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June 25, 2015

MEMORANDUM

TO: Legislative Education Study Committee

FR: Kevin Force

RE: VIRTUAL EDUCATION AND CYBER LEARNING: OVERVIEW OF 2012 THROUGH 2014 LESC INTERIM REPORTS

During the 2012, 2013, and 2014 interim meetings, the Legislative Education Study Committee (LESC) heard testimony and received staff reports regarding issues related to virtual charter schools.

This staff brief reviews the major points of the following interim committee and, in some instances, subcommittee meetings:

- the July 18, 2012 LESC interim meeting, which includes discussion of:
 - potential issues;
 - legal concerns; and
 - committee discussion;
- the July 10, 2013 LESC interim meeting, which focused on:
 - a presentation by representatives of K12, Inc. and the New Mexico Virtual Academy (NMVA);
 - a discussion of pertinent legislation from the 2013 regular legislative session; and
 - committee discussion;

- the July 16, 2014 LESC Charter Schools Subcommittee meeting, which included:
 - a presentation from the Attorney General’s Office, reviewing AG Opinion No. 14-03, regarding the service agreement between NMVA and K12 Virtual Schools, LLC; and
 - a presentation by the National Association of Charter School Authorizers (NACSA), regarding provisions for virtual schools in other states; and
- the September 12, 2014 LESC Charter Schools Subcommittee meeting, including:
 - a comparison of state models of virtual school funding plans;
 - a presentation on the operation of New Mexico Connections Academy; and
 - pertinent legislation from the 2015 regular legislative session.

July 18, 2012 LESC Interim Meeting

The July 2012 staff report on virtual charter schools served as an introduction to the topic for the committee, noting the recent opening of the NMVA in Farmington, and the then-imminent opening of Connections Academy in Santa Fe.

Potential Issues

The report focused on a number of issues fundamental to the consideration of virtual charter schools in the state, including:

- definitions of virtual schools, such as that offered by the NACSA (“An educational organization that offers K-12 courses through Internet-based methods, with time and/or distance separating the teacher and learner. Students enroll to earn credit toward grade-level advancement and/or graduation.”);
- some issues of day-to-day operations, including:
 - time spent in both online instruction and student work conducted offline;
 - the proliferation of community learning centers, allowing students to visit classroom-like settings where students and teachers log on at the same time;
 - field trips and other opportunities for social interaction;
 - regular teacher “office hours”; and
 - online assessments to inform the coming week’s instruction;
- potential student-populations served by virtual education;
- delivery of the online program;
- costs associated with virtual schools, particularly potential differences between costs of virtual schools and those of traditional schools;
- funding schemes, as funding based on traditional count days may make less sense for virtual schools where coursework can be completed at any time;
- recruitment and enrollment, including discussion of the fact that many students may come from jurisdictions other than the one in which the virtual school is actually located;
- student achievement, discussing various studies that present achievement at virtual charters, in comparison with traditional-school peers;
- assessments, accountability, and determining the authenticity of student work;

- teacher professional development; and
- the role of the chartering authority, including a number of particular areas which chartering bodies should consider in reviewing applications for charter schools, such as:
 - expertise in educational technology;
 - contracts with school management organizations;
 - performance record of the applicant with regard to other schools;
 - data management systems and academic reporting;
 - expansion of virtual charter schools, and ensuring that expansion will not come at the expense of student learning;
 - the issue of special education services, as virtual charter schools retain the same responsibilities as traditional schools under the *Individuals with Disabilities Education Act*; and
 - business concerns of virtual charters, discussing the importance of the relationship between schools and the providers of their educational programs.

Legal Concerns

The report also discussed a number of legal issues related to charter schools such as:

- the definition of the term “school,” in New Mexico law;
- statutory prohibitions regarding potential parties to a contract for management of virtual schools; and
- class action lawsuits alleging securities violations against K12, Inc.

Committee Discussion

During the discussion of the July 2012 staff presentations on virtual charter schools, one committee member expressed concern that a virtual charter school, which draws students from all over the state, could be authorized by a local school board rather than the Public Education Commission (PEC). This committee member was also concerned that the MOU between K12 and the NMVA may violate the prohibition, cited in the staff report and presentation, against a for-profit entity operating a charter school. (Please see, “Presentation in re: AG Opinion 14-03, Services Agreement between the New Mexico Virtual Academy and K12 Virtual Schools, LLC,” below.)

On this point, another committee member suggested that the law is ambiguous in terms of what constitutes management, which is different from the procurement of services. The decision-making authority, this member said, must be with the charter school’s governing board, not the company that provides the virtual education program. (Please see below for a review of a new definition of “management,” specific to the *Charter Schools Act*, enacted in the 2015 regular legislative session.)

A committee member suggested adding a “bad actor” provision to the *Charter Schools Act* to cover circumstances such as those that apparently gave rise to the lawsuits against K12, Inc.; this member asked Ms. Hanna Skandera, Secretary of Public Education, whether the Public Education Department would be amenable to such a provision. In reply, the Secretary described the department’s intentions to examine the performance of charter schools and indicated that a

bad actor provision should be part of the review. The committee member encouraged the Secretary to scrutinize virtual charter schools, especially in terms of safeguards for students and communities.

July 18, 2013 LESC Interim Meeting

Presentation by K12, Inc. and the New Mexico Virtual Academy

Ms. Mary Gifford, Regional Vice President of K12, Inc., and Ms. Mari Adkins, Special Education Manager of NMVA presented to the committee, reviewing details of the nature of the NMVA program and curriculum. Specifically, NMVA is a charter school authorized by the Farmington Municipal Schools with a governing council comprised of local leaders and business owners that:

- serves 500 students in grades 6-11 (with grade 12 to be added for school year 2013-2014);
- has New Mexico certified, highly qualified teachers to deliver and guide instruction;
- has a drop-in learning center in Farmington that can accommodate 45 students (approximately 12 students attended the learning center on a daily basis in school year 2012-2013);
- students take all state assessments;
- students must meet state standards and district/state graduation requirements;
- students must receive special services and accommodations as required by laws and individual education plans;
- students must demonstrate attendance/engagement consistent with state laws and regulations; and
- utilizes the K12 curriculum as its instructional model.

Ms. Adkins also detailed NMVA's demographics, noting that 75 percent of its students reside in seven counties, including 28 percent residing in Bernalillo County. Noting that approximately 81 percent of NMVA students reregister, Ms. Adkins provided withdrawal rates for NMVA:

- an overall withdrawal rate of 29.8 percent;
- a middle school withdrawal rate of 17 percent; and
- a high school withdrawal rate of 51.6 percent.

Ms. Gifford went on to compare standards-based assessments results from NMVA students with those from their peers at Farmington Municipal Schools and students statewide, noting that:

- in general, a higher percentage of NMVA students scored proficient and above in reading than Farmington Municipal Schools and statewide students; and
- in general, a lower percentage of NMVA students scored proficient and above in math than Farmington Municipal Schools and statewide students.

Moreover, standards-based assessment results for science showed that a higher percentage of NMVA students scored proficient and above compared to their district and statewide counterparts for grades 7 and 11, which were the only tested grades in that subject.

Legislation from the 2013 Regular Legislative Session

During the December 2012 and January 2013 interim meetings, the committee reviewed a list of policy options from interim meeting discussions and reports, including:

- prohibition of virtual charter schools;
- delayed approval of other virtual charter schools until outstanding questions and issues can be addressed; and
- review of the *Public School Code* and other parts of state law to identify those sections that may affect or be affected by virtual charter schools and amend or repeal them as needed or enact new sections to accommodate and regulate virtual charter schools.

Although the committee did not endorse any specific legislation, a majority of the members did vote to delay the approval of virtual charter schools until outstanding issues were resolved. Further, while the 2013 Legislature considered several bills that would have impacted virtual charter schools in New Mexico, ultimately, none were enacted:

- HB 392a, *Public Education Commission as Independent*, endorsed by the LESC;
- CS/CS/HB 460, *School Management Contracts & Charter Board*; and
- *CS/SB 338, *Define Virtual Charter School & Moratorium*.

Committee Discussion

Initial committee discussion focused on the service agreement between K12, LLC (a wholly owned subsidiary of K12, Inc.) and the NMVA Governing Council, and whether the prescribed responsibilities of K12 under the agreement rose to the level of “management.”

Other issues of concern to members included:

- the availability of Advanced Placement classes in virtual charter schools;
- how state funding follows a student from his or her original district to the virtual charter school, and vice versa;
- verification of student work; and
- how virtual charters are to be included in the teacher and school leader evaluation program, particularly with regard to the observation of teachers.

July 16, 2014 LESC Charter Schools Subcommittee Meeting

Presentation in re: AG Opinion 14-03, Services Agreement between the New Mexico Virtual Academy and K12 Virtual Schools, LLC

In 2014, one member sought an opinion from the Attorney General regarding several questions, two of which had to do with the NMVA, and its relationship with K12, Virtual Schools, LLC:

1. Does the Educational Products and Services Agreement between the New Mexico Virtual Academy and K12 Virtual Schools, LLC violate the *Charters Schools Act*, which prohibits the management of a charter school by a for-profit entity?¹
2. Is the Agreement subject to the requirements of the state's *Procurement Code*? If so, did NMVA violate the law's bidding requirements or term restrictions when it awarded a sole-source contract to K12?

Mr. Joseph Dworak, Assistant Attorney General of the Civil Division of the Attorney General's Office, who authored the opinion, addressed these issues before the committee:

1. In response to the first question, Mr. Dworak stated, the AG opinion was yes, the administrative and managerial involvement by K12, a for-profit entity, constitutes "management" under provisions of the Act. He explained that the Act's prohibition against for-profit management in charter schools was enacted with a purpose to prevent the kind of association created between NMVA and K12 – an affiliation with a for-profit organization that places a school in a position of dependency regarding issues of regular operation and control.

Mr. Dworak added that the AG staff analysis on this question focused on the issue of whether K12 services to NMVA constitute "management of the charter school" under the Act. He noted that the analysis revealed that the Act prohibits for-profit entities from managing charter schools; however, since the Act does not define "management," the rules of statutory construction must be applied to determine whether K-12's services constitute "management of the charter school." He explained that generally, the "plain language" of a statute is the primary indicator of legislative intent; however, if the plain meaning of a statute is ambiguous or doubtful, courts will examine the statute as a whole and construe the law according to its obvious spirit or reason. Emphasizing that the meaning of the term "management" in conjunction with the language of the statute was not clear, Mr. Dworak nevertheless stated that K12's contracted authority to integrate into nearly every aspect of the administration of the school is obvious and raises questions over the extent of its future duties within the school.

2. In response to the second question, Mr. Dworak stated that the AG concluded that NMVA, as a public entity, is subject to the state's *Procurement Code*. On its face, he noted, the agreement does not necessarily violate the *Procurement Code*'s competitive bidding requirements, provided the school complied with the code's requirements for sole source contracts. He added that the terms of the agreement do comply with the *Code*'s requirements.

After Mr. Dworak's presentation, Ms. Deanna Payne, registrar of NMVA, and Mr. Lawrence Palmer, Chair of the NMVA Governing Council, submitted written statements in response to AG Opinion No. 14-03. Ms. Payne's statement included discussion of staff partnerships to support instructional quality, while Mr. Palmer's submission included clarifying answers to questions related to the management of the NMVA.

¹ 22-8B-4(R) NMSA 1978

National Association of Charter School Authorizers Presentation on Online Learning Provisions in Other States

Mr. Alex Medler, Vice-President of Policy and Advocacy for NACSA, presented the subcommittee with two documents:

- *Full-time Virtual Charter Schools: Emerging Issues in the States*; and
- *School Quality in the Cloud: Guidelines for Authorizing Virtual Schools*.

(Please see, also, **Attachment 1, Comparison of Virtual Charter School and Online Learning Provisions from CO, FL and AZ**, prepared by LESC staff.)

In his discussion of the first document, Mr. Medler focused his remarks on the recommendations offered by the Illinois Charter School Commission Report on Virtual Schools,² including:

- that funding not exceed the base funding of a school district and be based on successful course or program completion of students and not on enrollment; and
- requirement of the authorizer to:
 - hold schools accountable based on both state tests and other measures appropriate for virtual schools;
 - require schools to establish legally permissible criteria and processes for enrollment based on the existence of supports needed for student success; and
 - require schools to demonstrate the capacity to deliver services to special needs students and English language learners.

Referring to the second handout, Mr. Medler emphasized that the elements of good authorizing should remain consistent whether in an online environment or a traditional brick and mortar school. He noted that the use of internet technologies and electronic delivery mechanisms should not warrant a reinvention of the authorizing function; however, it is likely to present distinctive issues and challenges in areas such as:

- oversight expertise;
- attendance tracking and reporting;
- student mobility;
- data management systems;
- academic reporting;
- special education; and
- ensuring quality at scale.

To conclude, Mr. Medler indicated that where virtual charter applicants are proposing to contract with management organizations – or are existing school operators with a performance record – authorizers should conduct due diligence designed specifically to evaluate the performance and capacities of those types of operators, as well as governing board capacities for effective oversight or external management contracts.

² Please see: <http://www.isbe.net/SCSC/pdf/vsag-final-report.pdf>.

September 12, 2014 LESC Charter Schools Subcommittee Hearing

Comparison of Virtual School Funding Models

According to LESC staff, current data suggest that virtual charter schools generate less program costs though the funding formula than other charter schools and traditional public schools:

- New Mexico Virtual Academy generated \$5,381 per MEM, approximately 26.3 percent less than the statewide average and 35 percent less than the average charter school;
- New Mexico Connections Academy generated \$5,672 per MEM, approximately 22.3 percent less than the statewide average and 31.5 percent less than the average charter school; and
- these differences in funding levels appear to be attributable to:
 - values of the Training & Experience Index below the statewide average;
 - lower special education rates than other charter schools or the statewide average; and
 - below-average add-on units, such as size adjustment and enrollment.

Additionally, staff noted that, in comparison with other states, the New Mexico public school funding formula generates, for virtual schools:

- less funding than nine states (California, Colorado, Iowa, Louisiana, Nevada, Oregon, Pennsylvania, Wisconsin, and Wyoming);
- more funding than three states (Florida, Georgia, and Kansas); and
- funding comparable to three states (Arizona, Indiana, and Ohio).

The LESC staff presentation included the following handouts:

- “Formula Funding for Virtual Charter Schools” (**Attachment 2**, updated to incorporate FY 15 data);
- “NCSL Research from the International Association for K-12 Online Learning (iNACOL)” (**Attachment 3**);
- “LESN Inquiry on Cyber School Enrollment” (**Attachment 4**);
- “Online Private School Tuition and Fees – International Connections Academy”; and
- “Tuition information and enrollment benefits – K12 International Academy.”

Report on the Operations of the New Mexico Connections Academy

Ms. Athena Trujillo, Principal, delivered an overview of the school’s operation, including:

- school offerings, initiatives, and programs;
- total student counts by grade level and location;
- student proficiency in math and English;
- total number and percentage of dropouts, by school year, or completion rates by grade level or school year;
- the number of graduates and the graduation rate by school year;
- testing schedules;

- the PEC performance framework for school year 2013-2014;
- staff listings, by title and location;
- course descriptions, by grade level; and
- financial information, such as:
 - the operating budget, by school year;
 - expenditures of revenues;
 - list of contracted entities;
 - reversions of funds; and
 - cash balances, by school year.

Finally, Ms. Trujillo noted a number of issues that serve to encourage families in New Mexico to consider Connections, based on family responses during the 2013-2014 enrollment process, including:

- 34 percent needed an alternative to previous schools;
- 10 percent noted that the student applicant was struggling academically in their original school setting;
- 9.0 percent reported needing a more flexible schedule than that offered by traditional schools;
- 5.0 percent indicated that the student in question had been bullied in their original school; and
- 5.0 percent noted that student health concerns made attendance at a traditional school less desirable.

Legislation from the 2015 Regular Legislative Session

Lastly, of the several bills endorsed by the committee for introduction in the 2105 legislative session, only two would have a direct impact upon the issues presented by virtual charter schools:

- **HB 74, *Public Education Commission as Independent***, which did not pass; and
- **SB 148aa, *Charter School Responsibilities***, which was enacted with an effective date of July 1, 2105, being Laws 2015, Chapter 108.

SB 148aa included several definitions, specific to the *Charter Schools Act*, one of which, “management,” related directly to issues raised in Attorney General Opinion 14-03, discussed above. That opinion was based on the “plain language” of Section 22-8B-4(R), prohibiting the management of a charter school by a for-profit entity, *in absence* of a definition. This definition, now included in the Act as of July, should help to avoid the ambiguities and questions that prompted the request for AG Opinion 14-03: “Management” means authority over the hiring, termination and day-to-day direction of a school’s employees or contractors, whether they are licensed or not.”

COMPARISON OF VIRTUAL CHARTER SCHOOL AND ONLINE LEARNING PROVISIONS FROM CO, FL AND AZ

VIRTUAL INSTRUCTION PROGRAM OVERVIEW			
COLORADO	FLORIDA	ARIZONA	NEW MEXICO
<p>Virtual instruction in Colorado currently includes:</p> <ul style="list-style-type: none"> • a state virtual school (CO Online Learning); • 5 fully online multi-district charter schools; • 21 multi-district full-time online schools; • 10 single-district online schools; • 17 single-district online programs, authorized to serve full-time online students; and • 4 single-district supplemental programs. <p>In response to a 2006 audit raising concerns about a lack of oversight of full-time online programs, legislation was passed in 2007, the effects of which included:</p> <ul style="list-style-type: none"> • distinction between single-and multi-district programs, with multi-district programs under greater oversight and requiring state authorization; • requirement that online programs using physical facilities enter into an MOU with the pertinent district; • removal of prohibition on funding online students who were not public school students in the prior year; • the creation of a new division (Unit of Online 	<p>Virtual instruction in Florida includes:</p> <ul style="list-style-type: none"> • Florida Virtual School (FLVS) (the country’s largest state virtual school); • statewide full-time online schools; • full time district online programs offered through the District virtual instruction programs (VIPs) in all Florida school districts; • full- and part-time virtual options for all K-12 students; and • more students enrolled in online courses than in any other state. <p>The Florida Virtual School:</p> <ul style="list-style-type: none"> • served 410,000 course enrollments in the 2013-2014 school year; • employs over 1000 full-time and approximately 45 part-time teachers; and • defines FTE based on course completion and performance rather than seat time. <p>District programs:</p> <ul style="list-style-type: none"> • increased rapidly, from 8 programs in 2008-2009, to 56 in 2011-2012; • in addition to VIPs, serve home schools, 	<p>Currently, in Arizona:</p> <ul style="list-style-type: none"> • While Arizona has 66 districts and 21 charters that provide both full-time and supplemental online options through the Arizona Online Instruction program (AOI), it does not have a state virtual school. • Arizona estimates that, in school year 2012-2013, 74 programs served over 48,000 students in full- and part-time programs, a 14% increase over the previous year. • Some programs, however, provide a fully online option and supplemental courses primarily to students in other parts of the state: <ul style="list-style-type: none"> ➢ Primavera Online High School is the largest AOI program, with nearly 20,000 unique students in 2012-2013, via intensive 6-week programs, year round, and it served about 6,000 students in the summer of 2104. ➢ Mesa Distance Learning was one of the first online programs in AZ and served over 900 full-time and over 15,000 part-time students in 2013-2014, 63%of whom were from outside Mesa district boundaries. 	<p>Currently, in New Mexico:</p> <ul style="list-style-type: none"> • There is a state online school, IDEAL-NM, and several district programs, of which APS’ eCADEMY is the largest, having served over 8,400 course offerings in 2013-2014. • There are two fully online virtual charter schools, the New Mexico Virtual Academy and New Mexico Connections Academy. <p>IDEAL-NM:</p> <ul style="list-style-type: none"> • IDEAL-NM had 2,823 course enrollments in 2013-2014. • IDEAL-NM provides a statewide learning management system (LMS) by which online K-12 and state agency training courses are delivered. • School districts may use the LMS to create their own courses, or use content developed by IDEAL-NM to teach their own online and/or blended courses. • As of August 2013, 52 of New Mexico’s 85 school districts (58%) and 20 charter schools use the LMS to create branded web portals to access all of the courses offered by IDEAL-NM at no cost. • In addition, IDEAL-NM also provides an

VIRTUAL INSTRUCTION PROGRAM OVERVIEW			
COLORADO	FLORIDA	ARIZONA	NEW MEXICO
<p>Education) within the CO Dept. of Ed to:</p> <ul style="list-style-type: none"> ➤ facilitate certification of multi-district programs; ➤ create quality standards for the online accreditation process; ➤ provide support to parents, students and authorizers. <p>A study authorized by recent legislation included a number of key findings and recommendations:</p> <ul style="list-style-type: none"> • Many students lack access to online courses or blended schools. • Blended learning may lower education costs, but only after significant initial investment. • CO teachers must be highly qualified, but online and blended learning teachers lack preparation or professional development specific to online learning. • Allowing students to choose individual online courses and have the pro rata portion of Per Pupil Revenue (PPR) follow the student to the course provider is the change to digital learning that would have the largest impact on education. • State should work to ensure that broadband access reaches all 178 school districts, especially geographically large rural districts. 	<p>private schools and other public schools;</p> <ul style="list-style-type: none"> • may use FLVS courses with their own teachers via the FLVS franchise program; • in order to meet requirements that all but small districts offer multiple providers, may enter into agreements with other districts, and currently include two regional consortia; • offer individual courses through their VIPs to students in grades 9-12 enrolled in dropout prevention and Department of Juvenile Justice programs, as well as offering core courses and community college courses; • are funded (like virtual charters) through the Florida Education Finance Program, based on successful completions, which are defined as: <ul style="list-style-type: none"> ➤ grade promotion, for K-5; ➤ course completion with passing grade, for 6-8; and ➤ credits earned, for 9-12. <p>District programs and virtual charters:</p> <ul style="list-style-type: none"> • must provide students with the necessary instructional materials and, when appropriate, equipment and Internet access necessary to participate; and • must be approved by the DOE. <p>All online programs abide by the following quality assurance guidelines:</p> <ul style="list-style-type: none"> • Instructional staff must be FL-certified, and 	<ul style="list-style-type: none"> • Any district or charter school can apply to start an online program, and all approved programs can serve any student in the state. • Any student may apply to any provider, or multiple providers in the state. • Students may take up to three courses from supplemental providers at any time, while a full-time school provides four or more courses. Students are funded to one FTE. • Schools participating in Arizona Online Instruction (AOI) must report annually on the program and how student achievement will be measured. They must also survey students and include the results in the annual report; a compilation of these reports is submitted to the legislature and governor by each November 15, by the State Board of Education and the Arizona State Board of Charter Schools. • All students must participate in state assessments, if a student does not do so, and the school has less than 95% participation in assessments, then the student may not continue in the online program. 	<p>eLearning portal that acts as a clearinghouse for online courses and programs offered by New Mexico higher education institutions, K-12, and state agencies.</p> <p>District Online Programs:</p> <ul style="list-style-type: none"> • School districts offering online programs include Albuquerque, Rio Rancho, Hobbs, Taos, and Roy, and the Gilbert L. Sena Charter High School. • Albuquerque Public Schools' eCADEMY is an alternative school with a comprehensive blended learning program serving K-12 students using IDEAL-NM, the National Repository for Online Courses (NROC), and self-developed content. <p>Additionally, NM's distance learning rules (6.30.8 NMAC):</p> <ul style="list-style-type: none"> • establish requirements for programs taken for credit by students enrolled in a school district or a charter school; • implement the IDEAL-NM program; • allow public schools to provide courses to students in any district, so long as there are written agreements between hosts and resident districts; and • stipulate that the local school where a student is enrolled approves and registers students for online courses, and pays course

VIRTUAL INSTRUCTION PROGRAM OVERVIEW			
COLORADO	FLORIDA	ARIZONA	NEW MEXICO
	<p>curriculum and course content aligned to state standards.</p> <ul style="list-style-type: none"> • Virtual instruction online programs must meet International Association fo K-12 Online Learning (iNACOL) standards.¹ • All programs must participate in the state assessment program and the education performance accountability system; • Districts will receive a school grade and a provider’s contract will be terminated if it receives a grade of “D” or “F” for two years of any four-year period. <p>Additionally:</p> <ul style="list-style-type: none"> • Full-time online charter schools are now authorized, if they use DOE-approved program providers and serve only students within their district. • All students must take an online course in order to graduate high school. • Beginning in 2014-2015, all statewide assessments must be administered online. 		<p>fees.</p> <p>Further:</p> <ul style="list-style-type: none"> • The <i>A-F School Ratings Act</i>, and its implementing rules, allow students in failing schools to choose online alternatives. • At least one of the 24 units required for high school graduation must be an Advanced Placement, honors, dual credit or distance learning course. <i>22-13-1.1(H) NMSA</i> • The issue of funding online schools in NM is largely unaddressed by law, with students in virtual schools being funded as students in traditional brick-and-mortar schools.

¹ Please see, *National Standards for Quality Online Courses, Version 2*, iNACOL, October 2011, at: <http://www.inacol.org/wp-content/uploads/2015/02/national-standards-for-quality-online-courses-v2.pdf>.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS

DEFINITIONS

ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Charter school	<p>A “charter school” is a public school that operates pursuant to a charter contract entered into pursuant to the provisions of article 30.5 of this title. As used in this title, unless the context otherwise requires, "charter school" includes any type of charter school created pursuant to the provisions of article 30.5 of this title. <i>CRS 22-1-101(2)</i></p>		<p>"Charter school" means a public school established by contract with a district governing board, the state board of education, the state board for charter schools, a university under the jurisdiction of the Arizona board of regents, a community college district with enrollment of more than fifteen thousand full-time equivalent students or a group of community college districts with a combined enrollment of more than fifteen thousand full-time equivalent students pursuant to article 8 [Charter Schools]of this chapter to provide learning that will improve pupil achievement. <i>ARS 15-101(4)</i></p>	<ul style="list-style-type: none"> • Separate definition for “virtual charter school.” • Consider creation of single, statewide administered virtual charter school. (Chapter 22, Article 12 NMSA)
Full time student	<p>A full time student must have a schedule that provides for a minimum of three hundred and sixty (360) hours of teacher-pupil instruction per semester to receive full-time funding under the <i>Public School Finance Act. 1 CCR 301-71.8.04</i></p>	<p>A “full-time student” is one student on the membership roll of one school program or a combination of school programs listed in § 1011.62(1)(c) for the school year or the equivalent for:</p> <ul style="list-style-type: none"> • Instruction in a standard school, comprising not less than 900 net hours for a student in or at the grade level of 4 through 12, or not less than 720 net hours for a student in or at the grade level of kindergarten through grade 3 or in an authorized prekindergarten exceptional program; 	<p>"Full-time (online) student" means:</p> <ul style="list-style-type: none"> • A student who is at least five years of age before September 1 of a school year and who is enrolled in a school kindergarten program that meets at least 346 hours during the school year. • A student who is at least six years of age before September 1 of a school year, who has not graduated from the highest grade taught in the school and who is regularly enrolled in a course of study required by the state board of education. For first, 	<ul style="list-style-type: none"> • Consider adjusting required hours to better reflect the more flexible nature of an entirely virtual school with regard to instruction time versus seat time, etc.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS

DEFINITIONS

ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
<p>Full time student, con.</p>		<ul style="list-style-type: none"> • Instruction in a double-session school or a school utilizing an experimental school calendar approved by the Department of Education, comprising not less than the equivalent of 810 net hours in grades 4 through 12 or not less than 630 net hours in kindergarten through grade 3; or • Instruction comprising the appropriate number of net hours set forth in either of the above for students who, within the past year, have moved with their parents for the purpose of engaging in the farm labor or fish industries, if a plan furnishing such an extended school day or week, or a combination thereof, has been approved by the commissioner. Such plan may be approved to accommodate the needs of migrant students only or may serve all students in schools having a high percentage of migrant students. The plan described in this subparagraph is optional for any school district and is not mandated by the state. <i>1011.61(1)(a) Fla. Stat.</i> 	<p>second and third grade students, the instructional program shall meet at least 712 hours. For fourth, fifth and sixth grade students, the instructional program shall meet at least 890 hours during the school year.</p> <ul style="list-style-type: none"> • Seventh and eighth grade students or ungraded students who are at least twelve, but under fourteen, years of age on or before September 1 and who are enrolled in an instructional program of courses that meets at least 1,068 during the school year. • For high schools, a student not graduated from the highest grade taught in the school district, or an ungraded student at least fourteen years of age on or before September 1, and who is enrolled in at least four courses throughout the year that meet at least nine hundred hours during the school year. A full-time student shall not be counted more than once for computation of average daily membership. <i>ARS 15-808(H)(1)</i> 	
<p>Online school</p>	<p>"On-line school" means a full-time education school authorized pursuant to this article that delivers a sequential</p>		<p>"Online school" means a school that provides at least four online academic courses or one or more online courses</p>	<ul style="list-style-type: none"> • Separate definition for "online" or "virtual" charter school. • Consider separate definition for "online school" to reflect possibility of statewide virtual school. (See above.)

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS

DEFINITIONS

ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
<p>Online school, con.</p>	<p>program of synchronous or asynchronous instruction, directed by a teacher, primarily through on-line digital learning strategies that provide students choice over time, place, and path, and teacher-guided modality, of learning. An on-line school has an assigned school code and operates with its own administrator, a separate budget, and a complete instructional program. An on-line school is responsible for fulfilling all reporting requirements and is held to state and federally mandated accountability processes. <i>CRS 22-30.7-102(9.5), CCR 301.71.2.10</i></p> <p>"On-line program" means a full-time education program authorized pursuant to this article that delivers a sequential program of synchronous or asynchronous instruction, directed by a teacher, primarily through on-line digital learning strategies that provide students choice over time, place, and path, and teacher-guided modality, of learning. "On-line program" does not include a supplemental program. Accountability for each student in an on-line program is attributed to a designated school that houses the on-line program. Notwithstanding any other provision of this subsection (9) to the contrary, an on-line program</p>		<p>for the equivalent of at least five hours each day for one hundred eighty school days and that is a charter school that is sponsored by the state board for charter schools or a traditional public school that is selected by the state board of education to participate in Arizona online instruction. <i>ARS 15-808(H)(3)</i></p> <p>"Online course provider" means a school other than an online school that is selected by the state board of education or the state board for charter schools to participate in Arizona online instruction pursuant to this section and that provides at least one online academic course that is approved by the state board of education. <i>ARS 15-808(H)(2)</i></p>	<ul style="list-style-type: none"> As more districts offer their own virtual programs, consider distinct definitions for "online school" and "online program."

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS

DEFINITIONS

ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
<p>Online school, con.</p>	<p>with one hundred or more students is an on-line school and not an on-line program. <i>CRS 22-30.7-102(9), CCR 301.71.2.09</i></p>			
<p>Part time student</p>	<p>A part time student must have a schedule that provides for a minimum of ninety (90) hours of teacher-pupil instruction per semester to receive part-time funding under the <i>Public School Finance Act. 1 CCR 301-71.8.05</i></p>	<p>A “part-time student” is a student on the active membership roll of a school program or combination of school programs listed in s. <u>1011.62(1)(c)</u> who is less than a full-time student. <i>1011.61(1)(b) Fla. Stat.</i></p>	<p>"Part-time (online)student" means:</p> <ul style="list-style-type: none"> • Any student who is enrolled in a program that does not meet the definition [of “full-time student”] of this subsection shall be funded at eighty-five per cent of the base support level that would be calculated for that pupil if that pupil were enrolled as a part-time student in a school district or charter school that does not participate in Arizona online instruction. • A part-time student of 75% average daily membership shall be enrolled in at least three subjects throughout the year that offer for first, second and third grade students at least 534 instructional hours in a school year and for fourth, fifth and sixth grade students at least 668 instructional hours in a school year. A part-time student of 50% average daily membership shall be enrolled in at least two subjects throughout the year that offer for first, second and third grade students at least 356 instructional hours in a school year and for fourth, fifth and sixth grade 	

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS

DEFINITIONS

ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
<p>Part time student, con.</p>			<p>students at least 445 instructional hours in a school year. A part-time student of 25% average daily membership shall be enrolled in at least one subject throughout the year that offers for first, second and third grade students at 178 instructional hours in a school year and for fourth, fifth and sixth grade students at least 223 instructional hours in a school year.</p> <ul style="list-style-type: none"> • For seventh and eighth grade students, a part-time student of 75% average daily membership shall be enrolled in at least three subjects throughout the year that offer at least 801 instructional hours in a school year. A part-time student of 50% average daily membership shall be enrolled in at least two subjects throughout the year that offer at least 534 instructional hours in a school year. A part-time student of 25% average daily membership shall be enrolled in at least one subject throughout the year that offers at least 267 instructional hours in a school year. • For high school students, a part-time student of 75% average daily membership shall be enrolled in at least three subjects throughout the year that offer at least 675 instructional hours in a school year. A 	

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
DEFINITIONS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Part time student, con.			part-time student of 50% average daily membership shall be enrolled in at least two subjects throughout the year that offer at least 450 instructional hours in a school year. A part-time student of 25% average daily membership shall be enrolled in at least one subject throughout the year that offers at least 225 instructional hours in a school year. <i>ARS 15-808(H)(4)</i>	
Private school	"Private school" means a primary or secondary educational institution for students in kindergarten through twelfth grade or any portion thereof that may or may not have attained nonprofit status, that does not receive state funding through the " <i>Public School Finance Act of 1994</i> ", and that is supported in whole or in part by tuition payments or private donations. <i>CRS 22-30.5-103(6.5)</i>	A "private school" is a nonpublic school defined as an individual, association, copartnership, or corporation, or department, division, or section of such organizations, that designates itself as an educational center that includes kindergarten or a higher grade or as an elementary, secondary, business, technical, or trade school below college level or any organization that provides instructional services that meet the intent of s. <u>1003.01(13)</u> ["regular school attendance"] or that gives preemployment or supplementary training in technology or in fields of trade or industry or that offers academic, literary, or career training below college level, or any combination of the above, including an institution that performs the functions of the	"Private school" means a nonpublic institution where instruction is imparted. <i>ARS 15-101(20)</i>	

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
DEFINITIONS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Private school, con.		above schools through correspondence or extension, except those licensed under the provisions of chapter 1005. A private school may be a parochial, religious, denominational, for-profit, or nonprofit school. This definition does not include home education programs conducted in accordance with § <u>1002.41</u> [home schooling]. <i>1002-01(2) Fla. Stat.</i>		
Public School	A “public school” is a school that derives its support, in whole or in part, from moneys raised by a general state, county, or district tax. <i>CRS 22-1-101(1)</i>		"School" or “public school” means any public institution established for the purposes of offering instruction to pupils in programs for preschool children with disabilities, kindergarten programs or any combination of grades one through twelve. <i>ARS 15-101(20)</i>	<ul style="list-style-type: none"> Consider amending NM definition to resolve ambiguity in re: brick-and-mortar presence, and either include or exclude (with separate definition) virtual charter schools.
School		“School” means an organization of students for instructional purposes on an elementary, middle or junior high school, secondary or high school, or other public school level authorized under rules of the State Board of Education. <i>1003-01(2) Fla. Stat.</i>		

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
PROGRAM REQUIREMENTS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Attendance, school hours	<p>A student who is participating in an on-line program or on-line school is subject to compulsory school attendance as provided in article 33 of this title and is deemed to comply with the compulsory attendance requirements through participation in the on-line program or on-line school. Each on-line program and on-line school must document a student's compliance with compulsory attendance requirements by documenting the student's attendance and participation in educational activities that the on-line program's or on-line school's authorizer deems appropriate to support student learning, which activities may include, but need not be limited to, assessment, orientation, and induction activities; in-person educational instruction; and synchronous and asynchronous internet-based educational activities. <i>CRS 22-30.7-105(2)(a)</i></p> <p>An Online School or Program follows policies for tracking enrollment, attendance, participation, and truancy. The policy includes documentation of teacher/student interaction. <i>1 CCR 301-71.3.02.9</i></p>	<p>Mandate compliance with compulsory attendance requirements. Attendance must be verified by district. <i>1002.45(6)(a) Fla. Stat.</i></p>	<p>No reference to attendance in VCS statute (ARS 15-808), but entirety of Ch. 8 is "School Attendance," so that applies. However, no compliance mechanism in VCS statute. <i>ARS 15-808</i></p> <p>Also, "Each school selected for Arizona online instruction shall ensure that a daily log is maintained for each pupil who participates in Arizona online instruction. The daily log shall describe the amount of time spent by each pupil participating in Arizona online instruction pursuant to this section on academic tasks. The daily log shall be used by the school district or charter school to qualify the pupils who participate in Arizona online instruction in the school's average daily attendance calculations pursuant to subsection F (Funding calculations) of this section." <i>ARS 15-808(E)</i></p>	<ul style="list-style-type: none"> • Mandate compliance with compulsory attendance laws, with some kind of verification of authentic attendance. (E.g.: unique ID used for log-in; require chartering authority to verify log-on and participation; a daily log of assignments, discussion, time spent online, etc.) • Consider requiring periodic in-person conferences and assessments, or real-time conferences online. • Consider some kind of synchronous class requirement with a discussion component, as in chat-rooms, for example. • Truancy consequences for a certain number of consecutive "absences" or absences within a certain period of time, with consideration of appropriate methods of attendance documentation.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
PROGRAM REQUIREMENTS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Attendance, school hours, con.	A student participating in an Online program or Online school is subject to the compulsory attendance requirements as provided in article 33 of the Colorado Revised Statutes and is deemed to comply with the compulsory attendance requirements through participation in an online program or online school. Each online program and online school must document a student's compliance with compulsory attendance requirements during the official count window. <i>1 CCR 301-71(8.01)</i>			
Graduation Requirements	<p>Must meet all statutory requirements. <i>1 CCR 301.71.(3.02.5)</i></p> <ul style="list-style-type: none"> • CDE recently adopted guidelines for graduation requirements as mandated under <i>22-2-106 CRS.</i>² • Districts must adhere to these requirements at minimum, but may develop more rigorous requirements. District-level graduation policies must be adopted by the 2015-2016 school year. 	To be approved for online instruction, provider must ensure instructional and curricular quality through a detailed accountability plan that addresses every subject and grade level it intends to provide through contract with the school district, including mechanisms that determine and ensure that a student has satisfied requirements for grade level promotion and high school graduation with a standard diploma, as appropriate. <i>1002-45(2)(a)(7)(c) Fla. Stat.</i>	No reference in VCS statute, but considerations of academic integrity in that statute probably would include graduation requirements for common schools, as laid out in <i>ARS 15-701.01</i>	<ul style="list-style-type: none"> • Currently, virtual schools, which are not differentiated from traditional charter schools, must comply with all statutory graduation requirements and assessments and end-of-course exams. If separate provisions for virtual schools and online programs are contemplated, explicitly require compliance with pertinent graduation and assessment requirements, perhaps with some modifications to reflect the different structure of online education.

² Information regarding Colorado Graduation Requirements: <http://www.cde.state.co.us/postsecondary/graduationrequirements>.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
PROGRAM REQUIREMENTS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Graduation Requirements, con.		<p>Each virtual instruction program must align virtual course curriculum and course content to the state standards. <i>1002-45(3)(a) Fla. Stat.</i></p> <p>All contracts with approved providers must provide a method for determining students have satisfied requirements for graduation. <i>1002-45(4)(b) Fla. Stat.</i></p>		
Teacher qualifications	<p>“Teacher” means any person who holds a Teacher’s license issued pursuant to the provisions of the <i>Colorado Educator Licensing Act</i> and who is employed to instruct, direct, or supervise the instructional program. “Teacher” includes those persons employed by a charter school as a Teacher pursuant to a waiver granted to the charter school by the State Board pursuant to §22-30.5-105(3), C.R.S., or who are employed by a school district as a Teacher pursuant to a waiver granted to a school district pursuant to §22-2-117. C.R.S. <i>1 CCR 301-71.2.16</i></p>	<p>To be approved by the department, a provider must document that it Locates an administrative office or offices in this state, requires its administrative staff to be state residents, requires all instructional staff to be Florida-certified teachers under chapter 1012 and conducts background screenings for all employees or contracted personnel, as required by § 1012.32, using state and national criminal history records <i>1002-45(2)(a)(3) Fla. Stat.</i></p>	<p>The state board of education and the state board for charter schools shall jointly develop standards for the approval of online course providers and online schools based on the following criteri[on]:</p> <p>The variety of educational methodologies employed by the school and the means of addressing the unique needs and learning styles of targeted pupil populations, including computer assisted learning systems, virtual classrooms, virtual laboratories, electronic field trips, electronic mail, virtual tutoring, online help desk, group chat sessions and noncomputer based activities performed under the direction of a certificated teacher. <i>ARS 15-808(A)(2)</i></p>	<ul style="list-style-type: none"> • Require all teachers of virtual charter schools to be NM certified. • Require “online endorsement” of teaching license to teach at NM virtual charter schools.³ • Require regular reports to school leader or other authority, summarizing student work, achievement, scores and attendance. • Teachers should be available for, and require, periodic in-person meetings, or meetings via Skype.

³ For example, Idaho, which has both a statewide virtual charter as well as seven individual virtual charters, requires online teachers to meet 10 core proficiencies to receive online endorsement, which enhances their credentials. This endorsement, however, is not required to teach in an online setting in Idaho. (Please see: http://www.sde.idaho.gov/site/forms/augDocs/Online_Teaching_Standards_OSBE.pdf)

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
PROGRAM REQUIREMENTS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Teacher qualifications, con.			<p>"Certified teacher" means a person who is certified as a teacher pursuant to the rules adopted by the state board of education, who renders direct and personal services to school children in the form of instruction related to the school district's educational course of study and who is paid from the maintenance and operation section of the budget. <i>ARS 15-808(B)(5)</i></p> <p><i>See Also, Tile 7, Chapter 2, Article 6 AAC for general teaching certification requirements.</i></p>	

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
ASSESSMENTS & ACADEMIC ACCOUNTABILITY				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Assessments	Each student participating in an on-line program or on-line school shall be subject to the statewide assessments administered pursuant to section 22-7-409. <i>CRS 22-30.7-105.2(b)</i>	Each student enrolled in a virtual instruction program or virtual charter school must: Take state assessment tests within the school district in which such student resides, which must provide the student with access to the district's testing facilities. <i>1002-45(6)(b) Fla. Stat.</i>	To ensure the academic integrity of pupils who participate in online instruction, Arizona online instruction shall include multiple diverse assessment measures and the proctored administration of required state standardized tests. <i>ARS 15-808(H).</i>	<ul style="list-style-type: none"> • Explicitly require participation in all NM SBAs. • Require additional periodic assessments for virtual students. • Require presence at learning center, school district, etc. for assessments to ensure that they are properly proctored; alternatively, require reporting on assessment administration and control.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
ASSESSMENTS & ACADEMIC ACCOUNTABILITY				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Academic accountability	<p>The provisions of the <i>Education Accountability Act of 2009</i> (Title 22, article 11) applies to online schools. <i>CRS 22-30.7-105(2)(d)</i></p> <p>An on-line program or on-line school that is administered pursuant to the provisions of this article shall satisfy the quality standards established by rules promulgated by the state board to this section (3). <i>CRS 22-30.7-105(3)</i>.</p> <p>(See, 1 CCR 301-71 Rules for the administration , certification and oversight of Colorado online programs.) Must include, but not limited to, quality standards in these areas:</p> <ul style="list-style-type: none"> • An on-line program's or on-line school's governance, vision, and organization; • Standards-based curricula and data-driven instructional practices; • Technological capacity and support; • Internet safety; • Sound financial and accounting practices and resources; • Student academic performance and improvement; • Monitoring and assessment of student academic performance and improvement; 	<p>Each approved provider must:</p> <ul style="list-style-type: none"> • Participate in the statewide assessment program and the state education performance accountability system; • receive a school grade or a school improvement rating, as applicable. The school grade or school improvement rating received shall be based upon the aggregated assessment scores of all students served by the provider statewide. The department shall publish the grade or improvement rating received by each approved provider on its website. The department shall develop an evaluation method for providers of part-time programs which includes the percentage of students making learning gains, the percentage of students successfully passing any required end-of-course assessment, the percentage of students taking Advanced Placement examinations, and the percentage of students scoring 3 or higher on an Advanced Placement examination. <p>The performance of part-time students in grades 9 through 12 shall not be included for purposes of school grades or school improvement ratings;</p>	<p>Each new school shall provide online instruction on a probationary status. After a new school that provides online instruction has clearly demonstrated the academic integrity of its instruction through the actual improvement of the academic performance of its students, the school may apply to be removed from probationary status. The state board of education or the state board for charter schools shall remove from Arizona online instruction any probationary school that fails to clearly demonstrate improvement in academic performance within three years measured against goals in the approved application and the state's accountability system. The state board of education and the state board for charter schools shall review the effectiveness of each participating school and other information that is contained in the required annual report. All pupils who participate in Arizona online instruction shall reside in AZ. Pupils who participate in Arizona online instruction are subject to the testing requirements of this title (Assessment and Accountability). Upon enrollment, the school shall notify the parents or guardians of the pupil of the state testing requirements. If a pupil fails to comply with the testing</p>	<ul style="list-style-type: none"> • Any virtual charter school must be subject to <i>A-F School Grading Act</i> and Department regulations, perhaps amended to reflect different circumstances of entirely virtual schools. • Consider limitations on class size to give teachers time to get meaningful feedback to students and to meet any enhance reporting requirements for virtual charter schools. • Consider additional, or amended, qualifications for certification by PEC as charter school.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
ASSESSMENTS & ACADEMIC ACCOUNTABILITY				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Academic Accountability, con.	<ul style="list-style-type: none"> • Course completion measurements; • Attendance tracking procedures; • Data analysis, management, and reporting; • Guidance counseling; • Engagement of parents and communities in on-line programs and on-line schools; • Provisions for students with special needs, including gifted and talented students and English language learners; and • Program evaluation and improvement. <i>CRS 22-30.7-105(3)(b)</i> 	<p>however, their performance shall be included for school grading or school improvement rating purposes by the nonvirtual school providing the student’s primary instruction.</p> <p>An approved provider that receives a school grade of “D” or “F or a school improvement rating of “Declining” must file a school improvement plan with the department for consultation to determine the causes for low performance and to develop a plan for correction and improvement.</p> <p>An approved provider’s contract must be terminated if the provider receives a school grade of “D” or “F” or a school improvement rating of “Declining” for 2 years during any consecutive 4-year period or has violated any qualification requirement. A provider that has a contract terminated under this paragraph may not be an approved provider for a period of at least 1 year after the date upon which the contract was terminated and until the department determines that the provider is in compliance with qualification requirements and has corrected each cause of the provider’s low performance. <i>1002.45(8) Fla. Stat.</i></p>	<p>requirements and the school administers the tests pursuant to this subsection to less than ninety-five per cent of the pupils in Arizona online instruction, the pupil shall not be allowed to participate in Arizona online instruction. <i>ARS 15-808(B)</i></p>	

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS

FUNDING & AUDITS

ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Funding	<p>A school district that is providing a single-district on-line program or on-line school, or a school district in which a district charter school is providing a single-district on-line program or on-line school, shall include each student, as of the pupil enrollment count day of the applicable budget year, in the school district's pupil enrollment for the applicable budget year and shall receive the school district's per-pupil funding for each student enrolled in the single-district program or school.</p> <p>An institute charter school that is providing a single-district on-line program or on-line school shall include each student who is enrolled in the program or school, as of the pupil enrollment count day of the applicable budget year, in the institute charter school's pupil enrollment for the applicable budget year and shall receive the per-pupil funding of the institute charter school's accounting district for each student enrolled in the single-district program or on-line school.</p> <p>A school district that is providing a multi-district on-line school, or a school district in which a district</p>	<p>Students enrolled in a virtual charter school are funded through the Florida Education Finance Program under the General Appropriations Act. (But this money may not be provided for the purpose of fulfilling certain class size requirements.)</p> <p>Beginning in the 2016-2017 fiscal year, the reported full-time equivalent students and associated funding of students enrolled in courses requiring passage of an end-of-course assessment (EOC) to earn a standard high school diploma shall be adjusted if the student does not pass the EOC. However, no adjustment shall be made for students who enroll in segmented remedial courses online.</p> <p>The school district providing virtual instruction shall report full-time equivalent students for a virtual instruction program or charter school to the department and funding shall be provided through the Florida Education Finance Program. <i>1002-45(7) Fla. Stat.</i></p> <p>Each virtual charter may enter into an agreement with a school district to allow the participation of the virtual charter school's students in the school district's virtual instruction program.</p>	<p>A pupil who is enrolled full-time in Arizona online instruction shall be funded for online instruction at ninety-five per cent of the base support level that would be calculated for that pupil if that pupil were enrolled as a full-time student in a school district or charter school that does not participate in Arizona online instruction. Additional assistance, capital outlay revenue limit and soft capital allocation limit shall be calculated in the same manner they would be calculated if the student were enrolled in a district or charter school that does not participate in Arizona online instruction.</p> <p>A pupil who is enrolled part-time in Arizona online instruction shall be funded for online instruction at eighty-five per cent of the base support level that would be calculated for that pupil if that pupil were enrolled as a part-time student in a school district or charter school that does not participate in Arizona online instruction. Additional assistance, capital outlay revenue limit and soft capital allocation limit shall be calculated in the same manner they would be calculated if the student were enrolled in a district or charter school that does not participate in Arizona online instruction. <i>ARS 15-808(F)(1) - (2)</i></p>	<ul style="list-style-type: none"> • Consider funding virtual charters at a different rate than other public schools to reflect potentially lower overhead expenditures. • Consider what percentage of award may be held back for administrative costs. (Currently this figure is 2% for brick-and-mortar charters.) • In the case of a single statewide virtual charter, consider directing that some funds be held over for services provided by the districts, such as proctoring assessments and providing meeting locations. • Consider funding virtual charters based on outcomes, such as successful course completion as demonstrated by passing end-of-course examinations. • Consider reduction in rate of available lease assistance to virtual charters that is more reflective of their actual physical requirements rather than relying solely on student membership to determine awards. • In the case of a statewide virtual charter school, consider issue of lack of connectivity/access to students in more rural parts of the state.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS

FUNDING & AUDITS

ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
<p>Funding, con.</p>	<p>charter school is providing a multi-district on-line school, shall include each student who is enrolled in the multi-district on-line school, as of the pupil enrollment count day of the applicable budget year, in the school district's on-line pupil enrollment for the applicable budget year and shall receive on-line funding, as specified in section 22-54-104 (4.5).</p> <p>An institute charter school that is providing a multi-district on-line school shall include each student who is enrolled in the multi-district on-line school, as of the pupil enrollment count day of the applicable budget year, in the institute charter school's on-line enrollment for the applicable budget year and shall receive on-line funding, as specified in section 22-54-104 (4.5).</p> <p>The general assembly hereby finds and declares that, for purposes of section 17 of article IX of the state constitution, providing funding to the on-line division for on-line education is a permissible use of the moneys in the state education fund because they are being used for accountable education reform, for accountable programs to meet state academic standards, for class-size reduction, for expanding</p>	<p>The agreement must indicate a process for reporting of student enrollment and the transfer of funds required by 1002-45(7)(f). <i>1002-45(1)(d)(3) Fla. Stat.</i></p> <p>Each school district shall provide to the department by October 1, a copy of each contract and the amounts paid per unweighted full-time equivalent student for services procured pursuant to this section.</p> <p>Each school district shall expend the difference in funds provided for a student participating in the school district virtual instruction program and the price paid for contracted services procured for the district's implementation of the district's digital classrooms plan. <i>1002-45(1)(e) Fla. Stat.</i></p>		

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
FUNDING & AUDITS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Funding, con.	technology education, and for accountability reporting as authorized by section 17 (4) (b) of article IX of the state constitution. <i>CRS 22-30.7-107</i>			
Audits	<p>Each Online School shall submit to its Authorizer an annual financial and accounting report, which the Authorizer shall submit to the Department on or before December 31st of each year, or up to sixty days later, if an extension is requested. Said report shall be submitted in accordance with 1 CCR 301-39, Amended Rules for Administration of Public School Finance. <i>1 CCR 301-71.6.01</i></p> <p>Online Schools that are charter schools and already submit the financial information required for charter schools may submit a single financial report to satisfy requirements for both charter schools and Online Programs. <i>1 CCR 301-71.6.02</i></p>	To be approved by the department, a provider must document that it performs an annual financial audit of its accounts and records conducted by an independent certified public accountant which is in accordance with rules adopted by the Auditor General, is conducted in compliance with generally accepted auditing standards, and includes a report on financial statements presented in accordance with generally accepted accounting principles. <i>1002-45(2)(a)(10) Fla. Stat.</i>	<p>See Title 7, Chapter 5, Article 5 AAC for general audit requirements for charter schools.</p> <p>By July 1 of each year, the [Arizona State Board for Charter Schools] shall make available to the public at its office and online at its web site, written audit guidelines that provide general guidance on charter school audit requirements, including the deadline for submitting the completed audit to the Board and information that must be included for the audit to be deemed complete. <i>R7-5-501, A.A.C., "Audit Guidelines"</i></p> <p>Other pertinent sections of the AAC include:</p> <ul style="list-style-type: none"> • R7-5-502 "Approval of Audit Contracts"; • R7-5-503 "Audit Completeness Determinations" • R7-5-504 "Review of Complete Audits" 	<ul style="list-style-type: none"> • Require annual submission of internal audit and other financial disclosure to the department or commission, or submission to audit by department or department-approved contractor, or both. • Require publication on school website of all final audit reports. • Require more frequent (quarterly?) financial disclosure on website of moneys in and out, from whom, for what, etc.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
CONTRACTS, OVERSIGHT & REPORTS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Performance contracts		<p>To provide students with the option of participating in virtual instruction programs as required, a school district may:</p> <ol style="list-style-type: none"> 1. Contract with the Florida Virtual School or establish a franchise of the Florida Virtual School for the provision of a program. 2. Contract with an approved provider under subsection for the provision of a full-time or part-time program. 3. Enter into an agreement with other school districts to allow the participation of its students in an approved virtual instruction program provided by the other school district. The agreement must indicate a process for the required transfer of funds. 4. Establish school district operated part-time or full-time kindergarten through grade 12 virtual instruction programs for students enrolled in the school district. 5. Enter into an agreement with a virtual charter school authorized by the school district. <p>Contracts under '1' or '2' may include multidistrict contractual arrangements</p>		<p>In addition to elements already required for charter schools operations, consider other required elements particular to virtual charter schools.</p> <ul style="list-style-type: none"> • Consider requiring the authorizing body to be a party to the contract between the virtual charter's governing body and the management corporation. • "Governing bodies" of charter schools may not contract with a for-profit entity for the management of the charter school. Consider strict limitations and requirements in the MOU that establish clear separation between the duties of the governing body, especially day-to-day operations, and the management company, to avoid implicating this statutory prohibition. • Require public disclosure of for-profit status. • Consider the creation of a "bad actor" provision that would prevent authorization of virtual charters by management corporations with a history of bad business practices, fraud or misrepresentation, poor academic record. • Consider allowing revocation of a contract if a management corporation fails to deliver its goods or services in an appropriate, timely manner, or if the management corporation or the contracting subsidiary becomes involved in circumstances that would indicate it is a "bad actor," as above. • Prescribe geographic or MEM limitations on virtual charters, to prevent disproportionate impact on other districts whose students may opt to transfer to a virtual charter. • Require public hearings of virtual charter applications in the home district of the charter applicant and/or areas where the virtual charter expects to draw membership. • Require some sort of demonstrated expertise in educational

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
CONTRACTS, OVERSIGHT & REPORTS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Performance contracts, con.		<p>that may be executed by a regional consortium for its member districts. A multidistrict contractual arrangement or an agreement under '3' does not require the participating school districts to be contiguous. <i>1002-45(1)(c) Fla. Stat.</i></p> <p>A virtual charter school may provide full-time virtual instruction for students in kindergarten through grade 12 if the virtual charter school has a charter authorizing full-time virtual instruction.</p> <p>A virtual charter school may:</p> <ol style="list-style-type: none"> 1. Contract with the Florida Virtual School. 2. Contract with an approved provider. 3. Enter into an agreement with a school district to allow the participation of the virtual charter school's students in the school district's virtual instruction program. The agreement must indicate a process for reporting of student enrollment and the required accompanying transfer of funds. <i>1002-45(1)(d) Fla. Stat.</i> <p>Each school district shall provide to the department by October 1 a copy of each contract and the amounts paid per unweighted full-time equivalent</p>		<p>technology or distance learning for at least one member of a virtual charter school's governing body.</p> <ul style="list-style-type: none"> • Create an appropriate alternative to required site-visits by the chartering authority when in reference to virtual schools.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS				
CONTRACTS, OVERSIGHT & REPORTS				
ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
Performance contracts, con.		<p>student for procured. <i>1002-45(1)(e) Fla. Stat.</i></p> <p>CONTRACT REQUIREMENTS.—Each contract with an approved provider must at least:</p> <ul style="list-style-type: none"> • Set forth a detailed curriculum plan that illustrates how students will be provided services and be measured for attainment of proficiency in the state standards for each grade level and subject. • Provide a method for determining that a student has satisfied either general or accelerated graduation requirements if the contract is for the provision of a full-time virtual instruction program to students in grades 9 through 12. • Specify a method for resolving conflicts among the parties. • Specify authorized reasons for termination of the contract. • Require the approved provider to be responsible for all debts of the virtual instruction program if the contract is not renewed or is terminated. • Require the approved provider to comply with all requirements of this section. <i>1002-45(4) Fla. Stat.</i> 		
Oversight, reports	Each on-line program and on-line school shall annually submit to its	To be approved by the department, a provider must document that it	Beginning July 1, 2010, the state board of education and the state board for	<ul style="list-style-type: none"> • Require regular reports on academic progress, attendance, etc. to authorizer and/or PED.

COMPARISON of VIRTUAL INSTRUCTION PROVISIONS

CONTRACTS, OVERSIGHT & REPORTS

ISSUE	COLORADO	FLORIDA	ARIZONA	NEW MEXICO OPTIONS
<p>Oversight, reports, con.</p>	<p>authorizer and to the department information, pursuant to state board rules, concerning sound financial and accounting practices and resources. A multi-district on-line school shall notify its authorizer and the department of any intent to amend the program's or school's application for certification, which shall include any intent to expand grade levels served by the program or school, any intent to change education service providers, or other intended changes, as defined by the state board. If the department concludes that the on-line program or on-line school should not be permitted to amend its application for certification, based on the quality standards established by the state, the department shall notify the authorizer and the on-line program or on-line school of its decision within thirty days of receiving the notification from the program or school. The authorizer shall then have thirty days to appeal the department's decision to the state board, pursuant to the state board's administrative policies. <i>CRS 22-30.7-109.5</i></p>	<p>publishes for the general public, as part of its application as a provider and in all contracts negotiated pursuant to this section:</p> <ul style="list-style-type: none"> • Information and data about the curriculum of each full-time and part-time program. • School policies and procedures. • Certification status and physical location of all administrative and instructional personnel. • Hours and times of availability of instructional personnel. • Student-teacher ratios. • Student completion and promotion rates. • Student, educator, and school performance accountability outcomes. <i>1002-45(2)(a)(8) Fla. Stat.</i> 	<p>charter schools shall develop annual reporting mechanisms for schools that participate in Arizona online instruction.</p> <p>The department of education shall compile the information submitted in the annual reports by schools participating in Arizona online instruction. The department of education shall submit the compiled report to the governor, the speaker of the house. <i>ARS 15-808(C) and (D)</i></p>	<ul style="list-style-type: none"> • Require that any such reports be published on the school website and sent to the parents of virtual school students. • Require a NM certified school leader to oversee personnel decisions, including observations and evaluations.

Formula Funding for Virtual Charter Schools

	School Year	Program Cost per MEM	Units per MEM	T&E Index	Enrollment Growth Units ³	Size Adjustment Units ³	Special Education Rates			
							A/B Level	C Level	D Level	All Levels
New Mexico Virtual Academy (Grades 6-12)	2013-2014 (final)	\$5,381	1.410	1.014	1.0%	0.0%	12.5%	0.0%	0.1%	12.6%
	2014-2015 (prelim)	\$5,659	1.413	1.020	0.0%	0.0%	11.9%	0.0%	0.0%	11.9%
New Mexico Connections Academy (Grades 4-12)	2013-2014 (final)	\$5,672	1.486	1.085 ²	0.0%	0.0%	8.9%	2.1%	2.1%	13.1%
	2014-2015 (prelim)	\$9,391 ¹	2.344	1.000	40.6%	0.0%	10.2%	2.0%	1.6%	13.8%
All Charter Schools	2013-2014 (final)	\$8,284	2.170	1.068	6.6%	16.5%	12.5%	2.0%	1.6%	16.1%
	2014-2015 (prelim)	\$8,459	2.112	1.063	5.3%	15.9%	13.1%	2.1%	1.6%	16.8%
All Public Schools	2013-2014 (final)	\$7,300	1.912	1.095	0.8%	4.1%	12.2%	2.6%	2.8%	17.6%
	2014-2015 (prelim)	\$7,608	1.899	1.088	0.4%	4.1%	12.5%	2.6%	2.7%	17.8%

¹ The increase in 2014-2015 preliminary Program Cost per MEM for New Mexico Connections Academy, which is based on prior year MEM, is largely reflective of projected enrollment growth due to an increase in its enrollment cap from 500 to 700 students between those two school years. If the calculation were based on projected rather than funded MEM, the amount would be \$6,023.55. The enrollment cap is anticipated to increase each year until reaching 2000 students for the 2017-2018 school year.

² For its initial year of operations, the 2013-2014 school year, New Mexico Connections Academy used the T&E Index of the district in which it is geographically located, Santa Fe. The school's T&E Index for the 2014-2015 school year is 1.000 based on October 2013 payrolls.

³ Enrollment Growth and Size Adjustment Units are expressed as a percentage of Grand Total Units.

Research from International Association for K-12 Online Learning (iNACOL) provided September 4, 2014 to Sunny Deye, National Conference of State Legislatures (NCSL), Education Program:

Online school funding levels and methods

Most fully online school funding falls into one of several categories:

- Online schools may be charter schools, and receive funding that is equal to physical charter schools. States in this category include Michigan, Minnesota, Oregon, Utah, and Wisconsin. Funding in these cases is usually between \$6,000 and \$7,000 per student.
- Online schools may be charter schools that are funded at a lower rate than physical charter schools. Indiana and Ohio, for example, fund online charter schools at about 90% of the brick-and-mortar charter school rates, which are already lower than traditional school district funding levels. South Carolina funds all charters through the South Carolina Public Charter School District; legislation in 2011 increased base funding for brick-and-mortar charter students to nearly double the funding level of virtual charter student funding.
- Online schools may be a mix of charter and non-charter schools, and funded at a rate that applies to all online schools. Arizona funds fully online students at a rate of 95% of the base funding rate of traditional students, while Colorado sets a rate for multi-district online schools that is about 92% of the average rate across districts.
- Pennsylvania funds students at similar levels regardless of the delivery model, so students generate similar funding for online schools as they do for physical schools. Even so, charter schools are still funded at a lower level than what traditional school districts receive due to several adjustments made in the funding formula districts use to forward funds to charters.

In almost all cases funding for online students is lower than funding for students in traditional non-charter schools.

In addition to the foundation funding difference between online schools and traditional schools, in some states online schools qualify for a different weighting of students, or categorical funds, than traditional schools. Schools with a higher proportion of at-risk-weighted students receive a larger amount per pupil. Additional funding details are provided in Table 1 below.

NCSL Research from iNACOL

Table 1: Funding of online schools compared to traditional schools in select states

State	2012-13 fully online school FTE funding	Online school funding compared to funding for physical charter schools	Average per pupil spending in traditional schools across the state (average revenue per pupil) ⁸	Online school funding as a percentage of average state funding
Arizona	\$5,759	95%	\$7,968	72%
California	\$6,468	100%	\$9,300	70%
Colorado	\$6,462	92% (varies by district, but \$6,400 is the average)	\$8,926	72%
Florida	\$5,145 (\$4,448 est. actual based on completion)	92% on total (using \$5,600 for avg charter) and 79% using completion rates	\$8,863	58%
Georgia	\$4,334	100%	\$9,432	46%
Indiana	\$5,245	87.5%, proposed change would increase this to 100%	\$9,479	55%
Iowa	\$6,001	100%	\$9,748	62%
Kansas	\$4,030	100%	\$9,972	40%
Louisiana	\$8,395	100%	\$10,701	90%
Nevada	\$6,700	100%	\$8,376	80%
Ohio	\$5,745	92%	\$11,224	51%
Oregon	\$6,304	100%	\$9,268	68%
Pennsylvania	\$8,992	100%	\$12,729	71%
Wisconsin	\$6,445	100%	\$11,453	56%
Wyoming	\$6,500	100%	\$15,232	43%

The online school funding numbers in this table are averages or representative funding levels derived from a variety of sources. Funding levels for specific schools are based on a variety of factors, including school size, authorizer, and whether it is single- or multi-district; as well as student characteristics; and others. Some states make funding information easily accessible on department of education websites (such as in Colorado at <http://www.cde.state.co.us/sites/default/files/FY2013-14%20Brochure.pdf> and Georgia at <http://scsc.georgia.gov/funding>). In other states the funding number was developed based on conversations with representative schools or state education agency personnel. This list does not include all states with online schools because an average funding number was not able to be found for all states. The online funding number is compared to charter funding because in many states they are the same.^{9 10}

On September 1, 2014, the following question was submitted to the NCSL Legislative Education Staff Network (LESN):

“I am gathering information (statutes, bills) from states that count enrollment for online schools differently than the typical state funding formula.”

The following responses were received from legislative staff:

STATE	RESPONSE
California	<p>Generally count students on the basis of their average daily attendance (number of days the student is physically present in school divided by the number of days in the school year).</p> <p>Most online schools, however, elect to use an alternative framework known as independent study. Under this model, students complete assignments and these assignments are “equated” to an equivalent number of days of attendance.</p> <p>The mechanics of independent study are rather complex.</p>
Colorado	<p>I'm not sure we count them differently, but we do fund them differently.</p> <p>Colorado's school finance act begins with a constitutionally derived minimum per pupil funding level known as the statewide base. The base amount is adjusted for various factors to determine a per pupil funding level for each school district, which amount is multiplied by the districts' non-online enrollment to determine total funding for that district. Although each district receives a different per pupil funding amount, average statewide funding per pupil in FY 2013-14 was \$6,652.</p> <p>Students who participate in public online ed programs were funded through the school finance act at a uniform \$7,180 per pupil in FY 2013-14; this amount was reduced to \$6,068 by the "negative factor" (a calculation used in our school finance act to adjust the state's share of school funding down, to meet budgetary constraints). Online students participate either in programs that serve students from multiple districts (multiple-district programs) or in a program offered by the student's home district (single district program). Full-time online students are distinct from students counted as "brick and mortar" students who might also take supplemental online courses.</p>

STATE	RESPONSE
Iowa	<p data-bbox="347 235 1084 268">So In Iowa we have the Iowa Learning On-Line Program:</p> <p data-bbox="347 306 1016 340">https://www.educateiowa.gov/pk-12/online-learning</p> <p data-bbox="347 378 732 411">http://iowalearningonline.org/</p> <ul data-bbox="396 457 1430 827" style="list-style-type: none"> • state-run system is delivered entirely through Internet-based courses and desktop video-conferencing with face-to-face regional lab support for science courses. • no charge for students • offering courses not delivered in their school districts, as well as courses for credit advancement, credit recovery, as a solution to scheduling problems, and for students who want to experience an online learning environment. This fall, the number of courses offered through Iowa Learning Online will increase to 42. • provide classes on-line to all school districts in Iowa equally. <p data-bbox="347 865 1170 898">there is an exemption for two districts in Iowa that use K-12 Inc.</p> <ul data-bbox="396 903 1192 1016" style="list-style-type: none"> • require that the classes be taught by Iowa licensed teachers • Otherwise we do NOT fund on-line schools • We do appropriate funds to Iowa Learning On-Line
Minnesota	<p data-bbox="347 1056 1425 1199">In Minnesota, the 'average daily membership' (ADM) of a student enrolled in online courses is adjusted per Minnesota Statutes 124D.095, subdivision 8, and 126C.05, subdivision 19. https://www.revisor.mn.gov/statutes/?id=124D.095#stat.124D.095.8 https://www.revisor.mn.gov/statutes/?id=126C.05#stat.126C.05.19</p> <p data-bbox="347 1241 1419 1417">In short, the ADM of a student enrolled online is decreased for the home/offline district and increased for the online district in proportion to the number of semester courses that the student completes online. In all cases, the ADM at the home/offline district is never less than 0.12 -- this fractional aid helps offset certain fixed and semi-variable costs at the student's home/offline district.</p>
Montana	<p data-bbox="347 1459 1166 1493">http://www.moga.mo.gov/statutes/C100-199/1620001250.HTM</p> <p data-bbox="347 1535 1425 1711">We reimburse based on 94% attendance, which, at the time the law was written, was the average attendance. This is not going to be a workable method in the long-run, and there is interest in competency-based education, which should fit right in to the virtual school idea, but I don't think we'll see any movement on it for a year or two yet.</p>

STATE	RESPONSE
Nebraska	<p>In Nebraska we do not currently have any provision for counting students differently when they are taking on-line courses through a public school district. I am also not aware of any school districts that are currently providing complete diploma programs on-line. We do have the University of Nebraska High School, which provides a fully on-line accredited high school program, but I do not believe any districts are currently contracting with them for full-time on-line instruction. The students who take some classes electronically are not counted any differently than other students.</p>
Nevada	<p>Nevada does not count online enrollment differently at the moment. However, our funding formula is likely to undergo its first major revisions in many decades and it is possible that online enrollment will be given some consideration. So, stay tuned...</p> <p>We'd love to see the results of your survey on this topic if anything is compiled.</p>
New Mexico	<p>New Mexico currently does not distinguish between enrollment for online and traditional public schools.</p>
North Carolina	<p>In NC, we've got the North Carolina Virtual Public School (NCVPS) which is a State-run program offered to public school students for free. The operating costs of NCVPS are largely paid by reducing allotments from the public school or charter school, based on projected attendance. In other words, these students are counted in enrollment for their traditional school, but money is subtracted from the school's allotments based on historical enrollment patterns in NCVPS. Additional details can be found here: http://www.ncvps.org/index.php/funding-formula-and-financial-information/</p> <p>The other thing going on in North Carolina is that the 2014 Budget authorized the State Board to authorize up to two virtual charter schools to begin operation in FY 15-16. Students enrolled in these schools will count towards enrollment just like in any other school, however, the funding they generate will be slightly different than the funding provided to traditional bricks-and-mortar charter schools.</p>

STATE	RESPONSE
Ohio	<p>Ohio requires a monthly enrollment count for funding purposes from all charter schools including online charter schools. Traditional district enrollment used for funding purposes has only been reported once a year until the 2014-15 school year. Districts will now be required to report enrollment three times a year. In both cases funding is based on an annualized FTE.</p> <p>Because the funding mechanism for Ohio charter schools is based on deduction from districts' state aid, statute requires that students that miss 105 consecutive hours of school be automatically withdrawn. When a student is withdrawn, funding halts.</p> <p>As far as the funding formula itself, online schools do not qualify for all of the formula's components.</p>
Oklahoma	<p>In 2013, the Oklahoma Legislature adopted SB 267, which modified the way online/virtual students are counted for purposes of state aid. Here is the text from the bill regarding that provision:</p> <p style="padding-left: 40px;">70 O.S. 2011, Section 3-142, is amended to read as follows:</p> <p style="padding-left: 40px;">Section 3-142. A. For purposes of funding, a charter school sponsored by a board of education of a school district shall be considered a site within the school district in which the charter school is located. The student membership of the charter school shall be considered separate from the student membership of the district in which the charter school is located for the purpose of calculating weighted average daily membership pursuant to Section 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of this title. For charter schools sponsored by a board of education of a school district, the sum of the separate calculations for the charter school and the school district shall be used to determine the total State Aid allocation for the district in which the charter school is located. A charter school shall receive from the sponsoring school district, the State Aid allocation and any other state-appropriated revenue generated by its students for the applicable year, less up to five percent (5%) of the State Aid allocation, which may be retained by the school district as a fee for administrative services rendered. For charter schools sponsored by the board of education of a technology center school district, a higher education institution, the State Board of Education, or a federally recognized Indian tribe <u>and for statewide virtual charter schools sponsored by the Statewide Virtual Charter School Board</u>, the State Aid allocation for the charter school shall be distributed by the State Board of Education and not more than five percent (5%) of the State Aid allocation may be charged by the sponsor as a fee for administrative services rendered. The State Board of Education shall determine the policy and procedure for making payments to a charter school. The fee for administrative services as authorized in this subsection shall only be assessed on the State Aid allocation amount and shall not be assessed on any other appropriated amounts.</p> <p style="padding-left: 40px;">B. <u>1.</u> The weighted average daily membership for the first year of operation</p>

STATE	RESPONSE
	<p>of a charter school shall be determined initially by multiplying the actual enrollment of students as of August 1 by 1.333. The charter school shall receive revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this subsection paragraph. At midyear, the allocation for the charter school shall be adjusted using the first quarter weighted average daily membership for the charter school calculated pursuant to subsection A of this section.</p> <p><u>2. For the purpose of calculating weighted average daily membership pursuant to Section 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of this title, the weighted average daily membership for the first year of operation and each year thereafter of a full-time virtual charter school shall be determined by multiplying the actual enrollment of students as of August 1 by 1.333. The full-time virtual charter school shall receive revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this paragraph. At midyear, the allocation for the full-time virtual charter school shall be adjusted using the first quarter weighted average daily membership for the virtual charter school calculated pursuant to subsection A of this section.</u></p>
Wyoming	<p>For distance education, Wyoming does not use the traditional average daily membership (ADM) calculation (enrollment). The ADM is calculated for each student by converting a student’s completed “milestones” (or course objectives) into ADM not to exceed a 1.0 FTE. The distance education ADM can be combined with any other ADM for a student, but again, not to exceed 1.0 FTE. The Wyoming department of education’s rules and regulations govern this calculation, which can be found here: http://soswy.state.wy.us/Rules/RULES/8119.pdf. The calculation’s rules and regulations can be found under the Chapter 8 rules and regulations, Section 10(e) (pages 8-6 to 8-7). The ADM is then put into the statewide funding formula to calculate a school district’s funding level. Distance education students are funded at the same level as non-distance education students. Furthermore, statutory provisions can be found under Wyoming Statute 21-13-330 (http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title21/T21CH13AR3.htm) and rules and regulations governing Wyoming distance education programs can be found here: http://soswy.state.wy.us/Rules/RULES/8279.pdf.</p>