rates, and lack of a procurement officer. In February 2017, the Board of Education then approved a two-year renewal of NMVA's charter with more than 25 conditions. Among those conditions, the board prohibited NMVA from renewing its charter with Farmington Municipal Schools beyond June 30, 2019.

The Public Education Commission voted against renewing the charter of NMCA, and the contract expires at the end of FY18. On December 15, 2017, the Public Education Commission voted 6-3 (with one abstention) against renewing New Mexico Connections Academy's charter. This came after PED's recommendation for non-renewal because PED determined the school did not meet numerous

academic performance, contractual, organizational, and governance standards. Much of the Commission's discussion centered around the school's grades, which have gone from a C to an F in the last three years, and the school's failure to meet the state's 95 percent participation rate on state assessments.

Students enrolled in New Mexico virtual charter schools are reported to be New Mexico residents, but out-of-state, for-profit companies are verifying student residency.

Though virtual education allows students from any geographic area to take classes, Section 22-1-4 NMSA 1978 still requires any school to verify that all enrolled students are New Mexico residents. Though some students spend time during the school year outside of the state, LESC and LFC staff could find no instances where

a virtual charter school student established permanent residence outside of the state.

However, virtual charter schools often rely on the for-profit curriculum provider to provide residency verification for enrolled students. During the enrollment process at virtual charter schools, student applicants send the required residency documents to out-of-state corporate processing centers for K12 and Connections. Because LESC and LFC staff were unable to fully verify the procedures used at these processing centers, questions remain regarding the residency verification processes used by these companies.

Recommendations

The Legislature should consider:

- Defining “virtual charter school” in statute; and
- Limiting the initial charter term for virtual charter schools or placing enrollment caps on virtual charter schools.

PED and charter authorizers should:

- Enforce state law prohibiting charter school management by for-profit companies; and
- Develop best practices for governing bodies of virtual charter schools.

Agency Response

PED and virtual charter schools were given time to provide feedback to the report findings and recommendations. LESC and LFC staff worked with PED and PCA officials to address concerns and received a response from a former Pecos Connections Academy teacher, which can be found on the following page. PED did not provide a formal written response to the evaluation.

Response from Amber Romero, former PCA teacher

December 20, 2017

Dear Mr. Herz,

My name is Amber Romero, and I have been an educator in New Mexico for 16 years. Most of my experience has been with Las Cruces Public Schools where I have served as a Teacher, Instructional Specialist, and Staff Development Specialist for Math at the district level. My most recent experience comes when I chose to leave Las Cruces Public Schools and work for Pecos Connections Academy starting in the Fall of 2016. I have always prided myself in being progressive and a champion for alternative ways of teaching and learning. The idea of teaching in an online environment to serve students who needed an alternative setting was a promising challenge that I was more than excited to tackle. In addition, I am the mother of an autistic child who I spend countless hours worrying about a time when the traditional classroom may no longer be conducive to her social and academic needs. Not because our schools are not working, and not because our teachers are not teaching, but because my daughter is quite simply unique. I soon realized however that Pecos Connections Academy was not the dream I had hoped for. In fact, it was an experience I could have never in my wildest dreams foreseen. I resigned from PCA in November of 2017, and am proudly a teacher for Las Cruces Public Schools again. I am writing to offer some insight, thank you for your diligence in serving our children, and ensuring that we are financially responsible to the citizens of New Mexico.

When I began teaching for PCA I was assigned 2nd Grade, 6th 7th and 8th Grade Math, and 6th, 7th, and 8th Grade Language Arts. I was the only teacher for 2nd grade, and I was the only Math and Language Arts Teacher for middle school until close to the second semester. When asking our school administrators what our class load and class limits were, the answers varied from somewhere around 40 to 50 and beyond. However the one consistent answer was “We are different, because we are virtual. We are different because we are a charter.” I believed those statements to be true. I believed that we must have a waiver. I believed we were separate somehow, and that we must of have been funded differently. My class load varied on a day to day basis, but I ended the year with nearly 70 second graders. Again, I was the only 2nd grade teacher. Once we hired a new Language Arts and Math teacher, I was then dropped from those courses, but was given middle school Social Studies to share, and Educational Technology for Middle School on my own. For the 2017 school year, I reached approximately 85 2nd grade students and was the only 2nd grade teacher. We were told that our school administrator needed permission from Connections Academy to hire or release funds for a new teacher. The magnitude of my class size made it virtually impossible to differentiate instruction, meet with students individually, ensure that they were safe, ensure they were growing and learning, even quite simply checking on them to make sure they were okay. I worked 10-14 hours consistently, daily just to simply meet the minimum demands of the job. When probing about class size we were told that we should not share these numbers with families, and if we did it made it “hard” for our school administrator to “defend us.” These statements began making me feel morally at odds with withholding public information to stakeholders or being retaliated against for reporting to families and parents the class sizes.

During my time at PCA I encountered several deeply troubling issues including SPED support (more accurately lack of), ELL support (more accurately lack of), lack of equipment provided to families and students, testing compliance, testing irregularities, truancy, New Mexico evaluation protocols, and retaliation and ethics. I addressed many of these concerns starting with our school administrators, but soon realized these concerns would not be addressed with our administrators and needed to be reported at a different level. The problem is, the hierarchy of who to report to is a mystery. I did reach out to Connections Academy, Carlsbad Public Schools, and New Mexico PED. What I came to realize was that it was like chasing a ghost, as to this day, I do not fully understand where the accountability lies for PCA.

I will briefly attempt to outline some of my other concerns. Modifications for SPED students at PCA mainly include skipping lessons even placing students in grades up to three grades below their chronological age. The SPED administration repeatedly makes comments that our SPED students just won't ever be proficient in reading, math, or pass algebra. While the most recent LEFC and LFC report states that PCA outperforms the state average in reading, this data included, in my opinion, is unethical at best in regard to the PCA testing practices from iStation. iStation, a standardized assessment is given at home mostly with parents with absolutely no oversight from the school. There were countless times that I had students who according to iStation were performing at the 98th percentile, yet when I conducted running records the child could not read and was significantly below grade level. Parents would admit to helping their children. We were directed by our school administration to not read DFA's when proctoring the PARCC assessment. When probed on this issue we were told to use our common sense, and that "It's not like PED knows where you are. If you read every DFA you will be there all day." When asking to test in pairs with colleagues we were told that if we couldn't proctor for the number of students we were assigned, maybe this wasn't the job for us. In addition, when continuing to press the issue of testing with a colleague we were eventually told we would not be reimbursed for travel expenses if we made decisions on our own to proctor together. We did choose to hide the fact that many of us tested together even though it was not approved by school administrators. Students are given one desktop computer per family, regardless of the size of the family. There are several issues with this. The computer itself is not mobile. The access to curriculum, LiveLessons, interactions with teachers and peers is limited to multiple student homes to only one student at a time. In addition, the families are not provided with web cameras, microphones, or wireless adapters. Inequality in access to the online environment is apparent as the only students who could engage beyond a chat pod or webmail are those families who can afford to purchase a personal computer. There are absolutely no translated materials to offer ELL families. In addition, to my knowledge ELL screening is not done in a consistent manner. It may be that it is not done at all. PCA will claim that they had 100% state testing participation for the 2016 school year, and while this is true that is only a true statement because the school administratively withdrew any student who did not show up for state testing. In the the LEFC and LFC report, there is mention of high parent satisfaction on a survey however there were only approximately 70 responses. That is not even a third of the entire school population, and does not even match the total number of students who withdrew from the school. While there are certain procedures in place on paper for truancy for PCA, there is very little oversight and follow through on the welfare of these children. All elementary teachers "teach" PE and Art regardless of their lack of certification.

To be quite honest, I could write pages and pages in great detail of my experience and understanding of the questionable practices at Pecos Connections Academy. There are other teachers who are willing to speak out as well. I am more than happy to provide further information either in person, over the phone, or in writing. I believe that there is a real need for virtual schools in New Mexico. I vehemently disagree that for profit charters are the answer to this need. Again, I thank you for your time, dedication, and consideration.

Respectfully,

Amber Romero

Appendix A: Scope and methodology

Evaluation Objectives.

- **Student Outcomes.** Assess academic growth of students within virtual charter schools.
- **Fiscal Responsibility.** Review funding, resource allocation, and spending practices of virtual charter schools.
- **Governance.** Assess virtual charter school authorization and ensure proper administration and data quality.

Scope and Methodology.

- Visited and interviewed staff at virtual charter schools
- Interviewed Farmington Municipal Schools and Carlsbad Municipal Schools school district officials about locally chartered virtual charter schools
- Interviewed PED staff
- Reviewed state and federal laws, regulations, and policies
- Reviewed relevant performance measures, administrative data, and related documents
- Reviewed existing research on virtual charter schools, student performance, governance, and national best practices
- Reviewed and analyzed student data, and fiscal data from PED, and virtual charter schools
- Observed live virtual classroom instruction

Detailed Methodology of Student Growth. Growth scores were determined by standardizing the two years of interest, SY15 and SY16, and taking the difference between the later and earlier year. To determine the number of days of learning measurement, methodology was borrowed from the 2017 Credo Texas Charter school study. Using their methodology, for every .01 standard deviation change, 5.7 days of learning should be added or subtracted. Furthermore, days of learning can only be used through eighth grades, as the CREDO study only determined student growth rates from fourth through eighth grades. Therefore, only student test scores for students in fourth through eighth grades were used to determine student growth rates. The days of learning variable should be used to help generally estimate the effects of student growth in a tangible way, and is an imprecise measurement.

Detailed Methodology of Mobility. For mobility analyses, student mobility was first calculated by determining if the student stayed in the same school from one year to the next. Next, frequency analyses were run to determine the percent of students who move year by year, selecting for students who were in virtual or brick-and-mortar schools.

Exit Conferences. The contents of this report were discussed with representatives from the Public Education Department on December 12, 2017. Additionally, portions of the report were shared with virtual schools for purposes of confirming accuracy.

Report Distribution. This report is intended for the information of the Office of the Governor, the Public Education Department, the Office of the State Auditor, the Legislative Education Study Committee, and the Legislative Finance Committee. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Evaluation Team.

Mitchell Herz, Program Evaluator, LESC
Denise Terrazas, Program Evaluator, LESC
Nathan Eckberg, Program Evaluator, LFC

Appendix B: Summary of virtual charter school research

In February 2015, Public Impact and the National Association of Charter School Authorizers (NACSA) published a study on virtual schools in the country where they examine virtual school models and their performance. The following is a list of studies they reviewed, including the highlights of each study.

National Association of Charter School Authorizers is a nonprofit organization “dedicated to the establishment and operation of quality charter school through responsible oversight in the public interest.”

Public Impact is a national education policy and management consulting firm based in Chapel Hill, North Carolina, with a mission to improve kindergarten through 12th grade education.

Brief Citation	Relevant State(s)	Type of School	Study Design and Population	Relevance	Highlights
Catalanello, R. & Sokol, M. (2014). Success of Florida Virtual School is Difficult to Measure . Tampa Bay Times.	FL	Supplemental (state-run)	News article on Florida Virtual School (FLVS)-provided data and challenges with comparing online course performance to courses provided in traditional schools.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · 66% of students who enrolled in an FLVS course withdrew within a month; of the students who stayed, 81% successfully completed the course.
Center for Research on Education Outcomes. (2011). Charter School Performance in Pennsylvania . Stanford University.	PA	Fully online (charter)	Matched pairs study that followed Grades 3-8 student performance in math and reading from 2007–2010.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · In every subgroup with significant effects, student growth in math and reading was significantly lower in the eight fully online schools studied than in brick and mortar charters and traditional public schools.
Chingos, M. & Schwerdt, G. (2014). Virtual Schooling and Student Learning: Evidence from the Florida Virtual School . Harvard Kennedy School.	FL	Supplemental (state-run)	Matched pairs study of 10th grade student performance on Algebra and English state exams in 2008–09.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · When controlling for pre-high school characteristics, part-time FLVS students performed the same as or slightly better than non-FLVS on Algebra and English state exams. · Study did not find evidence of negative impacts on student subgroups [gender, race, Free and Reduced-price Lunch (FRL), Special Education (SPED), and English Language Learners (ELL)].
Darrow, R. (2010). A Comparative Study between Online Charter High Schools and Traditional High Schools in California . Unpublished Dissertation. California State University, Fresno.	CA	Fully online (charter)	Comparative study of fully online charter high school student proficiency rates and dropout rates in 2007–08 and 2008–09. Comparison group consisted of 10 traditional high schools with similar demographics.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Proficiency rates in English Language Arts (ELA) were higher at the traditional comparison high schools than at fully online charter high schools. The fully online charter and traditional high schools in the study scored above statewide average. · Fully online charter high school students dropped out at higher rates than traditional high school peers.

Brief Citation	Relevant State(s)	Type of School	Study Design and Population	Relevance	Highlights
Heiney, A. et al. (2012). Characteristics of Colorado's Online Students . Colorado Department of Education.	CO	Fully online (district-run and charter)	Longitudinal analysis (2003– 2011) of demographic and performance data for K-12 students enrolled in fully online schools.	<input checked="" type="checkbox"/> Geography <input checked="" type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · The percent of economically disadvantaged students enrolled in online schools grew from 7% to 38% over the study period. · Students consistently performed below state peers in reading and math. · Graduation rates were significantly lower than state average (23% vs. 74% in 2011). · Student mobility rates were high (e.g. 21% of the fully online kindergarten students enrolled in 2008 were still in the same school in 2011, vs. 45% of peers not enrolled online schools). · Students enrolled for four+ years showed better performance than more mobile peers.
Hubbard, B. & Mitchell, N. (2011). Online K-12 Schools Failing Students but Keeping Tax Dollars . Rocky Mountain PBS I-News.	CO	Fully online (unspecified)	News article reviewed 2008– 2010 state data on student retention and mobility at online schools.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Half of all students who enrolled in the largest fully online programs in fall 2008 left within a year. Only a quarter of these students remained after two years. · Fully online schools produced three times as many dropouts as they did graduates. · One of every eight fully online students dropped out of school, which is four times the state average.
Innovation Ohio. (2011). Ohio's E-Schools: Funding Failure; Coddling Contributors .	OH	Fully online (charter)	Reviewed 2009–10 state ratings and graduation rates for fully online charter schools	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Only three of 23 fully online charter schools received a state rating of "effective" or better for 2009–10. · Five of seven fully online schools that served students statewide had graduation rates lower than Cleveland Municipal Schools, which had the lowest graduation rate of all traditional public school districts in the state. · Ohio Connections Academy had a graduation rate of 89% and received a rating of "excellent."
Means, B., et al. (2010). Evaluation of Evidence-Based Practices in Online Learning: A Meta-Analysis and Review of Online Learning Studies . U.S. Department of Education.	WV, LA, MD, Taiwan	Supplemental (unspecified)	Analysts screened 1,000 studies of online learning to find those that (a) contrasted an online to a face-to-face condition, (b) measured student learning outcomes, (c) used a rigorous research design, and (d) provided adequate information to calculate an effect size.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Among the five studies reviewed that looked at K- 12 learning and met criteria for validity, the mean effect of virtual learning was not significantly positive.

Brief Citation	Relevant State(s)	Type of School	Study Design and Population	Relevance	Highlights
<p>Minnesota Office of the Legislative Auditor. (2011). Evaluation Report: K-12 Online Learning.</p>	<p>MN</p>	<p>Fully online (district-run, charter); Supplemental (district-run)</p>	<p>Review of 2006–07 through 2009–10 enrollment and performance data for students enrolled both part- time and full-time in online schools. Study also included discussions of students’ online learning experiences and online school accountability.</p>	<p><input type="checkbox"/> Geography <input checked="" type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality</p>	<ul style="list-style-type: none"> · Fully online students were less likely than all students statewide to complete courses they start. · Fully online students were more likely to drop out of school than all students statewide. · Students at fully online schools were more mobile than peers in traditional districts and charter schools. In 2009–10, 34% of fully online students changed schools at least once, vs. 95% statewide. · FRL and SPED students enrolled in fully online schools at similar rates to all schools statewide. · Fully online students made less progress in math than all students statewide for two consecutive years. They kept pace with students statewide in reading in one of the two years analyzed.
<p>Miron, G. & Urschel, J. L. (2012). Understanding and Improving Full-Time Virtual Schools: A Study of Student Characteristics, School Finance, and School Performance in Schools Operated by K12 Inc. National Education Policy Center.</p>	<p>Numerous</p>	<p>Fully online (unspecified)</p>	<p>Review of federal and state data on student characteristics, school finance, and school performance data for 48 K12 Inc.-operated schools.</p>	<p><input type="checkbox"/> Geography <input checked="" type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input checked="" type="checkbox"/> Provider Quality</p>	<ul style="list-style-type: none"> · K12 Inc. schools enroll similar percentages of black students, “substantially” more white students, and fewer Hispanic students relative to public schools in the states where the company operates. · The percentages of K12 Inc. students qualifying for FRL, ELL, or SPED status trailed the same-state comparison group. · 28% of K12 Inc. schools met Average Yearly Progress (AYP) in 2010–11, vs. 52% nationwide. However, this percentage was similar to performance at all schools operated by full-time education management organizations (27% met AYP that year). · 36 of the 48 fully online K12-operated schools received state ratings in 2010–11, and only seven of those received ratings that indicated “satisfactory” performance. · The on-time graduation rate at K12 Inc. schools is 49%, vs. 79% for the same-state comparison group.

Brief Citation	Relevant State(s)	Type of School	Study Design and Population	Relevance	Highlights
Molnar, A., et al. (2014). Virtual Schools in the U.S. 2014: Politics, Performance, Policy, and Research Evidence. National Education Policy Center.	All	Fully online (state-run, district-run, charter)	National review of fully online policy/political landscape, research, student characteristics, and performance. Study used data from 2010–11 through 2012–13.	<input type="checkbox"/> Geography <input checked="" type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Fully online schools serve more white students and fewer FRL, SPED, and ELL students than all public schools nationwide. · Fully online schools tend to perform worse against state accountability measures, and tend to graduate fewer students, when compared to all public schools nationwide.
Nelson, K. Online Learning Annual Report 2012-13 . (2013). Office of the Superintendent of Public Instruction.	WA	Supplemental (district-run)	Review of all online learning activity in the state, including demographics and achievement among K-12 students taking online courses.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Students taking online courses trailed state peers on all tested subjects in 2012–13. · White students were over-represented and Hispanic and Asian students were under-represented compared to non-online students statewide.
Ohio Alliance for Public Charter Schools. (2009). E-schools Show Superior Results.	OH	Fully online (charter)	Reviewed 2008 state value-added results for fully online charter schools.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Five of seven fully online charter schools that serve students statewide met or exceeded state expectations for value-added.
Oliver, E. (2013). Half of virtual charter schools judged in new report cards miss mark. Milwaukee-Wisconsin Journal Sentinel.	WI	Fully online (charter)	News article on publicly-released school report card grades.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input checked="" type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Four of the eight fully online charter schools that received state report card grades for 2012–13 did not “meet expectations.” · One fully online charter school “exceeded expectations”—Hayward Center for Individualized Learning. The school serves 115 students and has a weekly in-person enrichment class. · Another 20 fully online charters did not receive grades because they either had not been operating for three+ years or served students who do not take state tests.

Brief Citation	Relevant State(s)	Type of School	Study Design and Population	Relevance	Highlights
<p>Rauh, W.J. (2011). The Utility of Online Choice Options: Do Purely Online Schools Increase the Value to Students? Education Policy Analysis Archives Vol. 19, No. 34.</p>	SC	Fully online (charter)	Expected utility model examines “value conferred” to high school students at South Carolina Virtual Charter School (SCVCS) vs. traditional brick and mortar schools in the state. “Value” is defined as likelihood of better results on the High School Assessment Program than the state average.	<input type="checkbox"/> Geography <input checked="" type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · 84% of students at SCVCS were white non-Hispanic, vs. 54% of students statewide. · 51% of SCVCS students had been enrolled at a private school or were home schooled prior to enrolling. · Students in high-poverty brick and mortar schools gain more expected value from switching to a fully online charter school than staying in their school, i.e. they are more likely to score above the state average, according to the expected utility model. · Students in low- to median-poverty schools gain more expected value from staying at their school than switching to fully online.
<p>Raise Your Hand Texas (2012). Virtual Schools in Texas: Good for Kids or Merely Good for Profit?</p>	TX	Fully online (district-run, charter)	Review of demographic, financial, and performance data on fully online schools in Texas. Demographic and performance data pertain to all students enrolled.	<input type="checkbox"/> Geography <input checked="" type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · In 2010–11, fully online schools enrolled a higher percentage of white students, about the same percentage of black students, lower percentages of Hispanic, FRL, SPED, and ELL students than state averages. · One fully online school in Texas had maintained an “academically acceptable” rating for two consecutive years, which later fell to “academically unacceptable;” the school closed. · None of the three fully online schools in the state had received an “exemplary” or “recognized” rating.

Brief Citation	Relevant State(s)	Type of School	Study Design and Population	Relevance	Highlights
<p>Rittner, G. (2012). Internal Evaluation of the Arkansas Virtual Academy School. University of Arkansas.</p>	AR	Fully online (charter)	Matched pairs study of student growth in math and literacy of Arkansas Virtual Academy cohort from 2008–09 through 2010–11. Students were in Grades 3-6 at study initiation and Grades 5-8 at study conclusion.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · The students in the cohort increased their rank in state assessment performance among all students statewide in both math (by 10 percentile points) and literacy (by four percentile points).
<p>Sass, T.R. (2014). The Performance of State Charter Schools in Georgia, 2012-13. State Charter Schools Commission of Georgia and the Governor’s Office of Student Achievement.</p>	GA	Fully online (charter)	Value-added study that estimated school impact on student proficiency at 16 Georgia charter schools in 2012–13, including three fully online charter schools. The value-added analysis controlled for prior test scores and several student characteristics.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · School impact on average student proficiency across all tested subjects was below the state average at two of the fully online schools and was not statistically different from the state average at the third school. · Student growth across all tested subjects was below the state average at all three fully online schools. · At all three fully online schools, school impact on student proficiency and student growth in reading, English language arts, and 9th grade literature exceeded the state average.
<p>Sludden, J. and Westmaas, L. (2014). Policy Brief: Revisiting Cyber Charter School Performance. Pennsylvania Clearinghouse for Educational Research.</p>	PA	Fully online (charter)	Review of 2012–13 and 2013–14 characteristics and performance data among all students enrolled in fully online charters.	<input type="checkbox"/> Geography <input checked="" type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Fully online charter schools served more white students and fewer black students than brick and mortar charter schools. · Race/ethnicity at fully online charter schools closely mirrored that of traditional public schools. · The number of SPED students at fully online charter schools increased 25% between 2012–13 and 2013–14, vs. a 6% increase at traditional public schools. · The average Student Performance Profile score at fully online schools trailed traditional public schools by 28 points in 2013–14.

Brief Citation	Relevant State(s)	Type of School	Study Design and Population	Relevance	Highlights
Wang, Y. & Decker, J. (2014). Can Virtual Schools Thrive in the Real World? TechTrends Vol. 58, No. 6: 57-62.	OH	Fully online (charter)	Review of Performance Index scores and state rankings among fully online charter schools vs. traditional public, 2007–2011.	<input type="checkbox"/> Geography <input type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input checked="" type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Performance Index scores were higher at traditional schools and showed greater improvement over five years than fully online charter schools. · No fully online charter schools received the highest state rank, “Excellence with Distinction,” between 2007 and 2011. · One-third of fully online charter schools were designated “Academic Watch” or “Academic Emergency” between 2007 and 2011. · Ohio Connections Academy received the second- highest ranking, “Excellent” in 2009, but dropped to “Effective” in 2010 and 2011.
Watson, J., et al. (2014). Keeping Pace with K-12 Digital Learning: An Annual Review of Policy and Practice . Evergreen Education Group.	All	Fully online (state-run, district-run, charter); Supplemental (state-run, district-run, charter); Blended	National review of digital learning activity, including growth of different types of school models, policy developments, and the level of digital learning activity in each state.	<input checked="" type="checkbox"/> Geography <input type="checkbox"/> Demographics <input type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · 30 states have fully online schools that serve students statewide (including state-run, district- run, and charter). · 26 states have fully online charter schools. · 26 states run supplemental programs. · State profiles in the report offer state-specific information about types of virtual schools operating and recent policy developments.
Wisconsin Legislative Audit Bureau. (2010). An Evaluation: Virtual Charter Schools, Department of Public Instruction .	WI	Fully online (charter)	Review of 2005–2008 student enrollment data, revenue and expenditures, virtual school instruction, and academic achievement.	<input type="checkbox"/> Geography <input checked="" type="checkbox"/> Demographics <input checked="" type="checkbox"/> Performance <input type="checkbox"/> Provider Quality	<ul style="list-style-type: none"> · Between 2005–06 and 2007–08, only 11% of fully online charter students stayed continuously enrolled. · The percentage of fully online charter students who received SPED services was lower than the percentage statewide by at least 10 percentage points from 2002–03 through 2007–08. · From 2005–06 through 2007–08, fully online charter schools scored better in reading but worse in math on state tests when compared to public school students statewide.

Appendix C: Statutes governing virtual charter schools in other states

State	Does state law explicitly define or permit virtual charter schools?	Do virtual charter schools operate in the state?	State Law Provisions
Alabama	No	Yes	
Alaska	No	No	
Arizona	Yes		Arizona does not define virtual charter schools, but allows district public schools and charter schools to be online course providers or online schools. The state board of education and state-approved charter authorizers was required to develop standards for the approval of online course providers and online schools based on a number of criteria, including the depth and breadth of curriculum choices and the services offered to populations with developmental disabilities.
Arkansas	No	Yes	
California	Yes	Yes	California does not define virtual charter schools, but defines “synchronous, online instruction” as “a class or course in which the pupil and the certified employee who is providing instruction are online at the same time and use real-time, Internet-based collaborative software that combines audio, video, file sharing, and other forms of interaction.” The certificated employee providing the instruction is required to confirm student attendance through visual recognition during the class period. Synchronous, online classes need to have regularly scheduled starting and ending times, and students must attend the entire class period.
Colorado	Yes	Yes	Colorado defines “online school” as “a full-time education school ... that delivers a sequential program of synchronous or asynchronous instruction, directed by a teacher, primarily through online digital learning strategies that provide students choice over time, place, and path, and teacher-guided modality, of learning. An online school has an assigned school code and operates with its own administrator, a separate budget, and a complete instructional program. An online school is responsible for fulfilling all reporting requirements and is held to state and federally mandated accountability processes.”
Connecticut	No	Yes	
Delaware	No	Yes	
District of Columbia	No	No	
Florida	Yes	Yes	Hawaii defines a “virtual instruction program” as “a program of instruction provided in an interactive learning environment created through technology in which students are separated from their teachers by time or space, or both.”
Georgia	Yes	Yes	Georgia defines “virtual charter school” as a charter school that does not serve students at a physical facility but delivers instruction primarily through computer technology and the internet. This can include a blended model that serves students in a brick-and-mortar facility.”
Hawaii	Yes	Yes	Hawaii does not define virtual charter schools, but explicitly allows charter schools the flexibility and independent authority to implement alternative frameworks with regard to curriculum, facilities management, instructional approach, virtual education, length of the school day, week, or year, and personnel management.
Idaho	Yes	Yes	Idaho defines a “virtual school” as “a school that delivers a full-time, sequential program of synchronous and/or asynchronous instruction primarily through the use of technology via the internet in a distributed environment. Schools classified as virtual must have an online component to their school with online lessons and tools for student and data management.”

State	Does state law explicitly define or permit virtual charter schools?	Do virtual charter schools operate in the state?	State Law Provisions
Illinois	Yes	Yes	Illinois defines "virtual-schooling" as "a cyber school where students engage in online curriculum and instruction via the Internet and electronic communication with their teachers at remote locations and with students participating at different times."
Indiana	Yes	Yes	Indiana defines "virtual charter school" as "any charter school, including a conversion charter school, that provides for the delivery of more than fifty percent (50%) of instruction to students through virtual distance learning; online technologies; or computer based instruction."
Iowa	No	Yes	
Kansas	Yes	Yes	Kansas defines "virtual school" as any school or educational program offered for credit that uses distance-learning technologies, which predominantly use internet-based methods to deliver instruction. It involves instruction that occurs asynchronously with the teacher and student in separate locations. It requires students to make academic progress toward the next grade level and matriculation from kindergarten through high school graduation, and requires students to demonstrate competence in subject matter for each class or subject in which the pupil is enrolled as part of the virtual school. It requires age-appropriate students to complete state assessment tests.
Kentucky	Yes	No	Kentucky recently approved a bill (House Bill 520) that defines "virtual public charter school" as "a public charter school that offers educational services primarily or completely through an online program." The same bill also states "a public charter school shall not be a virtual public charter school."
Louisiana	Yes	Yes	Louisiana defines virtual school as an educational program operated for a minimum of one academic year that covers specified educational learning objectives. The program is delivered through an electronic medium such that students are not required to be at a specific location in order to receive instruction from a teacher, but instead access instruction remotely through computers and other technology, which may separate the student and teacher by time and space. This does not preclude the ability of the virtual school to host face-to-face meetings, including field trips, extracurricular activities, conferences between the student, parents, and teachers, or any such related events.
Maine	Yes	Yes	Maine defines "virtual public charter school" as "a public charter school that offers education services predominantly through an online program."
Maryland	No	Yes	
Massachusetts	No	Yes	
Michigan	Yes	Yes	Michigan defines "cyber school" as "a school of excellence ... that has been issued a contract to be organized and operated as a cyber school ... that provides full-time instruction to pupils through online learning or otherwise on a computer or other technology, which instruction and learning may be remote from a school facility."
Minnesota	Yes	Yes	Minnesota does not define virtual charter school, but defines "digital learning" as "learning facilitated by technology that offers students an element of control over the time, place, path, or pace of their learning and includes blended and online learning." "Online learning" is defined as "a form of digital learning delivered by an approved online learning provider." An "online learning provider is defined as "a school district, an intermediate school district, an organization of two or more school districts operating under a joint powers agreement, or a charter school located in Minnesota that provides online learning to students and is approved by the department to provide online learning courses."

State	Does state law explicitly define or permit virtual charter schools?	Do virtual charter schools operate in the state?	State Law Provisions
Mississippi	No	Yes	
Missouri	No	No	
Montana	No	Yes	
Nebraska	No	Yes	
Nevada	Yes	Yes	Nevada does not define virtual charter schools, but allows charter schools to provide a program of distance education. Distance education is defined as "instruction ... delivered by means of video, computer, television, or the Internet or other electronic means of communication, or any combination thereof, in such a manner that the person supervising or providing the instruction and the pupil receiving the instruction are separated geographically for a majority of the time during which the instruction is delivered."
New Hampshire	Yes	Yes	New Hampshire defines "online chartered public school" as "a chartered public school which provides the majority of its classes and instruction on the Internet."
New Jersey	No	Yes	
New Mexico	No	Yes	
New York	No	Yes	
North Carolina	No	Yes	
North Dakota	No	Yes	
Ohio	Yes	Yes	Ohio does not define virtual charter school, but defines "internet- or computer-based community school" as "a community school ... in which the enrolled students work primarily from their residences on assignments ... provided via an internet- or other computer-based instructional method ... or via comprehensive instructional methods ..., unless a student receives career-technical education." State law further explains that a community school that operates mainly as an internet- or computer-based community school and provides career-technical education ... shall be considered an internet- or computer-based community school, even if it provides some classroom-based instruction, so long as it provides instruction via the methods described in this division.
Oklahoma	Yes	Yes	Oklahoma does not define virtual charter school but allows students to enroll in a "supplemental online course." A "supplemental online course" is defined as "an online program that allows students who are enrolled in a public school to supplement their education by enrolling part time in online courses that are educationally appropriate for the student, which are equal to the equivalent of classroom instruction time required for student attendance and participation by the district."
Oregon	Yes	Yes	Oregon defines "virtual public charter school" as "a public charter school that provides online courses" and "does not include a public charter school that primarily serves students in a physical location."
Pennsylvania	Yes	Yes	Pennsylvania defines "cyber charter school" as "an independent public school established and operated under a charter ... and in which the school uses technology in order to provide a significant portion of its curriculum and to deliver a significant portion of instruction to its students through the Internet or other electronic means. A cyber charter school must be organized as a public, nonprofit corporation. A charter may not be granted to a for-profit entity."
Rhode Island	No	Yes	
South Carolina	Yes	Yes	South Carolina does not define virtual charter school, but defines "online learning" as "learning delivered by web-based or internet-based technologies." "Virtual classroom" is defined as "the online learning space where students and instructors interact."
South Dakota	No	Yes	
Tennessee	No	Yes	

State	Does state law explicitly define or permit virtual charter schools?	Do virtual charter schools operate in the state?	State Law Provisions
Texas	Yes	Yes	Texas does not define virtual charter school, but defines "electronic course" as a course in which instruction and content are delivered primarily over the Internet. Students and teachers are in different locations for a majority of the student's instructional period and most instructional activities take place in an online environment. Extensive communication between a student and a teacher and among students is emphasized. Students are not required to be located on the physical premises of a school district or open-enrollment charter school.
Utah	Yes	Yes	Utah does not define virtual charter school, but defines "online course" as "a course of instruction offered by the Statewide Online Education Program through the use of digital technology."
Vermont	No	Yes	
Virginia	No	Yes	
Washington	No	Yes	
West Virginia	No	Yes	
Wisconsin	Yes	Yes	Wisconsin defines "virtual charter school" as "a charter school under contract with a school board ... in which all or a portion of the instruction is provided through means of the Internet, and the pupils enrolled in and instructional staff employed by the school are geographically remote from each other. Virtual charter schools are publicly funded, nonsectarian schools that are exempt from many regulations that apply to traditional public schools and that offer some of their classes online... Pupils typically attend from their homes and communicate with teachers using e-mail, by telephone, or in online discussions."
Wyoming	No	Yes	

Appendix D: Sample invoices from Connections Education, LLC

Invoice from New Mexico Connections Academy, May 2017



Charges for the Following Period:	May 2017
Educational Products and Services Statement of Agreement	\$ 422,280.00
Technology Lease and Service Agreement	68,377.08
Total Invoice	<u>\$ 490,657.08</u>

Invoice from New Mexico Connections Academy, May 2017 (Continued)

New Mexico Connections Academy Invoicing
 from Connections Academy of New Mexico, LLC
 School Year 2016-2017
 May 2017

Educational Products and Services Statement of	Monthly Invoice			
		May-17	Prior Month YTD	YTD Charges
Enrollment Date Used to Calculate Monthly Charge (C)	31/05/2017			
Enrolled Students	1,656			
May 2017	\$ 340.00			
Bundled Services Monthly Charge	\$ 563,040.00			
Invoice Created at 75%	\$ 422,280.00	\$ 3,894,870.00	\$ 4,317,150.00	

Technology Lease and Service Agreement	Monthly Invoice			
		May-17	Prior Month YTD	YTD Charges
Date Used to Calculate Monthly Charge (F)	31/05/2017			
Technology Packages Provided	1,427			
Technology Rate (Annualized Rate of \$575/9 months)	63.89			
Technology Monthly Charge	\$ 91,169.44			
Invoice Created at 75%	\$ 68,377.08	\$ 476,754.86	\$ 545,131.94	

A Annual Charge Per Section 7 of First Amendment to the Statement of Agreement effective July 1, 2016: *"In consideration for the bundled services set forth in Section 2 above being provided to the Charter School during the Term, the Charter School agrees to pay CA the sum of (i) a fee of One Thousand Seven Hundred Dollars (\$1,700.00) for each student enrolled as of November 1st and (ii) a fee of One Thousand Seven Hundred Dollars (\$1,700.00) for each student enrolled as of March 1st."*

B NMCA will be billed the annual bundled services charge in 11 invoices. 10 invoices will be billed using actual student enrollment on the dates specified above. The final June invoice will serve as a true up invoice to account for any discrepancies between the total monthly invoices and the annual charge. No invoice will be billed in July as there are no students enrolled at that time.

C For monthly invoicing purposes, enrollment will be based on students enrolled on the last business day of each billing month. Example: The invoice for October 2016 services (presented in the November 2015 Governing Council meeting) will be based on enrolled students on 10/31/16. The invoice for May 2017 will be based on enrollment information as of the last day of school.

D Technology Equipment Lease & Services Agreement: *"The Technology Package shall be leased to NMCA at a price of \$575.00 per academic year for each Unit provided to Students enrolled in NMCA. A Unit is comprised of a single monitor and a single desktop computer loaded with software...The maximum number of Units...shall be the total number of NMCA households with students enrolled in NMCA..."*

E NMCA will be billed the annual technology lease charge in 10 invoices. 9 invoices will be billed using actual packages provided to date on the dates specified above. The final June invoice will serve as a true up invoice to account for any discrepancies between the total monthly invoices and the annual charge. No invoice will be billed in July as there are no students enrolled at that time; no amounts will be billed in August as computer shipping documentation is not accumulated until the beginning of September.

F For monthly invoicing purposes, technology packages provided will be based on an asset aware report showing the number of computers originally shipped to households. Computers re-shipped to households due to a technical issue and computers shipped to households to fulfill and IEP or 504 plan will not be counted.

Invoice from Pecos Connections Academy, September 2017



Charges for the Following Period: September 2017

Live Speech - August	\$ 7,375.00
Upfront Fee - Students	46,200.00
Annual Fee	1,875.00
Total Invoice	<u>\$ 55,450.00</u>

Invoice from Pecos Connections Academy, September 2017 (Continued)

Connections Academy of New Mexico, LLC
 Pecos Connections Academy Invoicing
 School Year 2017-2018
 September 2017 Invoice

Upfront Fee per Student	Monthly Invoice (A, B)			
		Sep-17	Prior Month YTD	YTD Charges
	Enrollment Date Used to Calculate Monthly Charge (C)	30/09/2017		
Enrolled Students	616			
August 2017 Upfront Fee per Student (\$1,000/10)	\$ 100.00			
Upfront Fee per Student Monthly Charge	\$ 61,600.00			
Invoice Created at 75%	\$ 46,200.00	\$ 40,950.00	\$ 87,150.00	

Annual Fee	Monthly Invoice (D, E)			
		Sep-17	Prior Month YTD	YTD Charges
	Date Used to Calculate Monthly Charge	30/09/2017		
Number of School Locations	1.00			
Annual Fee (\$25,000/10)	\$ 2,500.00			
Annual Fee Monthly Charge	\$ 2,500.00			
Invoice Created at 75%	\$ 1,875.00	\$ 1,875.00	\$ 3,750.00	

A. Upfront Fee per Student per Fee Schedule: Upfront Fee per Student "Charged per each student enrolled in the school and eligible to be reported in STARS"

B PCA will be billed the annual charge in 11 invoices. Ten invoices will be billed using actual student enrollment on the dates specified above. The final June invoice will serve as a true up invoice to account for any discrepancies between the total monthly invoices and the annual charge. No invoice will be billed in July as there are no students enrolled at that time. The actual student enrollment will be updated based on STARS enrollment data.

C For monthly invoicing purposes, enrollment will be based on students enrolled on the last business day of each billing month tried up to that point in the school year. Example: The invoice for October 2016 services (presented in the November 2016 Governing Council meeting) will be based on enrolled students on 10/31/16 and the year to date charge will equal 3/10 of the total annual charge. The invoice for May 2017 will be based on enrollment information as of the last day of school.

D Monthly Fee per Student per Fee Schedule: Monthly Fee per Student "Charged per each student enrolled at the end of the month; measured monthly for nine months of the school year - 9/30, 10/31, 11/30, 12/31, 1/31, 2/28, 3/31, 4/30, 5/31 (or last day of the school year)"

E Monthly Fee per Student on an IEP per Fee Schedule: Monthly Fee per on an IEP Student "Charged per each student enrolled at the end of the month who is on an IEP; measured monthly for nine months of the school year - 9/30, 10/31, 11/30, 12/31, 1/31, 2/28, 3/31, 4/30, 5/31 (or last day of the school year)"

F Monthly Fee per Employee per Fee Schedule: Monthly Fee per Employee "Charged per each employee employed at the end of the month; measured monthly for nine months of the school year - 9/30, 10/31, 11/30, 12/31, 1/31, 2/28, 3/31, 4/30, 5/31 (or last day of the school year)"

G PCA will be billed the monthly charges in 9 invoices. Eight invoices will be billed using actual student data or employee from the prior month as these charges will be billed on a one month lag. The eighth invoice will include the last two monthly charges. The final June invoice will serve as a true up invoice to account for any discrepancies between the total monthly invoices and the annual charge. No invoice will be billed in July as there are no students enrolled at that time. The actual student enrollment will be updated based on MSR enrollment data. The actual employee data will be updated based on the employee census.

H For monthly invoicing purposes, enrollment and employee count will be based on students enrolled or employees employed on the last business day of the prior month of each billing month. Example: The invoice for October 2016 services (presented in the November 2016 Governing Council meeting) will be based on enrolled students and employed employees on 9/30/16. The invoice for May 2017 will be based on enrollment and employee information as of 4/30/16 and the last day of school.

I Annual Fee per Fee Schedule: "Charged per school location"

J PCA will be billed the annual fee charge in 10 invoices based on number of school locations.

Invoice from Pecos Connections Academy, October 2017



Charges for the Following Period:	October 2017
Live Speech - September	\$ 7,937.50
Upfront Fee - Students	60,000.00
Monthly Fee - Students	120,780.00
Monthly Fee - Students on an IEP	10,822.50
Monthly Fee - Employees	8,190.00
Annual Fee	1,875.00
Total Invoice	\$ 209,605.00

Invoice from Pecos Connections Academy, October 2017 (Continued)

Pecos Connections Academy Invoicing
 School Year 2017-2018
 October 2017 Invoice

Upfront fee per Student	Monthly Invoice		
	Oct-17	Prior Month YTD	YTD Charges
Enrollment Date Used to Calculate Monthly Charge (C)	10/31/2017		
Enrolled Students	654		
Upfront Fee per Student \$1,000	\$	1,000.00	
Forecasted Annual Upfront Fee - Student	\$	654,000.00	
Calculated YTD Fee as of October (3/10)	\$	196,200.00	
Less Total Charged YTD	\$	116,200.00	
Total October Upfront Fee - Student	\$	80,000.00	
Invoice Created at 75%	\$	60,000.00	\$ 87,150.00 \$ 147,150.00

Monthly Fee - Student	Monthly Invoice		
	Oct-17	Prior Month YTD	YTD Charges
Enrollment Date Used to Calculate Monthly Charge (H)	10/31/2017		
Enrolled Students	528.00		
September 2017 Monthly Fee per Student (\$305)	\$	305.00	
Monthly Fee - Student Charge	\$	161,040.00	
Invoice Created at 75%	\$	120,780.00	\$ - \$ 120,780.00

Monthly Fee - Students on an IEP	Monthly Invoice		
	Oct-17	Prior Month YTD	YTD Charges
Enrollment Date Used to Calculate Monthly Charge (H)	10/31/2017		
Enrolled Students on an IEP	78.00		
March 2017 Monthly Fee per Student on an IEP (\$185)	\$	185.00	
Monthly Fee - Students on an IEP Charge	\$	14,430.00	
Invoice Created at 75%	\$	10,822.50	\$ - \$ 10,822.50

Monthly Fee - Employee	Monthly Invoice		
	Oct-16	Prior Month YTD	YTD Charges
Enrollment Date Used to Calculate Monthly Charge (H)	10/31/2017		
Employed Employees	21.00		
September 2016 Monthly Fee per Employee (\$520)	\$	520.00	
Monthly Fee - Employee Charge	\$	10,920.00	
Invoice Created at 75%	\$	8,190.00	\$ - \$ 8,190.00

Annual Fee	Monthly Invoice		
	Oct-17	Prior Month YTD	YTD Charges
Date Used to Calculate Monthly Charge	10/31/2017		
Number of School Locations	1.00		
Annual Fee (\$25,000/10)	\$	2,500.00	
Annual Fee Monthly Charge	\$	2,500.00	
Invoice Created at 75%	\$	1,875.00	\$ 3,750.00 \$ 5,625.00

A Upfront Fee per Student per Fee Schedule: Upfront Fee per Student "Charged per each student enrolled in the school and eligible to be reported in STARS"

B PCA will be billed the annual charge in 11 invoices. Ten invoices will be billed using actual student enrollment on the dates specified above. The final June invoice will serve as a true up invoice to account for any discrepancies between the total monthly invoices and the annual charge. No invoice will be billed in July as there are no students enrolled at that time. The actual student enrollment will be updated based on STARS enrollment data..

C For monthly invoicing purposes, enrollment will be based on students enrolled on the last business day of each billing month tried up to that point in the school year. Example: The invoice for October 2016 services (presented in the November 2016 Governing Council meeting) will be based on enrolled students on 10/31/16 and the year to date charge will equal 3/10 of the total annual charge. The invoice for May 2017 will be based on enrollment information as of the last day of school.

D Monthly Fee per Student per Fee Schedule: Monthly Fee per Student "Charged per each student enrolled at the end of the month; measured monthly for nine months of the school year - 9/30, 10/31, 11/30, 12/31, 1/31, 2/28, 3/31, 4/30, 5/31 (or last day of the school year)"

E Monthly Fee per Student on an IEP per Fee Schedule: Monthly Fee per on an IEP Student "Charged per each student enrolled at the end of the month who is on an IEP; measured monthly for nine months of the school year - 9/30, 10/31, 11/30, 12/31, 1/31, 2/28, 3/31, 4/30, 5/31 (or last day of the school year)"

F Monthly Fee per Employee per Fee Schedule: Monthly Fee per Employee "Charged per each employee employed at the end of the month; measured monthly for nine months of the school year - 9/30, 10/31, 11/30, 12/31, 1/31, 2/28, 3/31, 4/30, 5/31 (or last day of the school year)"

G PCA will be billed the monthly charges in 9 invoices. Eight invoices will be billed using actual student data or employee from the prior month as these charges will be billed on a one month lag. The eighth invoice will include the last two monthly charges. The final June invoice will serve as a true up invoice to account for any discrepancies between the total monthly invoices and the annual charge. No invoice will be billed in July as there are no students enrolled at that time. The actual student enrollment will be updated based on MSR enrollment data. The actual employee data will be updated based on the employee census.

H For monthly invoicing purposes, enrollment and employee count will be based on students enrolled or employees employed on the last business day of the prior month of each billing month. Example: The invoice for October 2016 services (presented in the November 2016 Governing Council meeting) will be based on enrolled students and employed employees on 9/30/16. The invoice for May 2017 will be based on enrollment and employee information as of 4/30/16 and the last day of school.

I Annual Fee per Fee Schedule: "Charged per school location"

PCA will be billed the annual fee charge in 10 invoices based on number of school locations.



Appendix E: Information about selected blended model schools in New Mexico

Ecademy Virtual High School

Mission Statement. To provide alternative education opportunities through a variety of electronic delivery methods that promotes independence and excellence in learning.

Recruitment and Enrollment Process. Students interested in attending Ecademy can talk to their current teachers to begin the enrollment process. Students must initial and sign a “Student Responsibility Form” that lists everything a student must understand before they enroll. All students who apply to the school are admitted.

Student and Family Responsibilities and Supports. Families must provide their own computers and internet access. Students may check out a computer if their computer access is limited, however, they are provided on a first-come, first-served basis. Families must provide their own transportation to the school and other school activities.

Attendance Policy and School Schedule. Students must attend school Tuesdays and Thursdays from 9:30 a.m. to 2:30 p.m. They are invited on Mondays and Wednesdays, from 9:30 a.m. to 2:30 p.m., to use the computer labs to access their coursework and receive additional help from on-duty teachers on duty during this time.

School-level financial information for Ecademy Virtual High School is not available because financial data is tracked only at the district level.



Type
Albuquerque Public Schools-run blended model school

Grades
9-12

Opened
2010

School District
Albuquerque Public Schools

Location
Albuquerque

School Director
Dave Wells

Assistant/SPED Director
Castille Stephen

Curriculum Provider
Edgenuity

	Enrollment	School Grade
FY15	65	D
FY16	112	F
FY17	167	F

	ELA % Proficient	
	Ecademy	State
FY15	25%	33%
FY16	30%	37%
FY17	17%	37%

	Math % Proficient	
	Ecademy	State
FY15	6%	18%
FY16	3%	20%
FY17	6%	20%



Rio Rancho Cyber Academy

Mission Statement. To graduate each student with an educational foundation for success as a responsible, ethical member of society.

Recruitment and Enrollment Process. Students interested in attending Rio Rancho Cyber need to complete a pre-enrollment form, participate in an interview process with their legal guardian, and complete an online skills assessment. The school reviews previous attendance, academic, and behavior records. Enrollment may be denied if students do not meet acceptance guidelines, which include meeting minimum reading comprehension test scores.

Student and Family Responsibilities and Supports. Families must provide their own computers and internet access. However, the school will provide computers to students who need them. Transportation is available for students who live within the school district. For a fee, Rio Rancho Cyber provides breakfast and lunch daily. Legal guardians are asked to check student progress twice a week. Students must check Edgenuity announcements and e-mails daily.

Attendance Policy and School Schedule. Middle school students must attend Monday and Friday from 7:45 a.m. to 2:05 p.m., and Wednesday from 7:45 a.m. to 1:15 p.m. High school students must attend Tuesday and Thursday from 7:45 a.m. to 2:05 p.m. Due to space limitations, students cannot attend school on their unassigned days and are expected to work off-site.

Type

Rio Rancho Public Schools-run blended model school

Grades

6-12

Opened

2005

School District

Rio Rancho Public Schools

Location

Rio Rancho

School Director

Jackie Monclova

Assistant/SPED Director

Mary Skowlund

Curriculum Provider

Edgenuity

	Enrollment	School Grade
FY15	157	A
FY16	158	A
FY17	166	A

ELA % Proficient

	RRCA	State
FY15	57%	33%
FY16	56%	37%
FY17	61%	37%

Math % Proficient

	RRCA	State
FY15	50%	18%
FY16	49%	20%
FY17	47%	20%

School-level financial information for Rio Rancho Cyber Academy is not available because financial data is tracked only at the district level.

Taos Academy



Mission Statement. To prepare students in fifth through 12th grade to achieve and maintain a level of excellence by supporting and promoting academic achievement, strong leadership skills, and social responsibility. Through the use of innovative curriculum, leadership training, and enrichment opportunities, we foster a community of self-motivated, independent, lifelong learners. The partnership of school, parents, and community creates a learning environment where students acquire the knowledge, leadership skills, and sense of responsibility needed to succeed in the 21st century.

Recruitment and Enrollment Process. Prospective families must submit an electronic letter of intent, available on the school's website. Intent letters are accepted throughout the year and are added to the lottery pool. Students not selected by the lottery are placed on a waiting list. Taos Academy gives enrollment preference to returning students and siblings of students already admitted to or attending the school.

Student and Family Responsibilities and Supports. Families are responsible for providing their own computers and internet access. Students are required to continue online academic work outside the school for about 20 active hours a week or as needed to stay on schedule. Parents are required to monitor academic progress electronically on a weekly basis. The school has a parent advisory group, made up of parent volunteers, who meet monthly.

Attendance Policy and School Schedule. Middle school students must attend Mondays and Wednesdays from 8 a.m. to 4 p.m. High school students must attend Tuesdays and Thursdays, 8 a.m. to 4 p.m. The school may require students to attend the "Student Success Lab" from 8 a.m. to 12 p.m. on students' non-scheduled school days and math tutoring on Fridays from 8 a.m. to 12 p.m.

Type
State-chartered blended model charter school

Grades
5-12

Opened
2009

Authorizer
Public Education Commission

Location
Taos

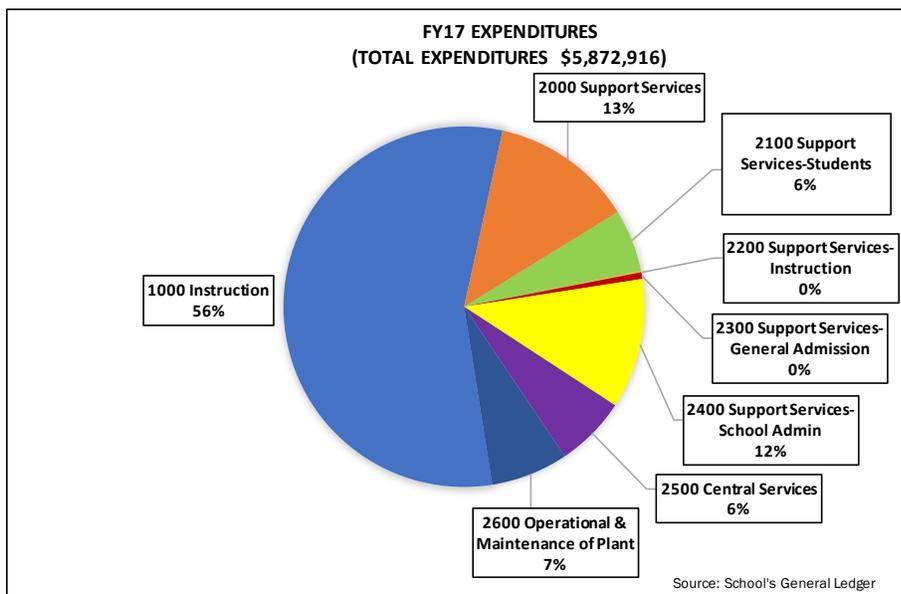
School Director/Co-Founder
Traci Filiss

Co-Founder/Community Coordinator
Karin Moulton

Business Manager
Deanna Gomez

Curriculum Provider
Edgenuity

Governing Council
Bill MacDonald, President
Dean Caldwell
Matthew Currey
Simeon Herskovits
Kristen Torres



	Enrollment	School Grade
FY15	208	A
FY16	226	A
FY17	208	A

	ELA % Proficient	
	Taos Academy	State
FY15	46%	33%
FY16	47%	37%
FY17	57%	37%

	Math % Proficient	
	Taos Academy	State
FY15	34%	18%
FY16	40%	20%
FY17	36%	20%



Taos Cyber Magnet School

Type
Taos Municipal School-run blended model school

Grades
9-12

Opened
2005

School District
Taos Municipal Schools

Location
Taos

School Director
Melissa Sandoval

Curriculum Providers
Edgenuity and Lincoln Learning Solutions

Mission Statement. None provided.

Recruitment and Enrollment Process. Any student enrolled in Taos Municipal Schools can attend Taos Cyber. Admission is on a first-come, first-serve basis. There are 26 spots available annually. Prior to enrollment, administrators have a conversation with prospective students and their families to discuss responsibilities.

Student and Family Responsibilities and Supports. Students are assigned computers they are allowed to take home. Families are responsible for providing their own internet access and transportation to and from the school.

Attendance Policy and School Schedule

Taos Cyber follows the school district’s calendar. All students must attend classes from 8:30 a.m. to 3 p.m. Monday through Friday. Students are expected to attend school daily and on time.

School-level financial information for Taos Cyber Magnet School is not available because financial data is tracked only at the district level.

	Enrollment	School Grade
FY15	23	A
FY16	19	C
FY17	19	C

	ELA % Proficient	
	Taos Cyber	State
FY15	57%	33%
FY16	8%	37%
FY17	30%	37%

	Math % Proficient	
	Taos Cyber	State
FY15	8%	18%
FY16	8%	20%
FY17	10%	20%

Appendix F: PED school grade report cards for virtual charter schools

NM Connections Academy

District: State Charter

Grade Range: 4-12 Code: 554001

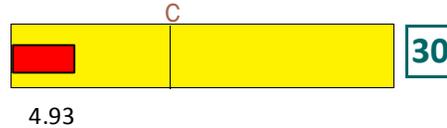
C - State benchmark established in 2012

Possible Points

This School Earned

Current Standing

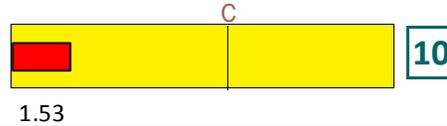
Are students performing on grade level? Did they improve more or less than expected?



F

School Improvement

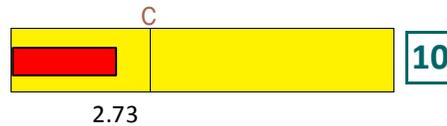
Is the school as a whole making academic progress?



F

Improvement of Higher-Performing Students

Are higher-performing students improving more or less than expected?



D

Improvement of Lowest-Performing Students

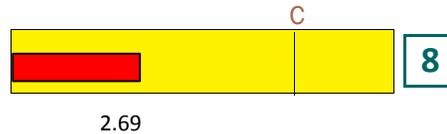
Are the lowest-performing students improving more or less than expected?



F

Opportunity to Learn

Do students and families believe their school is a good place to attend and learn?

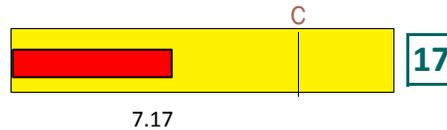


NA

Attendance only

Graduation

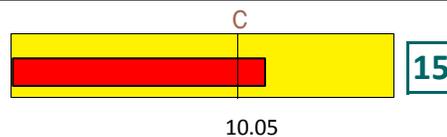
Are students graduating high school, and is the graduation rate improving?



F

College and Career Readiness

Are students participating in college and career readiness opportunities? Are they demonstrating success?



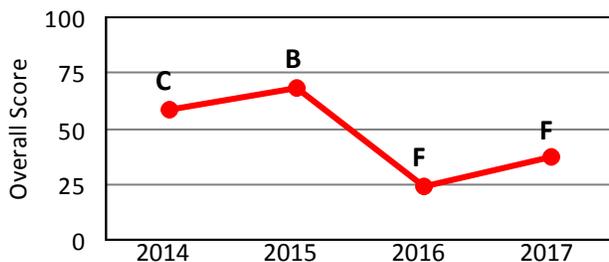
B

Bonus Points

Schools can earn points for reducing truancy, promoting extracurricular activities, engaging families, and using technology.

+ 3.50

This School's History



Note for Families

If your student is enrolled in a school that has earned two "F" grades in the last four years, state law allows you to transfer your child to a school with a higher grade. Please call (505)-827-4527 to learn more. For information about other schools in your community, please visit the School Grading web page at <http://ped.state.nm.us/SchoolGrading>.

*This school's grade was reduced by one letter because it failed to test 95% of eligible students.

This school did not give the OTL survey. Overall points were adjusted accordingly.

Final Points

High Schools	
75.0 to 100.0	A
65.0 to 74.9	B
50.0 to 64.9	C
35.0 to 49.9	D
0.0 to 34.9	F

High schools earn a final grade based on these ranges, which were set in 2012.

Tests

School Grading draws on student performance from these state assessments:

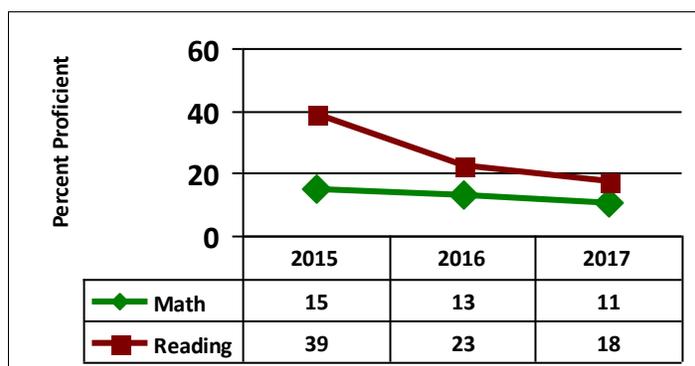
Test	Description	Subjects	Grades
PARCC	Partnership for Assessment of Readiness for College and Careers	Mathematics, Reading	3-11
SBA	Standards Based Assessment - Spanish	Reading	3-11
NMAPA	New Mexico Alternate Performance Assessment	Mathematics, Reading	3-11
DIBELS	Dynamic Indicators of Basic Early Literacy Skills (prior to 2017)	Early Literacy	KN-2
IStation	IStation (beginning 2017)	Early Literacy	KN-2

Details of Each Grade Indicator

Current Standing

Knowing how many students are proficient is a measure of the school's overall success. Current Standing uses up to three years of student performance to provide a broader picture of school achievement. Current Standing also includes a measure of student growth (Value-Added Modeling) that looks at school size, student mobility, and prior student performance.

	All Students	Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners	
		F	M	White	Afr Amer	Hisp	Asian	Am Indian				
Reading	Proficient (%)	18	22	12	22	13	15	32	8	12	11	≤ 5
	Points Proficiency	1.75										
	Points Student Growth	0.53										
Math	Proficient (%)	11	10	12	15	≤ 10	7	26	11	8	10	≤ 5
	Points Proficiency	1.07										
	Points Student Growth	1.58										



Proficiencies Over Time

Students are performing on grade level with Proficient or Advanced scores.

School Improvement

School growth (Value-Added Modeling) compares overall student performance from year to year and considers the progress of all students whether or not they are proficient.

	<i>Reading</i>	<i>Math</i>
Growth Index	-1.38	-0.76
Points	0.42	1.11

Growth can be negative or positive. When it is positive, the school performed better than was expected when compared to other schools with the same size, mobility, and prior student performance.

Student Growth

Every student's prior test scores are used to estimate how they should have performed this year. Their academic growth is considered within two groups, the lowest-performing 25% of students and the higher-performing students (75%).

Above Zero This group performed higher than expected.

Near Zero This group performed as expected based on their academic history.

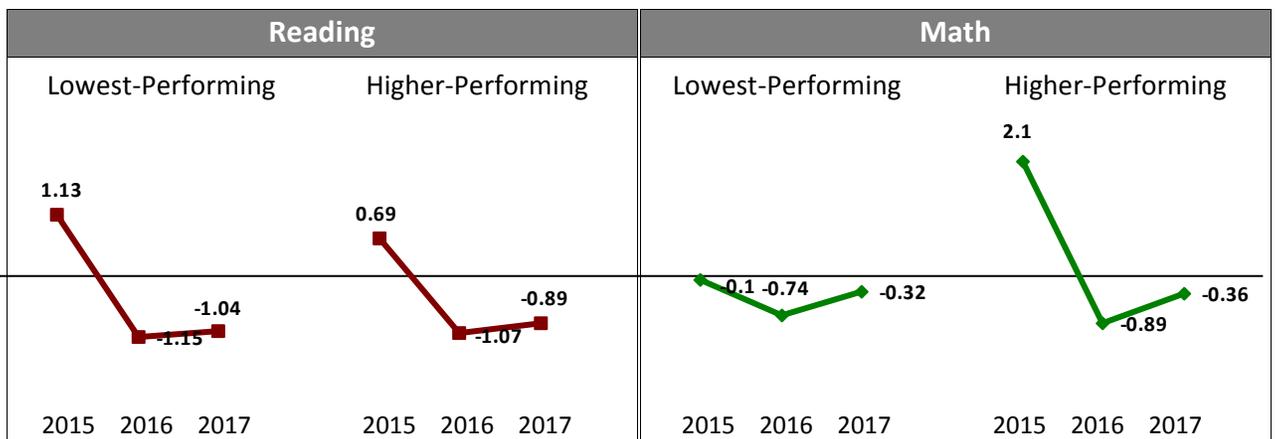
Below Zero This group performed below expectations, and students are falling behind when compared to their peers.

	School Overall	Student Groups									
		F	M	White	Afr American	Hisp	Asian	Am Indian	Econ Disadv	Students with Disabilities	English Language Learners
Reading Growth											
Higher-Performing Points	-0.89 0.94	-0.23	-0.35	-0.22	-0.09	-0.36	0.40	-0.35	-0.33	-0.45	-0.34
Lowest-Performing Points	-1.04 0.75	-0.22	-0.31	-0.40	-	-0.16	-	-0.28	-0.24	-0.37	-0.14
Math Growth											
Higher-Performing Points	-0.36 1.79	-0.01	-0.06	-0.04	-0.03	-0.03	0.27	-0.14	-0.08	-0.27	-0.14
Lowest-Performing Points	-0.32 1.87	-0.11	-0.11	-0.14	-0.18	-0.07	-	-0.08	-0.05	-0.12	-0.02

Growth Over Time

Growth Greater than Expected

Growth Lower than Expected



Opportunity to Learn

Opportunity to Learn is a reflection of the environment schools provide for student learning.

Student Attendance		Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners
		F	M	White	Afr Amer	Hisp	Asian	Am Indian			
Average (%)	85	85	86	88	90	83	95	80	84	86	79
Points	2.69										

Surveys

Score (Average)	NA
Points	NA
Number of Surveys	NA

Students answer survey questions on topics such as classroom teaching and expectations of students. The survey contains 10 questions with answers from 0 (Never) to 5 (Always) for a maximum score of 50. For students in grades KN-2, a parent or family member completes the survey.

Graduation

Students are expected to graduate in four years. Each year the school is expected to increase the number of on-time graduates.

	All Students	Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners
		F	M	White	Afr Amer	Hisp	Asian	Am Indian			
Cohort of 2016 - 4-Year Rates											
Graduation (%)	48	53	39	51	40	46	-	29	18	34	56
Points	3.81										
Cohort of 2015 - 5-Year Rates											
Graduation (%)	53	61	43	67	-	39	-	48	57	31	42
Points	1.60										
Cohort of 2014 - 6-Year Rates											
Graduation (%)	67	80	42	66	-	62	-	≥98	46	10	43
Points	1.35										

Growth in 4-Year Rates

Growth takes into account three years of graduation rates.

Growth Index	-1.27
Points	.41

College and Career Readiness (CCR)

High school students are expected to participate in at least one college or career readiness program:
 1) College entrance exams (Accuplacer, ACT, ACT Aspire, Compass, PLAN, PSAT, SAT, or SAT Subject Test)
 2) Evidence that the student can pass a college-level course (Advanced Placement, Dual Credit, or IB)
 3) Eligibility for an industry-recognized certification (Career Technical Education)
 Points are given separately for students' participation and for their success in achieving targets.



	All Students	Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners
		F	M	White	Afr Amer	Hisp	Asian	Am Indian			
Participation (% of Cohort)	43	43	43	38	60	48	-	42	24	19	52
Participation Points	2.15										
Success (% of Participants)	79	85	70	89	<2	77	-	73	85	96	64
Success Points	7.90										

Percentage of School's Cohort of 2016

Participating

in Each

CCR Opportunity

AccuPlacer	<2	<2	<2	<2	<2	2	-	<2	<2	3	2
ACT	9	9	9	6	40	12	-	5	<2	<2	<2
ACT ASPIRE	<2	<2	<2	<2	<2	<2	-	<2	<2	<2	<2
Advanced Placement	<2	<2	<2	<2	<2	<2	-	<2	<2	<2	<2
Career Technical Education	13	13	13	15	<2	12	-	6	4	5	26
Compass	<2	<2	<2	<2	<2	<2	-	<2	<2	<2	<2
Dual Credit	11	11	11	11	<2	11	-	16	12	10	2
International Baccalaureate	<2	<2	<2	<2	<2	<2	-	<2	<2	<2	<2
PLAN	12	12	12	10	<2	17	-	<2	9	3	13
PSAT	11	12	11	13	20	10	-	9	5	<2	5
SAM School Supplemental	2	2	3	2	<2	2	-	12	4	<2	<2
SAT	4	4	2	3	<2	4	-	<2	<2	<2	15
SAT Subject Test	<2	<2	<2	<2	<2	<2	-	<2	<2	<2	<2

Bonus Points

Schools can earn points for reducing truancy, promoting extracurricular activities, engaging families, and using technology.

- Student and Parent Engagement
- Truancy Improvement
- Extracurricular Activities
- Using Technology

Participation

All enrolled students must take the yearly state tests. If a school tests less than 95% of their students, the school's letter grade is reduced by one grade.

Reading (%) 88
 Math (%) 88

NM Virtual Academy

District: Farmington Municipal Schools

Grade Range: 6-12 Code: 65021

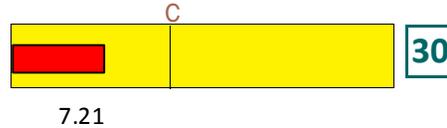
C - State benchmark established in 2012

Possible Points

This School Earned

Current Standing

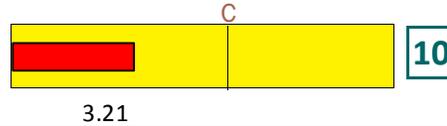
Are students performing on grade level? Did they improve more or less than expected?



F

School Improvement

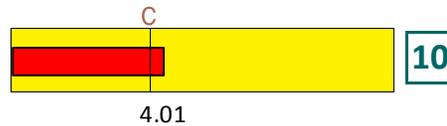
Is the school as a whole making academic progress?



F

Improvement of Higher-Performing Students

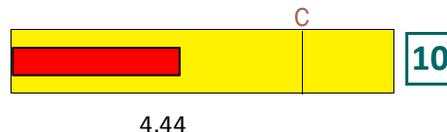
Are higher-performing students improving more or less than expected?



C

Improvement of Lowest-Performing Students

Are the lowest-performing students improving more or less than expected?



F

Opportunity to Learn

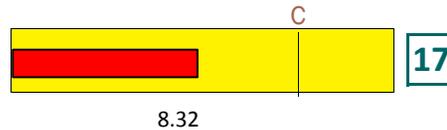
Do students and families believe their school is a good place to attend and learn?



B

Graduation

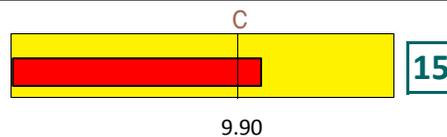
Are students graduating high school, and is the graduation rate improving?



F

College and Career Readiness

Are students participating in college and career readiness opportunities? Are they demonstrating success?



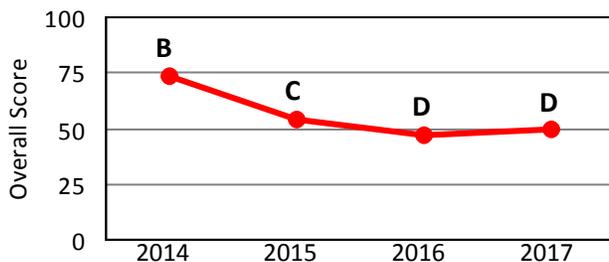
B

Bonus Points

Schools can earn points for reducing truancy, promoting extracurricular activities, engaging families, and using technology.

+ 5.00

This School's History



Note for Families

If your student is enrolled in a school that has earned two "F" grades in the last four years, state law allows you to transfer your child to a school with a higher grade. Please call (505)-827-4527 to learn more. For information about other schools in your community, please visit the School Grading web page at <http://ped.state.nm.us/SchoolGrading>.

Final Points

High Schools	
75.0 to 100.0	A
65.0 to 74.9	B
50.0 to 64.9	C
35.0 to 49.9	D
0.0 to 34.9	F

High schools earn a final grade based on these ranges, which were set in 2012.

Tests

School Grading draws on student performance from these state assessments:

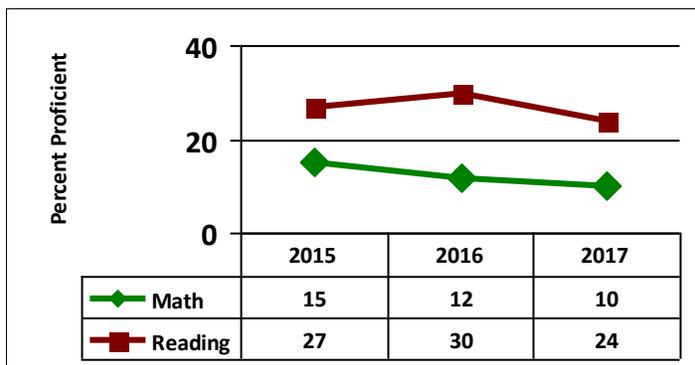
Test	Description	Subjects	Grades
PARCC	Partnership for Assessment of Readiness for College and Careers	Mathematics, Reading	3-11
SBA	Standards Based Assessment - Spanish	Reading	3-11
NMAPA	New Mexico Alternate Performance Assessment	Mathematics, Reading	3-11
DIBELS	Dynamic Indicators of Basic Early Literacy Skills (prior to 2017)	Early Literacy	KN-2
IStation	IStation (beginning 2017)	Early Literacy	KN-2

Details of Each Grade Indicator

Current Standing

Knowing how many students are proficient is a measure of the school's overall success. Current Standing uses up to three years of student performance to provide a broader picture of school achievement. Current Standing also includes a measure of student growth (Value-Added Modeling) that looks at school size, student mobility, and prior student performance.

	All Students	Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners	
		F	M	White	Afr Amer	Hisp	Asian	Am Indian				
Reading	Proficient (%)	24	27	21	33	≤ 20	18	-	14	18	8	≤ 20
	Points Proficiency	2.42										
	Points Student Growth	2.24										
Math	Proficient (%)	10	7	14	15	≤ 20	7	-	≤ 10	8	6	≤ 20
	Points Proficiency	0.99										
	Points Student Growth	1.55										



Proficiencies Over Time

Students are performing on grade level with Proficient or Advanced scores.

School Improvement

School growth (Value-Added Modeling) compares overall student performance from year to year and considers the progress of all students whether or not they are proficient.

	<i>Reading</i>	<i>Math</i>
Growth Index	-0.29	-0.65
Points	1.93	1.28

Growth can be negative or positive. When it is positive, the school performed better than was expected when compared to other schools with the same size, mobility, and prior student performance.

Student Growth

Every student's prior test scores are used to estimate how they should have performed this year. Their academic growth is considered within two groups, the lowest-performing 25% of students and the higher-performing students (75%).

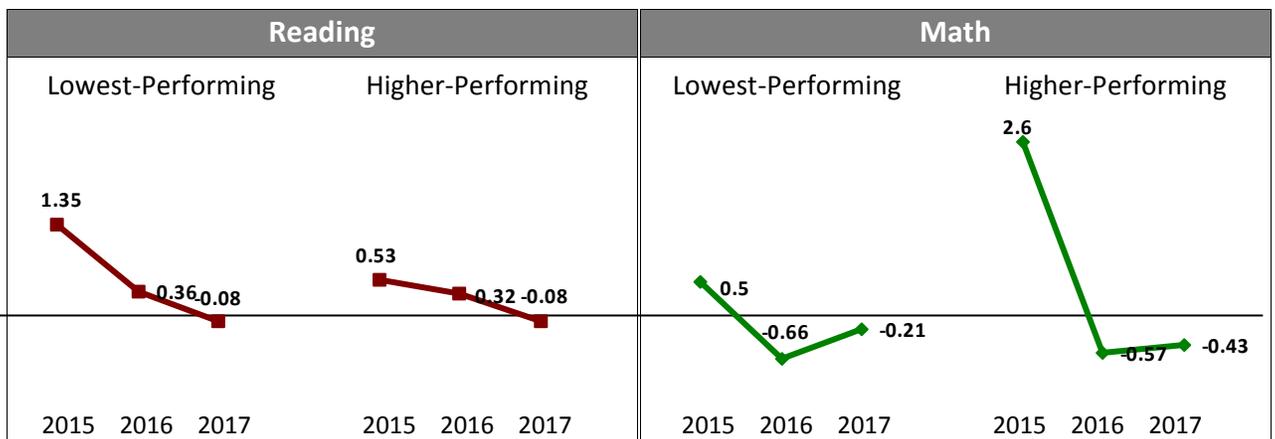
- Above Zero** This group performed higher than expected.
- Near Zero** This group performed as expected based on their academic history.
- Below Zero** This group performed below expectations, and students are falling behind when compared to their peers.

	School Overall	Student Groups										
		F	M	White	Afr American	Hisp	Asian	Am Indian	Econ Disadv	Students with Disabilities	English Language Learners	
Reading Growth												
Higher-Performing Points	-0.08 2.34	0.06	-0.16	-0.10	-	0.00	-	0.05	0.07	-0.21	-	
Lowest-Performing Points	-0.08 2.35	-0.19	-0.06	-0.11	-	-0.14	-	-	-0.23	-0.24	-	
Math Growth												
Higher-Performing Points	-0.43 1.67	-0.13	-0.15	-0.11	-	-0.23	-	0.01	-0.18	-0.10	-	
Lowest-Performing Points	-0.21 2.09	-0.11	0.08	-0.07	-	-0.02	-	-	-0.15	-0.08	-	

Growth Over Time

Growth Greater than Expected

Growth Lower than Expected



Opportunity to Learn

Opportunity to Learn is a reflection of the environment schools provide for student learning.

Student Attendance		Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners
		F	M	White	Afr Amer	Hisp	Asian	Am Indian			
Average (%)	82	81	83	81	80	83	88	80	79	85	93
Points	2.59										

Surveys

Score (Average) 40.98
 Points 4.55
 Number of Surveys 1928

Students answer survey questions on topics such as classroom teaching and expectations of students. The survey contains 10 questions with answers from 0 (Never) to 5 (Always) for a maximum score of 50. For students in grades KN-2, a parent or family member completes the survey.

Graduation

Students are expected to graduate in four years. Each year the school is expected to increase the number of on-time graduates.

	All Students	Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners
		F	M	White	Afr Amer	Hisp	Asian	Am Indian			
Cohort of 2016 - 4-Year Rates											
Graduation (%)	43	44	42	48	76	37	-	37	24	34	4
Points	3.46										
Cohort of 2015 - 5-Year Rates											
Graduation (%)	48	62	27	52	-	43	-	37	24	19	44
Points	1.44										
Cohort of 2014 - 6-Year Rates											
Graduation (%)	43	44	42	53	-	27	-	-	41	80	47
Points	.86										

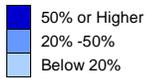
Growth in 4-Year Rates

Growth takes into account three years of graduation rates.

Growth Index .36
 Points 2.56

College and Career Readiness (CCR)

High school students are expected to participate in at least one college or career readiness program:
 1) College entrance exams (Accuplacer, ACT, ACT Aspire, Compass, PLAN, PSAT, SAT, or SAT Subject Test)
 2) Evidence that the student can pass a college-level course (Advanced Placement, Dual Credit, or IB)
 3) Eligibility for an industry-recognized certification (Career Technical Education)
 Points are given separately for students' participation and for their success in achieving targets.



	All Students	Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners
		F	M	White	Afr Amer	Hisp	Asian	Am Indian			
Participation (% of Cohort)	42	43	40	40	15	42	>98	47	34	45	21
Participation Points	2.10										
Success (% of Participants)	78	79	78	82	>98	76	>98	61	77	53	>98
Success Points	7.80										

Percentage of School's Cohort of 2016 Participating in Each CCR Opportunity

	All Students	F	M	White	Afr Amer	Hisp	Asian	Am Indian	Econ Disadv	Students with Disabilities	English Language Learners
AccuPlacer	3	4	2	<2	15	5	<2	<2	5	<2	<2
ACT	9	10	8	5	15	12	>98	<2	7	<2	<2
ACT ASPIRE	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2
Advanced Placement	<2	<2	<2	<2	<2	<2	11	<2	2	<2	<2
Career Technical Education	8	10	5	9	<2	5	<2	18	7	2	<2
Compass	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2
Dual Credit	28	31	23	27	15	23	>98	47	15	21	21
International Baccalaureate	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2
PLAN	4	<2	8	5	15	3	<2	<2	4	3	2
PSAT	17	22	10	20	<2	15	11	18	7	24	8
SAM School Supplemental	2	<2	4	<2	<2	2	<2	10	8	<2	7
SAT	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2
SAT Subject Test	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2

Bonus Points

Schools can earn points for reducing truancy, promoting extracurricular activities, engaging families, and using technology.

- Student and Parent Engagement
- Truancy Improvement
- Extracurricular Activities
- Using Technology

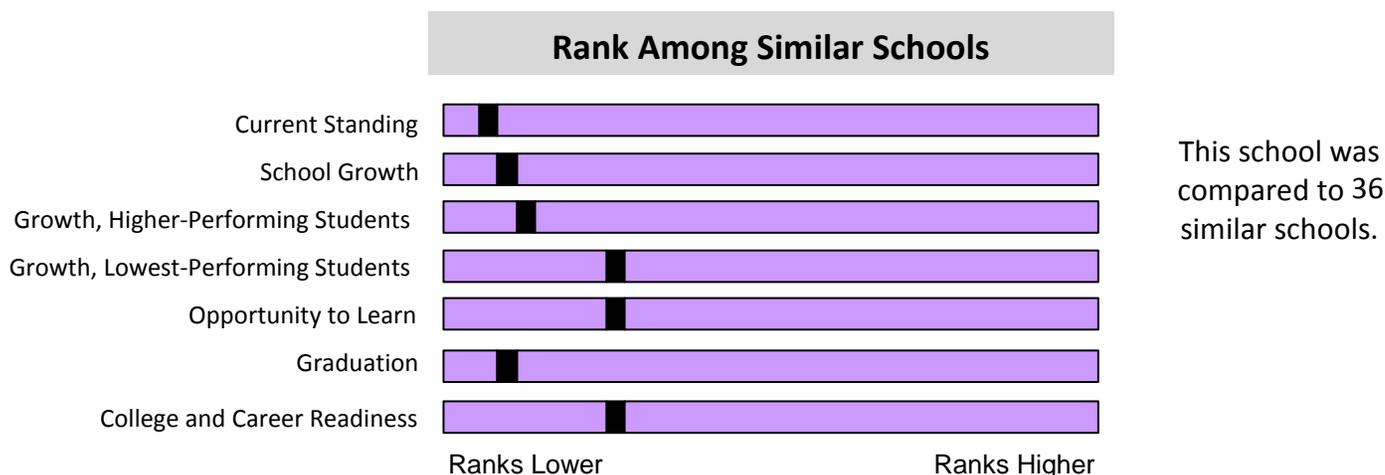
Participation

All enrolled students must take the yearly state tests. If a school tests less than 95% of their students, the school's letter grade is reduced by one grade.

Reading (%)	99
Math (%)	100

Additional Information

Similar Schools This shows how this school compares with other high schools in the state that have similar student demographic characteristics.



A listing of these schools is posted at <http://ped.state.nm.us/SchoolGrading/SimilarSchools>.

School History Student performance over time can show the success of interventions and school reform. Students who score Proficient or Advanced are considered to be performing at grade level.

		All Students	Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners
			F	M	White	Afr Amer	Hisp	Asian	Am Indian			
<i>Reading Proficiency</i>	2017 (%)	24	27	21	33	≤20	18	-	14	18	8	≤20
	2016 (%)	30	34	24	37	9	27	-	17	-	15	-
	2015 (%)	27	32	21	31	-	25	-	15	7	3	-
<i>Math Proficiency</i>	2017 (%)	10	7	14	15	≤20	7	-	≤10	8	6	≤20
	2016 (%)	12	11	13	17	9	8	-	9	-	5	-
	2015 (%)	15	13	18	20	-	9	-	7	7	<2	-

Notes

School grading calculations and procedures are described fully in the School Grading Technical Guide posted on the PED's website at <http://ped.state.nm.us/SchoolGradingTechnicalGuide>. This guide provides definitions and decision rules for each indicator, including growth. In addition, the guide details how the state benchmark of C was established.

For Student Growth, separate procedures are used for the school overall and for the student groups. Therefore, the values for student groups will not sum to the total show under school overall.

For high schools that do not have members of 4-year, 5-year, or 6-year graduation cohorts, the scale is abbreviated, and letter grades are adjusted to account for the school's remaining non-cohort indicators.

A dash is used to protect student confidentiality as required by state and federal law when there are fewer than 10 students in a group.

Schools that administered tests by computer received bonus points based on the number of students participating.

Pecos Connections Academy

District: Carlsbad Municipal Schools

Grade Range: KN - 8 Code: 20005

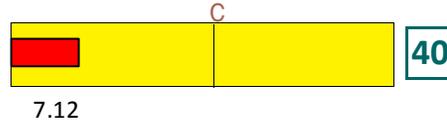
C - State benchmark established in 2012

Possible Points

This School Earned

Current Standing

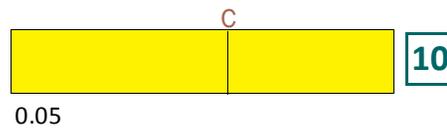
Are students performing on grade level? Did they improve more or less than expected?



F

School Improvement

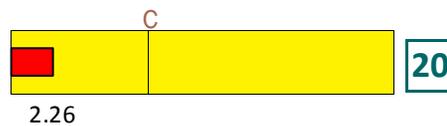
Is the school as a whole making academic progress?



F

Improvement of Higher-Performing Students

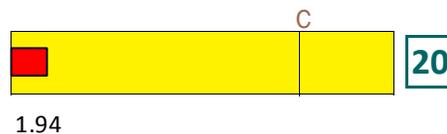
Are higher-performing students improving more or less than expected?



F

Improvement of Lowest-Performing Students

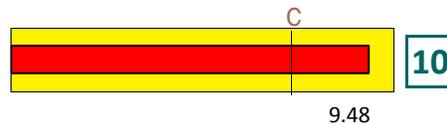
Are the lowest-performing students improving more or less than expected?



F

Opportunity to Learn

Do students and families believe their school is a good place to attend and learn?



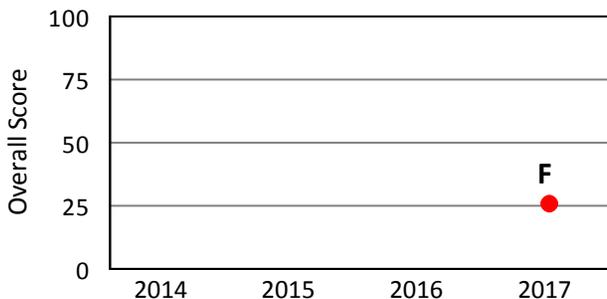
A

Bonus Points

Schools can earn points for reducing truancy, promoting extracurricular activities, engaging families, and using technology.

+ 5.00

This School's History



Note for Families

If your student is enrolled in a school that has earned two "F" grades in the last four years, state law allows you to transfer your child to a school with a higher school grade. Please call (505)-827-4527 to learn more. For information about other schools in your community, please visit the School Grading web page at <http://ped.state.nm.us/SchoolGrading>.

Final Points

Elementary and Middle Schools

75.0 to 100.0	A
60.0 to 74.9	B
50.0 to 59.9	C
37.5 to 49.9	D
0.0 to 37.4	F

Elementary and middle schools earn a final grade based on these ranges, which were set in 2012.

Tests

School Grading draws on student performance from these state assessments:

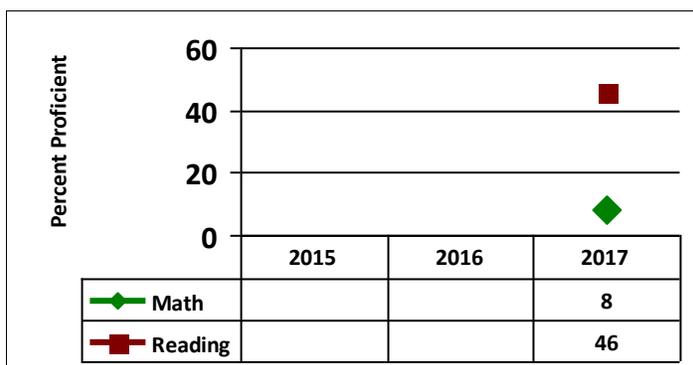
			Grades
PARCC	Partnership for Assessment of Readiness for College and Careers	Mathematics, Reading	3-11
SBA	Standards Based Assessment - Spanish	Reading	3-11
NMAPA	New Mexico Alternate Performance Assessment	Mathematics, Reading	3-11
DIBELS	Dynamic Indicators of Basic Early Literacy Skills (prior to 2017)	Early Literacy	KN-2
IStation	IStation (beginning 2017)	Early Literacy	KN-2

Details of Each Grade Indicator

Current Standing

Knowing how many students are proficient is a measure of the school's overall success. Current Standing uses up to three years of student performance to provide a broader picture of school achievement. Current Standing also includes a measure of student growth (Value-Added Modeling) that looks at school size, student mobility, and prior student performance.

	All Students	Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners	
		F	M	White	Afr Amer	Hisp	Asian	Am Indian				
<i>Reading</i>	Proficient (%)	46	45	46	41	-	50	-	29	44	34	23
	Points Proficiency	5.73										
	Points Student Growth	0.38										
<i>Math</i>	Proficient (%)	8	8	8	9	-	7	-	≤ 20	5	10	-
	Points Proficiency	1.00										
	Points Student Growth	0.01										



Proficiencies Over Time

Students are performing on grade level with Proficient or Advanced scores.

School Improvement

School growth (Value-Added Modeling) compares overall student performance from year to year and considers the progress of all students whether or not they are proficient.

	<i>Reading</i>	<i>Math</i>
Growth Index	-2.33	-3.25
Points	0.05	0.00

Growth can be negative or positive. When it is positive, the school performed better than was expected when compared to other schools with the same size, mobility, and prior student performance.

Student Growth

Every student's prior test scores are used to estimate how they should have performed this year. Their academic growth is considered within two groups, the lowest-performing 25% of students and the higher-performing students (75%).

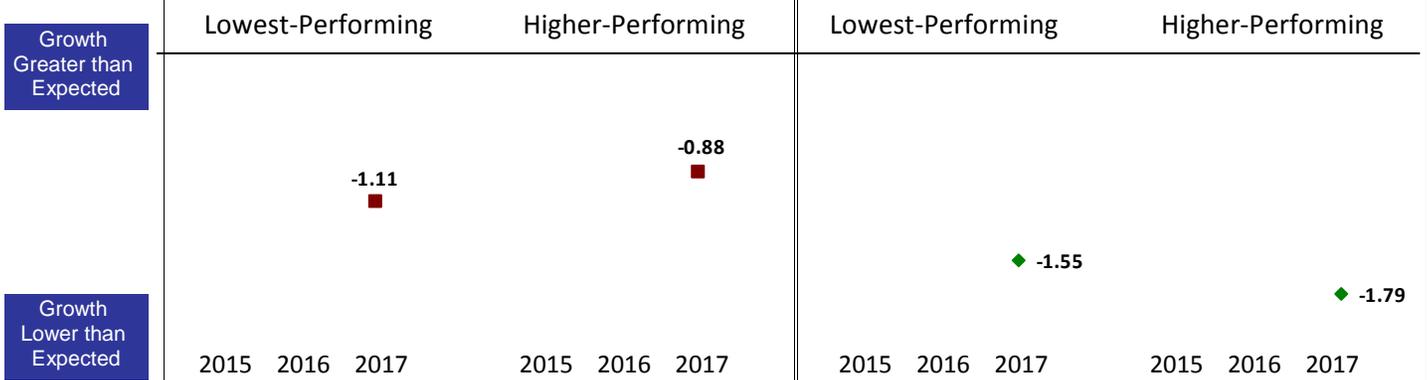
Above Zero This group performed higher than expected.

Near Zero This group performed as expected based on their academic history.

Below Zero This group performed below expectations, and students are falling behind when compared to their peers.

	School Overall	Student Groups									
		F	M	White	Afr American	Hisp	Asian	Am Indian	Econ Disadv	Students with Disabilities	English Language Learners
Reading Growth											
Higher-Performing Points	-0.88	0.12	0.33	0.23	-	0.16	-	0.25	0.19	0.29	0.70
Lowest-Performing Points	-1.11	-0.60	-0.32	-0.57	-	-0.21	-	-	-0.52	-0.12	-
	1.34										
Math Growth											
Higher-Performing Points	-1.79	-0.42	-0.39	-0.29	-	-0.49	-	-	-0.47	-0.31	-
Lowest-Performing Points	-1.55	-0.22	-0.56	-0.48	-	-0.24	-	-	-0.51	-0.27	-
	0.60										

Growth Over Time



Opportunity to Learn

Opportunity to Learn is a reflection of the environment schools provide for student learning.

Student Attendance		Gender		Race / Ethnicity					Econ Disadv	Students with Disabilities	English Language Learners
	All Students	F	M	White	Afr Amer	Hisp	Asian	Am Indian			
Average (%)	91	91	91	91	96	91	98	81	91	89	96
Points	4.78										

Surveys

Score (Average) 42.32
Points 4.70
Number of Surveys 348

Students answer survey questions on topics such as classroom teaching and expectations of students. The survey contains 10 questions with answers from 0 (Never) to 5 (Always) for a maximum score of 50. For students in grades KN-2, a parent or family member completes the survey.

Bonus Points

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- Extracurricular Activities
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Participation

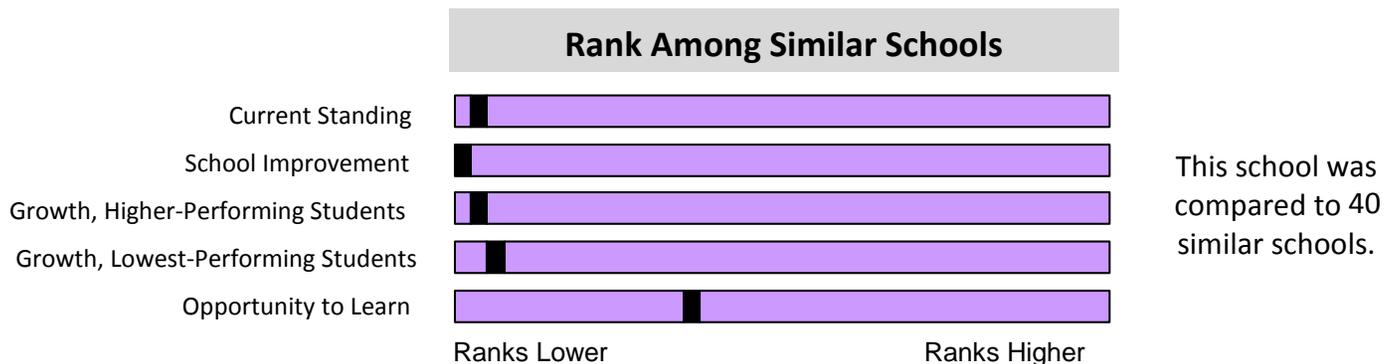
All enrolled students must take the yearly state tests. If a school tests less than 95% of their students, the school's letter grade is reduced by one grade.

Reading (%) 100
Math (%) 100

Additional Information

Similar Schools

This shows how an elementary school compares with other elementary schools, or how a middle school compares with other middle schools that have similar student demographics.



A listing of these schools is posted at <http://ped.state.nm.us/SchoolGrading/SimilarSchools>.

School History Student performance over time can show the success of interventions and school reform. Students who score Proficient or Advanced are considered to be performing at grade level.

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<i>Reading Proficiency</i>	2017 (%)	46	45	46	41	-	50	-	29	44	34	23
	2016 (%)	-	-	-	-	-	-	-	-	-	-	-
	2015 (%)	-	-	-	-	-	-	-	-	-	-	-
<i>Math Proficiency</i>	2017 (%)	8	8	8	9	-	7	-	≤20	5	10	-
	2016 (%)	-	-	-	-	-	-	-	-	-	-	-
	2015 (%)	-	-	-	-	-	-	-	-	-	-	-

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