



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

Report to the North Carolina General Assembly

North Carolina Virtual Public School
(New Allotment Formula)

HB 2436, sec. .4a-c

SL 2009-451, sec. 7.9 (g)

Date Due: December 15, 2009
Report #: 17 (New)
DPI Chronological Schedule, 2009-2010

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Development of a Formula for North Carolina Virtual Public School

Legislation Requiring the Development of a Funding Formula

Section 7.9.(g) of Session Law 2009-451

The State Board of Education shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2009, on its implementation of this section. If the State Board of Education fails to report a new allotment formula for NCVPS to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2009, the State Treasurer, the Office of State Budget and Management, and the Office of State Controller shall prevent the expenditure of funds related to the operation of the State Board of Education.

Section 7.4 of Session Law 2008-107

The State Board of Education shall implement an allotment formula developed pursuant to Section 7.16(d) of S.L. 2006-66, for funding e-learning, effective in the 2009-2010 fiscal year. NCVPS shall be available at no cost to all students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs. The Department of Public Instruction shall communicate to local school administrative units all applicable guidelines regarding the enrollment of nonpublic school students in these courses. The State Board of Education shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2008, on its implementation of this section.

Section 7.16(d) of Session Law 2006-66

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 learning courses affects funding required for other allotments that are based on ADM.

State Board Action:

The State Board reviewed/debated numerous funding options at their September, October, and December meetings. On December 14, 2009, the Board approved the attached funding formula. The proposed plan reflects the State Board's position that the NCVPS program should not be funded from current resources in the State Public School Fund. The proposal would implement a funding formula (source to be determined) where the projected courses to be taken in FY 2010-11 (inclusive of summer courses and only for high school courses) would be multiplied by a funding factor that would generate the funding required to offer the projected courses.

North Carolina Virtual Public School (NCVPS) Funding Formula Discussion
December 14, 2009 State Board Meeting

Background: History of participation and expenditures

source: NCVPS Payroll Database/Eprocurement

Fiscal Year (by semester)	Number of Teachers	Number of Sections (Classes)	Number of Students	TEACHER PAY TOTALS	NCVPS Salaries & Operating	TOTAL NCVPS
FY 2007-2008						
Summer 2007 (avg 18 per class)	131	321	6,016			
Fall 2007	105	192	4,241			
Spring 2008	110	160	4,264	4,217,963		
Third-Party Vendors			2,058	1,100,785		
FY 2008 TOTALS	346	673	16,579	5,318,748	\$ 4,186,097.00	\$ 9,504,844.94
FY 2008-2009						
Summer 2008 (avg 23 per class)	76	113	2,619			
Fall 2008	156	236	5,590			
Spring 2009	202	333	7,372	7,178,718		
Third-Party Vendors			912	403,999		
FY 2009 TOTALS	434	682	16,493	7,582,717	\$ 2,554,773.46	\$ 10,137,490.65
FY 2009-2010 (projections)						
Summer 2009 (avg 23 per class)	226	694	7,386	1,449,300.00	Actual	
Fall 2009 and Year Long	280	964	9,862	3,343,650.00	Actual	
Year-Long 2009-10	88	264	3,020	1,208,000.00	Actual	
Spring 2010			15,000	5,250,000.00	projected	
Third-Party Vendors			470	188,000	projected	
FY 2010 TOTALS			35,738	\$ 11,438,950.00	\$ 2,702,935.00	\$ 14,141,885.00

FY 2009-10 Funding:

Continuation (previously funded)	\$ 2,702,935
Distance Learning (also continuation)	871,849
Additional Appropriation FY 2009-10	2,000,000
Transfer from Technology	6,000,000
Total	\$ 11,574,784
Additional Funding Required	\$ 2,567,101

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Funding Needed for FY 2010-11:

FY 2010-2011 (projections)	Teachers	Classes	Students	Est. Teacher Pay	Comment
Summer 2010			7,386	1,449,300.00	Hold to 2009 level
Fall 2010 and Year Long/Reserve (\$750,000)			15,000	6,000,000.00	Same as Spring 2009 - rate \$400 (up from \$350)
Year-Long 2010-11			3,926	1,570,400.00	30% increase over 2009
Spring 2010			19,500	7,800,000.00	30% increase over 2009
Third-Party Vendors			353	141,200	25% decline
NCVPS Administration				3,500,000	25% increase
FY 2010 TOTALS			46,165	\$ 16,960,900.00	

\$ 5,574,784 Continuation Funding
\$ 11,386,116 Needed Funding

Funding Model Using Projected Virtual FTE

See Notes

FY 2009-10 Allotted ADM

LEA 1 Info	LEA 2 Info	LEA 3 Info	LEA 4 Info	State Formula
22,384	8,769	592	20,990	1,464,914

Calculating Projected FTE

Step 1: Estimated 2009-10 Courses Taken

Step 2: Projected courses for 2010-11

312	498	36	1,178	35,738
533	773	55	1,804	46,165

Calculating Funding Factor

Funding Required (net Continuation)

\$ 11,386,116

Funding per Course (rounded)

\$ 247.00

Notes

Allotted Average Daily Membership (ADM) for FY 2009-10

Step 1: Number of actual courses taken in Fall 09 plus a projection of Spring 2010

Step 2: Projected using historical data of the number of NCVPS courses taken by LEA. Summer school included