



Public Schools of North Carolina
State Board of Education
Department of Public Instruction

Report to the Joint Legislative Education Oversight Committee

*Report on Consolidation and
Operating Plan for NCVPS*

*Session Law 2006-66, Section 7.16(B)
(SB 1741)*

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SESSION LAW 2006-66

SENATE BILL 1741

NORTH CAROLINA VIRTUAL PUBLIC SCHOOL

SECTION 7.16.(a) The North Carolina Virtual Public School (NCVPS) program shall report to the State Board of Education and shall maintain an administrative office at the Department of Public Instruction

SECTION 7.16.(b) The Director of NCVPS will ensure that course quality standards are established and met and that all e-learning opportunities offered by State-funded entities to public school students are consolidated under the NC Virtual Public School Program, eliminating course duplication. The Director shall report on the proposed consolidation and operating plan for 2007-2008 to the Joint Legislative Education Oversight Committee, the Office of State Budget and Management, and the Fiscal Research Division no later than January 15, 2007. Consolidation will be completed by June 30, 2007. Notwithstanding G.S 143-23, the State Board of Education may move funds within the budget to implement the consolidation.

SECTION 7.16.(c) Subsequent to course consolidation, the Director will prioritize e-learning course offerings for students residing in rural and low-wealth county LEAs, in order to expand available instructional opportunities. First-available e-learning instructional opportunities should include courses required as part of the standard course of study for high school graduation and AP offerings not otherwise available.

SECTION 7.16.(d) The State Board of Education shall develop an allotment formula for funding e-learning, effective in the 2007-2008 fiscal year. In developing the formula, the Board shall consider, at a minimum, the following:

- (1) The number of students in average daily membership (ADM) projected to enroll in e-learning,
- (2) The projected cost of fees for e-learning courses,
- (3) The extent to which projected enrollment in e-learning courses affects funding required for other allotments that are based on ADM.

SECTION 7.16.(e) Any funds appropriated in this act for the NCVPS program that are not expended in fiscal year 2006-2007 shall be carried forward for expenditure in fiscal year 2007-2008. Any such funds that remain unexpended on June 30, 2008, shall revert to the General Fund.

Consolidation of E-learning Opportunities Offered by State-Funded Entities

State funded courses

Two in-state organizations, the Cumberland County Web Academy and Learn NC, have been the recipients of state funds to create on-line courses. Many of these courses, coordinated by the North Carolina Department of Public Instruction, have been offered for a number of years to public high school students.

These one hundred fourteen (114) courses will become the property of North Carolina Virtual Public School effective June 1, 2007. The courses are presently undergoing an audit to ensure the course aligns to NC state standards, the course is taught by a teacher certified in the subject in the field, and the course makes appropriate use of e-learning technologies for teaching and learning.

Commencing summer school 2007 NCVPS will begin offering these programs to students needing to take high school courses which include not only high school students but also middle school students ready to take high school courses.

Courses Created with State Funds Owned by NCVPS

Advanced Placement (AP) Courses

Course Title	Duration	Provider
AP Art History	Full Year	Learn NC
AP Biology	Full Year	Learn NC, Web Academy
AP Calculus	Full Year	Learn NC, Web Academy
AP Chemistry	Full Year	Learn NC, Web Academy
AP Computer Science A	Full Year	Learn NC
AP Computer Science AB	Full Year	Learn NC
AP English Language & Comp	Full Year	Learn NC, Web Academy
AP English Literature & Comp	Full Year	Learn NC, Web Academy
AP Environmental Science	Full Year	Learn NC, Web Academy
AP European History	Full Year	Learn NC, Web Academy
AP Government & Politics: Comparative and US	Full Year	Learn NC
AP Government & Politics: Comparative	Full Year	Learn NC
AP Government & Politics: US	Full Year	Learn NC
AP Human Geography	Full Year	Learn NC
AP Latin Literature-	Full Year	Learn NC

Catullus/Horace		
AP Latin Vergil (Latin IV)	Full Year	Learn NC
AP Physics B	Full Year	Learn NC
AP Psychology	Full Year	Learn NC
AP Spanish Literature	Full Year	Learn NC
AP Statistics	Full Year	Learn NC
AP United States History	Full Year	Learn NC, Web Academy
AP World History	Full Year	Learn NC
22 AP courses		

Honors Courses

Algebra I Honors	Block or Full Year	Learn NC
Algebra II Honors	Block or Full Year	Learn NC
Astronomy Honors (Currently in rewrite)	Block	Web Academy
Chemistry I Honors (on shelf)	Block	NCSSM
Civics & Economics Honors	Block or Full Year	Learn NC, Web Academy
e-Commerce I	Block or Full Year	Learn NC
e-Commerce II	Block or Full Year	Learn NC
Earth/Environmental Science Honors	Block or Full Year	Learn NC
English I Honors	Block	Web Academy
English III Honors	Block	Web Academy
English IV Honors	Block	Web Academy
German III Honors	Block	Web Academy
German IV Honors	Block	Web Academy
Latin III Honors	Block or Full Year	Learn NC, Web Academy
Latin IV Honors	Block	Web Academy
Physical Science Honors	Block or Full Year	Learn NC
Pre-Calculus Honors	Block or Full Year	Learn NC, Web Academy
Psychology Honors	Block or Full Year	Learn NC
Spanish III Honors	Block	Web Academy
Spanish IV Honors	Block	Web Academy
World History Honors	Block	Web Academy
21 Honors Courses		

General Studies Courses

Algebra I	Block or Full Year	Learn NC, Web Academy
Algebra II	Block	Web Academy
Advanced Aviation Science	Block	Web Academy
Advanced Functions and Modeling	Block	Web Academy
Anatomy and Physiology	Block	Web Academy
Art I: Drawing and Design	Block	Learn NC
Art Appreciation	Block	Web Academy
Bible as History	Block	Web Academy
Biology	Block or Full Year	Learn NC, Web Academy
Business Law	Block	Web Academy
Career Management	Block	Web Academy
Chemistry I	Block	Web Academy
Civics and Economics	Block or Full Year	Learn NC, Web Academy
Computer Apps I	Block	Web Academy
Computer Apps II	Block	Web Academy
Computer Programming I	Block	Learn NC
Criminal Justice	Block	Learn NC
Digital Communications	Block	Web Academy
Earth/Environmental Science	Block or Full Year	Learn NC, Web Academy
English I	Block or Full Year	Learn NC, Web Academy
English II	Block	Web Academy
English III	Block	Web Academy
English IV	Block	Web Academy
Freshman Seminar	Block	Web Academy
Fundamentals of Aviation	Block	Web Academy
Geometry	Block	Web Academy
German I	Block	Web Academy
German II	Block	Web Academy
Health Education & Physical Ed	Block	Web Academy
Housing and Interiors	Block	Web Academy
Introduction to Philosophy	Block	Web Academy
Journalism	Block	Web Academy
Latin I	Block or Full Year	Learn NC, Web Academy
Latin II	Block or Full Year	Learn NC, Web Academy
Latin III	Block or Full Year	Learn NC
Leadership Development	Block	Web Academy
Library Science	Block	Web Academy
Marketing	Block	Web Academy
Marketing Management	Block	Web Academy

Minority Studies	Block	Web Academy
Music Appreciation	Block	Web Academy
Music Theory	Block	Web Academy
Parenting and Child Dev.	Block	Web Academy
Physical Science	Block or Full Year	Learn NC
Physics (Currently in rewrite)	Block	Web Academy
Pre-Calculus	Block or Full Year	Learn NC
Principles of Business & Personal Finance	Block or Full Year	Learn NC
Psychology	Block	Web Academy
SAT	Block	Web Academy
Small Business/Entrepreneurship	Block	Web Academy
Sociology	Block	Web Academy
Spanish I	Block	Web Academy
Spanish II	Block	Web Academy
Success 101	Block	Web Academy
Tech Math I	Block	Web Academy
Tech Math II	Block	Web Academy
United States History	Block or Full Year	Learn NC, Web Academy
World History	Block	Web Academy
58 General Studies Courses		

STAR Courses

STAR Algebra I	45 Day Course	Web Academy
STAR Biology I	45 Day Course	Web Academy
STAR Civics & Economics	45 Day Course	Web Academy
STAR English I	45 Day Course	Web Academy
STAR English II	45 Day Course	Web Academy
STAR English III	45 Day Course	Web Academy
STAR English IV	45 Day Course	Web Academy
STAR Earth/Env. Science	45 Day Course	Web Academy
STAR Tech Math I	45 Day Course	Web Academy
STAR Tech Math II	45 Day Course	Web Academy
STAR Spanish I	45 Day Course	Web Academy
STAR US History	45 Day Course	Web Academy
STAR World History	45 Day Course	Web Academy
13 STAR Courses		

Teaching faculty

Those teachers who have taught part-time for Learn NC and for the Cumberland County Web Academy and other teachers who have interest in teaching have already contacted NCVPS and will be contracted directly by NCVPS.

Cumberland County Web Academy

Dr. William Harrison, Superintendent of Cumberland County Schools, have offered the assets of the Cumberland County Web Academy to NCVPS. These assets, besides the courses listed above, include course materials, hardware, software applications, current physical office space, and personnel. NCVPS is meeting with the seventeen staff who work for the Cumberland County Web Academy and discussing which ones will want to transfer to NCVPS. These staff will remain in Fayetteville and become the day-to-day operations hub for NCVPS. Dr. Harrison has agreed to absorb their salaries through June 30, 2008.

NC Department of Public Instruction Distance Learning Budget

NCVPS's operational budget will now include the approximately \$800,000 distance education expenses NCDPI budgeted each year to pay for student seats in on-line courses.

Major tasks to be completed

- training the more than two hundred (200) teachers who have expressed interest in teaching on-line
- completing hardware and software technology upgrades to accommodate increased student enrollments
- providing on-line SAT, PSAT, ACT, and AP exam reviews
- conducting a state-wide needs assessment to learn how NCVPS can support elementary schools and middle schools
- critically reviewing and auditing the courses NCVPS will provide
- contracting teaches to assist in course reviews
- contracting teachers to assist in course maintenance
- contracting for new course creation
- moving all the courses into a common course management system
- conducting student on-line registration
- continued marketing of the program with LEAs.

- delivering courses beginning in summer school '07 and the '07-08' school year

The State Board of Education shall develop an allotment formula for funding e-learning

During FY 2006-07, the North Carolina Virtual Public School (NCVPS) was established to consolidate virtual learning opportunities within North Carolina, to establish course quality guidelines, and to eliminate course duplication, along with several other initiatives. Critical formula variables and data collection processes were identified (and we outlined them below); however, to assure a successful implementation of NCVPS, it is recommended that the current (FY 2006-07) funding mechanism be maintained for FY 2007-08.(For the reasons outlined below)

By delaying the implementation of a new funding formula until FY 2008-09, it will allow the State Board of Education to establish the processes to implement the following formula:

1. Identify students taking on-line (NCVPS) courses:
 - a.) Isolate the percentage of the students whose basic course load is virtual
 - b.) Identify if the virtual course is in addition to the student's basic course load.
 - Design and implement software enhancements in the student information systems (NC WISE and SIMS) that will identify the students completing virtual courses (currently, a survey is the only process to gather the data).
2. Calculate FTE related to a LEA's utilization of virtual classes (based on data collection in "1" above)
 - Establish the costing model based on the specific courses selected by the NCVPS. Courses are currently being supplied primarily by 5 vendors (AMDG @ \$275, Learn NC @ \$300, Oklahoma State University @ \$389, The Web Academy @ \$400, and Virtual High School Incorporated @ \$340).
3. Establish a per FTE funding model that will redirect sufficient state Public School fund resources to support NCVPS.
 - Based on the consolidation and specific course selection, current student participation will not necessarily model future trends. The delay will allow us to monitor participation after consolidation and limited course offerings. The level of course offerings and the student participation will also enable us to project the level of teacher support necessary to successfully meet student demand.
4. Once a per FTE costing level is established, the per FTE cost will be compared to the average per ADM State appropriation. The FTE would be adjusted based on the relationship with the average per ADM State appropriation. (For example, if the sufficient number of dollars per FTE to support NCVPS is \$3,000—based on

participation—and the average per ADM State appropriation is \$5,200, each FTE equates to approximately 58% of ADM)

5. The FTE by LEA/Grade would be discounted by the percentage calculated in “4” and that number will be adjusted from the LEAs ADM (by grade). The FTE ADM will be consolidated in the State Budget (NCVPS line item) and the funding rate established in number “3” would be used to establish the NCVPS budget for the fiscal year.

During the transition year (or two) we will:

- Continue to analyze data and formulas from other States. In most successful State virtual programs, a phased in implementation (like we are doing in North Carolina) has been utilized (base funding for a few years and then transition into an average daily membership funding model).
- Work closely with the finance personnel in Cumberland County to understand/transition the funding for the Web Academy to the State.

This research is necessary to assure we can answer the policy questions this funding model raises. Such as, will the FTE be based on participation or completion? How is completion defined? How will ADM adjustment impact participation?

Respectfully Submitted,

John C Boling, PhD
Interim Director
North Carolina Virtual Public School