



MEMORANDUM

To: Members, Joint Education Interim Committee
State Superintendent Jim McBride

From: Lawrence O. Picus, Allan Odden and Mike Goetz

RE: **Virtual Schools Funding Issues**

Date: October 12, 2006

Copies: Allan Odden and Mike Goetz

The purpose of this memo is to provide our recommendations for virtual schools and distance education. The memo begins with background material and then provides our recommendation for funding virtual schools.

Background

There is a growing interest in providing some educational programs through virtual school programs in Wyoming. At least one school district (Campbell County #1) has begun developing a virtual school and is seeking funding within the Wyoming School Funding Model for development and operation of such a school. The issue is timely both because of the district's interest in doing this and because it currently enrolls a number of students in such a program with some (if not all) of the content provided through K-12 Learning, Inc.

Virtual schools are a logical extension of educational programs in Wyoming given the long distances and sparse population throughout much of the state. Providing on-line instruction for some – or even all – of a student's program appears to be an attractive and potentially cost effective way for schools to improve student performance over time.

While there are a number of issues that need to be considered, the WDE has made a number of policy recommendations that help shrink the potential options. Specifically, WDE has recommended that funding for children in virtual schools go to the district where the student resides. They recommend that any fees paid (to other school districts or private vendors) for distance learning programs be paid for by the home district out of the funds received for that student. The WDE has also proposed that the resident district insure that each child enrolled in a

virtual school have regular access to a certified teacher in their home district. We would also recommend that the home district be held accountable for a student's academic performance.

Recommendation

Given the above discussion, our recommendation for funding is to make it as simple and straightforward as possible. Lawrence O. Picus and Associates concludes that, given the Department's above recommendations, funding all students who participate in virtual schools should be provided through their home resident district, counting them as enrolled in the resident school they would normally attend under district policy.

The funding each student generates is therefore a function of the school to which they would normally be assigned. If a student were to participate in distance or virtual learning for half a school day and be home schooled for half the school day, they would be counted as half an ADM for the purposes of funding the model. If they participated in virtual learning half day and attended their home school the other half, they would count as a full ADM. We assume no student could be counted as more than 1.0 ADM.

The home district would arrange to contract with the provider of virtual education for each child and use its revenues to pay for that program. It would be up to the purchasing district and the providing vendor or district to agree upon an appropriate fee for the virtual services. The student's home district would then be accountable for the student's performance on PAWS.

At the present time, Wyoming provides a \$500 per ADM incentive to school districts that provide distance education for students. This revenue goes to the district that provides the distance education. We recommend ending the \$500 incentive under the assumption that the funding provided to home districts provides adequate revenues to both pay the distance or virtual school fees, and provide resources for qualified teachers in the home district to develop an Individual Learning Plan and meet periodically with students who are enrolled in virtual or distance programs.

A number of policy questions remain under this scenario:

- Who are eligible virtual education providers?
 - Other districts?
 - Private organizations?
 - Districts in other states?
- Can students attend "hybrid" programs that are part regular school and part virtual?
- Can students enroll in multiple virtual programs to meet specific learning goals or needs?
- Within the home district is AYP measured at the student's resident school? Or at a "virtual" school consisting of all the students who take virtual programs?
- Does the WDE (or some other organization) have to approve eligible virtual programs?
- Is there a concern that districts will move to virtual programs at the expense of regular programs?

This approach to funding students who are enrolled in virtual schools is relatively straightforward to program into the Wyoming School Funding Model. A student is counted as some fraction (up to 1.0) of an ADM at their home school and funding is generated through the model as it currently is generated. The district would then use that funding to pay for the costs associated with the virtual component of the student's educational program.