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EVIDENCE BASED EDUCATION REQUEST DESK

OUR GOAL
To assist educators and policymakers in their efforts to apply the evidence base to decisions about policies, programs, and practices they encounter.

Greensboro

REQUEST:

Would anyone in your network be aware of any states that might provide differentiated funding for virtual programs based on the model used—for example, curriculum-in-a-box vs. one with high student-teacher interaction? Are you aware of any research that examines what factors to consider when developing this type of differentiated funding?

RESPONSE

REL-SE staff searched the websites of the Education Commission of the States (www.ecs.org) and The International Association for K–12 Online Learning (http://www.inacol.org/). Google—"virtual school" and "funding"; "virtual school" and "differentiated funding." The most relevant resources found were:

- Watson, J., Murin, A., Vashaw, L., Gemin, B., & Rapp, C. (2010). *Keeping pace with K–12 online learning: An annual review of state-level policy and practice.* Evergreen, CO: Evergreen Education Group. (http://www.kpk12.com/wp-content/uploads/KeepingPaceK12_2010.pdf).

- The International Association for K–12 Online Learning website. *How to start an online program: A practical guide to key issues and policies. Funding.* (http://www.onlineprogramhowto.org/funding/)
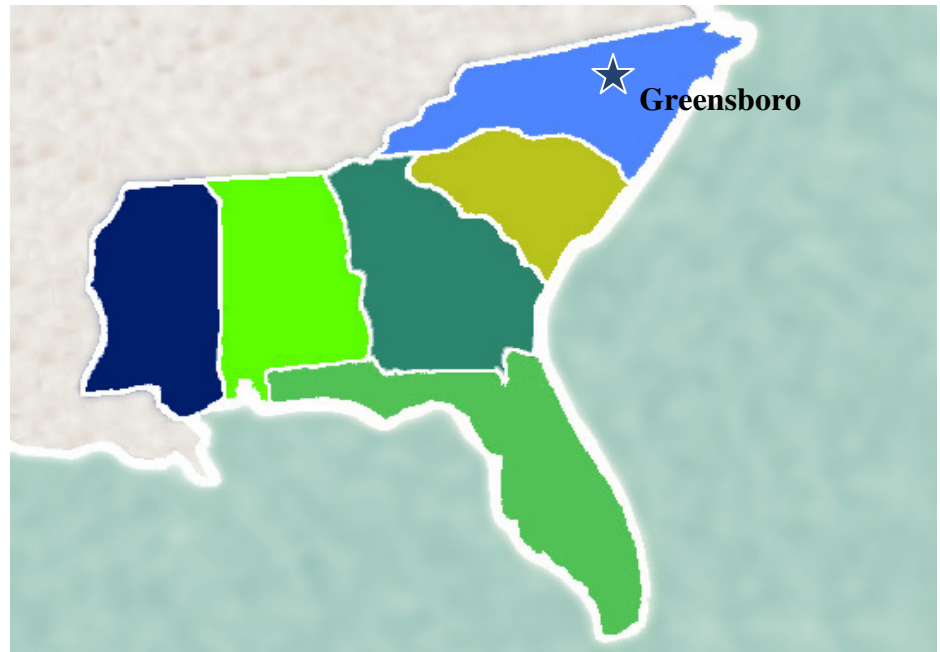
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REQUEST #791

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Table: Differentiated funding for virtual programs

State	Funding details
Alaska	"Districts receive 80% of the standard per pupil funding for all students served in a [online] correspondence program."
Arizona	"Online schools receive funding at 85% of the normal base support level for part-time students and 95% of the normal base support level for full-time students."
California	"For online courses in a classroom setting, in which students are under the 'immediate supervision and control' of a teacher, regular average daily attendance funding applied through the provisions of AB294.66 That law sunsetted in 2007, and no new law

	has passed in its place. For online courses not offered in a classroom setting, independent study attendance accounting applies."
Colorado	"Per-pupil revenue (PPR), an FTE funding model that sets a minimum level of funding and is adjusted upward based on a number of factors for brick-and-mortar districts, remains at the state minimum for most online students. Funding is limited to 1.0 FTE per student and may be split in half but not into smaller units."
Florida	"• The School District Virtual Instruction Program (K–12) is funded through the Florida Education Finance Program (FEFP) based on successful completions. For grades K–5 students this is based on grade promotion. Districts receive the FEFP funding for each student and may negotiate with virtual instruction providers for a cost at a rate less than the per-pupil funding. • For Florida Virtual School, per student funding was cut by approximately 10%, including class size funding, for 2009–10, to $469 per semester course for a total of $101.3 million. Funding for 2010–11 will decrease per student to $432 per semester course for a total of $116.7 million. FLVS will still receive an 11.4% add-on to FTE funding to account for students who do not complete their courses, but only for public school students."
Georgia	"The amount that GAVS [Georgia Virtual School] receives per course segment varies from one district to the next, based on the funding formula for each district. Districts receive $25 per course segment to defer administrative costs. School districts can choose to disallow a local student from taking a GAVS course under this funding formula. While such a policy can suppress the district's incentive to encourage online learning as an option, current law in Georgia only allows students to take one online course per semester, or a total of two courses per school year anyway."
Kansas	"Online students receive FTE funding, with the following requirements: • SB669 sets a rate for online student funding of 105% of the base rate in the state, addressing the inequity that previously existed with online students receiving different levels of funding. "In addition, virtual schools would receive a non-proficient weighting of 25 percent multiplied by the FTE enrollment of non-proficient pupils in an approved at-risk program…." • The law encourages Advanced Placement enrollment by funding an additional 8% of the BSAPP paid to virtual schools for each pupil enrolled in at least one Advanced Placement course, with some restrictions."
Maryland	"Students may take a course through MVS only with the permission of the local system and the school principal. MVS is funded largely through course fees paid by school districts that cover the cost of the content and instructor, and range from $15 per student per course for districts that simply want to use a course that MSDE owns or leases, up to $800 for courses that include a highly qualified instructor provided through MVS. The average fee is $450–$600."
Ohio	"The Online Learning Credit Recovery Task Force is a state-level committee formed to propose policy on providing online learning for credit recovery in conjunction with alternative learning centers that would be funded at an additional 20% beyond the normal average daily membership (ADM) for students who meet criteria that put them at-risk for graduation. The additional

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	funding must be earned by the student in a certified alternative learning center (ALC) or program. If online learning courses are used, there must be 20% contact time (face-to-face) with an ALC teacher, and the course must be reported through an ALC as independent study."
Minnesota	"Effective FY 2006, Minnesota provides general education revenue for online students. For students taking online courses from the district in which they are enrolled, funding is the same as if the students were taking all their courses in physical classrooms. For students taking supplemental online courses from outside their enrolling district, the online learning program receives basic revenue for 88% of one-twelfth of an Average Daily Membership (ADM) per completed semester course, weighted based on grade level. The other 12% goes to the student's enrolling district and generates general education revenue unless the student's total ADM has exceeded 1.0 (1.2 for students enrolled in learning year programs)."
Missouri	"Legislation passed in 2009 eliminated seat-time requirements for virtual education classes offered by a Missouri School District and allowed districts to collect state funds. SB291 states 'for purposes of calculation and distribution of funding, attendance of a student enrolled in a district virtual class will equal, upon course completion, ninety-four percent of the hours of attendance for such class delivered in the non-virtual program.'"
New Hampshire	"Funding for online students follows the student from the resident district to the open-enrollment district; '…pupil's resident district shall pay to such school an amount equal to not less than 80 percent of that district's average cost per pupil as determined by the department of education….'"
New York	"Student courses are now funded by an enrollment fee paid by districts and by course fees. Districts that meet certain state requirements then receive aid back from the state in the following fiscal year, ranging from 50–75% of the amount paid."

Source: Watson, J., Murin, A., Vashaw, L., Gemin, B., Rapp, C. (2010). *Keeping Pace with K–12 Online Learning: An Annual Review of State-Level Policy and Practice.* Evergreen, CO: Evergreen Education Group. (http://www.kpk12.com/wp-content/uploads/KeepingPaceK12_2010.pdf).

<u>Factors to consider</u>

From *How to start an online program: A practical guide to key issues and policies. Funding. State Virtual Schools.* (http://www.onlineprogramhowto.org/funding/state-virtual-schools/):

"Policy Considerations

There are several policy issues that states must address with regard to students taking courses through their state virtual school. Though these issues are most relevant to a formula-based funding approach, they can have implication for other funding approaches as well.

1. **Division of Funding**: Since state virtual schools are generally supplemental programs, most students taking courses through the state virtual school will also be taking courses through a traditional school. When determining the funding mechanism, the state must determine if the student's local school will continue to receive 100% of the funding associated with that student or if some of that funding will be redirected to the state virtual school.
2. **Location of Student**: In order to generate state funding for a traditional school, students generally must be physically present and under the supervision of a school staff member. For online learning, students are able to take their class from a variety of locations including their home. However in some states, the student must still be physically present at the school in order to be counted in the funding formula."

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We provide research based information on educational initiatives happening nationally and regionally. The EBE Request Desk is currently taking requests for:

- Research on a particular topic
- Information on the evidence base for curriculum interventions or professional development programs
- Information on large, sponsored research projects
- Information on southeastern state policies and programs

For more information or to make a request, contact:
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