Quality Assurance & Funding For Full-Time Online Schools

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iNACOL

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iNACOL
International Association for K-12 Online Learning

iNACOL

- *i*NACOL is the premier K-12 nonprofit in blended, online, and competency-based learning
- Provides leadership, advocacy, research, training, and networking with experts in K-12 online learning.
  - 4500+ members in K-12 online and blended learning in over 50 countries
  - Annual conference – iNACOL Blended and Online Learning Symposium – Palm Springs, CA on November 4-7, 2014
- "Ensure every student has access a world class education" regardless of geography, income or background.
- Our strategic areas of focus in online and blended learning:
  1. Policy
  2. Quality
  3. New Learning Models

iNACOL State Policy Principles

1. Shift to competency-based education from seat time
2. Increase access for each student and permit the entire continuum of student-centered, online and blended learning
3. Design outcomes-based accountability and funding incentives
4. Increase access to excellent, effective teachers
5. Provide room for innovation

iNACOL's Galaxy of Members

Charter Schools

3,361 Teachers & Educators

Blended Schools

Philanthropy/ Foundations

Parents

Think Tanks

International Programs

Policy Makers

State Virtual Schools

Public School Districts

Non-profit/ Associate

OER

Full-time Online Schools

Next Generation Learning Partners

Online Content Providers

Colleges & Universities

Regional Education Agencies

EMOs

Tech Tools Providers

Part-time Online Programs

Tutoring/ Services

Researchers & Evaluators

State Departments of Education

Private & Independent Schools

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Quality Assurance

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From Inputs…
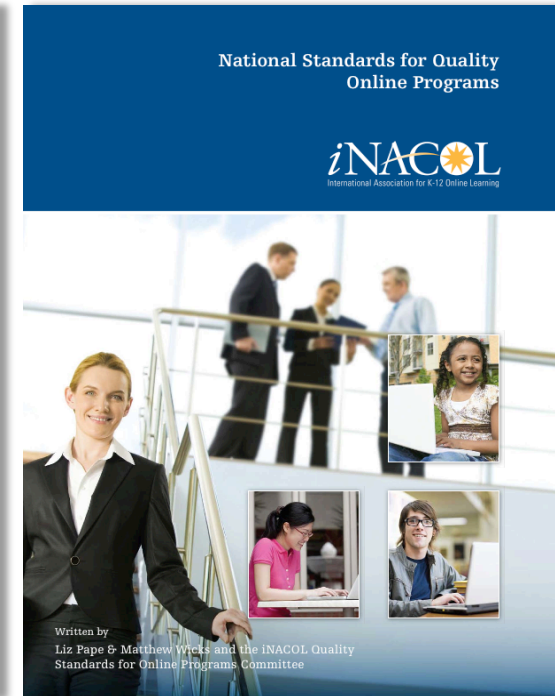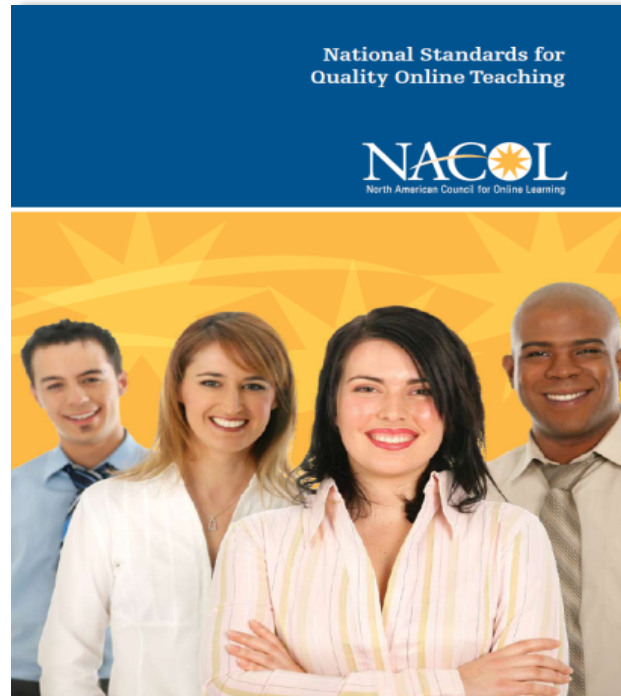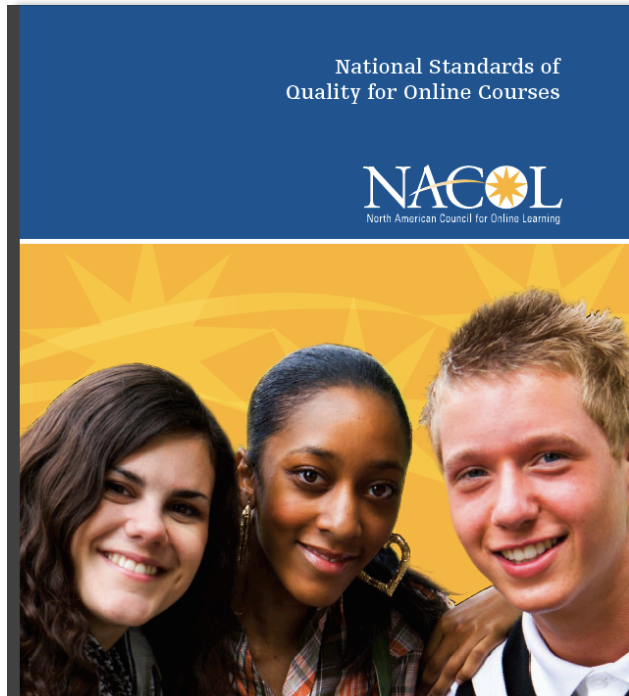# iNACOL National Quality Standards

Online Courses   Online Teaching   Online Programs

National Standards of
Quality for Online Courses

NACOL
North American Council for Online Learning

National Standards for
Quality Online Teaching

NACOL
North American Council for Online Learning

National Standards for Quality
Online Programs

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Written by
Liz Pape & Matthew Wicks and the iNACOL Quality
Standards for Online Programs Committee

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… to outcomes

Quality assurance for online schools

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Outcome Measures for Full Time Online Schools

- Proficiency
- Individual student growth along a trajectory
- Graduation rates
- College and career readiness
- Closing the achievement gap
- Fidelity to a student's academic goals

Key Funding Considerations

- What are the **costs** of quality online learning?

- How do taxpayer dollars **flow** to K-12 online learning?

- How can funding be made **sustainable** so every student who wants an online option can have it?

- How can our funding system incent **quality and equity**?

Categories of Online Schools

- State virtual schools
- Multi-district schools
- Charter schools
- Single-district programs
- Consortium programs

Differences in Responsibilities

- Supplemental
  - Do not usually grant credit or issue diplomas
  - Rarely implement IEPs
  - Primarily high school only (some middle school)
  - Part-time faculty

- Full-time
  - Must adhere to all state and federal accountability req.
  - Special needs accommodations
  - Student support services
  - Serve most or all grade levels
  - Data compilation
  - Full-time staff (benefits)
  - Student technology

State by State Variations

- Student : Teacher ratio
- Blended learning/Face-to-face experiences (size and location of facilities)
- Technology/Internet for students
- Support personnel for student services
- Personnel salaries
- Per-pupil funding (special needs students)
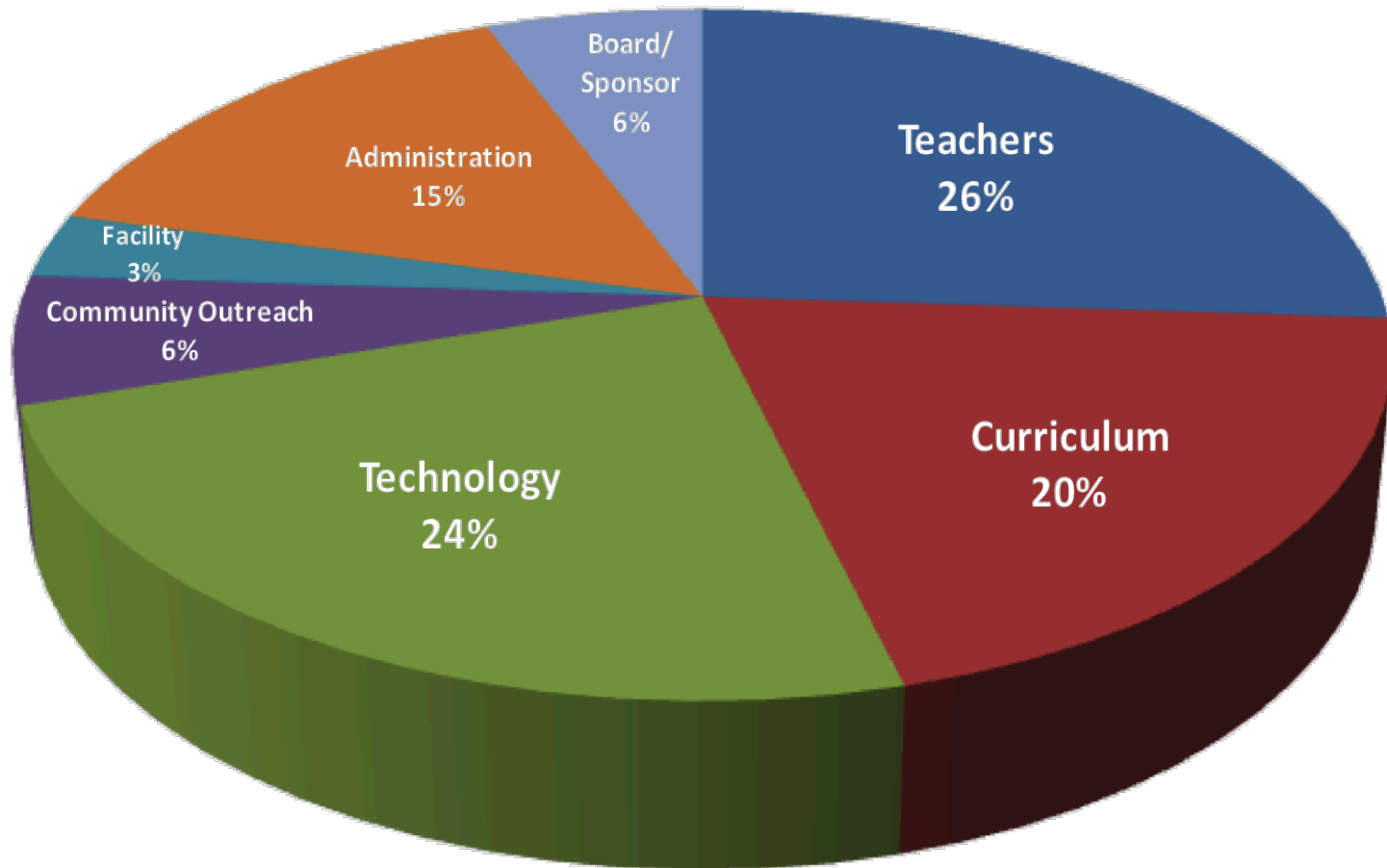
Fair and Sustainable Funding

- Independent, national studies suggest virtual school funding should be about the same as brick-and-mortar school funding. Per-pupil cost for full-time virtual schools ranged from $7,200 - $8,300 (Augenblick, Palaich and Associates, 2006)

  - savings compared to $10,000 per pupil (national average for K-12 education)

- Average funding for virtual charter schools in U.S. - $6,500 per pupil (2010)

Costing Out Results

- Base cost: $8,482
  - 93-95% of traditional model; considerations: 10% instructional salary adjustment (in), extended day (out)

- Adjustments or "weights"
  - At-risk, 20%- .10, 40%- .16, 60%- .18
  - ELL, .36
  - Special Education, .75
  - Gifted, .11
  - Weights are lower than what we usually see
    - May be due to: virtual model allows for individualized instruction that can address some need without additional resources; differences in how highest need Special Education students are and can be served

New study from APA (not yet released)

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Costs of Typical Online School

Teachers 26%
Curriculum 20%
Technology 24%
Community Outreach 6%
Facility 3%
Administration 15%
Board/Sponsor 6%

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Five Funding Models

Appropriation

Standard ADA or ADM

Full-time online student funding

Charter school funding

Independent study

FUNDING FOR ONLINE EDUCATION IN THE US

APPROPRIATION:

MOSTLY USED FOR STATE VIRTUAL SCHOOLS

+ PROS	− CONS
If a state virtual school has good political support, this can be a relatively large appropriation	Funding changes with the political winds; no tie to student numbers or outcomes, as the appropriation is a set annual amount demand often exceeds supply

FUNDING FOR ONLINE EDUCATION IN THE US

FULL-TIME ONLINE SCHOOL FUNDING:

THIS MAY OR MAY NOT BE BASED ON SEAT TIME

+ PROS

Setting a level for online students across the state makes sense

- CONS

The level is lower than for brick and mortar students; sometimes dropping to a level that is lower than most educators feel is adequate

FUNDING FOR ONLINE EDUCATION IN THE US

STANDARD ADM/ADA:

FOR DISTRICT PROGRAMS USING SUPPLEMENTAL ONLINE COURSES OR BLENDED PROGRAMS

+ PROS	- CONS
No funding difference based on delivery mode	Accounting mechanism is usually based on seat-time, not competency; that ties the programs to a variety of funding restrictions that don't make sense*

*such as limitations on when students can generate funding

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Standard ADM/ADA

- Fairfax County, VA

- Clark County School District, NV

- Idaho - Charter schools are funded based on ADA, must be accredited, reporting

- Florida Virtual "Performance-based funding model" and funding follows student

- Minnesota and Utah funding follows student down to course enrollment

- Virtual Learning Academy Charter School (NH) funding based on ADA for both FT and supplemental

STANDARD CHARTER SCHOOL FUNDING

FUNDING FOR ONLINE EDUCATION IN THE US

+ PROS

Same level as physical charter schools, which is usually higher than the level set for online schools

− CONS

Funding may vary by district, which doesn't make sense for a school that draws students from across the state

Full-Time Online School Funding Examples

- Kansas – Virtual charters may be funded at the same, lower or higher level as brick and more charters and non-charters depending on student characteristics

- Nevada - Funding follows the student. Student may enroll in another district's program with permission from local district. No permission required to enroll in virtual charter.

INDEPENDENT STUDY

FUNDING FOR ONLINE EDUCATION IN THE US

+ PROS

Funding tied to outcomes

− CONS

Sometimes requires burdensome paperwork (e.g. CA); otherwise can work well but can be hard to scale

State Funding Models for Full-Time Online Programs

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New Hampshire

- VLACS funding $3,450 ADM; $2,000 state supplement
- Competency- and performance-based
- Funding requested four times a year plus year-end reconciliation

Georgia

- Virtual charter funding approx. 2/3 that of B&M charters
- Multiple count dates; 70/30
- Online courses through GAVS capped at $250 per student
- Nine EOCs and 8th grade assessment
- Statewide longitudinal data system
- Report recommends a move to student-based funding

Arizona

- Base funding is different for charters ($4,546) vs. districts ($4,430) (#s FY 2011)
- AOI schools receive percentage of base funding
  - 85% for part-time students
  - 95% for full-time students
- Choice & funding at course level, multiple providers

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Massachusetts
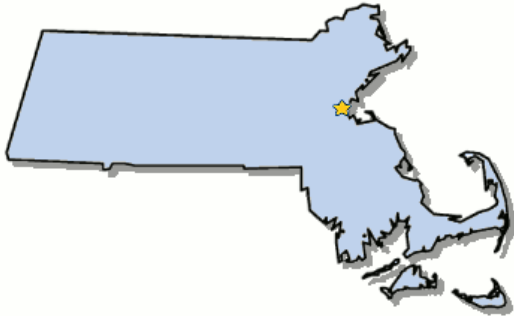
- H.4274 (2013) sets virtual school funding guidelines
- School choice tuition: 75% of the per pupil cost, up to a limit of $5,000
- H.4274 allows BESE to waive attendance requirements and allow competency-based learning
- District school boards can limit the total # of their students enrolled in virtual schools to 1%

Ohio

- eCommunity schools funded at same per pupil base formula ($5,563 in 2012)

- Formula differs from there

- Funds transferred from district allocations

- DOE ranks districts & schools by performance and spending

- iLearnOhio (supplemental) allows competency-based learning

Pennsylvania
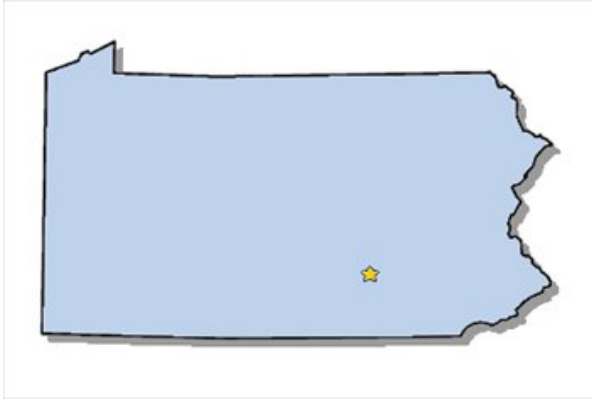
- Funding level is based on cost to educate student in resident district

- Virtual charter schools invoice the district directly

- Districts no longer receive a reimbursement from the state

Minnesota

- Funding based on completion or seat time

- 88% course funding goes to provider, 12% to local district (based on ADM)

Kansas
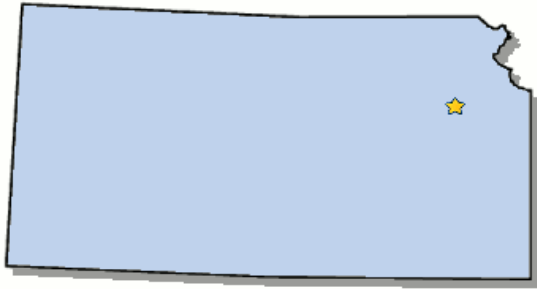
- Virtual schools multiply FTE enrollments by 105% of base funding ($3,838 in FY13)
- Funding available to PT virtual students
- Two-day virtual student count determined by an Activity Log

Louisiana – Act 2, 2013-14

- School Performance Scores determine student access and funding.
  - Students attending schools graded C, D, and F and students attending A and B schools where there are no equivalent course offerings will have the right to enroll in any course and have the funding paid for out of each LEA's MFP

LaDOE will pay:

- 10% of MFP funding to resident district for admin
- Remaining funding distributed to the provider: 50% upon the student's beginning of the course, and 50% upon completion

Performance-Based Funding

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Completion-based vs performance based

- Completion is a preliminary form of performance-based

- Performance-based funding requires external validation of outcomes, rather than grades (subjective)

- Example: statewide end of course exams

Performance-Based Funding Model

- Must start with equitable funding base.
- Full-time base cost: 93-95% ($8482/pupil)
- 5-9% performance incentive
  - Adjustments or "weights" for at-risk, ELL, special education, and gifted studentsAt-risk, 20%- .10, 40%- .16, 60%- .18
  - ELL, .36
  - Special Education, .75
  - Gifted, .11
  - Weights are lower than what we usually see
    - May be due to: virtual model allows for individualized instruction that can address some need without additional resources; differences in how highest need Special Education students are and can be served

States With Completion-Based Funding

- **Utah** - Provider receives 50% (25% per .5 credit) after the withdrawal period and the remaining 50% upon credit earned.

- **Louisiana** - Online course providers receive 50% upon the student's beginning of the course and 50% upon successful completion.

- **Florida** - Funding for courses with end-of-course (EOC) exams will be performance-based for both brick-and-mortar and virtual schools beginning in the fourth year of EOC implementation; the first course will be Algebra 1 in 2013-14.

- **New Hampshire** – VLACS (state virtual school) funding is based on course completion for both full-time and supplemental enrollments.

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States With Completion-Based Funding

- **Texas** - State funding to the home district for courses taken through the Texas Virtual School Network (TxVSN) is based on a student's successful completion; 70% of the payment by the student's home district to the TxVSN provider is earned for students in the course after the withdrawal period; the remaining 30% is earned upon student's successful completion and credit earned.

- **Minnesota** - Supplemental course funding is based on course completion; 88% of per course funding goes to provider, 12% to local district (based on ADM)

Necessary conditions/challenges

- Robust data systems
- Independent assessments of growth (iNACOL Quality Assurance metrics)
- Measurable growth through student learning outcomes
- Supportive policy environment

Q & A

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http://www.inacol.org
http://www.competencyworks.org

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Virtual School Funding Report

- Bell south Foundation, Fall 2006

- "20/20 Costs and Funding Virtual Programs"

- http://www.apaconsulting.net/uploads/reports/9.pdf

Other State Funding Model Examples

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Colorado

- A minimum level of funding is set and adjusted upward based on a number of factors for brick-and-mortar districts (state minimum for most students)
- Average is $6,487
- Limited to 1.0 FTE per students; may be split in half but not into smaller units
- Must be certified by the CDE
- Must adhere to quality standards

Michigan

- Proposed bill would establish performance-based funding for all courses AND MVS pilot to test funding based on student performance for online courses
- Two virtual charter schools operating statewide in SY 2012-13
- Cap on the number of virtual charters raised significantly (effective March 2013)
- Enrollment cap raised significantly (2012)
- Virtual charter schools receive same funding level as other charter schools

Utah

- Funding follows the student down to the course level for supplemental courses
- Funding is based upon successful completion: provider receives 50% after the withdrawal period and 50% upon credit earned
- Virtual charters are authorized to offer supplemental courses statewide
- Subject mastery replaces seat time requirements

Florida

- All school districts are required to provide full-time and supplemental online options for students grades K-12
  - Created confusion and inefficiencies across state
- Full-time online students are funded at same rate as face-to-face students, but only receive funding upon successful completion
- Coming soon: in courses with end-of-course exams, students must pass EOC to generate completion funding (online and brick-and-mortar)

Washington

- All online programs currently run by districts must be approved by the state (even single-district providers as of 2013-14)

- New charter law (November 2012) that could change landscape

- Most online programs identify as Alternative Learning Experiences (ALE)
  - Allows students learn away from school (no seat-time requirements)
  - ESHB2065: 15% overall cut to ALE funding

Texas

- Full-time for grades 3-12
- Equivalent to state funding for a full-time student enrolled in a traditional classroom
- Based on successful program completion
- 70% of student course-level funding given to provider after withdrawal period; remaining 30% when student completes course
- TxVSN – Quality Control

Indiana

- Eight full-time virtual or blended schools operating in SY 2012-13

- Students are funded at 87.5% of ADM (up from 80%) plus any applicable special education grants

- 60% of students in virtual charters must have been enrolled in public school previous year

South Carolina

- Funded by the same formula applied to all charter schools in the state

- Other 25% - Regular instructional opportunities in real time that are directly related to the school's curricular objectives (field trips, teacher meetings, etc.)

- Base amount of support, try to supplement it with other funds (with state of economy, not able to appropriate funds as this is not in funding formula)

- Courses approved by State DOE, proctored Assessments, frequent monitoring

Wisconsin Funding

- Wisconsin Legislature passed a law (2008) enabling virtual charter schools without modifying the funding which, at the time, was slightly below the national average of $6,500 (are at about $6,700 now)

- An audit by the Legislative Audit Bureau showed that overall the state's virtual charter school costs were reasonable and the funding they received were in line with their costs

- Enrollment cap lifted (2011), but the original cap of 5,250 has still not been reached

- 28 virtual charters authorized to operate in SY 2012-13

Wisconsin Governance

- Teacher must complete at least 30 hours of professional development to be able to teach online

- If a student fails to respond appropriately to teacher within 5 school days, school must notify family

- Student fails to participate 3 times in semester, may be transferred to another school

- Teachers required to be available minimum number of hours depending on grade level and must respond to students and parents within 24 hours

- Required to report to students' resident districts the students who will be attending the charter school, in June prior to the school year