



## Authorizing Online Learning

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Viewpoint is a series of articles written by leaders in charter school authorizing and the education reform movement. The series is meant to foster thoughtful discussion and idea exchange on current topics and emerging trends in the sector. The views, opinions, and recommendations expressed in these articles are those of the author and do not necessarily reflect the official policy or position of the National Association of Charter School Authorizers.

### INTRODUCTION

During this decade, American education will shift from print to digital, from flat and sequential content to engaging and adaptive, and from batch processing to personalized learning. There will also be a slow enrollment shift from traditional district-operated schools to schools and programs operated by organizations authorized under contracts or charter.

As chief executive officer and chair of the International Association for K–12 Online Learning (iNACOL), we believe that one of the most important drivers of this historic shift is online learning. It is growing by more than 40 percent annually and creating new full- and part-time options for students and families. This paper refers specifically to online schools where instruction is delivered remotely by live teachers on a full- and part-time basis, also known as virtual or cyber learning.

In many states, online learning began as a state-sponsored program with dedicated line item funding that became unsustainable with growth (because students were being double funded). To provide scalable, quality full- and part-time options, more than half of the states have authorized statewide charter or contract schools.

However, most charter school legislation was drafted in the early 1990s and did not contemplate online opportunities. This paper deals with the three key questions that state policymakers and authorizers need to answer: Who will operate and authorize online schools? How will students be enrolled? And how will they be funded? It concludes with advice on innovation and quality in online learning.

### Operating and Authorizing Online Schools

All students statewide should have access to online learning on a full- or part-time basis. To extend opportunity and avoid geographic limitations, we believe that authorizing for online learning should be a state function, performed by either the state department of education, a university, or a statewide Independent Charter Board.

The authorizer should be well versed in the aspects of authorizing online-learning charter schools and should be committed to supporting a growing, high-quality charter sector in their state.

The state should not limit the number of operators. Charter approval should be based on a clear set of criteria with a focus on performance outcomes.

States should not limit online learning by geography (district or county). Some states will need to modify laws that do not allow schools to conduct multi-campus instruction. The delivery model of online learning is designed to level the playing field for all students regardless of geography. For these reasons, virtual schools are better authorized on a statewide basis rather than locally.

Online learning is rapidly evolving. In addition to virtual schools, it is increasingly being incorporated into traditional settings that blend the best of online and face-to-face learning. Given the dynamic context, states should not attempt to prescribe teacher roles. Online and blended learning schools often use different staffing models that make traditional class size limits obsolete. Differentiated (different levels) and distributed (different locations) staffing leverages effective teachers across a larger number of students.

If certification is required, it should be performance-based with full reciprocity across states. The National Online Teacher of the Year, Teresa Dove, works for Florida Virtual School but lives in Virginia; Florida's teacher licensure reciprocity law made that possible.

We appreciate the concern for quality instruction, but the rush to add certification requirements for online instruction runs the risk of raising unnecessary barriers to teaching. Instead, provisions such as Wisconsin's Act 222 that require 30 hours of training before teaching online are reasonable without being excessive.

We believe Open Education Resources (OER) including free content and applications will be used widely and productively in online and blended learning. Creative Commons licensing makes free reuse with modification and attribution possible and increasingly widespread. But we also recognize the historical lack of R&D spending in education and the need for focused private-sector capital to produce and scale innovation. States are welcome to encourage OER use and can limit the use of specific grants to producing and sharing open content. However, states should respect the intellectual property of nonprofit and for-profit operators.

### **Enrollment in Online Schools**

Students and families should have a variety of educational options with no district limitations, no geographic limits, and no enrollment caps.

Online schools should be allowed to enroll all students regardless of their educational experience. Parents should be the final arbiters of educational choice.

Unfortunately, benign-sounding exit approvals and well-intentioned individual learning plans are used to actively discourage or become barriers to choices outside a student's home school district, often with more interest in budget impact than student success.

In Arkansas, state policy limits the enrollment per online school to 500 students, and there is a waiting list of thousands of students interested in enrolling.

Small windows for open enrollment also limit when a student may enter an online program. Online learning enables personalization and competency-based progress, so enrollment should be available on a rolling basis and not limited to a narrow window.

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### **Funding Online Learning**

Virtual schools should be recognized as Local Education Agencies (LEA) in state funding formulas.

Learning online full time may provide cost savings of 10–15 percent over traditional schools given reduced need for facilities, transportation, and administration. Individual course offerings may provide even greater cost savings. The average annual cost in 2010 for per pupil funding in online learning programs is estimated at \$6,500—less than traditional schools in the states where online learning has significant penetration.

While opening enrollment to students not previously enrolled in public education may be a small budget risk, the savings from shifting currently enrolled students to online and blended environments should more than offset any budget increases.

In states with full equalization and a high proportion of state funding, the state may be able to fully fund online school enrollments without a local contribution.

Other states that rely more heavily on local funding could use online learning as an opportunity to construct a new funding system that is more focused on student need than community wealth, and one that promotes achievement and completion. In the absence of an equalized and weighted system, states should fund virtual schools at no less than 85 percent of the state average.

To facilitate choice to the course level, fractional funding should follow the student to the best educational option. Choice to the course allows students to assemble a transcript from multiple providers, ensuring quality and personalization. Regardless of where they live, students should have full access to opportunities including advanced math, foreign languages, and college credit.

There are three states that provide funding for online learning at the course level. In Florida, this model of full-time equivalent fractional funding allows the public education funding to follow the student enrollment in individual courses for courses taken at the Florida Virtual School, and the funding is performance based. This requires the student to demonstrate competency and successfully complete the course for the Florida Virtual School to receive the full funding for the student enrollment. Another example is Minnesota, where a student may take courses in a given semester from a district school or magnet schools, as well as online programs. As long as the state has authorized the schools, student choice is optimized to the course level as the funding follows the student to each course enrollment. Earlier this year, Utah became the third state to fund choice to the course level.

To support part-time enrollment, states should facilitate a chargeback system that encourages completion and achievement. The Florida Virtual School payment system that is entirely completion based has obvious benefits, but a state that wanted to encourage multiple providers would exclude new small operators that could not wait six months for funding. Monthly progress payments with a portion withheld for completion and achievement would balance the interests in multiple providers and performance incentives.

Students should select a primary provider to manage their transcript, grant credits, provide guidance, support Internet access, and facilitate payments to other providers. The primary provider should receive a small portion of the enrollment funds for this function.

States may find it advantageous to negotiate with providers for single course pricing assuming that primary providers support Internet access needs. States should ensure that every student has access to a full catalog of foreign language, Advanced Placement, high-level STEM, and dual-enrollment courses. It is quite likely that an expanded array of courses with consistent high quality could be offered to students for less than it costs districts to offer them. States and the districts could share the benefit.

As an example of aggregating buying power, the State of Arizona restructured its statewide contracts to aggregate the agency's \$100 million buying power for telecommunications services, called the Telecommunications Open Partnerships of Arizona (TOPAZ). The purpose was to enable all state agencies, localities, schools, and libraries to purchase pre-negotiated rates on a range of telecommunications and Internet services, resulting in dramatic cost savings and improve access statewide.

### Innovation in Online Schools

Today's accountability models are time based and presume age cohorts in lockstep. Schools are funded based on seat time; if a student fails, he or she repeats an entire year. Current funding and accountability systems actually create a disincentive for accelerated progress.

Students should be encouraged to go as far and as fast as they can. Schools should be rewarded for accelerating student progress. States should create innovation spaces for competency-based models, where funding follows the student and is outcomes based. Online learning, credit recovery, and blended school models offer innovation spaces for converting the system to student-centered models.

Competency-based funding models would create incentives for schools that help struggling students to accelerate progress. For example, if a student was two years behind 'normal progress,' his or her primary provider could be paid a bonus over the normal per pupil rate if the student caught up.

Online and blended school models can provide access for every student in America to the best education and best teachers available—no matter where they live. Authorizers and policymakers can help by clearing barriers that prevent all students from achieving their best. For more on competency-based learning see:

“Clearing the Path: Creating Innovation Space for Serving Over-Age, Under-Credited Students in Competency-Based Pathways”

<http://www.inacol.org/research/docs/ClearingthePathReportJan2011.pdf>

“Cracking the Code: Synchronizing Policy and Practice for Performance-Based Learning”

[http://www.inacol.org/research/competency/index.php#cracking\\_the\\_code](http://www.inacol.org/research/competency/index.php#cracking_the_code)

“It's Not A Matter of Time: Highlights from the 2011 Competency-based Learning Summit”

<http://www.inacol.org/research/competency/index.php>

“When Success is the Only Option: Designing Competency-Based Pathways for Next Generation Learning”

[http://www.inacol.org/research/competency/docs/iNACOL\\_SuccessOnlyOption\\_ExecSumm011111-lr.pdf](http://www.inacol.org/research/competency/docs/iNACOL_SuccessOnlyOption_ExecSumm011111-lr.pdf)

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### **Quality Online**

Authorizers play a critical role in ensuring the quality of online offerings, beginning with a comprehensive review of proposed providers, including their curriculum, staffing patterns, instruction, assessment, use of data, student supports, and student outcomes. iNACOL is updating provider quality standards that will be useful in setting a high bar for these reviews.

Authorizers also may want to encourage and monitor the development of a system of user feedback. Online learning is a great place to pilot student and parent feedback systems that could be used eventually across all schools.

Online learning is also a great place to pilot on-demand end of course exams, growth models, and value-added metrics, particularly for part-time enrollments.

Non-renewal of underperforming operators is the most important act that an authorizer can take. However, accountability metrics and funding systems should recognize and reward efforts to serve over-aged and under-credited students.

### **CONCLUSION**

Learning online should be part of every student's K–12 experience. This paper has recommended multiple statewide, authorized, full- and part-time online learning providers and choice to the course level for students. Authorizers play a critical role in reviewing and approving quality statewide learning options. Given the potential to increase options and reduce costs, statewide authorizers should be funded to adequately support robust authorization and monitoring services.