

Committee Meeting

of

JOINT COMMITTEE ON THE PUBLIC SCHOOLS

*"Testimony on virtual/blended learning with
presenters from various education organizations"*

LOCATION: Committee Room 16
State House Annex
Trenton, New Jersey

DATE: December 5, 2012
11:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblywoman Connie Wagner, Co-Chair
Senator M. Teresa Ruiz
Assemblyman Ruben J. Ramos Jr.
Assemblyman Benjie E. Wimberly
Assemblywoman Betty Lou DeCroce



ALSO PRESENT:

Melanie M. Schulz
Executive Director

Meeting Recorded and Transcribed by
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ASSEMBLYWOMAN CONNIE WAGNER (Co-Chair):

Good morning, everyone.

I'd like to call the meeting to order, so let's please rise for the Pledge of Allegiance. (audience recites Pledge of Allegiance)

Good morning, everyone.

I know that those of you out there are looking up here and saying, "Wow, there's a few vacant seats." Yes, there are a few vacant seats. That's because the Budget Committee is meeting. Just to let you know, we scheduled first. (laughter) But we understand that there are some pressing problems in New Jersey that need to be handled, therefore they are meeting. But several of the Committee members will be coming in and out, and we'll be sitting here listening to the testimony today.

So this is a continuation of our hearing on online, virtual learning. And we decided to break this up into four segments. Our first segment was held way back on September 12, the warm days of early fall. And that's where we decided to define virtual learning and online learning.

I, for one, had to understand what it is. But other than defining it, our second meeting was a visit to Merit Prep and Newark Prep Charter School. And we had several people who attended that. Senator Ruiz, Senator Rice, Senator Thompson were there, along with myself. And we had an opportunity to view the learning that was taking place. And since I do have Dr. Fuller here from Newark Prep, I have to say that I did like what I did see that day. And there was genuine enthusiasm from the students and from the faculty. And it was good. But that was way back in October. And as I said to Dr. Fuller, I probably have to go back in again to see what's going on, because there are a few questions that I have and a

little bit more reading since then. So I think that Dr. Fuller today will probably be able to answer some of my questions.

And what I want people to understand is that the purpose of this meeting is to understand it and to see if legislators need to get involved or not, to see if there is a need for legislation. We know that in some states -- I'm not so sure that they have approached this in the right way. So if New Jersey is going to see how online and virtual learning can be a part of our educational program, we need to see how and if we need to be involved. Because we cannot have New Jersey make any mistakes. We're doing well. We need to continue to go forward. And I think with input from everybody we can strike a balance and see how it can be used to assist teachers and help our students. So that's the purpose of this.

This is the third part of the meeting. We have people from many organizations here to testify. And then we will be having a fourth session where people are just free to come in and give their opinions. And that will be held some time in February. And I'm sure that-- Hopefully we don't get preempted by a Budget Committee at that point. (laughter)

So we're going to begin today. My first person I'd like to call up is Dr. Richard Bozza, Executive Director of the NJASA.

Welcome.

RICHARD G. BOZZA, Ed.D.: Good morning.

Thanks for introducing me. I'm Rich Bozza. I'm the Executive Director for the New Jersey Association of School Administrators. We're a group of school leaders from the 21 counties, representing school superintendents, central offices, and other administrators. And our focus at NJASA is helping to build great schools throughout New Jersey through

support of those educational leaders, training, and sharing of best practices and information.

In 2007, our group had put together a vision statement, and we called it *New Jersey's Vision for World-Class Schools for a Global Economy*. It was a call to action at that time. We outlined eight factors that we thought were important in establishing world-class schools in New Jersey. And of those eight factors, one was about learning time to accommodate different learning rates and learning styles of children. And second was about the facilities and infrastructure to support and accommodate positive learning environments, including the advances in technologies that we all saw coming and continue to see.

Needless to say, we see technology advancing at dizzying rates. And it's important to understand, however, that there is not just one area to having effective schools for children in New Jersey, but clearly entering and taking advantage of this new digital learning environment is particularly an important one.

Another is establishing learning standards. We see a national movement in this regard, where New Jersey is involved in adopting the Common Core State Standards. And along with those standards we see new assessments that are coming, standards being assessed through technology. And we, in New Jersey, belong to PARCC, which is the Partnership for the Assessment of Readiness for College and Careers. It has about 24 states involved with it. There is another group called Smarter Balanced Assessment Consortium which has another 22. And that presents a lot of challenges already, as well as opportunities to get information much more frequently -- but also interesting discussions about the kinds of tools

that will be used to be able to get access, providing bandwidth to children to be assessed. So we're looking at technology in a lot of ways.

And as we talk about accountability throughout the nation and certainly here in New Jersey -- not just from students, but from teachers, principals, and other school leaders -- we're starting to see the use of technology, and observations, and gathering data so we can start to look at things differently than we have in the past.

And I think that's all going to lead to some organizational transformation, another area that we're looking at. Because if we're going to move away from what has often been called the *factory model of education*, we need to be looking toward the future. And I will talk a little bit about that shortly.

Now, we will reexamine, this coming year -- 2013 -- our vision statement and update it. Clearly, online and blended learning will receive an even closer examination. Earlier this year -- just a scant few days after your first hearing -- NJASA held two very important events on September 19. In the morning we had the second convocation with our Commissioner, Commissioner Cerf, in which we brought superintendents from around the state to talk with him and his staff about his vision for teaching and learning in New Jersey and the role of school leaders in that. And that was the second time we had done that in nine months.

But directly in this area, in the afternoon we had a summit for introducing and talking about online and blended learning. And we invited educators from around the state that day. And we focused on a number of areas. We had partners in that presentation. K12 Incorporated, Intel,

Microsoft were partners who wanted to bring, with us, information to school leaders around the state.

And so not unlike some of your agenda, we took a look at national and international perspectives for online learning. Challenges in a number of areas -- online curriculum, assessment, professional development, funding, policy issues. We introduced, from Microsoft and Intel, some free tools that would assist schools in looking at online and blended learning. And we had a panel that focused on: How do we create educator capacity to undertake and to provide new opportunities for students?

Now we'll be building on this first opportunity to begin to talk about this with school leaders throughout the state when, in January, we will survey all school superintendents in the state about their current practices in online and blended learning, and also what they would like to see in the not-too-distant future in this area. So we think that's going to be an important step. And we are hopeful in our vision of becoming a thought leader at NJASA and providing information to schools; potentially providing access at low cost and different kinds of opportunities that we hear from our members throughout the state -- to training educators and accelerating the opportunities that are presented in what Secretary Duncan has called *personalizing education*. So we're going to look at that and try to be of service to our school districts, potentially saving them money and being able to quantify districts together, if we can, for services that they would choose to select.

And so whether these be opportunities for students to take credit recovery, or start new courses, or get tutoring, or explore areas that they may not have available to them now, we will learn from our

superintendents what their needs are. We will try to provide the opportunities to them, as our role is, again, providing great training and opportunities for the leaders and the students themselves.

A significant factor in January for us as well is, we will be conducting, on the last day of January and the first of February, for the 18th year, a technology conference that we call TECHSPO. For nearly two decades NJASA has been bringing together incredible keynote speakers, as well as practitioners in the schools, sharing with others what they are doing with technology, from administrative applications to instruction. And so we had nearly 1,000 people attend that conference last year. And so people recognize that this is a place to be to learn about services, about ideas from there -- presenters from-- And we require that our presenters be people in classrooms and schools in New Jersey so that they can share that information. And as you can see from the attendance, we get an incredible, incredible response to that.

Another area that we are seeking to work with in trying to provide education to members is, we've been working with the New Jersey School Boards Association and with the Education Information Resource Center to release, hopefully in the next few months, opportunities for staff training with regard to online opportunities for training for harassment, intimidation, and bullying. It's certainly been a very key piece. And we feel as though there is a whole category of folks who can be reached, particularly those folks who are in support positions -- the bus drivers, the secretaries, the cafeteria workers -- to learn just on their own time. And so we're trying to, again, lead by example -- and certainly there are other providers who do this -- but to respond to our members' needs, to give them opportunities at

very low cost. And I'm pleased to say we're working with other associations on that.

And just this past month Secretary Duncan outlined areas of the National Technology for learning Plan. And as he's captured it -- and in my written testimony you can read the five points that he's placed there -- but certainly that we are at a critical place in transitioning from what has been a print media to a digital learning environment. And clearly this is occurring. And much of what he talks about is much that we're speaking about and that you're interested in as well.

And I'll just close my oral presentation with regard to a couple of points. We know that education must -- and it will -- become increasingly focused on measurement of student progress and outcomes, not just how much time they spend in the class. And I know you've heard this before, but we say that if you're focusing on seat time, you're focusing on the wrong part of the body. We want to get to our kids' heads and what they know and what they can do, and not have the traditional system hold them back. And we see online and blended learning, particularly, providing that opportunity.

At last year's TECHSPO conference, I had the opportunity to talk at length with one of our frequent presenters. His name is Ian Jukes. And we talked about how kids are engaged and motivated with regard to technology. Now, if any of you yourselves, or certainly your children, or in my case my grandchildren-- They're digital natives. They just pick up the computer and do things. "How did you do that?" But you see how engaged they are.

Now, when we talk about gaming, one of the things Mr. Jukes told me was that part of the reason that it is so engaging is because the participants are asked to make a decision every second-and-a-half to two seconds, and there is a consequence every seven seconds. And they are engaged. And obviously the technology can adjust to their level of competencies to keep them engaged.

And so many times we've seen this. I can remember as a school superintendent many years ago when technology first came with regard to the Internet -- where a teacher in a social studies program in 6th grade was having a lesson where the children would look for information about what the definition of beauty was in different cultures. And at one point, one of the students, when I was in the room -- and this goes back many years -- said, "Hey, check this out. You have to see this." And as I said to the teacher, "I never heard the students say that when you were lecturing. That never happened."

And so we have students, now, who are digital learners. They actually process information differently than I did. And I've given you some resources there, again from Mr. Jukes, about how that happens, how they process images so quickly when the brain is geared to process images 60,000 times faster than print, and how they'll read pages differently than you or I may. And so we have digital learners who are coming in. And we can't continue to try to give them an education for our past, but we need to look to the future. And in that regard I think it's particularly important, to use a metaphor -- and it's a sports metaphor -- and that's the football quarterback. The quarterback doesn't throw the ball to the person where he is, he throws the ball to where he believes he will be to catch it and move

down the field. In the same way, we have to use all of our intellectual abilities and experience, and working together, to try to figure out: Where do we need to be down the line? But clearly the school pattern is changing, and we can't let some of the traditions of the past or even some of the contractual agreements that we have with our educators, that focus more on the structure of their time than on the opportunities for kids-- To make those differences happen.

So as I think you can tell from my comments, we're not only excited about this, but we want to be active in participation in that. I think issues that the Legislature will have to look at particularly, in very difficult times, are: How do we find the finances and resources to do this not only for what comes into the classroom, but also for the infrastructure in terms of the buildings and places where this occurs?

So with that I'll end my comments. And I look forward to answering any of your questions or hearing your reactions.

ASSEMBLYWOMAN WAGNER: Thank you very much for your testimony.

I just have a question with regard to the survey. Will this be the first time that it's done? And will it be mandatory?

DR. BOZZA: The survey -- it will be the first time that we've done this type of survey with regard to technology other than soliciting opportunities for presenting at our conference. Now we're going to focus strictly on online and blended learning.

It is not a mandatory survey. It is one in which we provide, to the school superintendents who are elective members-- They choose to join our Association. It's not that they're required to join it. We have had

conversations with Commissioner Cerf and his Director of Innovation who is focusing on technology. In fact, he was one of our speakers at our online and blended learning summit. And so we will look to cooperate. That in fact, we have conducted a survey on behalf of the Commissioner for two years now with regard to superintendents' perceptions about the Department of Education. So we're open to whatever opportunities are presented to us.

ASSEMBLYWOMAN WAGNER: I guess where I'm coming from is, I'd like to see as much data as possible, because I'm not so sure what's happening in this district, that district. And it would be nice if we could get everybody's input so that we do know what we have and what we're doing. So see if you can work on that.

DR. BOZZA: We will certainly work on that. We typically get a good response, and we'd be happy to share that information with you.

ASSEMBLYWOMAN WAGNER: And you mentioned the conference. Where is it?

DR. BOZZA: We hold it at Bally's, in Atlantic City. And as I said, there are not a whole lot of places that you're going to get 1,000 people in. But that works very well for us. We've been there for a very long time. We outgrew our initial location in Long Branch many years ago, and so now we're able to continue to work down there.

ASSEMBLYWOMAN WAGNER: Well, I thank you for holding it in Atlantic City, because we could do Atlantic City. That would very good for everybody. (laughter)

Thank you very much.

Anybody else?

ASSEMBLYMAN RAMOS: Yes.

ASSEMBLYWOMAN WAGNER: Assemblyman Ramos.

ASSEMBLYMAN RAMOS: Thank you for your testimony this morning.

I just have a question regarding-- Have you discussed with the members at all -- feedback at all regarding infrastructure and facilities to try and bring these technological programs into place?

DR. BOZZA: Yes, and I'll tell you what most of that conversation is focusing on. And we've had individuals from the Department of Education who are working with the PARCC Consortium for Assessment. There's great concern about having the bandwidth as well as the tools, the instruments, the equipment to be able to complete these assessments. Because these are coming in 2014, and we will have students being assessed online. And the conversation is going on nationally with both of these consortia about what's needed. And we see from initial reactions that there is going to be a considerable amount of bandwidth that's going to need to be provided; and a lot of conversation around what kinds of instruments. Will you be able to use a tablet? What size does it have to be? Because we're now talking about standardizing the kinds of things that happen in the testing to make sure that we have comparable results. But that's where our conversation has most been as of late.

ASSEMBLYMAN RAMOS: As a follow-up question-- Because I know in the state of Florida they've gone to a lot of their state assessments being done online. And there have been some logistical issues in dealing with that. So if we're going to go that way with assessments in New Jersey,

I think there are definitely logistical questions that we have to ask ourselves in terms of it being possible.

DR. BOZZA: I think you're absolutely right. And that's why I said earlier that I think the role here with regard to providing resources from the State to local school districts-- This is an area that will become increasingly important.

ASSEMBLYMAN RAMOS: Maybe you have 400 4th graders in a school but only 200 computers in the school, potentially. How is that going to work sometimes? So there's a question we have to ask ourselves. While it's all fine and dandy on paper a lot of times, logistics always get in the way. And until that gets ironed out-- I'm sure your members have a lot of input with that.

DR. BOZZA: I would encourage you, as we do, to follow the work -- because it most specifically relates to New Jersey -- of the PARCC Consortium. Because the Technology Director here for the State Department of Education is voicing the many concerns that we're hearing -- as you have heard, I'm sure -- throughout the state with regard to how we can possibly get this done. Where are the resources? How much money do we have to put into it to get there? What does that mean for our budgets and the tightness that we have with it already?

So there are many open questions, as you indicate very clearly -- that we're waiting for direction from the Federal government through this consortium of the 24 states. And there are similar questions in the other consortium of 22 states because this is impacting on almost every student in America. And it's been a requirement that we've all accepted, along with the Race to the Top dollars.

ASSEMBLYMAN RAMOS: Correct. But I think it's vital -- to go back to the Consortium. How much input are you guys giving to the Consortium to come up with those standards? Because you guys are the reality on the ground as the superintendents, the principals, the classroom teachers. And a lot of these guys are three, four, fifth removed from the situation. And they're sitting in a room, and they're putting a plan together, and they're not dealing with the reality of what superintendents are dealing with, principals are dealing with, the classroom teachers are dealing with. And that's what-- Your input is vital to that process for them. So how is that interface going on?

DR. BOZZA: We have been participating with representatives from the Department of Education. I have attended several meetings of the PARCC Consortium when they organize people from around the country. But we do have representatives from the schools who are bringing forth. to those meetings and to our Department of Education, the viewpoints that we're expressing today about resources and how we can get this done. And I can tell you, because we've just had two people from the Department who are very focal in this area -- Mary Jane Kurabinski, who is in the Department looking at the PARCC assessments; and Larry Cocco, who is the technology person. And I can tell you that Larry understands it. He hears it from us, and he is lobbying on behalf of what New Jersey educators are saying with regard to the implementation issues. Because while there are certainly opportunities, there are significant hurdles that have to be overcome.

ASSEMBLYMAN RAMOS: Thank you.

ASSEMBLYWOMAN WAGNER: Thank you, Assemblyman.

You know, I've been out of the classroom for five years. You're in it so you bring that perspective, and I appreciate that.

Anybody else, questions? (no response)

Thank you very much.

DR. BOZZA: Thank you.

And I extend to all of you the opportunity to attend our conference. And if you have any interest, please let me know.

ASSEMBLYWOMAN WAGNER: Yes, I'm going to do Atlantic City. (laughter)

DR. BOZZA: Thank you very much.

ASSEMBLYWOMAN WAGNER: Next we have the NJEA, Marie Blistan.

How do I pronounce your name?

M A R I E E. B L I S T A N: That's okay. It's Blistan. (indicating pronunciation)

ASSEMBLYWOMAN WAGNER: Blistan. (indicating pronunciation) And you're Secretary-Treasurer.

We're anxious to hear from you.

MS. BLISTAN: Thank you.

Before I give a little bit more information about myself, with me today I have two colleagues. I have Marguerite Schroeder, who is a UniServ field rep who has been our resident expert on studying charter schools, virtual charter schools. And, in fact, she chairs our task force committee on that area. And on the other side of me is Sean Hadley, who is an Associate Director in our Government Relations Division.

I am Marie Blistan. I am the Secretary-Treasurer for the New Jersey Education Association, and I'm also a classroom teacher. I've taught for well over 30 years in this state. I wound up, over that 30 years, teaching all ages, K-12 and then into adults. I've taught all ability levels. But I spent the majority of my time with what I call my *passion*, and that's dealing and working with kids who are receiving special education services. So we are very grateful to have this opportunity to come here before the task force and talk about this topic. And we are also very pleased and grateful that you're giving the due time that is going to be needed to study and review this area, because the decisions that come from this Committee are going to have a tremendous impact on public education in this state.

When we talk about virtual charter schools, there seem to be two major issues at stake. One is, of course, the legal issues and whether they are even, with virtuals, permissible under the New Jersey Charter School statute. And then the second issue is whether they are effective and actually deliver what they claim to deliver, and is it worth experimenting with the education of our children in this state.

I won't spend a whole lot of time on the legalities of it. I will tell you, which I think you probably already know, NJEA has, in fact, filed a lawsuit in this state regarding the approval of the two so-called *blended* charter schools in Newark on the grounds that they were in no way authorized for virtual or for the blended schools. We know that the courts are going to decide on that issue. But we also know that it is likely, very likely, to fall on legislators to make the decision whether to formally authorize virtual charters in this state. It's your right, and it's a huge

responsibility that you carry to make the right decision. And we trust that you will keep children at the center of that decision.

What we're seeing is that if you do not, the Department of Education in this state is very likely to make that decision for you. It has moved quickly and aggressively to pursue an agenda of putting virtual charter schools in this state despite significant questions that we have regarding the legality and, again, the effectiveness of those schools.

Saying that, I also want to be very clear that NJEA has been a long-time supporter of using technology in education. And I, myself, am a teacher who also supports it. Over that long career I've had, I've seen tremendous changes and use in the growth of technology in the classroom. We have access to resources today in our classrooms that we certainly didn't have when I first started.

We are not opposed to online learning as a supplement to existing in-person education programs. As you no doubt know, we have more than 100 schools right now in our state that are utilizing some sort of online learning through the New Jersey Virtual School. We have students participating in high schools and middle schools who are able to take classes that supplement their school's curriculum, and they can even use the online options for remediation or credit completion work.

But that is a far cry from the vision that our virtual charter schools proponents and advocates have been putting in place in front of us -- where they see primarily the instruction, and in some cases solely, given through online vehicles. You can already see that just here in Newark where we have two operators who have opened what they are calling, and we call, so-called *blended* schools. But in reality, 100 percent of the Core

Content Curriculum Standards is being given to students through an online vehicle. Some of the students are not even going to have to report to that place to get it. We have significant concerns, as you can well imagine, about those kinds of virtual schools and about the ability of them to be able to provide a thorough and efficient education.

I mentioned earlier that I have seen a lot of change in education over my 30 years. But through it all there are a number of things that remain constant. And one of the single most important elements of a successful education system for a child hasn't changed since the first day that I stepped foot in a classroom as a child. And that is that a good quality teacher is the one who makes the difference in that learning. I don't think anyone here would disagree with that. There has been strong and consistent research all along showing that -- that the single most important in-school factor affecting student success is that quality teacher. And although there are other factors that contribute to any student's learning, we know that the role of the teacher is incredibly important. And NJEA has been long-standing on that tenant -- that good quality teachers are needed in every classroom.

And I will also say that for whatever disagreements we've had with the current Administration and the Department of Education, one area of common ground has been that quality teaching, in fact, makes the difference. So I can tell you that we are quite dismayed to see some people in the Department of Education pursuing an agenda under the guise of virtual charter schools or blended schools which completely ignores the central role that we as teachers provide in those classrooms.

There are so many things, ladies and gentlemen, that a computer screen just can't do. A computer screen cannot tell if the child is angry, upset, frustrated, bored, or even just hungry. A computer screen cannot tell whether a student is upset, needs someone to talk to, whether the child needs crisis intervention services, whether a child just needs an ear -- for somebody to listen to. And these computer screens certainly can't tell if a wrong answer is simply due to a miscalculation or completely misunderstanding the concept.

The things that I just talked about are not just extras that we provide as teachers. They're not just extras, they're not just niceties, they're a critical component to the learning situation, to the diagnosing and remediation that we do constantly. We talk about seconds, seconds, seconds. Within seconds I learn, interacting with a child, whether I need to change course, add information, or just again go a completely different way to go back into the understanding of the concept. But all of that is missing in virtual schools, whether it's fully or whether it's in these so-called *blended* situations where students rarely, if ever, interact face-to-face with teachers and adults who are supposed to be teaching them.

I'm also going to tell you that teaching is not like tax preparation where we take information, fill it in on the lines, and then the computer spits out the program, and it's all done. And learning is not a video game where students sit down and can be successful simply by putting in on-screen time and completing those tasks, and then going to the next level. It is fundamentally a human interaction where a teacher and student work together to bring that concept to life in that student's mind, have that student apply it, and then connect it to the next level of learning.

If virtual schools could do all that, the results would show it. But as you will see in information that we're giving to you, over and over in every single state those results do not pan out. The simple fact is that virtual schools just don't measure up to the level of traditional schools where the teacher-student relationship is central.

A comprehensive study of the largest virtual school operator, K12 Inc. -- which, by the way, and you probably already know -- is a for-profit company, trades on the New York Stock Exchange -- shows just how badly those schools lag. Despite serving -- and this is important -- a less-diverse and more-affluent student population, K12 schools have lower test scores, lower graduation rates, and they do not make the AYP as compared to traditional schools -- the AYP connected to No Child Left Behind. We have shared that research with you along with some other studies that will back that up. And I urge you to please take a look at that work.

The studies, I found myself, were quite eye-opening. The difference in performance between virtual schools and the real schools is not small, and it makes me wonder that if parents really know what those statistics were, would they even consider enrolling their child into those systems.

But on the other hand, it is quite easy to understand why some adults would advocate for virtual schools. At the same time that they were achieving very poor academic results, K12 has achieved very impressive financial gains. In fact, in a statement to investors last May, the company announced that it seeks, and I quote, "To increase profitability in Fiscal Year 2013 by implementing as much as \$20 million in cost savings." It is also why that same company -- and that is in that research we gave to you --

spent more than \$21 million on advertising in the first eight months of this year alone. More students means more profits in the form of more taxpayer funding.

And while the benefit to investors is clear -- the benefit of that aggressive pursuit of profits -- it's far from clear how those in those already struggling schools will benefit from that company's determination to cut costs and splurge on advertising in order to provide more profit to investors. If our purpose here is to figure out how to do education on the cheap without regard for any outcomes, then virtual charter schools deserve attention. They do spend less than traditional schools, and they tend to be very profitable for their operators. Unfortunately, for the students in those schools, their academic results appear to reflect the focus on profit over students.

You and I know that New Jersey has worked very, very hard over these many years to have the best schools. We have invested in education and we have invested in our children's future, and it has paid off. Other states like Florida have taken a completely different approach. They have looked to cut costs without regard for the consequences and have embraced virtual education. And that shows up in their academic results as well.

I don't want New Jersey to compete with Florida or any other state in an educational race to the bottom. I want us to continue what I believe you will also do, and that is to keep children first, to invest in our children's education, and to keep value in what our teachers will serve in that student-teacher relationship in our public schools. I assure you that we

can and will innovate without turning our back on what we know works best.

Thank you.

ASSEMBLYWOMAN WAGNER: Thank you, Marie, for that testimony.

I'd like to just ask you to summarize, as quickly as you can: Where do you see the place for online learning in education? What's the place for it?

MS. BLISTAN: Well, we have online learning right now through our Monmouth County services, where we work through and with our public school systems -- where we offer supplemental courses, and we offer access for remedial and credit-completion work.

ASSEMBLYWOMAN WAGNER: So when Dr. Bozza testified before, do you think a survey would be important so that we could know what we have and what we don't have? Because I'm not-- Do you know what we have in the State of New Jersey, because I don't -- what schools are doing it, what schools are not doing it, how they are doing it?

MS. BLISTAN: Well, we know our schools are attached with our online learning. And surveys, of course, are always important. It's always, of course, important to know what the questions are on those surveys and how they're worded.

ASSEMBLYWOMAN WAGNER: Exactly.

You talked about-- You've given us material to read in regard to other states.

MS. BLISTAN: Yes.

ASSEMBLYWOMAN WAGNER: Can you tell me what's happening in other states?

MS. BLISTAN: I made mention about that computer screen and about referring a child to crisis intervention services. And again I'm going to remind you that my background has been spent primarily with kids who needed all kinds of services.

And there were two states -- in fact, in the one study that we handed to you -- that showed that the online -- two states, Ohio and Arkansas, if I'm not mistaken -- they didn't spend a dime on those types of services. You see, that's not what they provide, that's not what they're looking for. That's a problem; that's a huge, huge problem.

ASSEMBLYWOMAN WAGNER: You know, we talk about giving parents' choice in education. Why shouldn't online options be a part of their choice?

MS. BLISTAN: Well, we do provide that online instruction right now as an option, as I just said, for the remedial course work, credit completion, or as a supplement to the instruction going on. And remember, we have interdistrict school choice now in this state. We do have our charter schools, we have vocational schools. And even within our public schools across the state we have options right inside where we have certain-- Certain schools have adopted academies. You know what I'm talking about.

ASSEMBLYWOMAN WAGNER: There is that problem of cheating. I happened to read in the *Record* just yesterday about technology. And this was public schools. And they have the 45-degree rule. The laptops have to be opened to a certain degree so that they can check to see

what the students are doing. What are your concerns in regard to online learning and cheating?

MS. BLISTAN: Well, trying to keep them in check with cheating -- they answered that question themselves -- it is extremely difficult, if not impossible. Again, one of the studies that we gave to you from Maine cites a statistic that happened in Colorado, where the CEO of that company actually came right out and said, "We could do little to nothing to prevent cheating."

Here is what I'm going to say to you: While we work always to prevent cheating inside of our classrooms, our main thrust is teaching and learning. And again, that comes down to that interaction with the student and with the teacher, and building a trust relationship.

My kids in my classrooms had trouble learning in traditional ways. I was trained to offer alternate ways to address them. But I had a trust relationship that I built with them so that my students felt very comfortable when they were able to come to me and say, "I don't understand this," or whatever the problem was. If they couldn't actually verbalize it -- and I did have students there -- I had gotten to know that child through that relationship so that I could do the intervention.

ASSEMBLYWOMAN WAGNER: One more tough question: While I did talk to some of the students -- they may have felt unsafe in a previous school, whether it be bullying through online, or bullying in the classroom, or just did not feel safe -- so now is in another setting. Why not give them the option of virtual schooling?

MS. BLISTAN: Well, you know, every child deserves a safe and secure environment ever single day. And while I can understand that

we have these bullying problems here and there, we also have put into place some very aggressive actions so that that is stopped. We need to address that problem right then and there. And removing that child out of that system for any kind of long length of time-- That does not get to the root of bullying. We have to address that problem right there.

ASSEMBLYWOMAN WAGNER: With the use of technology in the classroom, are teachers having the opportunity to be trained in technology? Has there been enough incentive, or financial incentive, or training programs to train teachers on how to use technology in the classroom?

MS. BLISTAN: From the State?

ASSEMBLYWOMAN WAGNER: Yes.

MS. BLISTAN: I don't know that we're getting a lot of support there from the State in anything. (laughter)

The colleges have turned-- We're all using technology. All of us are using it, and so we have received some training on the appropriate use of technology. And that is to use it as a resource. I never used any one textbook to educate a child. If we're just educating children on information, that's not what we do as teachers. We educate a child comprehensively, fully, to become active, engaged citizens. And that does not happen simply working on a computer screen.

ASSEMBLYWOMAN WAGNER: Can you comment on socialization? Because I hate-- You know, listen, I'm the older generation. I recognize that. But sometimes I talk to young people and I want to say, "Goodness, gracious. Didn't anybody teach you any manners or socialization skills? Can you look at me? Can you talk? Can you speak? I

know what your grade point average is but come on.” Can you comment on socialization?

MS. BLISTAN: Absolutely. And again, when you talk about removing students for any length of time out of any kind of environment -- that's the number one concern, and what can we do to make sure that we keep that connection with students. And that is why we put students into our environment. That socialization aspect -- that's what our society is based on. We are the greatest country in the world because of the public education and the investment that we put into that -- that we would train and educate all of our students, all of our citizens to the best that we could on an equal basis so that everyone had a fair opportunity. For that to occur, for society to continue and progress, we need to be able to work with each other in a collaborative nature. And we spend most of our waking hours in those school buildings with our kids. We are the conduits of that.

ASSEMBLYWOMAN WAGNER: Thank you.

Now I am going to turn it over to the Committee.

ASSEMBLYWOMAN DeCROCE: Thank you.

It was very interesting listening to everything you had to say. And I want to say that I think it's very important -- the interaction of a teacher with a child. I don't see any other way than that.

A few questions that I did have-- I remember Assemblyman Wolfe, in past discussions, talking about the virtual schools in Monmouth, that they were for the purpose of students who had quit high school and they were going back for their diploma, and they were doing it through the virtual school. How do you see that? I mean, what's your opinion on that part of the virtual school system?

MS. BLISTAN: Do you want to take this, Marguerite?

MARGUERITE SCHROEDER: I have, I would say, an intimate knowledge of the Monmouth-Ocean Ed Services Commission.

I'm sorry, I'm Marguerite Schroeder, NJEA. I think Marie has introduced me.

Going to your question: The program is actually bifurcated in nature. The program that the Monmouth-Ocean Ed Services Commission runs -- the New Jersey Virtual School -- is for, as you say, promotion, remediation, and those items. We've had a relationship with them in terms of looking at the program that they have developed. And there are, as I understand it, somewhere between 100 and 200 places where they have used that program.

One of the things I know about that program is that they use New Jersey's certificated staff who have passed criminal background checks, who have extraordinarily standardized and scrutinized backgrounds. We know and we support the idea of, again, remediation, promotion, credit recovery. What we also know is that they are not a for-profit agency, and therein lies one of the biggest items.

ASSEMBLYWOMAN DeCROCE: I understand.

MS. SCHROEDER: That is something that must be scrutinized. And as I've always said, in studying all of these items since 2003, one of our major concerns is in the for-profit entities. Our certificated staff, the quality of education that is provided-- Who is on the sending side of the computer, who is on the receiving side of the computer in some of the examples that we know in blended learning that are around.

What we know is that there are things called *academic coaches* that supervise students. Monmouth-Ocean Ed Services Commission and New Jersey Virtual School do not do that. They use certificated staff as opposed to just coaches who have possibly not even an education degree.

And I always say that the devil is in the details in all of these things, and that's one of the reasons that we thank you very much for studying all of this very carefully.

ASSEMBLYWOMAN DeCROCE: Thank you.

Another question: When you talked about the blended schools in Newark, can you elaborate on that a little bit for me to explain it?

MS. BLISTAN: Well, I will start out, and then I'm going to turn to Marguerite because know I she has -- as I said, she's the chair of the committee studying it. I do know that they put an application in. It said 50 percent online and 50 percent in person. And then when we looked further, we found that -- and I think I mentioned this -- 100 percent of the Core Content Curriculum Standards was being shown to students -- and I say *shown* because I don't use that word *teach* lightly -- was being shown to students through that online program.

Marguerite, again.

ASSEMBLYWOMAN DeCROCE: What grades-- You know, importantly in the blended schools in Newark, what grades are they talking about? All the way through?

MS. SCHROEDER: My understanding is that it's all the way through.

What I can tell you, in looking through the applications-- The applications themselves say 50 percent online and 50 percent face-to-face.

My understanding is that that is not necessarily what is occurring, that there is the involvement of academic coaches, that even phys ed has an online approach as opposed to -- well, just what it says -- a physical education component. I also understand that in one of the blended learnings, physical education is actually offered at the Y and that students have to go down to the Y to get that course.

And again, the blendeds were also approved under what the Commissioner thought and the Department of Education thought was allowed under the charter law, and it clearly is not. That is one of the biggest problems that we have with all of this. One is that there is no statutory authority to, in fact, allow for this. And the second is, once again, in the certification component. We know in blended learning, many academic coaches, as I said before, are used.

ASSEMBLYWOMAN DeCROCE: Thank you.

Again, I'm going to say that I truly understand, and believe, and will never change my mind as to the need of teachers in person with the students. So thank you.

MS. BLISTAN: Thank you.

ASSEMBLYWOMAN WAGNER: Assemblyman.

ASSEMBLYMAN RAMOS: Thank you, Madam Chair.

ASSEMBLYWOMAN WAGNER: Thank you.

ASSEMBLYMAN RAMOS: I always want to go back to the for-profit -- mention the for-profit again. What is their cost-per-pupil average for the for-profit schools? Do we know this? Because I can understand the brick and mortar buildings, obviously. If you're paying for the brick and mortar they're going to have a higher cost. But in this

situation we're not dealing with brick and mortar, or as big a brick and mortar.

MS. BLISTAN: And I testified that it is definitely going to be less expensive. And you will see that in your paperwork. But you're also going to see that it's very difficult in these for-profit agencies to find out exactly what the true cost is because the profit is interspersed in their reports.

ASSEMBLYMAN RAMOS: In their annual reports.

MS. BLISTAN: Oh, absolutely. And there are all kinds of other contributions. They're also going to show, when you talk about these-- You just have to look over here in Pennsylvania at what happened. They went, just recently, and invaded two of the schools. One of them was a CEO of a virtual charter school where there was improper use of funds. In another Pennsylvania school they found that the money had actually been used for restaurants and for cash purposes, and that they were charging for students who were not receiving the services.

ASSEMBLYMAN RAMOS: I guess let's take it from the investor. I want to invest in a virtual charter school. Where do I get-- I guess the question is: Where do I get the return on my investment? Because they're not really producing a product. If I invest in a company -- Apple, Microsoft -- they're producing a product that I'm investing in. And I can easily track that product by their sales margins, and through their quarters, and all those types of things. Where, as an investor, do I track this, is my question?

SEAN HADLEY: If I may, Madam Chairwoman -- Sean Hadley, again, with NJEA, Government Relations.

One of the things that we see here, Assemblyman, is that the breakage in the per-pupil amount -- they're collecting the per-pupil amount per student, especially in a state like Florida where they're doing an investigation. They're getting the return because the same amount is going to the schools per student. So they get a chance to just cash it in.

ASSEMBLYMAN RAMOS: So they're getting the 100 percent amount of what it would be in the regular public schools.

MR. HADLEY: Yes. In many of the states they have not addressed that issue in particular. And what we found in Florida is that the incentive is to cheat. And they have a big scandal right now. Florida just opened up an investigation into one of the K12 schools where they said, "Wait a minute. You have all these students here, but you haven't actually taught these students. They're on a list, and you're collecting the money for it. Show us how you actually taught these students." And that, again, comes to the issue of -- like was mentioned earlier -- cheating. How do you keep track of students who are online? Are they really attending? And they found this big scandal in Florida -- again, Florida is still investigating -- where if you're an investor it's, kind of, a great investment. You get a chance to collect the per-pupil amount and then maybe not have actually taught the students. So there is an opportunity there to make money.

And, look, it's the wild west. And I think that's why we're seeing a lot of attraction for unscrupulous practices here. Because there is such a big pot of money associated with it. There are billions of dollars spent on education. So I think that's why you see the return.

And if you want to look at their financial reports, they're available. Their ticker symbol is LRN on the Stock Exchange. (laughter)

Again, it's very strange to look at an educational company and go to financial reports to find out more information about their strategies. So it's there available, including their compensation.

ASSEMBLYMAN RAMOS: Would it show in their report that, as an investor, the money I invest in the company is going toward any materials? Or is it just the taxpayer portion that is going through the school and coming back to the investor?

MR. HADLEY: The taxpayer part is the profit. That's their profit.

ASSEMBLYMAN RAMOS: Thank you.

MR. HADLEY: Thank you.

ASSEMBLYWOMAN WAGNER: Assemblyman Wimberly.

ASSEMBLYMAN WIMBERLY: Thank you, Chairwoman.

Most of the points have been hit on. And I had my concerns last time in reference to cheating. How do you prevent that? I don't think you can prevent it. And unfortunately I think probably the wrong students and families will have the opportunity to cheat -- than the ones who actually need the help -- the coaches who are not certified teachers.

One of the main things is the socialization. Being a classroom teacher before, there are certain things you just can't do online -- everything from, as the Chairwoman said -- just from etiquette to dressing. If you roll over in the morning and you have pajamas on, and you get in bed, how are we preparing them for society? And I'm just curious to see what kind of numbers there are when you talk about graduation rates. What colleges are they going to? Are they going to college.

ASSEMBLYMAN RAMOS: Good question.

MS. SCHROEDER: May I answer that?

ASSEMBLYMAN WIMBERLY: Yes. Can you answer that?

MS. SCHROEDER: Yes. Actually, we have given you three great documents which really-- And I'm hoping that you really take the time to study this.

Primarily the first document, which was put together by the Government Relations Division in the Maine Education Association-- And the bottom line very simply is that they go into great detail and really do answer, in detail, all of the questions that you may have.

What I can tell you is that in certain cases-- And my understanding is, in fact, in one of the blendeds here in Newark, you can, in fact, earn credit -- to not ever have to show up at that location at all. You may have to come in possibly for a test or something like that, but the primary education is done at home.

The question becomes: I'm sitting at home in front of my computer. Is it Marguerite Schroeder in front of that computer, or is it somebody taking Marguerite Schroeder's place in front of that computer?

ASSEMBLYMAN WIMBERLY: Yes.

MS. SCHROEDER: What is the accountability?

I also -- and I have to take this opportunity to say this because, again, having studied all of this since 2003, I think there is this grand misperception that NJEA is somehow standing in the line of what -- of blendeds, and virtuals, and all of those things. And in certain cases, what we do know is that these are programs that we already offer and have offered. We have incorporated technology into the classroom. There are enormous programs. I sometimes listen to this testimony and say, "I don't

think people have ever gone into one of our public classrooms at all to see exactly what is going on.” I’m a public educator. I’ve taught for 29 years, now fully employed at NJEA. And I can tell you that I used technology in my music programs to actually craft out music. But I’m a certificated staff member. There are accountability standards.

Also, the very curious thing is that we are tightening up the regulations on every single thing that needs to be done in the traditional public schools and yet going to the wild west in our charters and our virtuals. We are deregulating those things. When I’m looking at what is possibly coming down the pike with deregulating some of the standards for our public charter school teachers, I’m appalled, quite frankly.

So why is it we’re strengthening and tightening up all the regulations for our public schools and yet loosening them up for these other entities? And our virtuals -- we have document, after document, after document that proves that, in fact, virtuals do not deliver the same quality, the same standards. They’re drop out rate’s double what traditional public schools have in terms of drop out rates. And, again, we’ve provided all of those documents for you.

ASSEMBLYMAN WIMBERLY: Do you have any numbers on college placement from virtual schools or online learning?

MS. SCHROEDER: We do. And I will be very honest with you. I would have to look into the documents myself, but they are there.

ASSEMBLYMAN WIMBERLY: Okay. And obviously I have concern -- and this was a concern before when we had hearings -- is the physical education aspect. I mean, you look at a society now where our children are dealing with obesity, diabetes, high blood pressure, you name

it, everything possible. The physical process of walking up and down a flight of stairs every 40 minutes or so -- how important that is; our playground time. Those things, I think, we definitely have to keep in mind when we look at those things.

Now, the one area that I did support before is the recovery programs. I mean, I come from a district in Paterson, where he teaches, and our drop-out rate is astronomical. I think Latino and black boys are close to 50 percent drop-out. So, I mean, I'm all for any type of plan -- be it through, unfortunately, incarceration or second opportunities through job planning -- that these young men have an opportunity to go online, under supervision, under certified staff, to get a high school diploma. I'm for that and I support that.

But on the end-- And the question is -- and I'm currently-- And I'm going to have to excuse myself -- in a hearing now for the RFP out for privatization of the lottery system. Do we want to privatize the lives of our children? And is there a price tag of saving money under so many cash-strapped districts like the Patersons, the Newarks, the Jersey Cities? Are we going to look for the easy way out financially that is going to save taxpayers' money? They will pay for it later on. And I continually say that. If we don't make that investment into our children, into our buildings, into our things, it may be a quick fix for a cap on taxes, but in the long run we will pay for it, like you said, with the astronomical drop-out rates. Where are these kids going? What are they doing? Unfortunately they're getting in trouble. We look at our numbers now with the gun violence and other things. These are the drop outs, these are the kids who unfortunately are part of special education sometimes who have not been able to socialize in a

comprehensive setting or any type of setting. So there are alternate routes. I think that we can work with them, under certified staff. That can work. And I just don't think there is a dollar amount.

So I just wanted to make that statement.

Chairwoman, I just got a text. I want to hear from some of the business owners who are here, but I'm going to have to excuse myself and head back to another hearing.

Thank you.

ASSEMBLYWOMAN WAGNER: Thank you very much.

ASSEMBLYMAN RAMOS: I have a follow-up question.

ASSEMBLYWOMAN WAGNER: I just want to follow up because I just got the information that you provided.

And it's in regard to other states and their success ratio of graduating on time. And according to this -- and this report was done by the Maine Education Association, Government Relations Department -- Colorado Virtual Academy, 12 percent graduating on time; and Colorado public schools, 72 percent. In Minnesota, the virtual schools are at 25 percent senior drop-out rate, whereas the public schools have a 3 percent drop-out rate. So that's just some of the facts that are out there.

But just, in my mind, to summarize, it's not the online learning that you're opposed to. And I gather that if a child is home ill and has a disease that prohibits the child from getting into school, you would say, "Okay. This child has to be taught online." Are you okay with that or no?

MS. BLISTAN: No, I would not say that. What I would say is it should be used as a resource, just like I would use in my classroom. But having worked -- especially with my kids in the special education

population where there were some kinds who were not able to come into our buildings, I went out to them and provided that instruction.

ASSEMBLYWOMAN WAGNER: And I also spent a great deal of time-- And I think it has to be some sort of combination, because I know that sometimes a child is only allowed five hours a week, and that just wasn't enough. So I think some of that online could certainly be for practice, but with human contact.

MS. BLISTAN: It's a resource, exactly. Absolutely.

ASSEMBLYWOMAN WAGNER: They certainly deserve that human contact. But I just wanted to clarify that it's not that you're opposed to online learning, it's the manner in which it is being used.

MS. BLISTAN: Right.

ASSEMBLYWOMAN WAGNER: And I appreciate that.
Assemblyman.

ASSEMBLYMAN RAMOS: I just want to take it back a little bit to -- maybe we haven't spoken about this enough. I have a 4-and-a-half-year old at home going to Kindergarten next September. What would his and my experience be like as a parent if he attended a virtual charter school or even a blended charter school? Do you guys speak to that? Maybe one of the others would like to speak to that a little better than you guys can -- what their experience would be like or what my experience would be like.

MS. BLISTAN: Well, you wouldn't have-- Well, for a 4- or 5-year-old, that socialization is critically important. That's why Kindergarten is mandatory here -- because we know and recognize that critical importance of identifying if there are any types of lags where we need interventions. That's where that classroom teacher comes into play. She's

able to identify, or he's able to identify, those situations and then put the services into play.

ASSEMBLYMAN RAMOS: I know what the classroom teacher in regular Kindergarten -- what experience you're describing there.

MS. BLISTAN: Yes.

ASSEMBLYMAN RAMOS: I'm talking in terms of the blended model or the entirely virtual model. And maybe you guys can't speak to-- Maybe I'll ask one of the other members to speak to that.

MS. BLISTAN: Assemblyman, I will tell you that it's difficult to answer that question because I can't find one set definition for *blended*. One document that we gave to you says that there are four different models for blended. Another document says that there are 44 different definitions of blended. And what we're seeing right here in Newark is that we supposedly had two blended virtual charter schools put into place. And we're finding that, in reality, 100 percent of the Core Content Curriculum Standards is being given to them through online. So it's difficult to answer you.

ASSEMBLYMAN RAMOS: Thank you.

ASSEMBLYWOMAN WAGNER: I just wanted to introduce Senator Ruiz. She's one of those traveling back and forth from the Budget Committee to here. She'll be here with us for a short time.

I don't know if you want to make any comments.

SENATOR RUIZ: Sure.

My apologies to my colleagues here and to everyone. We're over in Budget, so I will be up here for a little bit. And I think I missed the bulk of the conversation.

But as Chair of Education, I think that everyone recognizes that we're open to discussions. I echo the sentiment of not having a defined kind of regulated setting. However, we had an opportunity to visit one of the school sites and to see what was happening there with professionals accredited in the classroom; with premiere, state-of-the-art equipment. It's something that cannot be denied either. We're in an age of technology. We have to embrace it. I think that oftentimes we get caught up in this kind of blended learning-- You know, we've been doing blended learning since calculators were allowed inside the classroom. The key is to do it responsibly, to have things that are defined so that we can regulate. But at the end of the day, to assure that students are getting what they need, and that's learning at the best of their abilities.

ASSEMBLYWOMAN WAGNER: Any other comments? (no response)

We thank you very much for coming today.

MS. BLISTAN: Thank you.

MR. HADLEY: Thank you.

MS. SCHROEDER: Thank you.

ASSEMBLYWOMAN WAGNER: Next we have the New Jersey State Chamber of Commerce, Dana Egreczky.

DANA EGRECZKY: Good morning.

ASSEMBLYWOMAN WAGNER: Good morning.

MS. EGRECZKY: First, my name is Dana Egreczky. I'm with the New Jersey Chamber of Commerce.

For a moment, I'd just like to have my colleague, our brand new Government Relations person, introduce himself. He is a Trenton High School graduate and an attorney.

ABIDEEN ONIGBANJO, ESQ.: Good morning.

My name is Abideen Onigbanjo. I'm very happy to be here, and I'm very happy to be engaged.

MS. EGRECZKY: So my job at the Chamber of Commerce: I'm Senior Vice President, Workforce Development; and President of the New Jersey Chamber of Commerce Foundation, an organization dedicated to producing the high quality workforce our member companies need.

So I am here today to lend my voice in support of increased use of computer technology in schools. My diverse background includes 16 years as a middle and high school classroom teacher -- half of that time here in New Jersey, the other half of the time in Pittsburgh -- three years as a corporate computer trainer, and many more years serving the business community in a succession of three chambers of commerce. I would add those years to it, but then you would figure out how old I am. I'd rather not have that happen.

I know many question the use of computers in schools. Many wonder if we fully equip schools with appropriate technologies -- if we did that -- would students play games and surf the web all day long rather than learn what they need to learn. But I wonder why those things would need to be considered to be mutually exclusive.

So I'd like to share a view from the business world, where almost all students in schools today will seek employment tomorrow. Business knows that there is a technology that is advancing faster than

almost any technology ever invented, and that is the technology of gaming. This has been made possible by the advances made in manufacturing faster and faster computer chips. In fact, if other technologies had advanced as rapidly as computer processors, a car that could go 88 miles per hour and get 12 miles per gallon in 1973 -- which was about average -- would today be able to speed along at over 180,000 miles per hour and get 24,575 miles per gallon; and an airplane would take only 8.8 seconds to fly from California to New York, 3,000 miles.

Of course, sooner or later transportation technologies and computer processors bow to the laws of physics and we hit the limits of the natural world. But I can tell you that business is gearing up to utilize gaming technologies in every aspect of its operations. For example, IBM has established a division that is developing gaming software that business will be able to use as training tools. One of their first projects is the development of a game that will be used by sales professionals who need to learn the techniques that lead to closing the deal. In short, business is preparing to embrace the gaming generation and use their interest in games to further our own objectives. In fact, I should add that these computer programs are far more sophisticated than anything we really have in schools today. They are not programs that show things; they are programs that teach things.

In business, our computers -- one on every desk and then some -- serve us as well as our human assistants used to serve us. Once, managers dictated letters to secretaries. Now we all type or dictate our own letters to our computers, and those machines magically correct spelling and grammar at least as well as most secretaries used to do. Managers don't need to wait

for a piece of critical information. It's in the cloud, instantly accessible to us. Our work follows us home, and as a result employee productivity is at an all-time high.

Imagine what we could do if computer technologies were embedded in schools as deeply as they are embedded in business: One, learning opportunities could follow students home, creating classrooms without walls that could be accessed 24/7.

Another: Course offerings made to students could be greatly expanded. For example, to meet graduation requirements in world languages, most schools offer Spanish or French. Yet the in-demand business languages are Mandarin Chinese, Japanese, German, Russian, Hindi, Arabic, Persian, Syrian, Turkish, Swahili, Urdu, Farsi, and Bahasa Indonesian. Those are the languages that we're looking for. Individuals who know these languages can expect a 25 percent increase in lifetime income. These languages could all be offered using over-the-counter language training programs and greatly increase a student's potential to earn income.

As an ex-teacher, I mention this next with that experience in mind. Teachers could better manage classrooms and provide students with a variety of environments that suited their individual learning styles. Students who had gained proficiency in the topic of the day could use computers to access advanced subject matter while the teacher could focus on the students who had not gained proficiency, or vice versa. There is some emerging data that suggests that learners of all abilities learn more in certain circumstances using computers than with human teachers, because they don't mind revealing what they don't know to the computer.

Professional development opportunities for teachers could be greatly enhanced if the same learning opportunities were given to teachers to increase their subject matter knowledge or their pedagogical skills.

And you've heard this before from a previous speaker. There is one final part of the computer equation that must be considered. New Jersey, as we know, has adopted the Common Core Standards and will be deploying the PARCC tests over the course of the next several years. The PARCC testing system is of great interest to me, I should mention, because as an ex-computer trainer, as an ex-corporate trainer, we never just tested, we pretested, and pretested, and pretested benchmark tests so that we always gauged the exact level of learning in specific content arenas that our learners knew. The PARCC test will actually offer this. There will be online diagnostic quizzes that students will take that will provide teachers with instant feedback. Teachers will know what every student has learned and where learning gaps are for individual students. And this resembles the way business trains its employees -- constant analysis of who knows what and what else they have to learn.

So schools will need an ever-increasing base of computer technologies and a growing acceptance of their various capabilities. And to tie it all together, I would like to present to you one of the questions from the PARCC test in 3rd grade math. And you can see that that question is actually a mini computer game right there. The question is: "A farmer planted three-fourths of her field with soy beans." I actually put the *her* in. The actual question said *his*. "A farmer planted three-fourths of her field with soy beans. And the chart on the right represents the farmer's field. Drag the icon of the leaf into the chart as often as necessary to represent

three-fourths of the field.” These are computer technologies; these are gaming technologies. And they stand to make these tests far more interactive and, frankly, more interesting to the students who are required to take them.

So as you can see, the technologies and underlying programming used in gaming software have permeated even into our testing systems, in my opinion making learning and testing more interesting and more fun. By allowing students to access the world through the cloud can only lead to better outcomes for students.

Thank you for your attention.

ASSEMBLYWOMAN WAGNER: I thank you very much.

First I need to comment on your math problem with the car and the airplane. It brought back my visions of word problems. But then it was trains and leaving at a certain time. What time would I arrive going a certain speed? And it was a horrible unit of math. I could never understand why I had to do that. But it worked out anyway. (laughter) Listen, I could do the 3rd grade math problem and that made me feel good.

Truly you do represent the business community. And obviously technology is extremely important. How do you feel we can balance the socialization skills with the technology?

MS. EGRECKY: Well, you've probably heard, ad infinitum, that businesspeople want people who have been socialized. We need people who can work on teams, who can interface with each other, who can communicate. So we absolutely would probably -- except in special circumstances -- would really need to see data coming out of completely virtual learning.

I actually -- we actually would agree with the NJEA. The data are absolutely clear that the most important thing in a student's learning is the quality of the teacher in the classroom. But unfortunately teachers in classrooms are being asked to do more, and more, and more, particularly under the Common Core.

When I was a teacher I used to teach science. In fact, most of the time I taught biology. I taught everything else sooner or later, but most of the time I taught biology. In fact, to go to your math problems, I remember teaching a physics problem which asked the kids to figure out: "If the room was so many feet long and you threw a chicken against the far wall, how fast would you have to throw the chicken so it was cooked by the time it got to the wall?" (laughter) I never understood why they would ever ask a kid to figure that out either.

I lost my train of thought on that one. I'm sorry, senior moment.

What was I saying?

My young colleague here. That's why he's here.

ASSEMBLYWOMAN WAGNER: Socialization.

MS. EGRECKZY: Oh, socialization. Thank you.

So we absolutely feel that the student's best place is in the classroom with a highly qualified, highly specialized teacher. On the other hand, do we think that teachers are using technology to its utmost use or to the best benefit of the student? Not yet. In fact, I think we have a long way to go.

So from our perspective, we're right in the middle. We would have to see significant data before we could support 100 percent virtual

learning. Adults can do it because in the workplace adults are highly motivated. If we don't learn virtually, we could lose our jobs. That's a pretty interesting incentive. Kids are not under that incentive; they're not under that threat. So we have to see the data before we could say 100 percent virtual.

Our definition of *blended learning* is the word *blended*. Somewhere or other there has to be the blending of the human being overseeing, supervising, teaching, making sure that the kids are getting it. As a teacher, you can see when a kid's light bulb goes off. Computers, as good as they can be, may not ever be able to do that. So, again, we would probably take a middle-of-the-road position on all of this.

ASSEMBLYWOMAN WAGNER: You know what? I hear what you're saying, which is a balanced approach. Use the online learning as a tool.

I just need to ask one more question. When you talk about using technology-- And when I talk to some of my local districts, budgeting has become a real problem. And sometimes they don't have the money to invest in it. And needless to say textbooks-- And I understand it's printed. I get it. But some of the textbooks -- they're not even allowed to go home, and I understand that. They're having a hard time making ends meet. And I would love to say that every kid is going to have a computer in the classroom or it be available. I don't know how we're ever going to get there considering the finances.

MS. EGRECZKY: Well, that's clearly an issue, particularly with the PARCC test coming down the pipeline. Because as somebody mentioned before, if you have 400 kids, how are you going to manage to

cycle them in and out of the testing process? On the other hand, the cost for these machines are going way down. In fact, Microsoft, I believe, just introduced a brand new computer. It has very little innards because it accesses the cloud technology. And it's \$245. Now, a student can use that for the entire lifetime of middle school and then again, perhaps, in high school. So as prices drop there is going to be a real cost savings for buying a laptop -- a version of a laptop -- versus the textbook.

And I also have to tell you that when I was teaching -- way back in 1985 was one of my last years in teaching. I was in Pittsburgh, and we were in a less-than-wealthy district. It was a highly diverse and rather low-income district. And I taught from a textbook that said, "When we land on the moon, we don't know what we will find." That was in 1985, and the moon landing had been in '69. So one of the advantages to all of this technology is the instant access to instantly changing information -- the ability to take a dry passage about landing on the moon and then see the video of Neil Armstrong actually doing it. There are so many things that blended learning can really bring to a classroom that I don't think we can really even imagine much of it today.

ASSEMBLYWOMAN WAGNER: It's probably not a fair question to ask you, but I'm going to try it anyway: How about the idea that whatever is out there on the computer must be true because it's out there.

MS. EGRECKZY: That's the commercial.

ASSEMBLYWOMAN WAGNER: Right. And not using primary sources-- I mean, tell me why it's not important to do your own research or go to libraries and read the primary source.

MS. EGRECZKY: I think it is important to read the primary source. I don't necessarily, however, think that we need to find the primary source by going to the library. And I think that's where we would gain in the process. It is absolutely critical for teachers to teach all that research -- protocol. But that doesn't mean you have to go to the library to do that.

ASSEMBLYWOMAN WAGNER: Thank you.

Assemblyman Ramos?

ASSEMBLYMAN RAMOS: No, I'm good.

ASSEMBLYWOMAN WAGNER: Are you sure?

ASSEMBLYMAN RAMOS: Yes.

ASSEMBLYWOMAN WAGNER: Everybody else good?

(affirmative responses)

Thank you very much.

MS. EGRECZKY: Thank you.

ASSEMBLYWOMAN WAGNER: Dr. Fuller, Newark Prep Charter School.

Welcome, Dr. Fuller.

DAVID FULLER, Ed.D.: Good afternoon.

My name is Dr. David Fuller. I'm the Head of School at Newark Prep Charter School in Newark, New Jersey.

I'm really excited to be here today. I think I missed the first two meetings that took place. And I think this is the third or fourth, but I just found out.

It is good to be here. I'm able to share my experience as the Head of School with you all at Newark Prep. It is a new model here in the State of New Jersey, and I understand it's very controversial.

It's interesting to hear the different positions I've heard today. The first thing I would like to do with all the individuals in the room is to invite you out to Newark Prep. And you can schedule that tour with me or someone on my staff. But I would like you to come out and visit Newark Prep just to see the exciting things that are taking place at the school and the things that are provided through our management company, K12.

Again, this model is brand new, it is exciting, it is state-of-the-art. And when you see the joy on the students' faces, and you work with this day in and day out and see how students are benefiting, you can't help but be in support of a model like this.

I just want to piggyback off one of the statements that was just made by the individual who just left. And that is in regard to textbooks. The one thing that's exciting about the curriculum that we use is that you can update the information in real time. For example, when it was found that Pluto was no longer a planet, our curriculum was able to go in and the next day it was in the textbook -- for the online textbook -- that Pluto was no longer a planet. That was just one small example. But, again, in this model things happen in real time.

Someone made the comment about the credentials of the teachers. Well, all the teachers at Newark Prep are credentialed. Actually, the teachers had to come in this year and audition for their positions. For example, I'm a math teacher by trade. And all the math teachers had to come in and actually audition for me because I wanted to see exactly what they were going to be providing to our students. Another thing that I was able to do yesterday -- and this is an example of how we all work together.

And there is a collaborative effort in providing the best education for our students. I was able to go in and model lessons for my math teacher. The one thing I will say is that I do have a new staff, a young staff, of teachers. But the one thing we believe in is staff development. So that's why I want to invite everyone out so you can actually see the quality things that we're doing at Newark Prep in terms of staff development, in terms of providing a holistic approach to educating these students. I know someone mentioned something about teaching students etiquette. Again, that's something that we're working on with our students, because some of them do lack etiquette, whether it's professional, whether it's personal. They do lack those things.

Another thing that we're doing at Newark Prep is that we are providing students not just for college, but how to be good students. We're preparing them for the real world. And the one thing that I'm very proud to say is that the staff that we have hired represent a very diverse sample of our real world. I mean we have backgrounds that represent the African-American race, we have Indians on our staff, we have Asians on our staff, we have Italians, we have whites. So, I mean, we have a very diverse team that is working with these students.

And in terms of the socialization, we do reflect the real world. And it's not always good to just place students in a large environment with 1,000 students for the sake of just saying they're being socialized. You do have students who have different requirements, different backgrounds, different environments in which they thrive. And you have to be careful. The one thing I think we're trying -- the point we're trying to make is that

this model is not for everyone, but it does benefit those who decide to take part in this process.

So I'm open to questions from you all. Again, this was-- I found out about coming here last minute. I probably would have prepared more statistics for you. But I am open to the questions that you may have.

And, again, I do invite you to really come out to see the powerful learning that's taking place at Newark Prep since September 6.

ASSEMBLYWOMAN WAGNER: Dr. Fuller, could you just briefly summarize, for the people on the panel here who didn't have a chance to visit, how many students you have and how they were selected to participate in your school?

DR. FULLER: Yes. We started out with 182 students this year, and it was on a first-come, first-served basis.

ASSEMBLYMAN RAMOS: What was it? I missed that.

DR. FULLER: One hundred eighty-two.

ASSEMBLYMAN RAMOS: What grades? I'm sorry.

DR. FULLER: Grade 9 only.

ASSEMBLYWOMAN WAGNER: Is there a waiting list?

DR. FULLER: We do have a waiting list. I think currently the waiting list is about 111 students.

ASSEMBLYWOMAN WAGNER: Do your students have a computer at home or do they just use the computer in school?

DR. FULLER: Our students have thin client computers at school. Not all of them have laptops at home; some of them do. We do encourage students who do not have laptops at home to go to libraries or

other resources in the community so they can continue their online curriculum away from school.

ASSEMBLYWOMAN WAGNER: All right. I'm just going to take this one stab here.

You know that when I went there I told you that I viewed -- and I wanted to just come back again. I had just one concern, and that might have been the month of October because it's October and kids are training to get back into school.

And in talking to several students, I didn't see a passion for -- "I'm going to go home, and tonight I'm going to read this novel," or, "I'm going to read this book." I didn't see a translation. I saw it like, "I'm doing my work here, and then I'm off." Is that October, or are you seeing a difference now?

DR. FULLER: Yes, that's October. And that's a fair question. Like anything, it's new. And like we told the students in the very beginning, "Give us time to get to know you and you get to know us." Admittedly, this model is tough. It is really tough for students. It's hard sitting in a flex center the majority of the day to get your work done. But, again, the students have gotten used to the process like anything that's brand new. Even as adults, it takes us time to get used to different processes.

Students now are motivated. They're engaged now with more clubs and organizations. It took us time to get those things in place. Students are engaged in all aspects of school curriculum now -- school culture. Students are motivated to do more reading. We even have a book club now. It's interesting you mentioned that. The book club now meets.

They complement what takes place day-to-day in the English curriculum. And so do all of our other clubs that we've established so far. So you're going to see a lot more excitement. Students have settled in with the curriculum, with the staff, with the model itself. So it will be a different feel and a different look when you come back next time.

ASSEMBLYWOMAN WAGNER: How do you communicate with parents? This is usually the time of a cycle of a report card or something like that. Does that go on?

DR. FULLER: Absolutely. We conduct parent conferences in which parents schedule their conferences throughout the day. Unfortunately, since the Hurricane, we had to use those parent -- well, one of the parent conference days as a make-up day. But parents constantly set appointments with teachers. We constantly talk with them through e-mails and K-mails. That's our internal system. Parents schedule staff conferences, administrative conferences. So there is constant communication with the parents. I just received a message from a parent yesterday. Her son was struggling. He's a special ed student, and he was struggling with the curriculum. And she actually left a message because my dedicated teachers are now conducting classes after school and on weekends for those students who need the extra help. And she called to thank us for providing this extra service for her son because now he's excited and motivated about school.

So, again, it's all in the culture that you create and promote. And I just want to say that when you have a dedicated staff that is passionate about providing a quality curriculum for students, you're going to produce results. And the main thing is that when you get a student who

can come in every day smiling, and excited when they leave the building, you've done your job.

ASSEMBLYWOMAN WAGNER: My town was without electric for two weeks, and we lost school for a week. Do you have an alternate plan if you lose power -- I hate to say it -- since it's online education?

DR. FULLER: Absolutely. The one thing we require -- and I heard someone mention our academic coaches. We do have academic coaches. We have three academic coaches who man the flex center. And, again, in hiring we're very strategic about who we hire. And all of our academic coaches are credentialed. They all have degrees. Two of them are certified teachers. Unfortunately, they're not high school certified; they're elementary certified. But they are credentialed, degreed individuals. Those individuals are required to prepare what we call *back-up plans*. So if we do lose internet or electrical power, those individuals must give a hands-on assignment out of the book. And they must follow, and they must know all the State standards when they create these lessons for students to take part in.

ASSEMBLYWOMAN WAGNER: All right. I'm going to go back to that accreditation -- the qualified staff. You mentioned that they were elementary school certified. If I'm teaching history and English, or a foreign language, do I have people on my staff who are certified to teach that?

DR. FULLER: Absolutely. The core teachers are the ones who are certified in those areas. The academic coaches are the ones who just

facilitate the flex center and keep the students moving along throughout the day, making sure they're engaged in their assignments.

ASSEMBLYWOMAN WAGNER: So how many teachers are employed and how many coaches are employed for 182 students?

DR. FULLER: We have four core teachers, we have a PE coach, we have a music teacher, we have three academic coaches who man the flex center, we have two instructional assistants who work specifically with the special ed department, and we have one academic administrator, and we have one counselor, and two special ed teachers.

ASSEMBLYWOMAN WAGNER: So a core teacher in English is responsible for how many students? Would that be 182?

DR. FULLER: Well, throughout the day -- and this is the way it works -- our core teachers bring students into break-out sessions. And every Friday we meet and have data meetings. And we use the data that students produce throughout the week from their quizzes, their unit tests, observations from the academic coaches. We do Study Island participation throughout the week. Students participate in Scantron testing. So all that data is used, and we evaluate that on Fridays -- every Friday. And then we create lists of students who are to go into a break-out session for the upcoming week. So those lists change on a weekly basis. Some days you may have two-- Well, one student may go to a break-out session maybe twice a week; whereas, depending on the data, a student may only go to a break-out session once a week. But those teachers are responsible for pulling in 15 students at a time during their break-outs throughout the day. And, again, that's what I had a chance to do yesterday. The class is never larger than 15 students. It could be as small as five students. But, again,

the data tells you exactly what the deficiencies are with those students, and that's what you use to drive the instruction for those break-out sessions.

ASSEMBLYWOMAN WAGNER: Just one more question.

DR. FULLER: Yes.

ASSEMBLYWOMAN WAGNER: Way back when I was an English teacher, we would read two novels a month. Is that happening? Are you reading -- are they reading novels?

DR. FULLER: Yes. We do have recommended lists of novels that students are required to read. We do have two English books that are on site. They're not the full novels, but they're excerpts from those novels. And then we use supplemental readings to back up what's provided on a day-to-day basis in those books.

ASSEMBLYWOMAN WAGNER: So how does discussion take place of the books in the English curriculum?

DR. FULLER: They take place in those break-out sessions. And, again, the teachers work with the book club, and they also piggyback those readings with the book club.

ASSEMBLYWOMAN WAGNER: Assemblyman Ramos.

ASSEMBLYMAN RAMOS: Unfortunately, I could not attend that day.

You mentioned the words *model* and *flex center*. How is the initial instruction delivered to the students?

DR. FULLER: There is no direct instruction that takes place except in the break-out sessions. What this model does is, it really promotes independence; and students are really thriving in this environment because what you don't want to do is, you don't want to have

an environment where students are required to turn the book and the page at the same time. And what I've noticed with a lot of these students is that some of them are thriving at their levels. If I decide to work ahead in mathematics, I can do that as a student. If I see that I need extra help in history or science, I can spend more time in the flex center working on those subjects and making sure I'm pulling my grade up and getting instruction with that. Now, if I ever get stuck, then that's when I can either request or -- based on the data that's provided -- that teacher will pull me into a break-out session.

ASSEMBLYMAN RAMOS: It's only if they're doing poorly according to the instruction that's delivered through the computer?

DR. FULLER: Not necessarily. It could also be used as enrichment. So you don't just have to be doing poorly to be pulled into a session. What we do is, we look at all the data. And some students will need it as enrichment, and those students are also provided -- and pulled into those break-out sessions.

ASSEMBLYMAN RAMOS: I teach in a school. We use technology in my classroom and all the other classrooms as well.

But the initial-- Let's say a math teacher is doing the initial instruction of a lesson. They're not getting that. In our school a math teacher does the initial instruction. "This is how we do ratios to fractions," what have you. "This is our lesson for today." And then six kids can go into the six computers in the back of that lab and work on a lesson there. Six other kids will work on a different center there. So you have kids throughout the classroom doing various things. Technology is implemented on that. And they have so much-- They have the eBoard, and they're

working on the -- the teacher has the computer at their desk, and the lesson is on the eBoard, and they have a remote control to put the answers up. They answer the question and the teacher gets to respond there on that. Is that taking place for the students?

But the initial-- Why I'm going back to the initial thing -- and it's important -- is the teacher is giving the instruction on how to solve the problems properly in the beginning. My concern is: Is that taking place? That's my concern.

DR. FULLER: Okay. That's taking place on many different levels. You don't have what people call *direct instruction* that takes place with all the students. What this model does is, it teaches you independence, and the students are taught to read. They're taught to read and really get into the lesson that's being presented at that time.

Now, say you have a student who is struggling with the concept and needs that direct instruction. Again, that student is pulled into those break-out sessions with those teachers, and they're provided that initial direct instruction that is needed to help solve those problems or provide that concept development that is needed in order to even engage in the lessons that are on the computer.

ASSEMBLYMAN RAMOS: I'm sorry. You mentioned the word *flex center* a couple of times. What does that mean, for us who don't know?

DR. FULLER: The flex center is the main hub. That's where all the stations are located, and that's where each student is assigned a station. So you walk into the second floor and you see this big open area

where students are at stations. And those stations are numbered, and that's their own individual computer that they use.

ASSEMBLYMAN RAMOS: And all the instruction, for the most part, is delivered on the computer itself. Is it video instruction, or just more reading and reading comprehension?

DR. FULLER: It's a lot of reading. Some courses have where they have to listen. Some of the courses are interactive. Students are invited into what we call *illuminate sessions*. And for those students who need the illuminate sessions, that's where they're provided the direct instruction if they're not in a break-out session.

ASSEMBLYMAN RAMOS: Thank you.

ASSEMBLYWOMAN WAGNER: I'm just going to ask one more question before I turn it over.

Attendance: You heard that-- They're 9th graders. Do they have to be there?

DR. FULLER: Absolutely. It's mandatory. Students have to be in school at least 90 percent of the school year in order to receive full credit.

ASSEMBLYWOMAN WAGNER: Are you seeing any problems with attendance?

DR. FULLER: Not at all. We're actually at least 95 percent in attendance.

Let me make this point also. We started out with 182 students. We've lost-- We're down to 175. We lost two students because they decided to go back to their home districts, and four left the school for discipline reasons. So when you really look at it, we lost two students

because they decided to go back to their district. The parents with the other four decided to take them back to their traditional settings for discipline reasons.

ASSEMBLYMAN RAMOS: Can I ask a question? (affirmative response)

The discipline issue: That's an issue that could become problematic in terms of the charter school-public school debate as well, because the charter schools are able to-- When there's a problem with the student or parents -- don't want to deal with the discipline that's being hashed out by the school, they just take them back to the traditional public school. And the traditional school doesn't have that option. And that's a problem that needs to be looked at further. This happens a lot of times. Students leave -- there's never a real reason why-- I'm glad you said it -- the reason why they left. But say I have an issue with a student in my classroom. My kid is not getting kicked out. He's getting suspended 5 or 10 days probably, and they're back in my classroom again.

DR. FULLER: But they'll go to an alternative school.

ASSEMBLYMAN RAMOS: No, no, they're going back in my classroom. I've been through this; I know.

DR. FULLER: Right. And I'm also from a traditional background. And in dealing with discipline you do have students who come back to your classroom. And it's the same thing at the blended school. They do come back to the classroom. But it depends on the offense.

ASSEMBLYMAN RAMOS: Exactly.

DR. FULLER: So depending on the offense, that's where it is determined whether you go to an alternative school, whether you're

homebound. So it's the same situation. But really, at a charter school, when you have discipline issues and students enroll in your school, you're stuck with those students. You don't have an alternative program to send them to. Again, if parents do decide to pull them out and take them back to their traditional school, that's their choice. But when they come to a charter school, the charter schools are stuck with those students. They don't have an alternative school to send them to.

ASSEMBLYWOMAN WAGNER: Anybody else on the panel?

(no response)

Any closing statements, Dr. Fuller?

DR. FULLER: Again, before I got involved in this blended model, or even the virtual world, I had the same thoughts as most people because my background was traditional. I was a traditional math teacher. But I was someone who was very passionate about doing what's best for students. And my mind or my mindset has been totally changed, being a part of this movement and actually seeing the benefit that it provides students on a day-to-day basis. So before we make a final judgement, or before we say that our minds can't be changed, or we just close our minds to the whole concept, I would invite you to see an effective model in practice. And after visiting that model and asking the tough questions, then form an opinion.

ASSEMBLYWOMAN WAGNER: Thank you, Dr. Fuller.

DR. FULLER: You're very welcome.

ASSEMBLYWOMAN WAGNER: We just want to clarify: You've been open since September, right?

DR. FULLER: September 6 was the first day.

ASSEMBLYWOMAN WAGNER: Okay. If you had to improve one thing, what would you improve so far?

DR. FULLER: Providing bus tickets to all the students and not just students who live two-and-a-half miles away from the school.

ASSEMBLYWOMAN WAGNER: I think we'd like that all over. (laughter)

DR. FULLER: That's what I would do.

ASSEMBLYWOMAN WAGNER: That's a big problem.

DR. FULLER: Yes, it is.

ASSEMBLYWOMAN WAGNER: Anybody else? (no response)

Thank you, Dr. Fuller.

DR. FULLER: You're very welcome.

ASSEMBLYMAN RAMOS: Thank you, Doctor. We appreciate it.

DR. FULLER: Thank you.

ASSEMBLYWOMAN WAGNER: Monmouth-Ocean Educational Services Commission, Sister Elizabeth Dalessio and Tim Nogueira.

TIMOTHY P. NOGUEIRA: Thank you for inviting us here today.

My name is Tim Nogueira. I'm the Superintendent of the Monmouth-Ocean Educational Services Commission.

With me today is my Assistant Superintendent of Schools, Sister Elizabeth Dalessio. Sister recently received her doctorate in Education, so we now call her Dr. Sister Elizabeth Dalessio. (laughter) You

could probably call her Dr. Dalessio, you could probably call her Sister Dalessio, Sister Elizabeth. There are several names she'll answer to. (laughter)

Thanks for inviting us here today. Will Rogers was a political satirist back in the '30s, and he said, "There are two sides to every pancake, no matter how thin." And there's some discussion we have to hear today, and some of them are not even the same pancake, believe it or not.

We have gone through the testimony that you've had at your last meeting, and we're prepared to talk about a good number of things, from cheating, quality of programs, inmates, dropouts, halfway houses, results of program, weatherization of education -- kind of what you, Madam, referred to before when you said "when the school is closed, what do you do" -- teacher qualification, cost of programs, virtual charter schools, and a few others.

What we are is Monmouth-Ocean Ed Services Commission. There are 10 of them in the state. We are an intermediate educational unit. We receive no State, no Federal, no local taxes, but we follow all the rules of 18A. Monmouth-Ocean Educational Services, which I will refer to as MOESC from this point -- there's \$37 million. We run 10,000 students a day on busses, we do 5,000 nonpublic school students in Monmouth and Ocean, we run an alternate school, we run a substance abuse school, we oversee an autism school for 50 students, and we're involved in several programs that have to do with online learning.

I'll go backwards a little bit. One of them is OTIS, Online Teaching In-Service seminars. We've done almost 100,000 New Jersey administrators on programs such as bullying, child abuse, cyber safety,

those kinds of things. We're also in concert with -- in a partnership -- called Legal One with Rutgers and NJPSA on a program that provides 12 hours of training for administrators in the state so they can keep their certificate. It has to be done by June 2013. Over 100,000 people have been involved in that.

The program you heard NJEA talk about -- and thank you NJEA for the compliments -- is the New Jersey Virtual School. That is our school. We've been running it for 10 years. I do 3,000 students each summer, about 1,000 students during the year. Those are remedial during the summer -- kids who are making up summer school. That's \$299 a course. For all our courses we have about 90 percent passing rate. And the reason it's so high is, for summer school, the kids that we're getting already know 60 percent of the material. We're working on getting them through the next couple of points.

For the children who are doing September to June -- and we're running courses like AP physics, AP macro/micro, Latin, courses of that nature -- they're usually highly motivated students and have a very good success rate.

Another program we have is in the jail. Monmouth County jail -- we're just about to have our -- I think it's December 13 -- we have another graduation. We'll be at 130 graduates in five years. And even though that beginning might not sound like a lot, the five years before they were there they had one GED graduate.

So we've been doing this for a long, long time. We don't have the answers to every question, but we have been fetting out and working on the questions that you have been talking about. And, again, we've gone

through all the testimony. I have you all tabbed. I don't know exactly who is who, but I can tell you the kinds of questions that were asked. I know cheating is one of the big ones. And you're never going to solve cheating completely. It's absolutely true. You're not going to solve it in high school; you're not going to solve it online.

But there are things you can do. Much the same as you have in a regular school, you can do pop quizzes. You can find out if that's the person. If you have a worry that that person is not the right person -- I'll give you some examples -- you have them come in to take the test. Your Uncle Louie can tell you everything about the driving test. You're the one who has to get in the car and go down to the DMV. Schools have done that. I think it was Hackensack who had problems with chemistry. So during the summer they were going to have chemistry courses provided by the New Jersey Virtual School. The principal decided to bring all the kids in, put them in the lab from 9:00 to 1:00, watch them work, and obviously do the tests. So our answer is: If you think anybody is going to cheat, we'll give you the midterms, the finals, whatever you like, and you do it. Have them come in front of somebody who knows them and they take the test. That's one of the answers. Generally speaking, those who teach online know the children. They know that one day he was doing a great job, the next day not doing such a great job, and the next day he does a great job. There is something going on there, and they can generally ferret that out.

One of the things that we do is, every day there is an e-mail, a text message, or a fax that goes to the principal, the parent, the Department chairman, whatever, telling the students' test scores and homework assignments. That's conversation every single day. So if you're a parent,

you say, "Do you have any homework?" If they say no, you can look at your text message.

The second one is, all of our teachers are required to call the parents once per week and log it in. So this communication is pretty clear. And, again, this has another piece to do with the validity of the program, who is really taking the course, is somebody else watching. In many cases, the parent can help us do those things.

Let's go one second to the quality of programming. We have over 100 teachers all around this state. When we work with a district we say, "Who are your best teachers?" And we try to hire them.

We handed out to you a sheet that looks like this. (indicating) I heard that in the testimony -- or someone said there are about a dozen schools, and then I heard NJEA correct it and say about 100. These are all the school districts that we deal with. There are two pages of it. You can see somebody from just about every county -- mostly public schools. Monmouth County's High Tech is in there. They're number 10 rated in the state.

So that's the quality of teachers that we have. And these teachers are New Jersey certified, highly qualified, and teaching the subject that we say they teach. When we talk about quality teachers -- and some of you talked about equity at your last meeting. And that's absolutely true. We have a Ph.D. in classical languages who teaches our Latin programs. I don't know of anybody else who is a Ph.D. in classical languages. Maybe my experience is limited, but there are kids who have him who would never get him as a teacher. That just wouldn't happen. They wouldn't be around. Point Pleasant has started Latin in the 7th and 8th grade with this

teacher so they can have a full high school Latin program. So there are some real advantages to this kind of thing.

We'll talk about the Virtual Charter School. Sister, myself, and former Commissioner Librera are the founders of the New Jersey Virtual Charter School for dropouts. And Sister can tell you in a minute about how that is set up. This is an interesting program. Before I let her go on-- We haven't found -- we've been doing this a lot of years together. We haven't really found a dropout program in this state that has worked. There were 14,000 dropouts last year. I don't see anybody making any progress on it. You may not agree that our program is the answer, but I have to tell you this: If there isn't something else better out there, we're definitely worth trying.

Now, I know this gets mixed into the whole virtual charter school discussion. I wish that I didn't have to go down that road and I could offer this another way. But funding being what it is, and how I would get my moneys, and how I would do it -- that's the only avenue I have. But this is an issue -- whether we address it this way or some other way -- we've been avoiding for too long. We don't have an answer to dropouts, and we have to start working on it.

I'm going to let Sister talk for a bit.

SISTER ELIZABETH DALESSIO, Ed.D.: I want to clarify something in the discussion before on the New Jersey Virtual Charter School and New Jersey Virtual School being combined. The New Jersey Virtual School, as Tim has said, is for those students who are in regular high school or perhaps middle school taking courses, as you know, for credit recovery, advancement, they can't fit everything into their course

scheduling. That's the New Jersey Virtual School. The New Jersey Virtual Charter School-- We had to take an extra planning year because we could not get the students. The New Jersey Virtual Charter School's only purpose is to take students, 17 through 19, and get them back into school, have them finish up their high school programs, hopefully get their diploma, and move on to the community college. Our New Jersey Virtual Charter School has three prongs to it. It's the educational part, which is online; it's the community colleges that have partnered with us to allow the students to go to school there at the community colleges. Because let's face it, most high schools don't want their dropouts back in the building. It's reality. So where are we going to put them? They come to the community colleges. While they're there we have guidance counselors, we have job coaches, and for the most part we are trying to have retired police officers as our job coaches because they know the town, they know the employers, they can help these young men and women find jobs. Then, hopefully, when they do graduate we want them to continue at the community college.

We need to give them another chance. I heard the discussion, "They're a dropout. Why give them another chance?" Why not? If they're a dropout and we don't do anything for them, in essence we are giving them another chance. We're giving them another chance to become part of the criminal justice system, and we don't want that. We want an educated citizenry. So that's our purpose.

Before I mentioned about advertising -- I heard mentioned advertising. I need to be honest with you. We need advertising in education, because the only reason we couldn't open our school was because we didn't have the money to advertise to say, "We're here. Come to our

schools.” Because the other thing is, the high schools that we’ve been dealing with haven’t necessarily been forthcoming with their dropouts. Who wants to?

MR. NOGUEIRA: Well, let’s say something first about who they are. If you’re going to start a charter school in a town, the population is captured -- they’re there. You go to the high school, you go to the elementary school, you get a bunch of people to go to the auditorium and speak to them.

What happens with dropouts? They’re not necessarily living in the house when in high school. They might be living with a friend, they might be down in another area. So we have to go find them. And the State Department, because it makes us follow all the rules that a regular school does-- I have to get ahold of the landlord and get the landlord to sign a notarized affidavit that that kid is living there. And if they speak a foreign language, I have to get a foreign speaking notary. This is a tremendously difficult problem to get ahold of. But the State Department says we have to follow the same rules. So by June I have to have 90 percent of my kids. That’s very difficult to do. We need a lot of people on the ground. We’re doing Camden, Paterson, Perth Amboy, and Neptune. These are big-time urban districts. This is a difficult issue to get done. So finding the students is our hardest part. The rest of it’s not going to be that difficult. We have relationships with four community colleges. As Sister said, we can provide all the services. And we think it’s a great environment for them to come to to see kids like them who have different aspirations and are doing different things. And the colleges have embraced us. They have been wonderful about giving us space. They’ve been just terrific.

So this is a good model. It's different from the model that we're talking about with the other virtuals. I'm not taking anybody out of anybody's school. They're not there now. I'm not coming into your school and taking a child out and you lose 90 percent of State aid. It's not happening. The child is not there. I'm not going to come and take them out. And we'll hopefully get those kids who only have a couple of courses. If somebody needs four years I can't help them. A couple of courses -- probably can get them through.

And our other argument is, we're all stuck in this time warp of September to June. I'd like to get past that. With these kids I'd like to make them September through July and August, and just continue. With a virtual school, that's not a difficult thing. What difference does it make if a kid takes 11 months to pass geometry or it takes 9 months or 10 months to pass geometry? Does it really matter? No, it really doesn't matter. If I can get that kid to pass geometry, that's what we want to do. Basically that's what we do in summer school. "You blew it for 10 months, I put you in July and August and you passed. Now you had 12 months." But it should be a continuum and not necessarily a separate program.

But I'm happy to answer your questions.

The last one I want to talk about is weatherization of education -- Sister has something to say because she put her hands together; that was my clue (laughter) -- weatherization of students. What we didn't do this last time-- And we got nailed by the storm. I was out nine days; I know what you're talking about. And the schools got nailed. And if you don't have electricity, online doesn't mean anything, obviously. But when we had

the bird flu -- remember all the bird flu stuff -- and we were going to close down schools--

SISTER DALESSIO: HINI.

MR. NOGUEIRA: --when we had to close down schools?

ASSEMBLYWOMAN WAGNER: Yes.

MR. NOGUEIRA: We met with a task force from the Department of Education -- because we were the only virtual school that was homegrown in New Jersey -- and we said, "We have an answer to this for middle and high school kids. Here is the deal. We can set them up so that their homeroom teacher can either teach them or watch our teacher teach them." By the way, you can do that anyway with my programs. A teacher from a high school who is the homeroom teacher for the kid -- and I'm doing online -- they can watch everything that the student does. But anyway, we said we'd set this up. It was a great deal. We brought some of the telecommunications people in. The only person who would do it was Verizon. The State backed up because the State said, "We can't give this business to one person." We have to bring that idea back again and work our way through that issue. Because there is a way. If you're an AP student -- I know there are a couple of educators up here -- if you're an AP student and you miss two or three weeks of school, you're not passing that AP test. That's not happening. We can all say that's nice, but the test happens in April. If you miss two or three weeks you are done. There is a way to do this. Does it take time? Are there always computers? No. Is there an effort we can make to help some kids? Yes, there is.

Now, particularly with the advent of generators, and some of our schools having generators-- And as you know, some people lived

through the storm. We can take some students and have them go to that school with the generator and take online courses perhaps. There are a lot of logistics involved. But right now we don't have a plan. We talk about a plan; we don't have a plan.

And that's an important thing for the continuation of education. It just is. It's going to take a while for our electrical system to get back up. If this happens to us again, we're all going to pull our hair out. It's just not going to happen tomorrow. But the education of students is important. And the Commissioner has said, "Except in extraordinary circumstances, everybody has to do 180 days." So now there is pressure on the school districts to be able to do that, and it's a difficult time to do it.

Sister, I interrupted.

SISTER DALESSIO: I'm in an interesting place: 35 years in education, more in public education than private education. Because of the Commission, I was fortunate enough to be sent to go study as a Microsoft-certified engineer. So I had the technology background. And I agree with you. There are many problems that are going to arise when we have to start doing all this testing online. We don't have the infrastructure to do it.

You asked about what happens when electricity goes down. Well, we do have, in virtual education, redundancy. So even though our server in New Jersey went down-- That server went down but immediately popped out through a server, I believe, in Idaho. So students don't lose time learning. Yes, we lost electricity, but everybody's iPad and-- When they were doing all the preparation for the storm, what did they say? "Make sure you charge all your electronic equipment," and we did. So it's

to a certain extent that they can continue. So I have all that kind of background.

I want to make a comment because we talked a lot about this: teachers, teachers, teachers. We will always need quality teachers. Online learning does not replace the teacher. And when it does, pack it up and go home. And here is the reason I say this: We worry about socialization, we worry about, “What about that kid who has a special need?” We really vet our teachers extremely well. We also make them take an online course before they start teaching students. We also make them learn-- You know, teachers are great. I don’t think we give them enough credit, personally. They sense when students have need. Right now I’m an adjunct professor at Seton Hall. I’m also doing Colorado State Global writing courses and doing some work for them. And they’re making me take a course in order to teach for them. And, yes, Hurricane Sandy affected what I was doing, because she wrote back and said, “I’d love to have you, but you can’t communicate right now with the rest of the class. We’re switching you to the next class in January.” That happened to myself and Tom Giordano (phonetic spelling) who works here in the State. So, yes, it did affect us.

In 2003, our English teacher was teaching a student online. And Tim said, “Very well, we make sure our teachers communicate with students.” As she was talking to the student through the white board and blogging, she got the sense there was something wrong. She kept communicating with that student, and the student finally said, “When my father leaves today, I will not be talking to you anymore because I’m going to kill myself.” She had another teacher go and get me. The second English teacher kept communicating with the student. The primary teacher called

the father and said, "Where are you?" He said, "I'm getting in my car. I'm getting ready to go to work." She said, "Don't go to work. You have to get back inside the house." "Why?" "Get back inside the house. Your child is in desperate need." He went back into that house. The child ended up getting the help that he needed. He stopped taking our course, obviously, because he was in treatment. When he got out of treatment he came back and finished the course.

Now, is that a dramatic one? Yes. By the same token, we had a teacher who applied for a job with us. One of our administrators who was interviewing that person said, "They have all the qualifications, have all the certifications. I'm just not sure." So we held the person off. It was a good thing we did, because the teacher was brought up on child abuse. So it always comes back down to people and how well we're going to work together to make this work.

Online learning is here. Tim told me a tremendous story yesterday that blew my mind. The technology is here. The students are already using it, young adults are already using it. His daughter, who is a new mother, was concerned about the wax in the ears. What did she do? She pulled out her camera, took a picture of it, cleaned out the ear, brought the child to the doctor.

MR. NOGUEIRA: Yes, she showed the doctor the picture. Who would have thought to do that?

One of the things Sister just said is an important-- I've read your stuff and there is some confusion. And I'm going to tell you what I think it is. There are really two kinds of online courses. There is the canned online course where one teacher can oversee 100 kids. They're

going through a program; she watches; they have a question; they help out. You hear that. You've had testimony where somebody said -- I think Horn (phonetic spelling) said there were 25 teachers to 240 kids (*sic*). You have to be kidding me. At any rate, that's that kind of program.

Our program isn't that kind. It's a live teacher, one to 25, "You do your homework, you don't do yours, you go two days ahead." That's okay. Eventually, very quickly, it gets very individualized. And by the way, I was an elementary school teacher. You can't do that in a regular class. You can have three reading groups, but you can't have 6, you can't have 12, and you sure as hell can't have 25.

With online teaching, believe it or not, you can. You can have different levels of kids going at different speeds, and isn't that what you want? Teachers always have the problem, "My fast kids are over here. My kids who need help are over here. How do I keep this class going with the same topic?" It's a universal problem. I don't care if it's AP honors. It doesn't matter what the level is. There are always kids who are the top and always kids who need help. Online learning let's you handle those kinds of things.

Does it have its retractions (*sic*)? Of course it does. Is it for every student? I haven't seen it work with special ed yet. We've been doing this for 10 years. We have brought it to many people -- all the people who are on this list -- I haven't seen it work yet. Special ed is very difficult. There are 12 kids in a class, 12 IEPs, 12 behavior managements. It's just another story. And how you can get that poor teacher, even with two aides, to sit down and work with an online teacher-- Call me when it happens, because I don't think it's going to happen. And it's nothing against --

saying there aren't online programs or programs in technology that special ed can't use. But not in our setting -- about teaching a course. I just don't see it happening.

So, to summarize, quality teachers -- take the best teachers I can find. Constant communication with the parent and the school-- And the cheating aspect-- And we tell them -- we say to the schools -- we give them models. "Hey, if you think somebody-- Call them and sit them down in front of somebody. Send them into the guidance counselor. They know Johnny. Johnny takes the test." It's not difficult to do. We've been doing it for 10 years. We're not perfect. I don't have all the answers, but we've addressed many of the problems you've talked about. And I have to tell you, as a practitioner-- I know some people are not practitioners. We actually run a school. This has been going for a very long time. And we have a terrific success rate because we work with the schools. "In your English I you have *A Christmas Carol*, and I have *A Tale of Two Cities*. I will switch it for you, and I will give you that." "You're not too happy about my course? You don't think my geometry is too good? Great. Give me your final. I'll use your final for your kids." Freehold Regional has been using us for about 10 years, and that's what they asked. They said, "We have the problem with the teachers. The kid doesn't pass for 10 months. We send them to you and you pass them in summer school. They don't think it's the same standard." I said, "Great. Give me your final." So I'll take a school's midterm and final -- their midterm and final -- and give it to the kid so there is some legitimacy to it. "You know what? There must be a pretty similar experience to our course because the kid is passing the midterm and the final."

There has to be things done legislatively. I heard somebody say there wasn't things done legislatively. I disagree completely. You have products coming into the state that nobody is looking at. You have virtual schools that offer courses. I'm not talking about K12. I'm not talking about management systems. I'm talking about courses that come in. The courses that come in obviously have to align to the New Jersey Core Content Standards and the Federal ones. They do. They align to Core Content Standards. But what are they doing? A canned one, 1 to 200, 1 to 25? What are the protection rights? Every key stroke that our kids make and our teachers make are recorded. We have never had a problem with somebody saying something incorrect or inappropriate online. We tell everybody, "Every key stroke you make is recorded." And we keep them. We're sitting here on a Wednesday. If Sister had to go back and evaluate somebody, the entire interaction between that teacher and that staff is recorded. So that's another thing that has to happen. You have to vet the organizations.

And NJEA said it best -- and I refuse to change off this one -- you have the New Jersey certified teachers -- highly qualified, fingerprints, background check. Now, you will hear from people up at this level in the city -- that they want you to say, "No, there are great people all over the United States." And there probably are. There are wonderful people we can learn from. But their fingerprint and background check, and their certification under New Jersey's-- We've never had a problem. This is not the time to introduce it. Online predators are far too big a problem for us to start messing with that. You have enough teachers in New Jersey. You have wonderful people. They've graduated from Princeton, Harvard, Yale,

and Ivy League schools just like everybody else. They're terrific here. We don't need to go other places. That's what you have to do with those.

And the third one is: Even though we may not have that relationship in our end of the world, higher education has to start offering courses on how to teach online and how to write courses online. And then that way we won't be subject to -- don't take it the wrong way -- textbook companies that write courses that we use. And there are some fine ones out there. We use Florida Virtual -- terrific. Some of the best coursework in the United States. But those are the two things that have to be done. We have to start training the teachers how to teach online -- and it's blended call it whatever you want. And they also have to be able to write courses online.

And the last one is: You talked about cost. And somebody was talking about textbooks and the cost. I know school districts that have every text book online. The kids don't have a textbook. They go online -- it's there. So they don't get into that, "I've got to buy every year." And you heard a couple of people mention you can update them very quickly. And that's a way you save money. That's a way that you do save money.

And our summer school is \$299. That's for the summer school course. For our 10-month course, it's \$650. That's \$65 a month, or \$16 a week. And I don't think there is anything you can do in a school system for \$16 a week.

ASSEMBLYMAN RAMOS: I'm sorry. Is that paid for by the student or the school?

MR. NOGUEIRA: When it's September to June, it's paid for by the school. And it's things like, you have three kids for AP physics and

you really can't run it because most schools require 10 to 12 kids for a class. So I will take your three, her six, her five, and I make the class. The summer school is generally paid for by the parents. That's who pays for that. Some schools pay for it as well. But I can tell you that the greater portion is the parents who pays.

I am done with my soliloquy. (laughter) I would be happy to answer any questions you might have.

ASSEMBLYWOMAN WAGNER: I have a question.

Tim, suppose I'm a good student. How do I find out-- I wanted to take AP French 5, and my school doesn't have it. What does the student do? Can he go with you on his own or must the school--

MR. NOGUEIRA: That's very good. Thank you for that question.

We take no students unless the school says that the student could attend and should attend. Because I'm not a credit-giving institution. They are. It's much the same-- Think of the model that -- if you went to a high school and the kids went to summer school not at your high school but at another place. The principal is the one who decides whether they're going to give credit. So the parent could never register a child. The school does, even though the parent might pay. And the school is saying, "Yes, this is an appropriate kid who can take online learning," because it's not for everybody. And number two is, "Your course is of a sufficient rigor that if he passes, I'm going to give my school credit."

ASSEMBLYWOMAN WAGNER: So, Tim, I'm going to assume that all schools know about the program that you have.

MR. NOGUEIRA: Pretty much. There are a couple hundred on this list.

SISTER DALESSIO: We try to, once or twice a year, do mailings to every high school in the state. But I will tell you that it's very hard to get everyone's address.

MR. NOGUEIRA: We put it on New Jersey Transit, we put it on trains, we put it on buses. We have a booth. We go down to the New Jersey School Boards Association and we show there. We're going to be going to the NJASA's technology-- We go to all those things.

ASSEMBLYWOMAN WAGNER: Sister Elizabeth, Dr. Sister Elizabeth Dalessio (laughter) -- I'm not going to make any mistakes on that. You've earned all those titles. You talked about having a relationship with the community colleges. Which ones? Where are you?

SISTER DALESSIO: Okay. According to the charter school application-- We originally only wanted three. The State came back and said we had to have a fourth one because one of them had to reside in Monmouth County because that's where our office is. So we're using Passaic Community College, so it's Paterson; Perth Amboy is Middlesex; obviously Neptune is Brookdale; and Camden is Camden Community College. And I need to tell you that every one of those colleges have been very responsive to our needs. Now, they may have different types of solutions. Ideally, what we would like is, obviously, at least one office -- a classroom -- so that when the students, and teachers, and guidance counselors, and job coaches are there, it's always the same place. Obviously because of the demand on community colleges, that can't always be. But that really becomes the goal.

So if we get the students, and if we get the money for advertising-- That's all that's holding us back. We're ready to go. We were ready to go two years ago. Because as Tim said, we've done this. My experience has been -- in alternative education and advanced education-- I've gone the gambit from pre-K through college at this point. But we are ready to start.

My whole dissertation was on the at-risk student in an online environment. I'm going to tell you something. They did very well. They liked it. They also said that it wasn't for -- they, themselves, said it's not for every student. But they liked it because they were able to work at their own pace. There was always a teacher they could go to. One student commented, "I always feel like I'm in the first row because the teacher is online and is there with me." (laughter) So, you know, every new thing has its pros and cons. But we really need to give more of a chance to online education.

I know his hand is up, but I'm going to finish.

I believe, Assemblywoman, you asked about accreditation in your last-- I was on the very first team for the Middle States Association. In 2004 we went to Johns Hopkins Talented Youth Program. And that was the first online program that was accredited. Since that time, Pennsylvania Cyber received accreditation last year from Middle States. I'm going to leave this with you. This is all the criteria from the Middle States Association for online. We started that in 2004, as I said. That was the one thing I wanted to bring up.

We talk about professional development. It can't be drive-bys. It can't be one hour today, one hour tomorrow. As Tim pointed out, you

have to get it into the colleges. It has to be a concerted effort on everyone's part. And Tim will tell you, the two of us, since 2002, have been asked by the State to come up three or four times to help to write white papers and regulations. And then I don't know where they go.

MR. NOGUEIRA: They disappear in the Trenton -- I don't know what.

SISTER DALESSIO: We're willing to be here again to help.

ASSEMBLYWOMAN WAGNER: You just might.

SISTER DALESSIO: Well, I'm here.

MR. NOGUEIRA: You know, one thing I'll mention-- You asked the gentleman before about waiting lists. New Jersey Virtual Charter School for dropouts-- The State asked me that. We had to vet before a committee before they'd even give us approval to do the planning year. And he said, "You've never answered the question to my satisfaction about waiting lists." I said, "Well, there isn't any waiting list." He said, "What do you mean?" "If 25 kids show up, I'm going to go get another teacher. I don't need a bus, I don't need another desk, I don't need a textbook." And I said, "The real question is for you." He said, "What is that?" I said, "If I get 50 more kids, are you going to give me the State aid for it, because you only approved me to 150?" And they had no answer. But that's one of the things about this. There is no limit.

I will tell you my problem with charter schools. Here is my problem with charter schools. My brother, by the way, is a retired principal of Red Bank Regional, and he was the first charter school principal for the Red Bank Charter, so we've had issues. (laughter)

My problem is this: If we're all going to sit here and say the following-- If the people in this public school are not happy with it, they should have an option. I agree. If the people in the school -- so should all the kids have an option. So there are 400 kids in the school, and the charter school only takes 100. Well, the news is that it's only an option for 100 people, not for all 400, isn't it? It's not an option until you have 400 spaces over here. Because the rest of it is a game. I was the superintendent in Long Branch. I'm going to tell you there were some people who were just not aware of the charter school idea. And if they had become aware of it, and they had become educated about it, they would probably be interested. But there was a portion of the population who didn't know about it. They may not know about it today.

So to have a charter school-- I think you have to have some options. There are serious problems with total virtual schools. There are problems with how it's applied. I mentioned here about canned. There is a problem with teachers, there is a problem with people using out-of-state charter schools, out-of-state virtual schools. That shouldn't be done; not in our state. There is not a lot of monitoring of that. And, again, how can we say there are no (*sic*) regulations when we only have two lines about virtual training? It's option number two, and it says, "You can take a distant learning course." That's the first thing it says. And the second thing it says is, "The distance learning teachers who you hire must meet all the employment requirements of any teacher." That's all it says. So we're going to now build, in our state, an entire virtual school system based on what? On two sentences. And I'm not in favor of regulations, and I'm not in favor of big books. But I have to tell you there has to be more direction

that comes from that so there is some uniformity about delivery of service. There are some terrific programs and there are some lousy programs. There are two sides to every pancake no matter how thin. That's just how it is.

ASSEMBLYWOMAN WAGNER: I want to ask another question. You're exciting me so much. In case I leave this profession and decide to work for you, what can I expect as a teacher? What do I do if I'm an online teacher?

MR. NOGUEIRA: Well, the first thing that happens is you're going to get trained by us. You're going to come for a full day of training. We're going to train you about the curriculum you're going to be using and how to use it. Because the teacher gets to modify a whole bunch of things. It's just like you would do in your classroom. The first thing that's laid out is 180 days worth of coursework for the student. But you do pretests so you might say, "You know what? This kid is pretty good. I'm going to move him up a couple." To somebody I might say, "Why don't you try these two lessons and then I'm going to check on you?" Those kinds of things. But we're also going to match you with a techie, one of our technicians. We have Microsoft techies as much as Sister is. And we match them with them if there is any problem. And then what we do is we match you with somebody who has taught online and, hopefully, your subject. So you can call somebody up and say, "Hey, what am I doing? How does this work? What happens here?" That's what we do. And you get monitored all the time.

Then we go to the school district and say, "Can we have a watchdog from your school district?" Let's say Mary Jones is being taught. We go to Mary Jones' high school and say, "Can we have a watchdog?"

Because we're going to let you watch that teacher -- everything the teacher does -- all the records, attendance, everything."

ASSEMBLYWOMAN WAGNER: How many students would I have, and how am I paid?

MR. NOGUEIRA: Twenty-five, and you're paid-- We have negotiated two successive contracts with NJEA. We have a salary guide with steps on it for virtual teachers.

SISTER DALESSIO: And they get paid more than college professors.

MR. NOGUEIRA: How much do college professors get paid?

SISTER DALESSIO: I'm getting \$2,000 to teach a course.

MR. NOGUEIRA: How much does a virtual teacher get?

SISTER DALESSIO: It's \$5,365, is their current--

ASSEMBLYMAN RAMOS: Per course?

MR. NOGUEIRA: Per course.

SISTER DALESSIO: Yes, I will sign you up if you have your certification.

MR. NOGUEIRA: English teacher; we can use an English teacher.

ASSEMBLYWOMAN WAGNER: It sounds like a great part-time job.

SISTER DALESSIO: I also want to finally say: Why are we successful? Because we don't use just one curriculum. You go into a school -- they may use Pearson for something, they may use -- I'm dating myself, because I'm going to say Houghton Mifflin. I don't even know who they've been conglomerated with at this point. I've heard, bantered around, K12.

As part of my dissertation I examined all those programs because they all have a version of online learning now -- Florida Virtual School, North Carolina. So I examined all of them. For my particular study I did use Pearson because that was already in place.

However, I need to say this: In terms of curriculum, K12 has an excellent curriculum because they have it two-pronged. We always worry about the students who are not doing well and the students who are doing well. There is a first prong called *A plus*, and those students take those courses. They're regular high school courses. And if they do well and pass that course, then they get put into the regular high school curriculum to make sure that they really do know all the work. So they're getting double the amount of education. Pearson has a wonderful program. Florida Virtual has a wonderful program. They're actually partnered now with Pearson. They're getting (indiscernible) up.

My point being is: I don't think we should throw everything out because we've heard bad things about one thing or bad things about another -- for-profit, and not-for-profit. I'm going to go where I can get the best quality for my students. That's the bottom line. And you will do the same thing.

MR. NOGUEIRA: You mentioned home instruction before. The problem with home instruction-- I have been an elementary teacher, assistant superintendent, all those things. The problem is that the State requires you have a certified teacher to go out and do home instruction. There aren't certified teachers hanging around doing nothing for AP chemistry, physics, calculus. They're not there -- Spanish -- they're not always there.

ASSEMBLYMAN RAMOS: There is hardly enough in the classroom now.

MR. NOGUEIRA: Right. So they're not really around. So districts have a really hard time meeting the real requirement of saying, "I have a certified teacher there."

Plus, you mentioned before the five-hour limit. It's absolutely true. We run home instruction online -- same thing as everything else -- except we say the following, "You can do as many hours as you want. I really don't care. You want to do 10, 20 hours a week online with my teacher? I don't care." And how do we do that? In home instruction, you have to stay home for five days and you need all those courses? I take you, because it's a virtual school, and I plug you into those classes that are going on right now. "Hey, teacher, you have a new person. She's going to be here for a little while." And I do the same thing. We get a hold of your teacher your homeroom teacher and we say, "She's taking geometry with us. Here, you can watch us. Where do you want us to be? Where is she? Help us. You can watch us teach her." So that coordination is there.

And I've been doing this for 38 years. I'm going to tell you, I never had that communication with my home instructors. I would love to tell you that it was true when I was a principal. I would love to tell you that I had my finger on every one of them, and I knew what they were teaching, and they reported back to my classroom teacher. I'd love to tell you that. For most people -- at least for me -- that was never true. This way I can tell you every minute the kid was online, what they did, how they did. This is very open. Everybody knows. I tell the school who the teacher is and where they work, and give them a contact number. This is real open stuff.

I think there are ways to deal with online that's intelligent. If people say it just has to be supplemental, as our program is, that's fine. My Virtual Charter for dropouts is another story. I wish it was in a different category so I wasn't part of the bigger discussion. But I think that kind of thing is fine. And I was always opposed to pulling people out of the school, because you have to remember who I am. I'm a service agency. They don't have to come to me. No one is required to use MOESC services. Ten thousand kids don't have to be on my busses, 5,000 don't have to do my nonpublic. No one has to do any of these things. I never want to offend my clients by saying, "Oh, you're (indiscernible)? Let me steal five kids out of here." I mean, I just wouldn't do it for other reasons as well. But this is different. High school dropouts are a different class. I think they should be treated in a different way, and we should make a different set of parameters for them. Because it's not the same as pulling out 10 5th graders. It just isn't.

ASSEMBLYWOMAN WAGNER: One more question. I heard you talk about high school, and dropouts, and the 17- to 19-year-old -- nothing about elementary school. Do you see a place for it?

MR. NOGUEIRA: Elementary school is really difficult. We started out 10 years ago, and the people we modeled after were Florida Virtual School. They had received a grant from Florida to create that, and they're very successful and do an excellent job. And they told us, "Pick out what you're going to do and do that one thing well. You can't do everything."

Elementary is just far different. I was an elementary teacher, and I really don't know how you could-- I can see how you can use

programs in the classroom, without a doubt. But giving over a whole course -- I don't know if those learners are ready to do that. I don't know that my 4th or 5th graders that I had would be ready to do that. Middle school kids, high school kids -- no problem. There is no problem. They do that in a heartbeat. Elementary I just don't see. Maybe there is a good model out there. I haven't seen one that really works to my satisfaction.

ASSEMBLYWOMAN WAGNER: Any questions? (no response)

Thank you very much for your presentation. You really gave us a lot of information and food for thought.

MR. NOGUEIRA: Thanks for the opportunity. We appreciate it.

Thank you.

ASSEMBLYWOMAN WAGNER: Thank you very, very much. Deborah Cornavaca, from Save Our Schools.

I know that we were rather lengthy here today, but it's some good discussion.

DEBORAH CORNAVACA: Thank you.

I want to start by saying that I'm really humbled following Dr. (*sic*) Nogueira and Sister Elizabeth, perhaps intimidated too. (laughter) I think they do such tremendous work in New Jersey for New Jersey students with technology and with districts. And I would love to know more and learn more, and I would love us to use those as the models as we move forward in technology in classroom learning.

So I'm here intimidated and humbled, but I'm going to say what I came to say.

I'm here today speaking on behalf of Save Our Schools New Jersey, which is a grassroots, non-partisan organization of over 9,500 parents and other concerned citizens who believe that all New Jersey children should have access to a high quality public education. We do appreciate the opportunity to present the views of our organization on the topic of online learning to the Joint Committee today.

In the rapidly changing world of education and technology, it is timely and important that this Committee is devoting such careful attention to this topic. And I, for one, have certainly learned a lot by being here today.

Technology and education are not new collaboration. Public schools strive to introduce, keep pace with, take advantage of all sorts of technologies to enhance everything from communication with parents to instruction of students. Districts have technology policies and programs to integrate technology into their administration and curriculum within their own district's visions and means. The varied uses of technology in schools are as varied as the technologies themselves. A high school freshman signs onto Moodle to access a study guide, lecture notes, and participate in a forum where students work collaboratively on a project or study together for a test. A 5th grader watches his teacher guide the class through a microscope lesson by projecting a slide on the Promethean Board for all to analyze together. A 5-year-old in Kindergarten uses an iPad for an interactive reading lesson, advancing both her reading and comprehension skills. These are examples that I can cite from my own children of technology seamlessly woven into curriculum, advancing both content and use of technology for our leaders of tomorrow.

So we must give careful consideration to who and what is behind the current national push for online learning that has made its way to New Jersey. In a state with one of the best public school systems in the nation -- that uses technology in instruction, that has successful online programs, such as outlined by Dr. Nogueira and Sister Elizabeth, for such things as credit recovery and high school dropouts -- why are we feeling the pressure for an entirely new direction of online learning, its rapid expansion, most especially the push for virtual charter schools?

The answer to these questions raises issues in education about which Save Our Schools New Jersey advocates strongly -- in particular our opposition to for-profit companies in education, our position that local communities must have a real voice in the creation of charter schools -- in this instance virtual charter schools; that the Department of Education should not be allowed to circumvent both the letter and intent of the law to impose virtual charter schools on this state, schools that would receive the same 90 percent per-pupil funding as brick and mortar charter schools; and that we cannot continue to divert scarce public dollars to unproven experiments while the State continues to fail to meet its obligations to school districts in funding the SFRA.

Here I will briefly address Save Our Schools New Jersey's most pressing concerns regarding online learning in the context of policymaking. We want to begin with a very clear statement that we support the incorporation of online learning at the district level. We believe school districts are best able to discern the need of their student body, the capacity of the district to integrate technology and use external online curriculum -- perhaps to supplement course offerings, offer Advance Placement classes,

provide opportunities for students to recover lost time and credits, and provide alternative learning environments for students who have not been able to thrive in the traditional classroom.

These examples of district level uses of online learning are entirely different from the movement that is spreading across the country to promote schools that rely primarily or even exclusively on computer-based learning, whether the computers be located in private homes -- such as a virtual school is referred to -- or in a centralized location referred to most frequently as *hybrid schools*. The push for these schools is inextricably linked to business models of for-profit companies pushing their product, and cannot be, based on empirical evidence from such schools around the country, justified on the basis of academic outcome of the students.

We would like to highlight the need to be aware of the enormous sums of money being used to promote these schools. While advertising for high school dropouts is a reasonable way to expect to find these children and bring them into a special program within New Jersey, we have to acknowledge that it's fundamentally different than what the NJEA cited about K12 spending in the first eight months of 2012 -- \$21.5 million on advertising; and since 2007 the estimated total spent on advertising alone by the top 10 for-profit providers of online services is \$94.4 million. Some portion of this money, very possibly a large portion of this money, is taxpayer money received in payment by states that contract these companies for online schools. Advertising is not educating. I'd like us to just think about what that money would have done invested into our public school system.

Aggressive marketing is only one facet these companies use as strategies. Even more troubling to our members across the state is the acknowledgement of K12's CEO Ronald Packard that investors -- that, quote, "We understand the politics of education." Their understanding is reflected in their actions. They employ a strategy that includes hiring lobbyists, as we know they have done in New Jersey, to make their rounds to legislative chambers and offices, and donating large sums of money to State-level politicians. They promote model legislation written in conjunction with ALEC, the American Legislative Exchange Council, to create an open markets for their online virtual charter schools. These expensive political maneuvers to buy influence in the world of education policy do not preclude Ronald Packard himself from earning \$5 million of compensation in 2011.

A recent in-depth report from Maine, on K12 Inc.'s predatory practices of creating markets and influencing both legislators and legislation, should serve as a cautionary tale for New Jersey as we consider the future of these companies and their schools in our state.

Save Our Schools is, frankly, outraged by the money invested in marketing, lobbying, influence peddling, and compensation packages, money that stems largely from taxpayer contributions towards public education. We do not want New Jersey students, taxpayers, elected officials, or public schools to be drawn into this expensive scheme to bring virtual schools to New Jersey. In New Jersey we have an effective and successful program of online learning, as you heard well-articulated before I came up here. And we cannot allow them to be hijacked by companies interested more in their Wall Street rating than their academic success.

As previously mentioned, academic success is something that these forms of schools cannot claim to accomplish. In Florida, we have examples of these schools not using certified teachers and teacher-student ratios of 275 to 1. In Colorado, we see virtual charter schools with graduation rates of 22 percent. In Ohio, we see the on-time graduation rate of 30 percent. In Arkansas, we have examples of outsourcing the grading of computer-written essays to people in India to save money. Across the country, we have teacher accounts of attendance problems -- teachers who have taught at these virtual charter schools -- accounts of attendance problems, burdensome workloads, sacrificed curriculum to compensate for unreasonable teacher-student ratios, high student dropout rates, and more.

It is clear that critical to any potential of academic progress in these virtual environments is substantial parental involvement, a factor well known to be important to all student success. But K12 and other companies target low-income areas for placement of their schools, specifically because the per-pupil amount the company will receive is generally higher in urban, poor areas. There is no attention paid to whether this virtual environment is appropriate to the students they recruit.

As a *New York Times* author has said, “A portrait emerges of a company that tries to squeeze profits from public school dollars by raising enrollment, increasing teacher workload, and lowering standards.” This can best be explained in the words of Ronald Packard himself, in fact, when he says in a Wall Street interview, “We are now that much closer to our manifest destiny of making K12 Inc. education available to every child.”

And therein lies the fundamental divide between Save Our Schools New Jersey and those promoting online charter schools. Our goal,

and the goal of our 9,500 members of our organization, is to ensure that every child in New Jersey has access to an excellent public education. These companies simply want to make their product available to every child, regardless of appropriateness, academic standards or outcomes.

Save Our Schools New Jersey strongly opposes virtual charter schools in this state; the presence of for-profit companies hiding behind the screen of a nonprofit board; the use of taxpayer money to create a market and then advertise their product, influence policymakers, and ultimately experiment on our children's education for the purpose of profits.

Save Our Schools New Jersey knows the importance of technology and the potential that online learning can offer students across the state. We strongly urge our legislators to ensure that the Department of Education not create regulation contrary to the law or in violation of its intent with respect to virtual charter schools. We urge you to act in your capacity to create legislation that will create an appropriate framework to encourage innovation and the use of technology in our schools, recognizing that school districts should be allowed to develop their own strategies and plans for the roles of online learning in their schools. We ask you reaffirm that under the 1995 Charter Act there is no allowance for virtual charter schools, and that the primary motivation of accessing 90 percent per-pupil funding is not justified, nor reason to allow these schools to open in a state with one of the best public school systems in the country. Our increasingly scarce resources for public education must be focused on improving and supporting public schools for all children, and integrating online opportunities in those schools rather than diverting precious resources away from these schools for profiteering.

I want to thank you all very much for your time, and for accommodating me before I have to pick up my children today.

ASSEMBLYWOMAN WAGNER: Well, Deborah, you opened up your presentation by saying that you were intimidated. I can tell you that your delivery was not one from a person who was intimidated. (laughter) You were very, very strong in your opinions, and I want to thank you for your presentation.

I'm just going to ask the question: We talked about the graduation rates of the virtual schools versus the public schools. Do we have any knowledge if some of those students were some of the students who weren't succeeding in the first place?

MS. CORNAVACA: In the states that we've looked at, we don't know the reasons that the students who are in those high schools have entered. We don't know-- We cannot track their records.

We do know that they tend to be students, obviously, who weren't flourishing in their environment, because if they were, they would probably be staying. So you come with additional challenges without a doubt. But if one of our goals is to increase graduation rates in our state and to decrease the achievement gap, and we see that this model is not producing that in other states, I think we have to double down caution and say, "This is not going to solve one of the problems we've identified here."

ASSEMBLYWOMAN WAGNER: All right, Deborah. I've given you the magic wand. And you have the magic wand so that we can prevent dropouts, so that we can have our students embrace education and realize what it is. And we know what we're dealing with. What would you do?

MS. CORNAVACA: Well, first I would probably ask more people like Dr. Nogueira for their advice. (laughter) Secondly, there is no single solution. There are multi-faceted problems that we have to address simultaneously. And one of them goes back to early childhood education. When we make a commitment to early childhood education, and we bring children into a school system who, by third grade, feel confident in their reading abilities and their learning abilities, they'll be far less likely to drop out by a senior in high school. So that is one broad stroke that I would suggest.

We also need to address various reasons that children are dropping out and what is lacking within those high schools. And we also need to address the fact that in many instances these schools have grown to too large a size, or too dilapidated a building under too much financial stress, to address the needs that these schools themselves can identify and recognize. It's not that we don't know what the problems are with the students. We do. But they don't always have the resources to address them.

ASSEMBLYWOMAN WAGNER: Well, Deborah, I think we're going to make you happy again, because in February we are planning to do an early childhood education hearing. Because we recognize that every place I have gone -- whether it be the inner city, the suburban areas, charter schools, public schools -- every place they tell me that if I can't get them by third grade, I'm finished. And we know that most parents today -- everybody is working. And our children need to have the same standards for early childhood education. I should know that if I go to X school, Y school, or Z school, I'm getting a quality education. And we haven't put

forward our money, our training, or anything into early childhood. And that will become a priority that we hope to address. So I'm glad that you recognize that as one of our problems. And I hope we will see you back again in February.

Assemblyman Ramos.

ASSEMBLYMAN RAMOS: My question is: Would you be opposed to the online version that Dr. (*sic*) Nogueira was just speaking of regarding 17- to 19-year-olds specifically -- the dropout issue?

MS. CORNAVACA: I would have to agree very strongly with him. I think it's an important model to try. And I wish that it didn't have to fall under the rubric of a charter school. I would encourage this Legislature to look for funding sources that would fund such a vital and important project without putting it under the myriad of problems that our charter legislation has right now and without being -- falling victim to the politics of charter schools. So I would concur 100 percent, with due deference.

ASSEMBLYMAN RAMOS: I think I would agree with his model as well. But I think the details to put something like that together-- As far as the funding sources go, does the district itself fund the dropout student? And things of that nature really have to come into play, as far as specifics to fund such a program. I think it's pretty vital, especially where I work and in other districts around the state as well.

MS. CORNAVACA: And given just the basic -- that a student gets 90 percent of the per-pupil student -- goes to the charter school. When you have a dropout, how does the money transfer? There are just so many

-- a host of problems for such an important program that we should look -- this is worth looking for another source of funding to do.

ASSEMBLYMAN RAMOS: You spoke a lot about the profiteering aspect of a lot of these schools, and that's a huge concern of mine as well. We don't produce widgets; we're producing people. And even for many of these schools that just started in the last five or six years, the data really isn't as strong yet or doesn't exist yet. I know in our schools in Paterson and Jersey City, no matter-- Our kids come to school smiling and happy; they leave smiling and happy. But when our test scores come in July and August and it says, "Your student got 190-- They didn't pass. They got 190 instead of 200, or 198 out of 200." It doesn't reflect that they're passing. So those smiling faces -- we think we're doing a decent job; our test scores don't reflect that yet. So I think that's an issue that needs to be addressed.

MS. CORNAVACA: Could I comment on that briefly?

ASSEMBLYMAN RAMOS: Sure.

MS. CORNAVACA: There are two things. The first is that we have to look at how appropriate these learning environments-- Online learning is a particular environment not meant for everybody. And when you bring it into an urban area where children don't have access to the Internet at home or access to a computer at home, and yet that's the basis from which they're learning-- It's like we all know that children read better in school when they have books at home. How are they going to perform as well in school on computer-based learning, where their homework would also be, when they don't have that equipment at home? And remember, it's not just a computer, it's Internet access.

The other thing that that raises is a discussion you were having earlier about Common Core State Standards testing -- which is going to become computer-based. One of the huge pushes in this state is to decrease the achievement gap. When you move to computer-based testing, you're now going to be comparing a wealthy district that has computers in every classroom for every student -- and those children probably go home to multiple devices, so they're very fluent in how to drag, and click, and cut, and highlight, and all those other things -- to urban schools that will have just enough to process testing five days a week for three months out of the year. And mind you, then, that the children who test at the beginning of that cycle will have a disadvantage over the ones who test at the end of that cycle because of the curriculum taught in the interim. And they're not going to be as fluent on those machine.

Now, should it be a goal for us to get technological fluency for all of our children in this day and age? Absolutely. But will we achieve decreasing the achievement gap by moving to this form of testing in this state? I would be the first one to be happy to say I'm wrong, but I'm willing to put a lot down right now that it will not do a thing to improve the achievement gap. It will exacerbate the problems we have.

ASSEMBLYWOMAN WAGNER: I'm just going to make a comment to that, because I agree with you. When you talk about urban-suburban, I even see it in communities within the suburban community. I look at where I have been in my life -- in two different districts, one that had money and one that didn't have money. And when I went back to visit where I had been, I said, "Oh my God, nothing has changed." They don't have the money to invest. And it breaks my heart that the students there

do not have the benefits of all the multiple devices and what I have had at this other school.

So it's becoming not just even urban-suburban now, it's all over. And it's something that we have to address. And I think the biggest issue -- and it's something that we certainly don't have solutions to here -- is how we want to fund education. And it all comes down to it. Because someone lives in a wealthy neighborhood, their kids get more. It's just not fair, because it's the same student who is coming out who will one day be our doctor, one day be our lawyer, one day going to take care of me. And I need to make sure that they all have the same opportunities. And we haven't done a great job of addressing how we want to fund education. But that's for another day, another hearing.

MS. CORNAVACA: I'll be back for that one too. (laughter)

ASSEMBLYWOMAN WAGNER: I'm counting on you to have some ideas.

Thank you very much for coming.

MS. CORNAVACA: Thank you.

ASSEMBLYWOMAN WAGNER: Lorna, I know that you've been waiting for a long time.

Lorna is from the New Jersey Virtual Academy Charter School. It's not yet open, but it's in its planning year.

Lorna Bryant.

And I can see you. Boy, you have so many ideas in your head. (laughter) I've been watching you out there.

Can we take a short, five-minute break? I don't want to be disrespectful, but if I don't visit the ladies' room I'm not going to be

listening to you. So can we have a five-minute break? (affirmative responses)

Thank you.

(RECESS)

AFTER RECESS:

ASSEMBLYWOMAN WAGNER: Lorna, I'd like to thank you for being so gracious. But now everyone is in a better mood because they've been fed, they don't have a headache. We're all taken care of now. (laughter)

So now we're all ready to listen to you, Lorna. It's all yours.

LORNA BRYANT: Thank you.

I hope I can still speak intelligibly at this point. Don't hold that against me.

My name is Dr. Lorna Bryant. I'm here today representing the New Jersey Virtual Academy Charter School Board, as well as those families who have asked me to speak on their behalf.

I'm going to take a little bit of time to speak a little bit about my background, because there certainly have been questions raised today and issues raised about motivation for people coming to work in virtual schools or working in the virtual model. And so I think I would like to, at least from a personal and professional perspective, address that.

I come from a traditional brick and mortar public school background, working with primarily low socioeconomic and at-risk students.

My focus in my later years, and certainly the focus of my dissertation, was working with twice exceptional students, specifically students who are gifted but on the autism spectrum.

I am also the parent of a child with profound special needs. So I want to be very clear when I say, as with everybody in this room, that my intentions are to ensure that every child has the best educational opportunity possible however that looks and whatever format. That is what brought me here. I worked in a school and in districts that, without question, did the very best that they could for the students that they served. And the majority of those students were very well served.

Where I became concerned as an educator and as a parent was for those students who, for whatever reason, the traditional system simply wasn't working, and it wasn't due to lack of effort or expertise on the part of their teachers, on the part of the administration, or counselors. They just needed something different. And in looking for what that something different might be, I came into the "virtual" world.

I'm here specifically today to speak to the New Jersey Virtual Academy Charter School, where I hope to be head of school at the end of this planning year when we open in September. But I have worked in other states and I have worked with other virtual academies, and I have worked specifically with -- I don't want to say *special* populations necessarily, because I think that actually a fair number of students who come to virtual academies fall into one of those categories. But I've seen how this could also work for your "typical" students as well.

So a lot of questions have been raised that I was not necessarily planning to address in my statement, but I would be happy to address any questions that I can at the end of my brief statement.

Since 2010, the New Jersey Virtual Academy Board and I have worked very closely with the Department of Education to bring this option to families across the state. We have done everything asked of us to guarantee that we will be accountable in the same way that every other charter school in New Jersey is accountable, and to demonstrate how we will offer another high-quality public school option for families in New Jersey.

Like all other public charter schools in New Jersey -- and I think this is the point -- if I leave here today making no other point -- is this: We will hire New Jersey-certified teachers who are residents in the State of New Jersey. And the one thing that I think everybody here can agree on is that nothing can substitute or take the place of an effective teacher. This model does not propose to remove teachers from the teaching equation. And certainly we can speak more to that after this if you would like.

But our teachers, throughout the process last year when we were hoping to open this fall-- Before we were given an additional planning year, we had gone through the process of interviewing teachers, of extending preliminary offers of employment. All background checks have been conducted. And certainly that will be the case moving forward. There is a significant amount of professional development on (indiscernible), and preparation that goes into bringing our teachers on board, in addition to, of course -- as they move forward -- there is ongoing professional development and work with the staff.

Being a teacher in a virtual school, as several people have already alluded to, is a little bit different than it is in a brick and mortar school, but the responsibilities don't change. Those teachers are there to provide quality instruction, and they're also there to provide those pieces that we look to in our schools, and that is sensitivity to the children's needs, an awareness of something if something is happening in that child's life. And I think that one of the things that we see -- and I've certainly heard from the, literally, hundreds of virtual teachers who I've spoken with in the schools that I've visited and the families that I've spoken to -- that there is a significant amount of knowledge of those families, involvement with those students. And I have more teachers who have said to me, "When I was working in the traditional classroom where I had 30 kids in a class, I saw 150, maybe 200 kids a day. I think I was a good teacher, and I think I did the best for a large number of those students. But there were some who I just couldn't reach, I just couldn't see, who would come in -- maybe wouldn't cause any problems, who would leave at the end of my period, and I no more got to know those students than a student who never stepped foot into my class." And so every teacher I spoke to said they get a very intense, one-to-one, personal relationship with their students and the students' families. And I don't think that can be passed over. And I certainly don't want to make the suggestion that a computer teaches these children.

Certainly it would be disingenuous to say that online instruction isn't a part of the model. It certainly is. But that is with teacher support. And those teachers are certified, those teachers live in New Jersey,

those teachers have all the same background checks as any other teacher in the State of New Jersey.

In addition to that piece, we have worked with the Department of Education to make sure that we follow mandated attendance requirements, that we prepare our students for mandatory statewide tests and other assessments. And we have guaranteed that we will be transparent when it comes to sharing students' academic growth over time. I know that that certainly has been raised, and it should be raised, as a thoughtful question about students' academic growth in other schools -- in other virtual schools. And I'm sure that will be the driving factor here in New Jersey in how we plan to address that. And I can certainly speak to that as well.

Our accountability plans also include addressing concerns raised by people who either don't understand or simply haven't taken the time to learn about a model, that does exactly what we as all educators claim to have as our primary goal: recognizing that each child is unique, and as such entitled to the educational approach that works best for him or for her.

All of that being said, I recognize that there are legal and political issues at play here that I don't necessarily think we'll get into today. But what I want to talk about is the human element that somehow seems to have been overlooked amongst some of the very heated rhetoric and much misinformation.

Over the past two years I have personally had the opportunity to speak with and meet with hundreds of families that are looking to the Virtual Academy as an option for their children. In reading the comments

and the critiques of those who would oppose our school's opening, it is disheartening to me how little consideration seems to have been given to the people actually affected by this opposition.

As an educator, I have to believe that if you took the time to meet with and speak to these families, to get to know them as I and the Board have done, you would have a difficult time ignoring their pleas for a program that meets their children's needs in a way that, for whatever reason, the traditional brick and mortar system cannot.

There is the 7-year-old girl who, due to a life-threatening condition, is rarely able to leave her bedroom or her hospital room, let alone step foot into a classroom. Her own district has acknowledged that it cannot accommodate her academic needs to the extent that this bright, creative, intellectually advanced but physically challenged little girl needs. We can. We can assign her a full-time teacher, a classroom, a challenging curriculum in all her subjects, and we can connect her with her peers on a daily basis. We can give her a full-time school rather than a part-time substitute for what her able-bodied friends are receiving in a neighborhood school.

There is a military family stationed at Fort Dix who, after six moves in 10 years, would like to give their children some consistency in their education. Having had their children enrolled in virtual academies in three of the states they were previously stationed, imagine their astonishment at finding that New Jersey, of all places, still considers this to be an out-of-the-box concept.

There are the athletes whose accomplishments we laud and we are happy to claim when they compete and succeed at a level that makes

the whole state look good. But when these families come to us and ask for a public school option that will challenge and prepare their children academically, while allowing them the flexibility to train as they need in order to succeed on the court or in the gymnasium, we balk.

There are hundreds of families that might choose this option. There are those who are bullied, there are those on the autism spectrum, and there are those with families who are in transition for one reason or another.

I really could go on and on, and I might, but I won't. The bottom line is this: All of these children deserve an education that works best for them, regardless of where they live or of their families' ability to pay for the alternatives to the traditional public school options or other options available to them. I know that the traditional public school system, especially one as accomplished as New Jersey's, serves most students very, very well.

That said, is it difficult to imagine that a school with greater flexibility but equal accountability; a school that provides a more individualized approach to instruction might not work for just 1 in 100 students, 1 in 1,000? The approved charter application for our school assumes that this will be the right fit for one in 1,600 students and families. This is hardly the threat to the traditional public school system that opponents would have you believe.

This model will not work for everyone. We don't advocate that it does. But for the children who, for whatever reason and for however long, need an alternative that provides the support of a traditional public school with the flexibility and individualization that today's technology

allows, the school is a gift. Why on Earth would we want to deprive a parent of this choice due to opposition based, at best, on half-truths and misconceptions and, at worst, on self-serving agendas and some deliberate misinformation?

The New Jersey Charter School law was passed to promote the creation of truly innovative and new models. You have one before you. As everybody has said, there are always two sides to everything. And what I would like to do, as Dr. Fuller did, is I would like to offer my time, at any time, to anybody in this room to better understand how the school works, to meet with our families, to see a teacher teaching, to let you see how this model actually works so that we're not making statements based on suppositions and assumptions. I want to show you I will be held to the same accountability measures as other public charter schools and how it can work very well for many families.

Thank you.

ASSEMBLYWOMAN WAGNER: Thank you very much, Dr. Bryant.

I need to ask you-- The school is not open. Am I right?

DR. BRYANT: No. We've been given an additional planning year. And so if we do receive our charter, it would open next fall.

ASSEMBLYWOMAN WAGNER: What grades?

DR. BRYANT: Grades K-10 the first year, adding 11th grade the following year, and 12th grade the following year.

ASSEMBLYWOMAN WAGNER: How many families do you have interested in the school, and how did they find out about your school?

DR. BRYANT: So we had about 1,200 families who submitted initial enrollment or registration papers. The school would serve 850 the first year.

There are various ways that families find out about this. For our purposes, a lot of the families that contacted us were familiar with K12 curriculum, and that's the curriculum that we would use. There is a site where families basically go, and many of them said they clicked on the K12 website looking for public school options in New Jersey, and that's how they found us and that's how they contacted us. That really is how the majority of families contacted us.

ASSEMBLYWOMAN WAGNER: And when you mentioned some of the reasons that the families are coming to you -- for whatever reasons -- what would be the major -- the highest percentage of reasons that the parents are reaching out to you?

DR. BRYANT: I think there are two pieces. On the one hand we have those families who say they really want to be actively engaged. I'll say two pieces, actually. There are probably -- I would say three. I think the first is that we have some families who really want to be actively engaged in their children's education. So we have families who are educators themselves. We have a fair number of families where the parents have advanced degrees and they do want to be able to be engaged in their children's education. That's one piece.

The other piece is we have several students whose parents feel they are not able to progress at a level that works for them. One of the reasons that we get children who are twice exceptional is because in one area they are very advanced, they're moving ahead really, really quickly in

one subject area. But because of social challenges or because of a disability in another subject area, there is a real disconnect in what they're able to get in a traditional school day.

And then the other piece -- and this is a large number of students -- there are safety concerns, bullying concerns within their neighborhood school.

ASSEMBLYWOMAN WAGNER: So are most of the children presently enrolled in a school, are they home schooled?

DR. BRYANT: Actually, we looked at -- we pulled at those numbers, and I haven't looked at them in a little bit. I would be happy to send that information to you. From the students who enrolled, the majority were currently enrolled in traditional public schools. That was then followed by students who were in private schools, and then by students who were home schooled.

ASSEMBLYWOMAN WAGNER: How would you handle the testing situation online? Will they go to a building in order to take a test, or will they be doing them from home.

DR. BRYANT: So the statewide tests -- and obviously that's how we're going to assess whether or not our students are making progress, whether or not they are learning what we say they are learning. So we have been working -- and we have already been working with the Department of Education on this to talk about securing sites around the state that are accessible to all the students. They would obviously be approved by the Department of Education to make sure that they are appropriate testing sites. And then we have proctors who are on site with those students to administer the tests. Obviously several of our students will have special

needs, and so we make accommodations for that to make sure that they get the appropriate testing accommodations made.

ASSEMBLYWOMAN WAGNER: Refresh my memory again. How many students do you think will be attending the school?

DR. BRYANT: It's 850, K-10.

ASSEMBLYWOMAN WAGNER: Thank you.

Assemblyman Ramos.

ASSEMBLYMAN RAMOS: You can answer the question I asked earlier. I have a 4-and-a-half year old going to Kindergarten in September. What would his experience be like in your model and my experience as a parent in the model?

DR. BRYANT: Interestingly, we actually do have a fair number of students who are Kindergarteners whose parents want them to be in this model. And there are various reasons. Usually because the child is advanced academically, the parent wants them to be able to move forward a little bit more quickly than they had heard that they might in their traditional classroom. In many cases it's a social issue. The parents are concerned that their child is perhaps not quite ready to be in the traditional classroom.

The first thing I want to be very clear about is they do not sit. There is this image of this poor, pale little child sitting in a closet somewhere clattering away at a keyboard while mom is off doing something, and they're being babysat by the computer. The younger the child is, the less information is delivered online. So a child who is that age could expect to maybe get about 10 percent of their instruction actually delivered online. And I'm not saying that-- That's separate from the teacher who does

instruct the students, who illuminate and so on. But the actual delivering of the instruction will be about 10 percent on the computer.

Beyond that, they receive materials. Every child-- And this is the thing with a virtual school. It's a little bit of a misnomer, I think, to call this *online learning*, but that has become the more favored name for it because it suggests that it's all done on the computer. And we recognize that you shouldn't simply plug in technology for technology's sake. In many cases there are very traditional teaching methods that work best for children. And young children need hands-on. So if we're going to have a child who is going to do an experiment with dirt, then we ship them dirt. They will receive, literally, tubs of materials full of manipulatives. They're going to get books that they actually hold in their hands and turn the pages -- so they don't do what my son did the other day, which was open up a book and try to swipe it with his finger, which horrified me at a level I don't even want to get into, because they get so used to using technology all the time. They get hardcopy books, they get materials they can actually use and get their hands dirty with. And then some of their instruction is delivered online. The older the children get, the more their instruction is going to be delivered online. So by the time they're in high school, they're going to get about 75 percent of that instruction delivered online.

ASSEMBLYMAN RAMOS: That requires mommy and daddy to be home. Mommy and daddy work--

DR. BRYANT: It does. And so here is--

ASSEMBLYMAN RAMOS: --to handle all those materials with them.

DR. BRYANT: Absolutely. And so those are the questions that we've had. Again, 850 students. We were very open about that from the beginning. It involves an active and engaged learning coach. Because not all families can, should that preclude those families who want to and are able to?

On one hand, we have those families who have learning coaches who are the parents; but there are others -- and we see this in our military families, and there are many military families -- who basically have, for want of a better word, *cohorts* or *cooperatives* of families who serve as learning coaches for the children. And so they will go on base-- In fact, there are several states that have on-base programs where the parents will come together and, today, this parent or this adult will act as a learning coach for this group of military children who are enrolled in the academy. And so they work out-- They have groups that are able to serve as learning coaches.

We have some families where mom and dad both work and the grandparent is the learning coach, or they actually have somebody come in and who -- a university student or somebody they trust.

ASSEMBLYMAN RAMOS: I'm sorry. The learning coach goes to the home?

DR. BRYANT: Yes.

ASSEMBLYMAN RAMOS: Okay.

DR. BRYANT: So there are two components that we have proposed in New Jersey. The majority of this is going to take place at home. But in the budget that we submitted, we have also accounted for several learning sites around the state. And we recognize that we want to provide some scaffolding in a series of support structures for students who

need it. So, yes, most of this will take place at home. We'll deliver the materials, we'll deliver the instruction, the teachers will instruct through Illuminate and various other online sessions. But there are learning centers. And when it comes to a point where a teacher says, "Look, I really feel that this student would benefit from a couple of days of face-to-face instruction," we can bring them to a learning center. If there are some concerns about, perhaps, this one week-- And, again, not to keep going on about the military families, but they are near and dear to my heart. Dad is in the midst of, or mom is in the midst of, a deployment. Our family is really consumed right now with trying to handle that. We will have these centers where teachers are available to go and work with that student for that week while the parents are dealing with the issues that they're having in their home. And we feel that that is a really useful component to this, because we realize that there are different pieces that need to happen.

There have been references to academic integrity and cheating, and certainly we can talk about that and the pieces in place with that. But this is another one of those components. A teacher has some real concerns. She has noticed, perhaps, a change in the student's pattern of performance. And this is an opportunity for us to say, "We would like for you to come to the learning center so we can do some one-on-one work with you and get a sense of just how well you really are grasping the material that we see you are getting."

ASSEMBLYMAN RAMOS: Okay.

ASSEMBLYWOMAN WAGNER: I just have one more question.

ASSEMBLYMAN RAMOS: Thank you.

ASSEMBLYWOMAN WAGNER: An adult has to be present when they're communicating online. I happen to have met a young girl from North Carolina -- it was a family, and this was their experience -- was that most of the learning for them had to occur in the evening because that's when the parents were home. And they had a few issues when they couldn't communicate through the computer or had questions and had to make the telephone calls. The teacher wasn't always available at that time. And it was difficult getting ahold of the teacher online. And I sensed tension truly between the parent, the child, and what was going on. How do you plan to handle that?

DR. BRYANT: And that is something-- I mentioned some of the athletes who we will possibly serve. And that is something that we have to be very aware of. Because one of the things that makes this model attractive is the fact that they have some flexibility during the traditional school day and, therefore, they're going to need some instruction outside of that. What we have talked about, and what our hope is, is to essentially have a cohort of teachers who will work with those students who specifically have those challenges or have those particular scheduling needs. And that way-- Another attractive piece about that is we have a lot of teachers who apply -- and there are many teachers who apply -- who are excellent teachers, but they have some similar challenges that some of our students face. We have a number of teachers who have physical challenges that make it very difficult for them to step into a traditional classroom. And it's wonderful to be able to provide them an opportunity to use their skills to provide instruction within this model. And so being able to offer different

cohorts of time when teachers are required to be the teacher is also attractive to many of these teachers.

ASSEMBLYWOMAN WAGNER: I guess when you hire your faculty that's how you will be doing it -- by time when they're available to--

DR. BRYANT: Overall, we look for teachers-- And when our teachers interview with us, one of the things we're very clear about -- because certainly people come to us and say, "I have three children at home, and this will be a wonderful way for me to stay home with my children all day and teach on the side." We're very clear with our teachers that this is a full-time job. And by and large our teachers teach from 8:00 to 5:00. I mean, that is a traditional day. There will be some exceptions based on the students that we enroll. And that's something that we look at when we make staffing decisions as well.

So our teachers have to understand that while the majority will work a traditional school day, so to speak, there will be those who would work different hours based on the needs of our students. Again, that doesn't take away from the fact that certification requirements remain exactly the same no matter when those teachers teach. And it's a full-time job with full-time responsibility. Most of our teachers make child care arrangements. They go to this like it's a job. Whether they're doing it in their home or whether they're doing it at a learning center, this is their full-time job.

ASSEMBLYWOMAN WAGNER: I'm not going to try to get stuck on how much time I spend on the computer, but I'm going to ask that question anyway. I'm a student, and I'm in the 5th grade. How much time will I be on the computer within all -- the program?

DR. BRYANT: In terms of actual computer time: If you're a 5th grader, I would say roughly 15 to 20 percent of your instruction is going to be delivered online. So they also have that offline time, and they also have-- The work is delivered to them. There are some of their assignments that they complete online, there are some of the interactive components that they participate in and observe. But then the majority of their work is also going to be done offline. So I would say maybe up to 30 percent, but a fair number of it is done offline. Because we recognize (*a*), their attention span is only so long, and they can only sit in front of a computer for so long; and then (*b*), there comes a point of sort of limited returns, where the longer they're doing the same kind of thing, the less engaged they're going to be. Most kids love technology. We know this. But that doesn't take away from the fact that, just because they love technology -- it doesn't necessarily meet their way of learning. So you're still going to have your kinesthetic learners who need to be using their little hands and moving around, you're still going to have your auditory learners who need to be getting it delivered to them that way. One of the nice things when I spoke with families -- and certainly those with children who have -- again, not to harp on the autism piece. It's just, again, my interest. They love the fact that the students had the ability to get up and move around at a time that was -- that they needed to. And they felt that they were so much more productive. The curriculum, they said, was good, and that was wonderful. But it was less the curriculum than it was the way in which it was delivered to them. And the ability for those students to say, "Look, I can sit for 10 minutes and then I need to get up and just walk around for a minute or two," which would be somewhat disruptive in a traditional classroom -- they

were able to make those adjustments within their own home, within the virtual setting, and it helped the students productivity as well.

ASSEMBLYWOMAN WAGNER: One more question: timeframe. Am I thinking, not thinking, the September to June timeframe? Am I thinking the Monday through Friday timeframe? Do I contact a teacher on a Saturday or Sunday? I'm just asking.

DR. BRYANT: We essentially, from the very beginning-- And students will initially get a calendar. And we basically will follow the school calendar, and that's Monday through Friday. Here are your holidays and so on. The reality is that the students can really access their curriculum and they can work at any time.

Now, it may be Sunday night-- And our teachers are human beings. They do have lives. And we don't want to burn them out either, and we respect that they are entitled to have lives outside of the classroom. Some of them have a hard time grasping that too, and we actually have teachers who -- many people have had to say, "You have to turn it off. Because the reality is these students can follow you home because they can access you a lot of times." And that's true actually in traditional classrooms too. I know. Once you give a student a cell number you're in trouble.

But technically, students can access their curriculum at any time. What is built in as well are various ways for them to contact their teachers. There are discussion threads. There is a tool within the curriculum that we use called *Raise Your Hand*. And essentially a student may be watching. There may be a lesson that a teacher delivered, and the student was unable to attend that live lesson during the week so it's recorded. And the student goes back, and the student watches the lesson

and the recording. And then they can raise their hand, essentially, and they see something that they want the teacher to clarify, they want a response. And the teacher, the next morning, when she goes in she sees, "Okay, this student was watching this on Sunday night. They had this question. I wasn't available to ask. But I have it right here in front of me and I can hopefully have a response to them before they even log onto their computer the next morning."

A lot of families-- We have traditional holidays, but families -- again, the military families who often will take off, in the traditional school, a week or so when mom or dad come home. They can continue to access their curriculum, they can continue to work. And some will choose to do that over holidays, on weekends so that they can get a little bit ahead. And then the teacher will follow up with them through one of these other tools.

ASSEMBLYWOMAN WAGNER: So when you're talking a live lesson, that means that they've taped the teacher. And when I turn on my computer, I'm watching a teacher.

DR. BRYANT: In the live lesson, when it's live the teachers are actually interacting with the students. So you have this tool. It's almost like (indiscernible) meeting on steroids -- is probably the best way to describe it -- where the students have, essentially, their white board in front of them. They can hear the teacher, they can see the teacher. It may be small group, it may be one-to-one, in some cases it's whole group. It may be you and your whole class. They can hear the other students participate, you can write your questions to the teacher on the board. And it's that interactive component that the teacher does -- direct instruction. And the students have the opportunity to respond and interact.

ASSEMBLYWOMAN WAGNER: Any other questions? (no response)

Thank you very much. We appreciate it.

DR. BRYANT: Thank you.

ASSEMBLYWOMAN WAGNER: Paul Lund? Is he here? (no response)

I think you're all going to be happy with this next statement: We're finished. (laughter)

Not bad. You come to a meeting, you have lunch. It's okay.

No, truly--

ASSEMBLYMAN RAMOS: And you fed them.

ASSEMBLYWOMAN WAGNER: I fed them. It's good.

Truly, lots of information here today, lots to read. And I know, for me, my brain is ready to explode with everything that I learned today. And I want to thank each and every one of you for being so patient and for being so open-minded. And I'm sure that when we come back in February we'll have even more. And you know what? You're invited to come back in February.

Will they have lunch again? (laughter)

MS. SCHULZ (Executive Director): We will have lunch again.

ASSEMBLYWOMAN WAGNER: We will have lunch again.

Thank you very much for coming.

(MEETING CONCLUDED)

APPENDIX



New Jersey Association of School Administrators

920 West State Street • Trenton, New Jersey 08618-5328
609.599.2900/ Fax 609.599.1893 website: www.njasa.net

Richard G. Bozza, Ed.D.
Executive Director



Testimony for the Joint Committee on the Public Schools

December 5, 2012

Good morning. I am Dr. Richard Bozza, Executive Director of the New Jersey Association of School Administrators. The New Jersey Association of School Administrators is an organization of chief education officers and school administrators who lead school districts in New Jersey's 21 counties. The association's mission is to ensure a superior statewide system of education. Through ongoing professional training and education, the association shares knowledge among its members about best practices from both educational and administrative perspectives. Our goal is to move education forward by ensuring the highest quality of instruction for all New Jersey children.

I appreciate the opportunity to speak with you this morning about Online and Blended Learning.

In 2007, an NJASA statewide task force developed a document titled **NEW JERSEY'S VISION: World-Class Schools for a Global Economy. A Call to Action from the New Jersey Association of School Administrators.** That document outlines eight factors to focus on to create World-Class schools in New Jersey. One of those eight factors is to provide multiple learning opportunities and additional learning time to accommodate the different learning rates and learning styles of children. A second is appropriately designed and adequately maintained school facilities to accommodate and support positive learning environments and advances in technology.

Needless to say, technology continues to advance and its applications for learning expand at a dizzying rate. But it is important to understand that many factors are critical to establishing and maintaining effective schools. Entering and taking advantage of the **new digital learning environment** is clearly one

of those factors. **Establishing new learning standards** is another. We are seeing a national movement in this regard with the establishment of the Common Core State Standards. Along with those standards we see new **assessments of learning** using a technology base that presents opportunities and hurdles to overcome. There are two consortia of states working on assessments to measure student achievement of the Common Core State Standards. New Jersey is a participant with 22 other states in PARCC, the Partnership for Assessment of Readiness for College and Careers. The Smarter Balanced Assessment Consortium brings together another 24 states in the development of similar assessments.

Accountability for learning is another important focus. This accountability is for students and educators and we see technology applications being incorporated into the supervision and evaluation processes for teachers and administrators. **Organizational Transformation** will be necessary as new learning models require leadership that engages stakeholders in the development of a new paradigm, moving schools beyond the factory model and toward a 21st century learning environment.

NJASA will reexamine our 2007 work defining New Jersey's vision for world-class schools during 2013 and surely Online and Blended learning will receive an even closer examination. On September 19 this year NJASA conducted two important events. The first was conducted in the morning when chief education officers throughout the state convened for the second time in nine months to meet with Commissioner Cerf and key Department of Education leaders to hear and discuss the state's blueprint for enhancing teaching and learning in New Jersey classrooms. The second was an afternoon summit focused on Online and Blended learning. The summit was co-sponsored by NJASA, Intel and K12, Inc. The program featured panel presentations and discussions focusing on much of the same areas that this panel chose for your September meeting:

- National and International Perspectives for Online Learning;

- Challenges faced and remaining in the areas of online curriculum, assessment model, professional development/personnel, funding, policy issues, technology infrastructure and sustainability;
- Free tools and programs for online and blended learning available from Intel and Microsoft; and
- Creating educator capacity for online and blended learning.

We will be building on this initial work in January when we will survey all school superintendents in the state about current practices and programs in New Jersey's schools as well as what opportunities in this area that superintendents would like to see be made available. This will be an important step as we at NJASA look to provide a new educational paradigm for New Jersey schools that will enable schools to expand learning opportunities for their students through the use of online resources, online courses and instruction, and empowering educators to tap into the power of digital content to engage students. Our long term goals in this endeavor are focused on the following:

1. *Position* NJASA as the statewide hub of innovation and thought leadership on online education to its member schools.
2. *Provide* access to high quality online learning resources and services, courses, and instruction that have been vetted accountability and alignment with New Jersey and national curriculum standards.
3. *Elevate* the interest in utilizing digital resources and online learning among member schools.
4. *Train* educators in the use of online tools and resources.
5. *Accelerate* the utilization of virtual education in NJ schools to meet the academic needs of students.
6. *Attract, engage and retain* a global network of district and school leaders to collaborate towards long-term use of online learning to supplement traditional learning options.

NJASA will work to develop resources that supplement a student's program of study at their local school. For example:

- A student may wish to take an AP® course their local school does not offer.
- A student may wish to complete the remaining requirements for graduation this semester yet the course on campus is already full or not offered this semester.
- A student may be home bound or hospital bound due to an illness and wish to remain on schedule and graduate on time.
- A student may wish to enroll in an online course for credit recovery when the student has already failed the course and needs to regain the credit.
- A student may wish to enroll in an online course because of scheduling conflicts at the local school.
- A student may wish to enroll in an online course due to personal preference and interest.
- A student and his family may wish to take advantage of online tutoring sessions.

We are operating on a premise that students should have choices regarding when they study and work in courses; therefore, we plan to offer students rolling enrollment where possible, which means that the start time is flexible. In many courses, students may begin the course any week of the year, and may move at their own pace through the online course. All courses offered by NJASA will be taught by highly qualified and NJ-certified instructors.

2013 will also see the NJASA sponsorship of the eighteenth annual statewide educational technology training and exhibition conference for school leaders conducted on January 31st and February 1st. Known as TECHSPO, NJASA has been a leader in bringing best technology practices, programs and services to New Jersey educators for nearly two decades. In 2012, TECHSPO brought together nearly 1,000 educators to hear from prominent keynote speakers and to attend sessions in which New Jersey educators shared their innovative programs and practices. 2013 will bring that

same opportunity to the educators and policy makers of the state and we can see in session planning that online and blended learning is beginning to receive more interest and participation.

I would like to mention one other area of focus that we are engaging. NJASA with a partnership with the New Jersey School Boards Association and the Education Information and Resource Center is nearing completion of an online training program on Harassment, Intimidation and Bullying for school district staff. We believe that this online program which features video of students and staff and regular assessments will be a great asset to districts as they annually provide training opportunities for new professional and support staff members.

Technology applications for learning are a significant component of the national agenda established by President Obama and Secretary of Education, Arne Duncan. Duncan has recently spoken about the digital transformation in education, saying: *"..our nation's schools have yet to unleash technology's full potential to transform learning. We're at an important transition point. We're getting ready to move from a predominantly print-based classroom to a digital learning environment. We need to leverage technology's promise to improve learning. I am optimistic because states and districts are starting to lead this transformation."* He further outlines five goals of the National Education Technology Plan noting that *"The National Education Technology Plan recognizes that technology has the potential to take that transformation to scale in school after school across America. The plan sets five goals that will help us transition to digital classrooms and transform learning:*

First, technology can fundamentally change the learning process so it's more engaging and tailored to students' needs and interests.

To achieve this goal, both states and districts must create and acquire learning resources that are aligned with the rigorous college- and career-ready standards that states are showing such courage and leadership in adopting.

The second goal is to use technology in the next generation of assessments so they give teachers the information they need to regularly identify and address students' individual learning needs throughout the school year.

These evaluations will go far beyond the end-of-course bubble tests available today and use the latest technologies that give teachers real-time data they need to differentiate instruction and improve student outcomes.

The third goal is to connect teachers with their peers and experts so they are continually learning about the resources available to them to meet the diverse needs of children in their classrooms.

We can achieve the transition to digital learning only if teachers and students have access to what they need to do their work. That's why the fourth goal is to build an infrastructure that allows us to support access in and out of school.

Finally, the fifth goal is to harness the power of technology to help schools become more productive – to accelerate student achievement faster than ever before. Despite difficult financial times, we must improve student outcomes in ways that historically may have seemed impossible. If we accomplish these goals, we'll have realized the potential for technology to prepare students for success in the internationally competitive, knowledge-based economy. Our children and our country deserve no less."

I will close my comments today with a few points. Education must, and will, become increasingly focused on the measurement of student progress and outcomes, not how much time they spend in a class. To see the power of engagement in learning one must only look to students who are engaged in online games. At last year's TECHSPO, I was engaged in a fascinating conversation with Ian Jukes, a technology futurist and frequent TECHSPO keynote speaker. We spoke about the power of gaming for learning and he told me that online gaming participants are asked to make decisions every 1½ to 2 seconds and receive a consequence every 7 seconds. He spoke about the brains of

today's digital learners which process information differently than do those of my generation. Digital learners prefer processing pictures, color sound and video before text. This is opposite of traditional educators who prefer to present text first. Traditionally, primary information was always provided by text. Now this is opposite. Tests have shown that people can remember the content of over 2,500 pictures with 90 percent accuracy several days after exposure, even though they see each picture for only 10 seconds. Recall rates after one year remain at about 63 percent. The same research, however, shows that when information is presented orally, after 72 hours people only remember about 10 percent. Add picture content to the material, however, and the retention skyrockets up to 65 percent. This is because the brain processes images 60,000 times faster than it does text.

Schools have traditionally been a place where we would teach students information "just in case" you need it. As Jukes notes: *"Educators are saying you have to learn this "just in case" it happens to be on an exam, "just in case" you might need it to pass the course, "just in case" you may want to become an engineer, or a historian, or a writer.*

Digital learners, however, want to gain an understanding of what they need to know, but they want to acquire these skills "just in time" to play a new game, play the piano, "fix a bike, or something else they don't know how to do.

"Just-in-time" learning is about learners having the skills and habits of mind that allow them to learn and adapt "just in time" for that next window of opportunity that opens up to them. Digital learners today want information "just in time" for their use."

In order to provide students with an education for their future and not our past, we must think like a football quarterback, a metaphor taken again from Mr. Jukes. The quarterback must throw the ball to where the receiver **will be**, not where he is when the play begins. Similarly, we must aim our school transformation efforts to the future and use what we know about today's digital learners to plan for their learning future. Clearly, online and blended learning will be an integral part of that future.

We must and we shall overcome the hurdle of traditional and institutional thinking of the past, as well as the obstacle of contract language with educators' working conditions that look to the models of the past and not to the future of their students.

I welcome your comments and questions.

A handwritten signature in cursive script that reads "Richard G. Bozza".

Dr. Richard G. Bozza
NJASA Executive Director

NEW JERSEY'S VISION: World-Class Schools for a Global Economy



**A Call to Action From the
New Jersey Association of School Administrators**

Statewide Task Force



New Jersey's Vision for World-Class Schools ***A Message from the New Jersey Association of School Administrators*** **(NJASA)**

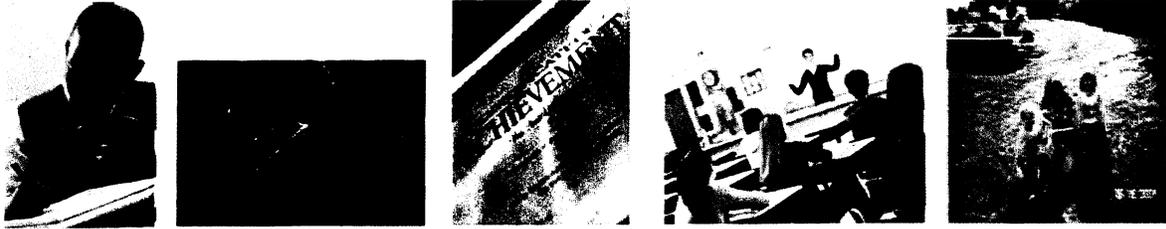
In recent years, various political and cultural forces have threatened our country's security and even our very quality of life. We as a nation are at serious risk of losing our economic and technological superiority. To advance our democratic principles, New Jersey's students now, perhaps more than ever before, need to be adequately prepared to assume strong leadership roles in a highly competitive global economy.

It is absolutely imperative, therefore, that everything possible be done to equip our state's young people with the knowledge, skills, and tools that they will need to serve as productive, contributing members of 21st Century society. As New Jersey's educational leaders, we believe that this can best be accomplished through the development of world-class schools that provide the highest quality learning opportunities for every child.

The purpose of this document is to spark a statewide conversation that will ultimately help to define exactly what such a world-class education includes and the resources required to support the best practices identified as necessary to this endeavor. Many individuals and groups influence what happens in our schools. Only when a common vision can be identified and our efforts uniformly focused in this direction will our hard work result in well-educated, well-informed, and competitive citizens of the world.

During the past two years, the New Jersey Association of School Administrators' Statewide Task Force has researched, discussed, deliberated, and advocated for effective strategies that will enable us to maintain our status as one of the highest performing educational systems in the world. In doing so, a number of factors have been considered and conclusions drawn.

As school district leaders, we acknowledge the complexities involved in educating today's children. We recognize that there are many different ways to teach, to learn, and to assess learning. We understand that students must have multiple opportunities and progressive paths available to them with which to demonstrate proficiency and competence. We know how important it is that we work with community groups and organizations to address physical, emotional, and social concerns that are obstacles to student learning and achievement.



We agree that world-class schools require world-class district leaders; leaders with the background, experience, and skills necessary to ensure superior teaching and learning and the implementation of highly effective strategies, programs, and best practices in every classroom. Additionally, our school districts' leaders must be given the autonomy with which to effectively utilize their expertise as education specialists without excessive regulation and/or micromanagement issues.

In order to create world-class schools, district leaders must have the necessary resources and support available to them. While we acknowledge that securing these resources continues to be our most significant challenge, we firmly believe that lowering education standards to reduce the cost of public education would be a short term solution with absolutely devastating long term results.

Our nation's success as a world leader has often been attributed to the manner in which we emphasize creative, divergent, and innovative thinking rather than compliance and rote learning as many other industrial nations do. The recent trend in the United States to measure student achievement using a "one size fits all" series of standardized assessments has greatly diminished our ability to nurture and develop the higher order thinking skills of analysis, evaluation, and creativity so important to who we are. If our country is to continue to serve as a leader among nations, we must once again educate students in environments that embrace the qualities that historically have made us such a significant force in world affairs.

To achieve our vision of world-class schools in New Jersey, we need to work together as educational leaders and to do whatever is necessary to enlist the support of the media, state legislators, business leaders, parents, and community members. We need to keep our priorities clear and stay the course for as long as necessary despite shifts in political power and changes in school and district leadership.

We hope that you, the reader, will join with us in the months ahead as we work to create world-class schools for New Jersey's world-class children.

New Jersey Association of School Administrators (NJASA)* Statewide Task Force 2007

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Dr. Brian A. Zychowski - N. Brunswick
NJASA Staff:
Dr. Barry Ersek
Dr. Jerry Woehr



New Jersey's Vision World-Class Schools for a Global Economy

In creating world-class public schools in New Jersey, it is imperative that we coordinate the activities of all stakeholders...legislators, educators, parents, business people, and community members...to ensure that the best practices are known, shared, implemented, and supported state-wide. The world-class educational system that we propose embraces the following eight factors:

-  1. The RECOGNITION OF MANY DIFFERENT AND RIGOROUS PATHS TO ACADEMIC ACHIEVEMENT, ALL OF WHICH LEAD TO LIFE-LONG LEARNING AND CAREERS;
-  2. PREDICTABLE AND SUFFICIENT FUNDING TO ENSURE WORLD-CLASS PERFORMANCE;
-  3. ON-GOING AND CONTINUOUS PROFESSIONAL DEVELOPMENT SUPPORT TO MAINTAIN THE EFFECTIVENESS OF ALL EDUCATORS;
-  4. MULTIPLE LEARNING OPPORTUNITIES AND ADDITIONAL LEARNING TIME TO ACCOMMODATE THE DIFFERENT LEARNING RATES AND LEARNING STYLES OF CHILDREN;
-  5. INVESTMENTS IN EARLY CHILDHOOD EDUCATION TO PREPARE CHILDREN FOR ACADEMIC SUCCESS;
-  6. APPROPRIATELY DESIGNED AND ADEQUATELY MAINTAINED SCHOOL FACILITIES TO ACCOMMODATE AND SUPPORT POSITIVE LEARNING ENVIRONMENTS AND ADVANCES IN TECHNOLOGY;
-  7. SERVICES THAT FOCUS ON HIGH EXPECTATIONS AND EMPHASIZE INDIVIDUALIZED OUTCOMES IN ORDER TO MAXIMIZE THE ACHIEVEMENT OF SPECIAL NEEDS YOUNGSTERS;
-  8. GOVERNANCE POLICIES AND PRACTICES THAT ENHANCE TRUST AND FOSTER COLLABORATION, COMMUNICATION, AND COORDINATION.



The Eight Factors For a World-Class Educational System

Factor One:
Recognition of Many Different and Rigorous Paths to Academic Achievement, All of Which Lead To Life-Long Learning and Careers.

Background:

In the past, society has had many venues of employment for those individuals with more general, less specialized academic skills. Today, technological advances and ever evolving job classifications require a work force prepared for the unconventional application of intellectual skills. In the future world of work, only those students who possess and routinely utilize higher order thinking skills will achieve the American dream. World-class schools must implement rigorous standards to maintain a viable and vibrant workforce. To prepare students for such a working environment, adequate preparation for post-secondary education is a minimum requirement.

Our Vision:

- Provide all students with quality instruction that is rigorous, relevant, meets individual academic needs, involves students actively in their schooling, prepares them for post-secondary education opportunities, and is effective and efficient.
- Prepare school systems to provide appropriate opportunities for higher-order skills acquisition so that all students can be successful in a college program or in a post-secondary technical/trade school setting.

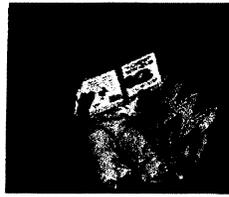
Factor Two:
Predictable and Sufficient Funding to Ensure World-Class Performance

Background:

An investment in public education is essential if New Jersey is going to enhance the quality of life for its residents. New Jersey's educators and students need to have a well-developed funding formula in place that provides the necessary resources for all youngsters. The current system provides state aid figures too late for quality long-term planning. With over 60% of public school funding now provided through local property taxes, the state must realize its obligation to increase its contribution in order to reduce this reliance on property taxes as a primary source of funding for our schools.

Our Vision:

- Develop an approach to funding schools that is predicable and stable so that educators can achieve the benefits inherent in long-term planning.
- Define a sufficient level of funding to help New Jersey's schools equal the academic performance of other outstanding world-class school districts.
- Streamline time-intensive bureaucratic requirements and rules that are of minimal value to districts so that valuable time can be more appropriately dedicated to activities that truly support and enhance teaching and learning.



**Factor Three:
On-Going and Continuous Professional
Development Support to Maintain the
Effectiveness of Educators.**

Background:

The most important variable in maximizing student achievement is the quality of instruction provided by teachers. Another critical component in fostering and maintaining outstanding teaching and learning is the caliber of school and district leadership (McREL, 2002). With the anticipated retirement of many New Jersey educators and with an estimated one-half of all new teachers leaving the profession within their first five years on the job, the recruitment of superior candidates, the training of new staff, and continuous professional development opportunities for every educator are essential elements in the creation of world-class schools.

Our Vision:

- Actively pursue a highly visible, creative, media-supported campaign to improve teacher recruitment and retention in New Jersey. Special attention must be given to positions that are often difficult to fill including those in science, mathematics, special education, foreign language, and English language mastery.
- Garner support from legislators and the media for the work of public school staff and promote respect for educators and the work they do.
- Encourage candidates from underrepresented groups and/or diverse backgrounds to pursue teaching careers.
- Offer high quality, on-going, and job-embedded professional development for teachers and ensure that time is available for these activities.
- Encourage the formation of Professional Learning Communities in all schools.
- Increase standards for acquiring permanent teacher certification to include the achievement of a master's degree within five years of employment.
- Develop effective methods to raise the number and caliber of school/district leaders and support high quality, on-going professional development.

**Factor Four:
Multiple Learning Opportunities and
Additional Learning Time to Accommodate
the Different Learning Rates and Learning
Styles of Children.**

Background:

Learning rates and learning styles vary for individuals and students often require multiple, diverse opportunities in order to master critical skills and proficiencies. Teachers need a plethora of divergent and differentiated strategies, methods, and timelines to succeed with different learners.

The current instructional day and academic year are based on the agrarian calendar and limit opportunities for all children to be successful. Before and/or after school instruction is necessary for some students to keep up academically, but this is not available to many that desperately need these services. Summer breaks additionally permit far too many youngsters to lose academic ground.

School experiences must be expanded to include an extended school day and school year for students who need this time. In the world's highest performing nations, students use summers and extended school days to better prepare for successful careers in today's global economy.

Our Vision:

- Provide students with additional learning time through extended learning blocks during the school day, as well as through before and after school sessions.
- Develop and implement quality summer learning opportunities for youngsters so that they don't lose ground and can continue to practice important academic skills.
- Increase the number of school days in the calendar year to remain competitive with international best practices.



**Factor Five:
Investments in Early Childhood Education to
Prepare Children for Academic Success.**

Background:

Research continues to show that federal, state, and/or local investments in quality early childhood programs pay great dividends in later schooling. Quality early childhood education has been directly linked to better school readiness, higher academic achievement, lower special education costs, and lower crime rates.

Our Vision:

- Provide universal access to high quality pre-kindergarten programs for four-year-olds and full day kindergarten for five-year-olds.
- Align early childhood curricula and programs with K-12 classroom expectations.

**Factor Six:
Appropriately Designed and Adequately
Maintained School Facilities to
Accommodate and Support Positive Learning
Environments and Advances in Technology.**

Background:

Currently, too many school districts have aging school facilities that were never designed to meet the educational needs of today's world. Inadequate instructional areas, as well as core facility areas such as those for physical education, art, music, library research, and drama, severely limit quality opportunities for students. As technology evolves, its constantly changing needs require funding and flexibility to best provide for our students.

Our Vision:

- Analyze current building needs to identify where major renovations are required and where best practices exist in school design.
- Continue data analyses on the structural and/or equipment impediments that are hindering the appropriate use of technology as a quality instructional strategy.
- Develop alternative funding sources to local property taxes so that school districts are not dependent on limited state funds for facility improvements.
- Establish incentives for businesses to invest in technology infrastructures for school districts.
- Investigate feasible strategies for businesses, municipalities, and school districts to voluntarily consolidate and share resources.



**Factor Seven:
Services That Focus on High Expectations
and Emphasize Individualized Outcomes in
Order to Maximize the Achievement of
Special Needs Youngsters.**

Background:

Current practices to assist limited English and special needs students have, in many cases, mandated particular approaches to instruction rather than permitting the consideration of other, perhaps more effective, approaches to teaching and learning. This situation is further complicated by a bureaucratically controlled system that requires school districts to spend an excessive amount of time on paperwork and reports of limited value instead of on the investigation of individual outcomes that measure actual student progress and success. Standards of achievement should not be confused with the standardization of process. World-class schools are trusted and expected to use expertise and the proper resources to select the most appropriate ways in which to meet individual student needs.

Our Vision:

- Clearly identify the practical, realistic outcomes for students with special needs and then empower and expect schools to work toward the achievement of these goals.
- Research educational practices that have been successful with at-risk students and aggressively disseminate them throughout New Jersey.
- Coordinate regional or county professional development activities where identified staff can share successful activities and strategies.
- Mandate consistent and sufficient funding for at-risk students to address the diversity of student needs.
- Advocate for accountability to individual student measures of growth, rather than conformity to a fixed measure for all students.

**Factor Eight:
Governance Policies and Practices Must
Enhance Trust and Foster Collaboration,
Communication, and Coordination.**

Background:

In the past, school superintendents in New Jersey have been able to successfully work for many years in the same school districts. This provided for continuity and consistency in achieving a school system's vision for student learning and achievement. Today's statistics reveal that the average superintendent of schools remains for less than three years in one location. The removal of tenure for superintendents, despite the fact that superintendent tenure has been statistically proven to increase student achievement, has certainly contributed to this transience. Additionally, boards of education and others in the statewide community have become more involved in the daily decision-making of superintendents.

The current instability of leadership in New Jersey's school districts poses considerable challenges for the implementation of sustained, focused efforts to address student achievement. Due to this lack of stability and the major commitment of personal time necessary to successfully lead a district, it is understandable that the number of candidates for the superintendent position has dropped dramatically over the past few years.

Professional education practice needs to be left in the hands of professional, experienced, and skilled education practitioners, as is the case in other specialized fields including law, medicine, and engineering.

Our Vision:

- Require training of superintendents and boards of education on the roles, responsibilities, and processes involved in working collaboratively.
- Institute board-sponsored training on an on-going basis to acclimate new superintendents and new board members.
- Develop accountability mechanisms to address board members who impede a district's progress.
- Legislate incentives for supporting the work of good superintendents and boards.
- Mandate a five-year contract for superintendents so that an educational environment of sustainable leadership can be created.

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Understanding the Digital Generation

keynote perspective



Introduction

Today's world is not the world we grew up in, and today's world is certainly not the world our children will live in. Because of the dramatic changes our world has undergone, this digital generation's children are not the students our schools were designed for and are not the students today's teachers were trained to teach.

This presentation examines the effects that digital bombardment, from constant exposure to electronic media, has on kids in the new digital landscape and considers the profound implications this holds for the future of education. What does the latest neuroscientific and psychological research tell us about the role of intense and frequent experiences on the brain, particularly the young and impressionable brain?

Based on the research, what inferences can we make about kids' digital experiences and how these experiences are re-writing and re-shaping their cognitive processes? More important, what are the implications for teaching, learning, and assessment in the new digital landscape?

How can we reconcile these new developments with current instructional practices, particularly in a climate of standards and accountability driven by high-stakes testing for all? What strategies can we use to appeal to the learning preferences and communication needs of digital learners while, at the same time honoring our traditional assumptions and practices related to teaching, learning, and assessment?

Participants should prepare to have their assumptions about children and how they learn seriously challenged.

The Five Apes

Even though the world has and continues to change so dramatically, why is it that in education we struggle with the issue of change? When was the last time something was taken OUT of the curriculum?

Because things keep getting piled on, educators today are expected to be more than just teachers—they are expected to be coaches, psychologists, social workers, and therapists. Parents are dropping their kids off at school and expecting them to be fully formed adults 13 years later. And if anything goes wrong with that student, the school is to blame.

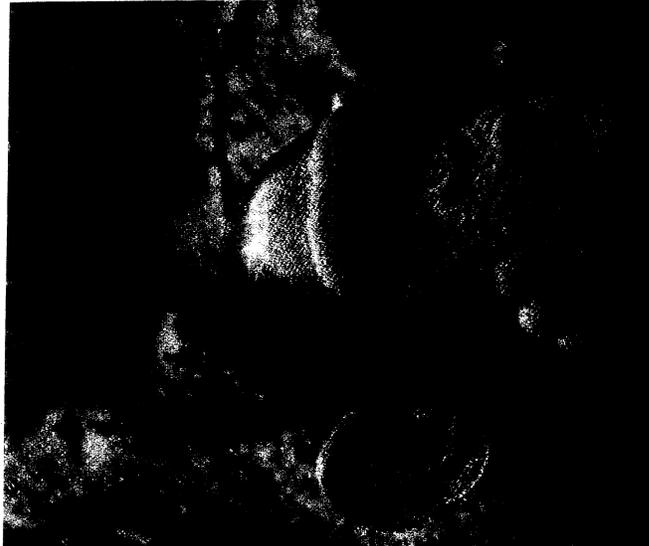
Small wonder that educators continue to struggle with the definition of what it means today to be a teacher and that they struggle with the issue of change. Culturally and socially, schools have changed a lot. But why is change so difficult?

Educators today are expected to be more than just teachers—they are expected to be coaches, psychologists, social workers, and therapists.

Let's start with a cage at a zoo containing five apes. Inside the cage, a bunch of bananas are hanging on a string and a set of stairs is placed under the bananas. Before long, one of the apes will see the bananas and start to climb the stairs to get to them.

As soon as they touch the stairs, you take a fire hose and spray all of the apes in the cage with ice cold water until you knock them down and drive them away from the bananas. Sooner or later another ape makes an attempt and, again, all the apes are sprayed with cold water.

Pretty soon, whenever another ape tries to climb the stairs, all the other apes will attack that ape to try to prevent it from going for the bananas because they don't want to get sprayed by the ice cold water—another attempt, another attack, another attempt, another attack. Before too long, all of the apes know what will happen to them if they make a move.



Now, put away the fire hose and the cold water, remove one of the original five apes from the cage, and replace it with a new one. Of course, the new ape will see the bananas and attempt to climb the stairs. To its surprise and horror, all of the other apes will attack that ape to prevent it from climbing the stairs because they don't want to get sprayed with ice cold water. Another attempt, another attack, another attempt, another attack.

Pretty soon the newest ape knows that if it climbs the stairs, it will be assaulted. Next, remove another of the original five apes and replace it with new one. As Yogi Berra says, this becomes *déjà vu* all over again—the scene will repeat itself—and the first ape we replaced will actually take part in the punishment of the newcomer with the greatest enthusiasm!

Likewise, replace a third original ape with a new one, then a fourth and fifth. Every time a new ape tries to climb the stairs, it gets attacked. Interestingly enough, the apes who are beating him have **NO IDEA** why they are not permitted to climb the stairs or why they are participating in the beating of the newest ape. After replacing all the original apes, none of the remaining apes have ever even been sprayed with cold water. Nevertheless, no ape will ever again approach the stairs to try for those bananas.

The question we need to ask is *why not?* And the answer is because as far as the apes in the cage know . . . well, that's just the way we do things around here.

TTWWADI Everywhere!

The story of the five apes is an example of what we call TTWWADI—That's The Way We've Always Done It. And TTWWADI is everywhere!

It's an everyday part of our lives, in various cultures, communities, core beliefs, our homes, our manners, and many of our assumptions about life in general.

Here's a thought—think we could find some examples of TTWWADI in education?

Think about structure—length of school day/year, the bell system (created by a Benedictine monk 1,000 years ago to manage the hours of prayer), the same “full frontal” lecture style used for the last 100 or so years, the methods of learning assessment—the list goes on.

Today, we face a new kind of student. Our schools weren't designed for them. And our teachers weren't trained to teach them. New technology and global digital growth is affecting today's students.

The changes we faced growing up were incremental and fairly gradual. But for anyone under age 25, change is affected by the present arrival and rapid dissemination of digital technology in the last decades of the 20th century.

There are some interesting books written on the subject of the digital generation and the kids who define it. Some of the more exceptional titles are:

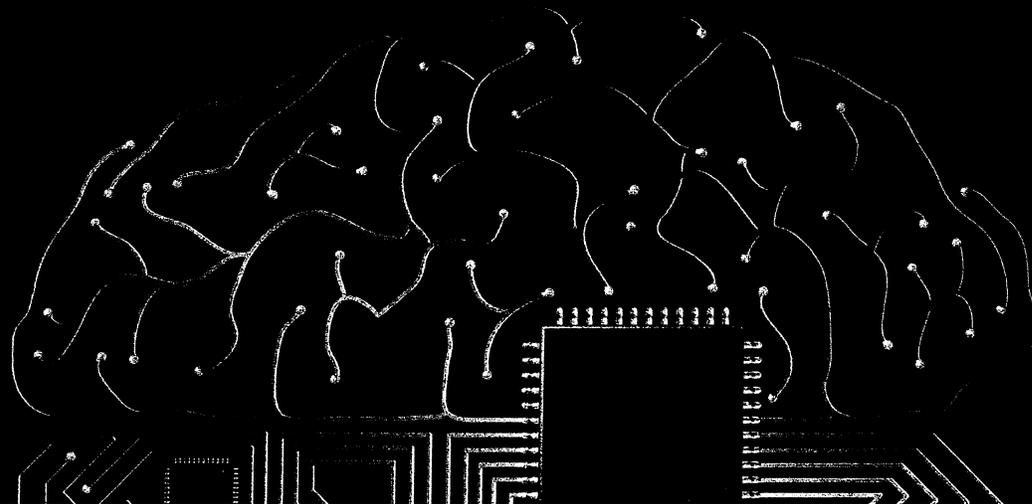
- *iBrain* by Gary Small and Gigi Vorgan
- *The Brain That Changes Itself* by Norman Doidge
- *Everything Bad Is Good For You* by Steven Johnson
- *A Whole New Mind* by Daniel Pink
- *Grown Up Digital* by Don Tapscott
- *Rewired* by Larry Rosen
- *Rethinking Education in the Age of Technology* by Allen Collins & Richard Halverson

The central issue these books address is this: Kids today look pretty much the same as we did growing up, but inside they are completely different. Because of digital bombardment, their brains are adapting to accommodate all the technology they spend so much time surrounded by.

They are what Don Tapscott calls "screenagers"—the first generation that has grown up with a computer mouse and the assumption that images on a screen are to be interacted with. These technologies are their new learning tools and also are something to project their very identity onto. They are what Marc Prensky calls "digital natives."

They've developed a "cultural brain" profoundly affected by digital culture. Because of digital bombardment, the brains of today's children are changing physically and chemically.

They are actually neurologically wired differently than we are.





The Hyperlinked Mind

The kids of the digital generation have developed “hyperlinked minds.” Their brains process information in a parallel or simultaneous manner. We are born with about 50% of our brain wiring in place—this covers critical functions like respiration and circulation. The other 50% happens after birth.

It’s generally been thought that by about age 3, our brains were stabilized and didn’t change much from then on. It was assumed that the same brain you developed by age 3 was the same brain you’d die with. This was supposedly the case for all brains, regardless of any cultural or socioeconomic variables.

However, new scanning technologies have proven many of these long-standing assumptions to be totally false. The brain is, in fact, highly adaptive and malleable throughout life. In addition, our supply of brain cells is constantly being replenished. Our brains are constantly reorganizing and adapting themselves structurally, based on two critical factors—first, the input or experiences we have, and second, the intensity and duration of the experiences.

This means we can change memory capacity, neural processing power, and actually re-grow neurons. Most of all, the intelligence we’re born with isn’t fixed.

This means we can change memory capacity, neural processing power, and actually re-grow neurons. Most of all, the intelligence we’re born with isn’t fixed. There is an ongoing restructuring of the brain; neurons are rearranging current connections, pruning unnecessary ones and forming new ones. This process is called “neuroplasticity,” what Canadian psychiatrist Norman Doidge calls “one of the most extraordinary discoveries of the 20th century.”



Neuroplasticity

The brain is essentially like plastic, malleable and able to shape itself differently, while also being very resilient. As such, it is constantly creating new thinking patterns. For this to happen, there has to be intensive and progressively challenging stimulation and focus over extended periods of time—we're talking several hours a day, seven days a week.

Does the phrase “several hours a day, seven days a week” remind you of anything else happening in our children's lives? Video games, of course, and today, the graphical rendering in these games is stunning, and solo games have been replaced by online gaming domains like Everquest, Runescape, World of Warcraft, and so on. In these mediums, it's not uncommon for several million players to be working collaboratively to defeat opponents and complete quests. This is digital bombardment—and it's happening several hours a day, seven days a week.

What does this all do to kid's brains? The brain is like a tree—there's a flurry of growth early on, and then over time, unused branches get pruned away or just wither and die. This pruning gives the tree its shape for the future. The same process happens in the brain; cells and connections that are underused or unused get pruned away. Underutilized neural pathways die off.

As new neural connections form, the ones most heavily used become coated with a substance called “myelin.” Myelin is a fatty insulating sheath that speeds signal transmission in the brain. A myelin-coated connection will speed neural signal transmission by more than 13 times and with more than 30 times more information per second.

What this means is that the student who spends most of his or her time focused on a specific pursuit, say sports or academics or the arts, will hard-wire and insulate those specific neural connections. But if the same student spends that time lying on the couch playing games or watching TV, those are the cells that will flourish. Connections that are most used or useful develop into a complex, high-speed neural network. Today, even the youngest kids are exposed to many digital devices, and it's this digital bombardment creating the cultural brains in our children. As such, they process information differently than we do. Visual memory, processing, and learning skills are being enhanced in particular.



Digital bombardment has a particularly strong effect on the visual cortex in the back of the brain. A study at the University of Rochester found that visual processing skills increase with as little as 10 hours of gameplay. Tests have further shown that people can remember the content of over 2,500 pictures with 90 percent accuracy several days after exposure, even though they see each picture for only 10 seconds. Recall rates after one year remain at about 63 percent.

The same research, however, shows that when information is presented orally, after 72 hours people only remember about 10 percent. Add picture content to the material, however, and the retention skyrockets up to 65 percent. With the simple addition of supporting visuals, you could increase students' retention by as much as 650 percent.

This is because the brain processes images 60,000 times faster than it does text. Our brains are designed for visual content. Of our total nerve cells in the brain, 30 percent are dedicated to sight, while only 8 percent are for touch and a mere 3% for hearing.

The brain processes images 60,000 times faster than it does text . . . we are inherently visual learners.

At our core, we are inherently visual learners. It's only natural for our students to be more inclined to process images than text. Their brains are simply designed that way.

And because the digital generation thinks graphically, this research goes on to show that the eyes of digital learners move in a completely different way than the eyes of digital immigrants when it comes to scanning a page or searching for information.

The eyes of older generations unconsciously find an intersection about one-third of the way down the page and one-third of the way in from the left side. This is what the Greeks called the Golden Mean. Then we read in what's called a Z curve—a complex Z curve if there's lots of information on the page, or a simple Z curve if there's only a small amount of information.)

However recent research tells us that people consume digital content in a fundamentally different manner than they do traditionally printed physical content. The factors, which include text being harder to read and digitally formatted materials inbuilt opportunity to quickly move to other information (links and searching), results in most of digital readers 'scanning' rather than reading digital content. Nielsen's studies show where people's eyes spend the most time and therefore infer the most heavily consumed content.

Working with Kent State University, Nielsen developed a series of thermographic prints using a heat map to track eye movement of students in different reading configurations and then summed the records. The brighter the color, the more the reader has focused on the information in that area; and the darker the color the less the reader had focused on that area..

The images, which can be seen at www.useit.com/alertbox/reading_pattern.html, also illustrate that digital readers read in the F-pattern. (To view of video of F-pattern reading, see http://sethgodin.typepad.com/seths_blog/2006/05/what_i_learned_.html).

They're wired for multimedia. Yet the majority of student examination content continues to be text- and vocabulary-based, fixated on content recall.

Once digital readers have consumed the compelling images and strong colors of a page, their consumption of text content tends towards two horizontal passes and a slow vertical pass, creating an F-shape.

Different color and dwell settings on eye-tracking equipment turn this 'F' shape into a triangle that points to the top-left corner of the page. Google (and others) call this the 'golden triangle'. (See <http://www.blackartofwebpublishing.com/FPatternHotSpots>)

Since an increasing amount of information is being delivered in a digital format, it is critical for educators to understand that young readers unconsciously use different very different eye movement patterns when browsing a text-based page than they would to read things presented in a digital format.

The vast majority of students in any given classroom are no longer auditory or text-based learners. Because of the effects of digital bombardment, they think graphically and are, therefore, either "visual or visual kinesthetic" learners. They're wired for multimedia. Yet the majority of student examination content continues to be text- and vocabulary-based, fixated on content recall.

Meanwhile, new technologies are changing our children and how they learn. Game consoles and cell phones are replacing TV, and the Internet is replacing traditional schools as a learning source. In fact, author Marc Prensky calculates that by age 21, this digital generation will have

- played more than 10,000 hours of video games
- sent and received 250,000 emails and texts
- spent 10,000 hours on phones
- watched more than 20,000 hours of TV
- seen more than 500,000 commercials.

Growing up, we and our parents had almost none of these experiences that our children have today. Do you think this might influence the way the digital generation thinks? Or learns? Or views the world? Or what interests and engages them?

Because, as Prensky points out, at the same time, they will have spent less than 9,000 hours attending school and spent less than 4,000 hours reading, with much of that time spent either unengaged or under-engaged.

Digital learners think and process information differently than we do, and use different parts of the brain. As a result, they have different preferences for learning.

2/10



Learning Styles

It's time now to compare the learning preferences of digital learners to our old TTWWADI-based teaching style, which is still used by many teachers today. There are eight key preferences.

Digital learners prefer receiving information quickly from multiple multimedia sources. Many educators prefer slow and controlled release of information from limited sources.

Digital learners operate at twitch speed due to exposure to video games, hand-held devices, hypertext, etc., and as a result, digital learners have had more experience processing data and high-speed information quickly than we have. Many of our teachers today haven't had that experience and, as such, feel comfortable processing at the same conventional speed they have learned and taught with all their lives.

Imagine how the digital learner feels. After wandering the digital landscape while managing chats, updating Facebook, watching a video, and listening to music, students come to school and are confronted by the awesome power of the overhead projector and the whiteboard.

Digital learners prefer parallel processing and multitasking.

Digital learners like to multitask and absorb through parallel processing. They are comfortable doing several things at once. But our schools still focus on processing one thing at a time, which is a very traditional and linear approach.

Multitasking is technically "continuous partial attention," and we all do it. We can be driving, listening to music, thinking about the day and looking at billboard. But with the digital generation, it all happens much faster. We were told growing up that the best way to study was to isolate ourselves from the outside world and its ambient distractions, and focus solely on the task at hand.



Walk into a child's bedroom today, and what do you see? He or she is working at the computer, burning a CD, doing homework, listening to music, and searching online, while managing 14 instant messenger conversations—and still bored.

Digital learners prefer processing pictures, sounds, color, and video before text. Many educators prefer to provide text before pictures, sounds, and video.

For generations, graphics have been static images accompanied by text for clarification. The images were there to complement the text. Today, advances in interactive digital imagery and animation has put the text into the secondary role.

Since childhood, the digital generation has been exposed to TV, videos, and computer games offering high-resolution color images and expressive graphics with little or no accompanying text. These images are powerful enough to get the message across on their own.

Digital bombardment has sharpened kids' visual abilities, which reinforces the point that today's students are primarily visual learners.

Digital learners prefer random access to hyperlinked multimedia information. Many educators prefer to provide information linearly, logically, and sequentially.

Many educators provide information in a traditional way—linearly, logically, sequentially, and very left-brained. The digital generation is first to experience hypertext and “clicking around” in electronic applications.

This new information structure has increased their awareness and ability to make new connections, freeing them from single-path thought. This is generally a good thing, but it can be argued that hyperlinking may make it more difficult for students to follow a linear train of thought.

Their rationale says, "Why should I read something beginning to end and follow someone else's logic when I can explore and create my own?" The truth is that both sets of skills are essential. Following one's own path is important, but so is understanding someone else's logic. We must find a balance.

Digital learners prefer to network simultaneously with many others. Many educators prefer students to work independently before they network and interact.

When we were students, we were generally required to work and be evaluated independently of others. Out of school, the primary ways of communication were either face-to-face or by phone. Digital students have grown up with dozens of ways to communicate—cell phones, texting, email, blogs, social networking sites, and Twitter, just to name a few. They need and expect to be able to communicate with others using the digital weapons of mass collaboration.

**Digital learners prefer learning "just in time."
Many educators prefer teaching "just in case."**

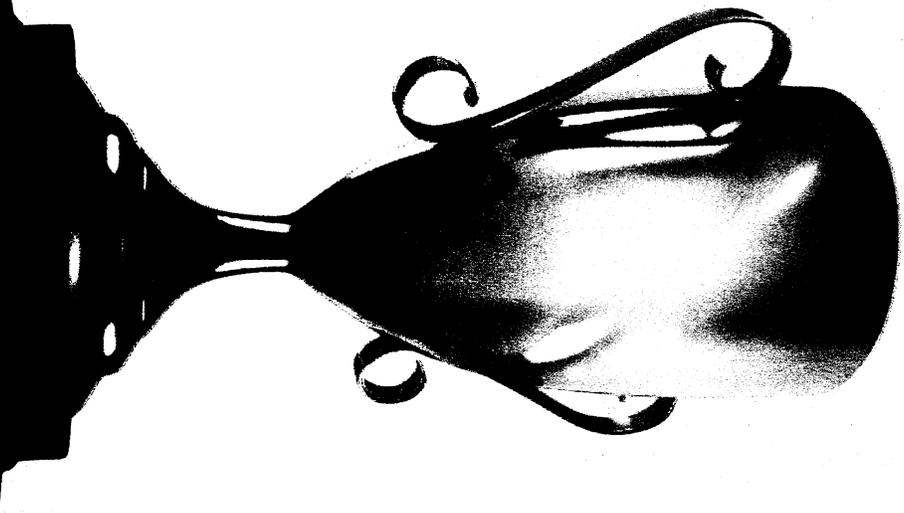
Educators are saying you have to learn this "just in case" it happens to be on an exam, "just in case" you might need it to pass the course, "just in case" you may want to become an engineer, or a historian, or a writer.

Digital learners, however, want to gain an understanding of what they need to know, but they want to acquire these skills "just in time" to play a new game, play the piano, fix a bike, or something else they don't know how to do.

"Just-in-time" learning is about learners having the skills and habits of mind that allow them to learn and adapt "just in time" for that next window of opportunity that opens up to them.



12/12



Digital learners prefer instant gratification with immediate and deferred rewards. Many educators prefer deferred gratification and delayed rewards.

Many educators prefer to delay gratification. The idea is that if you study hard and keep focused, you'll eventually be rewarded with a good grade or acceptance at a good school.

Are you beginning to understand why digital culture resonates so strongly with today's kids? It provides them with what they need most. Just like we did, they want affirmation, attention, and the chance to distinguish themselves.

Video games and digital technology tell the user that if they put the time in, they will be rewarded with the next level, a win, or a place on the high score list. What they do determines what they get. New technology is all about instant feedback, and the feedback is extremely clear.

Digital learners prefer learning that is relevant, active, instantly useful, and fun. Many educators prefer teaching memorization in preparation for standardized tests.

Many educators are compelled to teach strict memorization of curriculum content in order to prepare students for standardized testing. The aim isn't what it should be—cultivating the higher-order thinking skills these kids will need when they leave school.

The digital generation is often criticized for being intellectual slackers, when the truth is they are a very intellectual problem-solving group. In fact, many video games contain the complex thinking, spatial relationships, and problem-solving tasks they enjoy.

The digital generation wants learning to be useful and relevant. They want to know what connection it has to their world. Most of all, they want learning to be enjoyable.

Houston, We Have a Problem

No other sector ignores its own research as much as education. We know that teaching-as-talking doesn't work. We know that project-based learning is dramatically more effective in helping students to learn and retain information. We now know a lot about why kids act, learn, and view the world differently than we do. Yet sadly, little of what we know is being applied to classroom instruction today.

Over 50% of Grade 9 students in the 35 largest cities in the United States don't graduate.

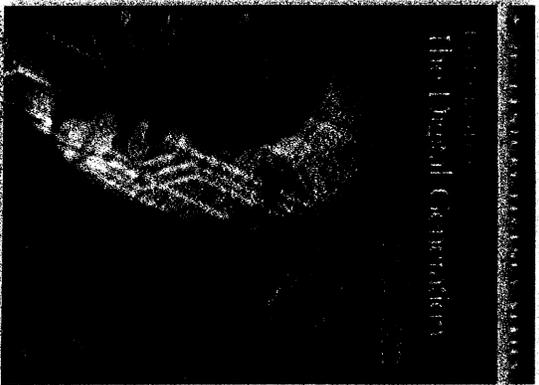
Would you fly in an airplane if 50% of them crashed? Would you buy a television that only works half the time? Why do we tolerate such massive failure in our educational system? What education is doing today isn't working. If we continue to do what we know doesn't work, then who really has the learning problem? Is it the students or is it US?

If we continue to do what we know doesn't work, then who really has the learning problem? Is it the students or is it US?

The current educational system is trying to fit square-peg students into round-hole schools and using standardized tests to measure increasingly nonstandardized brains. We need to consider how to restructure the classroom experience, the way we teach, the way students learn, and how that learning is assessed.

What are you prepared to do starting right now?

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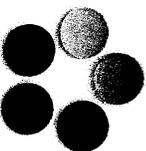
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21st Century Fluency Project

This resource is the collaborative effort of a group of experienced educators and entrepreneurs who have united to share their experience and ideas and to create a project geared toward making learning relevant to life in our new digital age. Our purpose is to develop exceptional resources to assist in transforming learning to be relevant to life in the 21st century. At the core of this project are our Curriculum Integration Kits—engaging, challenge-based learning modules designed to cultivate the essential 21st century fluencies within the context of the required curriculum. For more information, please visit our web site www.21stcenturyfluency.com.

**Testimony by NJEA Secretary/Treasurer Marie Blistan
Joint Committee on the Public Schools
December 5, 2012**

Good afternoon. I am Marie Blistan, Secretary-Treasurer of the New Jersey Education Association. I am also a teacher with 30 years of experience in the classroom. I've taught every age from kindergarten through 12th grade, and students of all abilities. Most of my career has been spent working with students who receive special education services.

Thank you for the opportunity to address this Joint Committee on such an important topic. I am very pleased that you are taking this issue seriously, and taking the time to study it carefully. The decisions you make will have tremendous implications for the future of public education in New Jersey.

There are really two basic issues at stake when it comes to virtual charter schools in New Jersey. The first is the legal issue of whether they are even permissible under New Jersey's charter school statute. The second is whether they will produce results that justify experimenting with our children's education.

I won't spend much time on the issue of legality. As you may know, NJEA filed a lawsuit challenging the approval of two "blended" virtual charter schools in New Jersey on the grounds that the law in no way authorizes either virtual schools or so-called blended schools. The courts will decide that issue.

But it will likely fall to legislators to decide whether or not to formally authorize virtual charter schools. It is your right and great responsibility as our elected representatives to make that decision. And I trust you will make it based on the best interests of students.

If you do not, the Department of Education has shown that it is more than willing to make that decision for you. It has moved quickly and aggressively to authorize virtual charter schools in New Jersey, despite significant questions about both their legality and their effectiveness.

Let me be very clear that NJEA supports the use of technology in education, and so do I. Over my career, I have seen tremendous growth in the use of technology in classrooms. Students today have access to tools and resources that I wish my first students had been able to use. We must never stop making progress.

But that is a far cry from the vision of virtual school proponents and operators, who envision students being educated primarily or even entirely online, with limited personal interaction with teachers. You can already see that in Newark, where two operators have opened so-called blended schools that in reality provide 100 percent of their core curriculum content instruction online. Some of their students will not even be required to report to school at all. We have significant concerns about those kinds of virtual schools and their ability to provide students with a truly thorough and efficient education.

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I mentioned earlier that I've seen a lot of change over my career in education. But through all of those years, and through all the change and progress, I have learned that some things remain the same. And the single most important element of education hasn't changed since the first day I set foot in a classroom as a student myself: a good teacher makes a real difference.

I don't think anyone here disagrees with that fundamental truth. The research is clear that a strong teacher is the single most important in-school factor affecting student achievement. While many other factors affect how students learn, no one questions that teachers are incredibly important. NJEA believes that we must have a good teacher in every classroom.

And for whatever disagreements we have had with both the current administration and Department of Education, this has been one area of complete agreement: good teachers matter.

So we are dismayed to see the Department pursuing an agenda, under the guise of virtual charter schools and so-called blended charter schools, which completely ignores the central role of teachers in high quality education.

Because there are many things no computer screen can do. A computer screen can't sense if a child is upset, distracted, bored, sick or hungry.

A computer screen can't tell if a wrong answer is the result of a simple miscalculation, or a failure to understand the whole concept being taught.

A computer screen can't talk to a child about what's bothering her, refer a child in crisis to intervention services or offer a listening ear to a child who needs it.

And make no mistake. Those aren't just nice extras that a teacher offers – those things are a critical part of successful education for every student. And all of them are missing in virtual learning environments, whether it's a pure virtual school or a so-called blended school where students rarely, if ever, interact face to face with the adults who are supposed to be teaching them.

Teaching isn't like tax preparation, where all you need to do is fill in the right data and a computer can do all the hard work. Learning isn't a video game, where success is defined by putting in enough screen time and completing enough tasks to rise to the next level. Teaching and learning are a fundamentally human interaction, where a teacher and a student work together to help that student understand a concept, apply it, and build on it for greater understanding and more learning.

If virtual schools could do those things as well as real schools, their results would bear it out. But they don't. The simple fact is that virtual schools do not measure up to the level of traditional schools where the teacher-student relationship is central.

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A comprehensive study of the largest virtual school operator, K12, Inc.—which, by the way, is a for-profit company whose stock is traded on the New York Stock Exchange – shows just how badly those schools lag. Despite serving a less diverse and more affluent student population, K12 schools have lower test scores, lower graduation rates and are far less likely to make Adequate Yearly Progress, as defined by No Child Left Behind.

I've shared a copy of that research with you, and I urge you to read it for yourself. I've also shared results of other surveys which show similarly dismal results. These studies are eye opening. The difference in performance between virtual schools and real schools is not small, and it makes me wonder why any parent would entrust the education of his or her child to virtual school operators with such poor performance records.

Of course, it is easier to understand why some adults advocate for virtual schools. At the same time it was achieving very poor academic results, K12 has achieved impressive financial returns. In fact, in a statement to investors last May, the company announced that it seeks to “increase profitability in fiscal year 2013” by implementing as much as \$20 million in cost savings. It is also why that same company spent more than \$21 million dollars on advertising in the first eight months of this year alone. More students means more profits in the form of more taxpayer funding. While the benefit to investors of that aggressive pursuit of profit is clear, it is far from clear how students in those already-struggling schools will benefit from the company's determination to cut costs and splurge on advertising in order to return more profit to investors.

If our purpose here is to figure out how to do education on the cheap, without regard for outcomes, then virtual schools deserve attention. They spend less than traditional schools and tend to be very profitable for their operators. Unfortunately for students in those schools, their academic results appear to reflect their focus on profits over students.

New Jersey has always worked hard to have the best schools. We have invested in education, and the results show that our investment has paid off. Other states, such as Florida, have taken a different approach. They have looked to cut costs without regard for the consequences, and have embraced virtual education. It shows up in their academic results as well. This is an important point.

I don't want New Jersey to compete with Florida or any other state in an educational race to the bottom. I want us to continue putting children first, to continue investing in their future and our own, and to continue to value great teachers as the key component to great public schools.

We can innovate without turning our back on what we know works best.

Thank you.

JOINT COMMITTEE on PUBLIC EDUCATION

12/5/2012 – 2nd Meeting

“Blended”/Full Virtuals/Virtual Charters

NJEA Testimony - Research Documents included:

VIRTUAL FAILURE: The Growth of Online Charter Schools

Prepared by the Maine Education Association, Government Relations Department

The document is a summary findings report that comprehensively outlines the for profit threat in any form of virtual education and how these entities fail our students.

UNDERSTANDING AND IMPROVING FULL-TIME VIRTUAL SCHOOLS

Prepared by the National Education Policy Center, School of Education, University of Colorado

A Study of Student Characteristics, School Finance, and School Performance in Schools Operated by K12 Inc.

The document is a comprehensive in depth analysis of quality of education provided by this for profit entity.

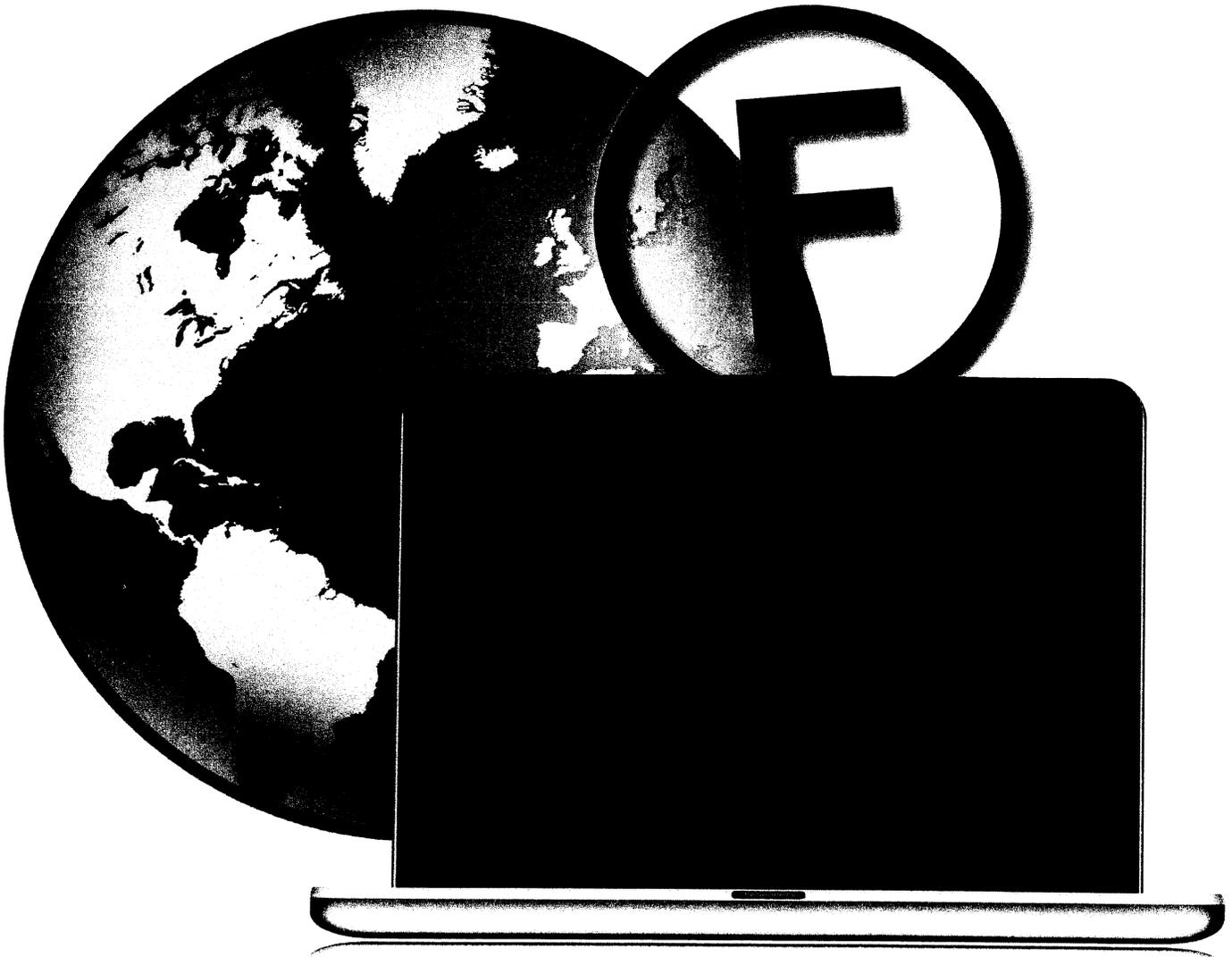
ONLINE K-12 SCHOOLING in the U.S.

Prepared by the National Education Policy Center in collaboration with the Great Lakes Center

An Analysis of Private Ventures in Need of Public Regulation – A policy brief that has 4 goals:

- (1) to describe the current status of “online” (computer mediated) schooling in America
- (2) to synthesize major research findings on the effectiveness of online instruction
- (3) to analyze and discuss the political and economic forces shaping the movement toward increased use of online education at the K-12 level
- (4) to offer recommendations based on the findings.

Virtual Failure: The Growth of Online Charter Schools



Prepared By: Maine Education Association, Government Relations Department

Virtual Failure:

The Growth of Online Charter Schools Hurt Students and Communities

Introduction

Governor LePage and the 125th Maine Legislature launched an all-out assault on Maine's public schools. While the Governor claims to want to focus on education, the policies he supports do the exact opposite. The Governor's push to open virtual schools in this state will not only take away key funding from our public schools, but will hurt students. The Governor's push comes after his first budget failed to fund 55% of the cost of public schools as voters demanded. The Governor's budget has shortchanged our public schools by more than \$150 million. The result: larger class sizes, fewer teachers and programs for our kids and higher property taxes across Maine communities to make up for the lack of state funding. The money we do have to spend on schools needs to focus on what's lacking already and not new ventures proven to fail, like virtual schools.

Two of the largest for-profit virtual school companies are applying again this year to open schools in Maine, despite a failed attempt last year. It is imperative this process stalls before it goes anywhere, if we as Mainers want to protect our public schools and our students. Research shows virtual schools fail students. Virtual students drop out more. Virtual students score lower on tests. Virtual students cost more as districts pay for them twice, once to the out-of-state company running the school and then again when that student drops out online and returns to the traditional brick-and-mortar school. Virtual schools take funding away from public schools making it harder for our schools to give each child the top notch education they deserve.

This is the wrong direction for Maine. Instead of opening virtual schools, we need to focus on funding our schools that do work to keep our students competitive in a changing world.

Summary of Findings

- Virtual school students fall behind their brick-and-mortar peers. According to the New York Times, in Pennsylvania only 42% of virtual school students tested at grade level compared to 75% of brick-and-mortar school students.
- Only 27.4% of online schools were able to meet the No Child Left Behind Law goals. Comparatively, 51.4% of brick-and-mortar schools made Adequate Yearly Progress.
- In addition to "dropout" rate concerns a paltry 12% of Colorado Virtual Academy's students graduated on-time while 72% of Colorado Public School students graduated on-time, according to the Washington Post.
- Online students are losing ground. Students who transfer to online programs from brick-and-mortar schools posted lower scores on annual state reading exams after entering their virtual classrooms.
- Academic performance declined after students enrolled in online programs. Students who stayed in online programs long enough to take two years worth of state reading exams actually saw their test results decline over time.
- Wide gaps persist. Double-digit gaps in achievement on state exams between online students and their peers in traditional schools persist in nearly every grade and subject – and they're widest among more affluent schools.

"As educators we cannot let virtual charter schools open in Maine. There is too much research that proves these schools fail our students while turning pupils into profits for out-of-state companies. Virtual Schools are not the way we should spend taxpayer dollars and they are not the way to create a learning environment where students can succeed."

- Lois Kilby-Chesley, Maine Education Association President

The Growth of Online Learning

Over the course of a decade, online “virtual” learning has grown from a novelty used by just a few school districts to supplement the curriculum to a full-fledged movement to supplant the classroom. In a virtual school there are no classrooms and students have little or no face-to-face contact with a teacher. Across the country, state entities, school districts, home-schooling advocates and private corporations are partnering to offer virtual schools as an alternative to community-based, brick-and-mortar schools. A quarter of a million students are now enrolled in full-time virtual charter schools in at least 30 states. And that number continues to grow at a steady rate.¹

This trend is extremely troubling. Resources that should be used to improve public schools are instead being diverted to virtual operations, run by out-of-state corporations profiting on taxpayer-funded programs that have no proven track record of success. Data related to student performance in these new schools are just starting to become available. The research surfacing on the effectiveness of these schools and programs is worrisome. Students are being left behind. A recent study by Gene Glass and Kevin Welner at the University of Colorado raises major concerns about the expansion of virtual charter schools. In “Online K-12 Schooling in the U.S.: Uncertain Private Ventures in Need of Public Regulation,” Glass and Welner conclude:

“Those making policy should be clear on this key point: there exists no evidence from research that full-time virtual schooling at the K-12 level is an adequate replacement for traditional face-to-face teaching and learning. Yet to date, this lack of support appears to have exerted little or no influence on the proliferation of virtual K-12 schools.”²

“There exists no evidence from research that full-time virtual schooling at the K-12 level is an adequate replacement for traditional face-to-face teaching and learning.”²

Virtual school proponents are even questioning the effectiveness of the full-time virtual school model. Tim Booker, a member of the school board for the Colorado Virtual Academy, operated by K12 Inc., recently told the Wall Street Journal that “the jury’s still out” when it comes to virtual schools and he too has “deep concerns about whether full-time cyber schools are a viable model.”³

The Maine Charter School Commission is now debating whether full-time, taxpayer-funded virtual charters should be able to operate here. Two of the largest national online school operators, K12 Inc. and Connections Academy, have both submitted applications to operate large, virtual academies under the guise of Maine Virtual Academy and Maine Connections Academy, respectively. Before the Commission rushes ahead to approve an online charter, a review of the recent research on virtual schools is warranted.⁴

Who are K12 Inc. and Connections Academy?

K12 Inc. is the country’s largest provider of full-time public virtual schools.⁵ The organization recently reported revenue of more than \$500 million. According to recent publications, that’s an increase of 36% over the previous year. After a series of acquisitions, the company turned a profit of \$12.8 million in fiscal year 2010, according to the Washington Post.⁶

1 “Virtual Schools Are Multiplying”, Lyndsey Layton and Emma Brown, Washington Post, Nov. 26, 2011

2 “Online K12 Schooling in the U.S.; Uncertain Private Ventures in Need of Public Regulation” Gene Glass and Kevin Welner, National Education Policy Center Oct. 2011

3 “My Teacher is an App”, Stephanie Banchemo and Stephanie Simon, Wall Street Journal Nov. 12, 2011

4 Please note, the intention of this paper is to review the research on full-time, virtual charter schools, specifically schools operated by either K12 Inc or Connections Academy. Both have applied for applications to operate virtual schools in Maine. There is ample research on the effectiveness of blended or hybrid virtual schools. For example, many public schools in Maine already have arrangements to provide specific courses through arrangements with online providers. In most cases, teachers are assigned to monitor a student’s performance and to provide guidance to struggling students. However, the applications submitted by K12 Inc and Connections Academy to the Charter School Commission focus on the development of full time charter schools and the purpose of this paper is to review the recent studies concerning such schools.

5 “Virtual Schools Are Multiplying”, Lyndsey Layton and Emma Brown, Washington Post, Nov. 26, 2011

6 “Virtual Schools Are Multiplying”, Lyndsey Layton and Emma Brown, Washington Post, Nov. 26, 2011; “My Teacher is an App”, Stephanie Banchemo and Stephanie Simon, Wall Street Journal Nov. 12, 2011

The Numbers Don't Lie

K12 Inc.

CEO Compensation: **\$2.6 million**

K12 Inc. Revenues: **\$500 million plus**

Connections Academy

Purchased by Pearson, education publisher, for **\$400 million**, name changed to Connections Education
Revenues: **\$190 million**

K12 Inc. & Connections Academy

Support Pennsylvania Families for Public Cyber Schools

- Spent **\$250,000** over 5 years for lobbying

The CEO is Ronald J. Packard, a former banker at Goldman Sachs. Packard earned over \$2.6 million in total compensation last year.

A recent profile in the New York Times focused on the behavior and business model of K12 Inc. In the thoroughly researched report, the author described K12 Inc. as a “company that tries to squeeze profits from public school dollars by raising enrollment, increasing teacher workload and lowering standards.”⁷

Connections Academy is a for-profit venture based in Baltimore, Maryland and is another leading virtual school company. In 2010, Connections Academy, reported revenue of \$120 million and average annual growth of 35%.⁸ In 2011, the company was bought by British publishing giant, Pearson, for \$400 million.⁹

In a candid interview in 2010, the CEO of Connections Academy explained their business model and how they turn a profit by enrolling massive numbers of students. Her answer ignores any mention of high quality schools and a valuable educational experience and instead focuses solely on growth and profits. Here is her response to the question of how Connections Academy schools make money:

“The reason we can make money is really very simple: It’s scale. We’re serving 20,000 students. That allows us to take our overhead and spread it out, and as we get bigger we’ll have the opportunity to become more profitable. Most people have this reaction that ‘Why should you have a for-profit company involved in public education?’ But every company connected to public schools — from the cafeteria to textbooks — are all making a profit.”¹⁰

Review of the Research: Online Schools are Failing Our Students

Student Performance – Cyber Students Moving Backwards

Students who attend online schools are failing. Stanford University’s Center for Research on Education Outcomes (CREDO) recently released a report detailing student performance in Pennsylvania’s charter schools, including cyber charters. The report gathered academic progress data over four years and the analysis included more than 70,000 students in 116 charter schools across the state. The research is clear. All eight of the online schools analyzed in the study performed “significantly worse” than brick-and-mortar charter schools. Students in the online schools also performed worse than students in traditional public schools in both reading and math.

The failure is particularly startling considering, according to the report, the cyber students with poor performances had demographic advantages over traditional charter school students in Pennsylvania. Still, cyber students’ performance did not exceed that of the traditional student. For example, the report found “the typical cyber charter student is white and ineligible for subsidized meals, while the typical brick-and-mortar charter student is black and receiving free- or reduced-lunch prices. Furthermore, the starting score for cyber students is significantly higher than for brick-and-mortar charter students in both reading and math.”¹¹ Despite these advantages, cyber charters still failed to match the results for traditional public schools and brick-and-mortar charters. This data underscores the troubles of cyber charters.

It is clear from the Stanford University study that the cyber schools are generally starting with more affluent children

7 “Profits and Questions at Online Charter Schools”, Stephanie Saul New York Times Dec. 12, 2011

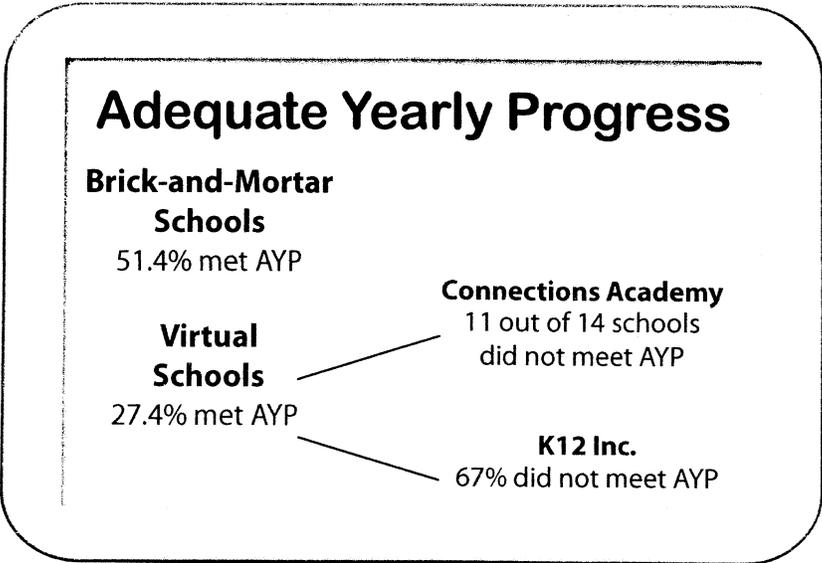
8 “Virtual education firm making real-world progress”, Gus G. Sentementes The Baltimore Sun May 23, 2010

9 “Baltimore online K-12 company recently acquired for \$400 million”, Gus G. Sentementes The Baltimore Sun Dec. 18, 2011

10 “Virtual education firm making real-world progress”, Gus G. Sentementes The Baltimore Sun May 23, 2010

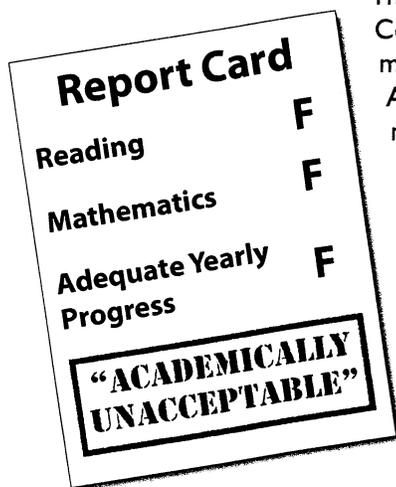
11 “Charter School Performance in Pennsylvania” Stanford University, credo.stanford.edu April 2011

who are better prepared, yet still perform worse than schools that are educating children who start farther behind and are from families with greater economic hardship. The research manager for the study, Devora Davis, was reported as saying, "What we can say right now is that whatever they are doing in Pennsylvania is not working and should not be replicated."¹² To underscore her point, Ms. Davis was quoted in the New York Times as saying, "If [online students] were paired with a traditional public schools student, the public school student kept their pace in line, and the cyber student moved back five spots."¹³



Some virtual schools are also not able to meet federal standards by failing to meet Adequate Yearly Progress (AYP). A sample of online schools shows that only 27.4% were able to meet the goals established by the No Child Left Behind Law.¹⁴ In comparison, information from a National Education Policy Center publication shows that 51.4% of brick-and-mortar schools were successful in making AYP.

This same study illustrates the lack of success virtual schools associated with Connections Academy and K12 Inc. had in meeting AYP. Of the 14 virtual charter schools managed by Connections Academy around the country, only three were able to make AYP.¹⁵ The data are equally troubling for K12 Inc., where only 33 percent were able to meet AYP.¹⁶



Perhaps most alarming is the number of states that have placed K12 Inc. schools on corrective action plans or have otherwise complained about the quality of education taking place in those schools. Texas Virtual Academy at Southwest, a K12 Inc. school in Houston, Texas, has been deemed "academically unacceptable" by the state. Another K12 Inc. school in Northglenn, Colorado, called the Colorado Virtual Academy has been placed on "priority improvement" status. Other schools, such as the Agora Cyber Charter in Pennsylvania, have been placed on a "correction action" plan by the state.¹⁷ These are just some examples of the failures of cyber charters.

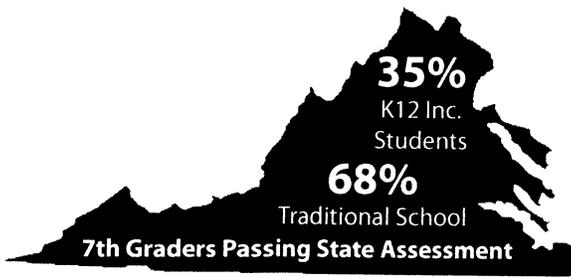
Teachers also have major issues with the standards at certain cyber charters, saying they are just too lax. According to school board minutes attained by the New York Times, failing students at the Agora Cyber Charter were able to turn in past due assignments without penalty.¹⁸ In the same article, teachers reported that some assignments were left open for "unlimited retakes" and the schools new grading policy elevated students who did not return work to a score of a 50, rather than a zero.¹⁹ These practices lead one to question whether these virtual schools are lowering standards and adjusting grading in order to create an illusion of performance.

In Minnesota, the number of students enrolling in full-time online schools has tripled over five years, yet the results are truly disturbing. Students enrolled full time in online schools in fourth through eighth grade only showed about half the

12 "The Cyber Attack on Public Schools" Maine Educator January 2012 Vol. 72 No. 5
 13 "Profits and Questions at Online Charter Schools", Stephanie Saul New York Times Dec. 12, 2011
 14 "Profiles of For Profit and Non Profit Educational Management Organizations" 13th Annual Report 2010-2011, pub. Jan. 2012, National Education Policy Center
 15 "Profiles of For Profit and Non Profit Educational Management Organizations" 13th Annual Report 2010-2011, pub. Jan. 2012, National Education Policy Center, p. 40
 16 Ibid. p. 50-52
 17 Ibid.
 18 "Profits and Questions at Online Charter Schools", Stephanie Saul New York Times Dec. 12, 2011
 19 Ibid.

41x

academic progress in math when compared to students in public schools.²⁰ The office of the Legislative Auditor also expressed concerns about the number of students exiting the programs.²¹



K12 Inc. virtual schools in Carroll County, Virginia, and the Agora Charter show similar trends. The Carroll County superintendent expressed concern at the poor test results of students and pointed to the fact that only 35% of the seventh-grade students in their cyber school passed a state assessment, compared to 68% of the students in a traditional school.²² At Agora, only 42% of students tested at grade level or better in math, while 75% of traditional students statewide were

shown to be at least at grade level. In reading, only 52% were at grade level in the cyber charter, while the statewide mark was 72%.²³

The most significant research regarding cyber schools is from Colorado's efforts to evaluate that state's experimentation with online schools. Colorado now spends more than \$100 million per year for students to attend online schools, yet the research is clear and overwhelmingly negative when evaluating student performance at these schools.

Students at Grade Level in Math

42%	75%
Agora Charter	Statewide

Students at Grade Level in Reading

52%	72%
Agora Charter	Statewide

The I-News Network and Education News Colorado conducted an extensive, independent review of the schools. The findings worried education officials in the state.

- **Online students are losing ground.** Students who transfer to online programs from brick-and-mortar schools posted lower scores on annual state reading exams after entering their virtual classrooms.
- **Academic performance declined after students enrolled in online programs.** Students who stayed in online programs long enough to take two years worth of state reading exams actually saw their test results decline over time.
- **Wide gaps persist.** Double-digit gaps in achievement on state exams between online students and their peers in traditional schools persist in nearly every grade and subject – and they're widest among more affluent schools.¹

1 "Test Scores Raise Questions about Colorado Virtual Schools" Nancy Mitchell (Education News Colorado) and Burt Hubbard (I-News Network), Education Week Oct. 5, 2011

Leaders at certain cyber school chains will often cite the large number of at-risk students to explain their poor performance, or some may attribute a school's poor showing to students who enter the cyber school academically behind their peers. Yet the research from Colorado demonstrates otherwise.

Of the 10,000 students entering the online programs in Colorado, only about 120 students were identified as previous dropouts and only 290 entered the online school from an alternative school.²⁴ In addition, the analysis looked at 2,400

²⁰ Ibid.

²¹ See Also "K-12 Online Learning: Evaluation Summary Report" Office of the Legislative Auditor, State of Minnesota Sept. 2012 at <http://www.auditor.leg.state.mn.us/ped/pedrep/k12ollsum.pdf>

²² "Profits and Questions at Online Charter Schools", Stephanie Saul New York Times Dec. 12, 2011

²³ Ibid.

²⁴ Ibid.

42x

students who completed a state standardized test the year before entering the online school. More than half of those students performed proficient or better.²⁵ What's more, the research clearly shows that "students eligible for federal lunch assistance in online programs perform worse than low-income students in traditional schools on state reading, writing and math exams."²⁶ To put it bluntly, the claims of the cyber school operators of a disadvantaged student population simply do not hold water. They do not have a student population that is more at risk than traditional schools and the cyber schools actually perform worse in educating children with the most need.

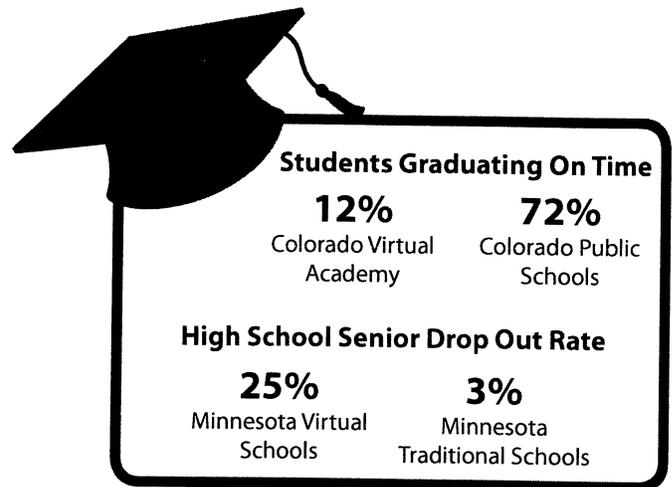
The K12 Inc. school in Colorado, the Colorado Virtual Academy, has fared no better than other virtual charters in the state. Despite having a student population that is more affluent and with a smaller minority population than public schools, the Virtual Academy performed far worse. Over seven years, the school's test scores dropped and the state's "academic growth indicators put student progress at 29 in math and 36 in reading, far below the state average of 50."²⁷ The poor performance of the school left even the school's chairman to admit that board members were "very concerned." The board even considered ending the contract that sends \$22 million in public funding to K12 Inc. to operate the Colorado Virtual Academy.²⁸

States are now questioning K12 Inc. testing results and practices. K12 Inc. was recently the defendant in a shareholder lawsuit. According to the Washington Post, a class action suit was filed because the company allegedly "violated securities law by making false statements to investors about students' poor performance on standardized tests."²⁹ The suit also alleges K12 Inc. boosts revenues through "deceptive recruiting practices."³⁰

Student "Dropout Rates"

Student "dropout" rates at online schools are a cause for major concern. In 2010, only 12% of Colorado Virtual Academy's more than 5,000 students graduated on time. Statewide, 72% of public school students graduated on time, according to the Washington Post.³¹ According to a study of Colorado virtual schools, the dropout rate in 2010 was four times higher than the state average. Colorado's online schools "produced three times more dropouts than graduates," which is the opposite of the statewide average of three graduates for every one dropout.³²

At Ohio's Virtual Academy, only 30% of the school's 9,000 students graduated on time, compared to 78% of public school students. Both the Colorado and Ohio Virtual Academies are operated by K12 Inc.



K12 Inc. manages one of the largest cyber charters in Pennsylvania. Agora Cyber Charter started in 2005 and now enrolls over 8,000 students. Dramatic dropout rates and turnover continue to plague the school. As the Washington Post has reported, nearly 25% of the school's 8,700 students left the school in the 2010-2011 school year. In fact, a teacher who taught at Agora for four years was quoted as saying, "New students were always coming in" and she went on to raise concern that the "churn" rate for students "made it difficult to be able to focus on the students I already had."³³

In Minnesota, the Office of the Legislative Auditor showed that 25% of high school seniors in virtual schools dropped out, according to The Wall Street Journal. In traditional schools a mere 3% of students enrolled dropped out.³⁴

25 Ibid.

26 Ibid.

27 Ibid.

28 "Test Scores Raise Questions about Colorado Virtual Schools" Nancy Mitchell (Education News Colorado) and Burt Hubbard (I-News Network), Education Week Oct. 5, 2011

29 "Shareholder lawsuit accuses K12 Inc. of misleading investors" Emma Brown Washington Post Blog, January 31, 2012; Text of the lawsuit can be found: <http://www.edweek.org/media/k12inclass-actionsuit.pdf>

30 Ibid.

31 "Virtual Schools Are Multiplying", Lyndsey Layton and Emma Brown, Washington Post, Nov. 26, 2011

32 "Test Scores Raise Questions about Colorado Virtual Schools" Nancy Mitchell (Education News Colorado) and Burt Hubbard (I-News Network), Education Week Oct. 5, 2011

33 "Virtual Schools Are Multiplying", Lyndsey Layton and Emma Brown, Washington Post, Nov. 26, 2011

34 "My Teacher is an App", Stephanie Banchemo and Stephanie Simon, Wall Street Journal Nov. 12, 2011

The charts below outline the monthly student enrollment for two of the nation's largest online charter schools. Both schools have wild fluctuations in enrollment.

During the 2009-2010 school year, the Agora Charter had a "dropout rate" of over 35%. While the annual enrollment of students was 7,578, nearly 2,700 students left the school during the year and yet another 2,860 joined in the middle of the school year. In the month of October, the school added 688 students to its rolls, while in May it lost 268 students.

Monthly Enrollment for Agora Cyber Charter in Pennsylvania During the 2009-2010 School Year

From: K12 Manifesting Its Corporate Destiny found : <http://seekingalpha.com/article/395771-k12-manifesting-its-corporate-destiny>

Agora 09-10 School Year	9/1/09	10/1/09	11/1/09	12/1/09	1/1/10	2/1/10	3/1/10	4/1/10	5/1/10	
Grade: K	299	318	353	360	362	359	359	360	352	
Grade: 1	270	265	290	299	299	299	298	311	294	
Grade: 2	283	281	294	297	297	297	301	307	296	
Grade: 3	265	266	266	276	276	276	280	284	273	
Grade: 4	282	287	313	315	315	301	302	309	299	
Grade: 5	290	294	305	312	312	324	324	323	315	
Grade: 6	294	306	318	333	333	335	341	351	340	
Grade: 7	369	374	407	434	434	416	421	440	422	
Grade: 8	417	426	479	505	505	511	504	523	501	
Grade: 9	725	718	860	763	763	855	796	751	698	
Grade: 10	488	473	605	527	527	649	597	556	515	
Grade: 11	411	381	482	398	398	504	478	437	398	
Grade: 12	325	321	426	372	372	401	368	338	319	
Total	4718	4710	5398	5191	5193	5527	5369	5290	5022	
+/-		-8	688	-207	2	334	-158	-79	-268	
Withdrew	451	319	292	228	382	345	271	132	268	2688
Added	443	1007	85	230	716	187	192	0	0	2860
Total Enrollment	7578									
Churn	35.47%									

The data for the Colorado Virtual Academy shows similar volatility. While the total enrollment was 6,456 students, nearly one-third left the school at some point in the school year and students totalling a third of enrollment joined the school at some point in the school year for a turnover rate of over 36%.

Monthly Enrollment for the Colorado Virtual Academy During the 2010-2011 School Year

From: K12 Manifesting Its Corporate Destiny found : <http://seekingalpha.com/article/395771-k12-manifesting-its-corporate-destiny>

Colorado Virtual Academy 10-11 School Year	8/1/10	9/1/10	10/1/10	11/1/10	12/1/10	1/1/11	2/1/11	3/1/11	4/1/11	5/1/11	
Grade: K	236	311	332	333	317	310	295	287	287	284	
Grade: 1	282	305	321	329	321	314	286	279	273	271	
Grade: 2	303	344	353	357	339	332	320	311	310	306	
Grade: 3	315	345	350	355	348	334	304	293	287	284	
Grade: 4	335	363	369	361	360	357	336	330	327	324	
Grade: 5	360	406	426	425	422	420	401	387	379	375	
Grade: 6	360	427	444	464	452	445	423	409	396	393	
Grade: 7	398	493	541	565	555	538	493	477	467	457	
Grade: 8	431	508	552	586	598	581	534	518	507	503	
Grade: 9	319	376	385	354	325	324	274	267	253	251	
Grade: 10	303	379	433	410	387	384	323	306	292	289	
Grade: 11	283	332	370	348	316	317	258	248	238	228	
Grade: 12	238	252	258	236	220	220	190	180	176	161	
Total	4163	4841	5134	5123	4960	4876	4437	4292	4192	4126	
+/-		678	293	-11	-163	-84	-439	-145	-100	-66	
Withdrew	485	581	232	225	214	324	162	34	42	31	2330
Added	1163	874	221	62	130	-115	17	-66	-24	31	2293
Total Enrollment	6456										
Churn	36.09%										

44x

Research by the I-Network and Edweek News Colorado showed that half of the online students in the state leave within a year, and when they leave **“they’re often further behind academically than when they started.”**³⁵

In the fall of 2008, the largest online program in Colorado accounted for 10,500 students. Just a year later, 5,600 had left the school. And by October of 2010, only one quarter of the original students remained.³⁶ The dropout rate is also squandering significant public resources. The same research shows due to the volatility of the student population, “at least \$6 million annually went to online schools for students who weren’t there the entire academic year.”³⁷ The continuous

turnover of students led one author to suggest “that these cyber schools might as well have a turnstile as their logo for the volume of withdrawals they experience.”³⁸

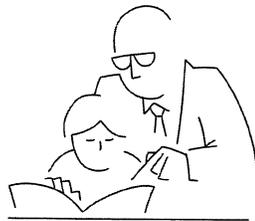
\$6,000,000
Financial support received by Colorado
online schools for students who
**DID NOT ATTEND FOR THE FULL
SCHOOL YEAR**

Sometimes students do not leave the school, but instead are dropped by the school. A former principal at the online Insight School of Colorado in Julesburg alleges that “his former employers received millions of dollars in public school funding for students it then systematically dropped from its rolls before they were to take annual state exams.”³⁹ A review of data from the school supports the principal’s claim. For example, while the school enrolled

586 students in October, the month when student count determines state funding levels, enrollment had plummeted by March. Fewer than half of the original students took the state exam.⁴⁰ The local school district has threatened to sever ties with K12 Inc., the operator of the Insight School, due to poor performance of the students on state exams.⁴¹

The constant “churn” of students also creates other obvious challenges. A special education teacher from the Agora School who resigned spoke of the daunting challenges of teaching when the enrollment is so volatile. She told a reporter, “If you weren’t trying to make initial [e-mail or phone] contact with new students then you were trying to keep on top of the ‘inactive’ [students who had not logged on to Agora’s web portal in a few days or confirm if students who had not been in contact with [teachers] for weeks or months were still enrolled.”⁴² She went on to say “when it came to the actual instruction, you’d be a secretary scheduling 10 minutes here and there for students who often had complex learning challenges.”⁴³

In addition, the constant “churn” of students creates a tremendous strain on the brick-and-mortar schools that must take the students back when they drop out of the online schools. The public schools often “must find money in their budgets to educate students who come from



“When it came to the actual instruction, you’d be a secretary scheduling 10 minutes here and there for students who often had complex learning challenges.”
- Agora Charter Special Education Teacher

online schools midyear.”⁴⁴ However, many of the return students need remedial services in order to catch up with their peers who remained in the brick-and-mortar schools. And they must do all of this with less money, since the virtual school has already been paid out at least some, if not all, of their fee. So while the virtual school makes money, the public school is left to pick up the pieces of its failure without having the funds to do so.

35 “Test Scores Raise Questions about Colorado Virtual Schools” Nancy Mitchell (Education News Colorado) and Burt Hubbard (I-News Network), Education Week Oct. 5, 2011

36 Ibid.

37 Ibid.

38 “K12 Manifesting Its Corporate Destiny” Roddy Boyd, SeekingAlpha.com Feb. 27, 2012

39 “Investigation Finds Lax Oversight of Online Education” Nancy Mitchell (Education News Colorado) and Burt Hubbard (I-News Network), Education Week Oct. 6, 2011

40 Ibid.

41 Ibid.

42 Ibid.

43 Ibid.

44 “Test Scores Raise Questions about Colorado Virtual Schools” Nancy Mitchell (Education News Colorado) and Burt Hubbard (I-News Network), Education Week Oct. 5, 2011

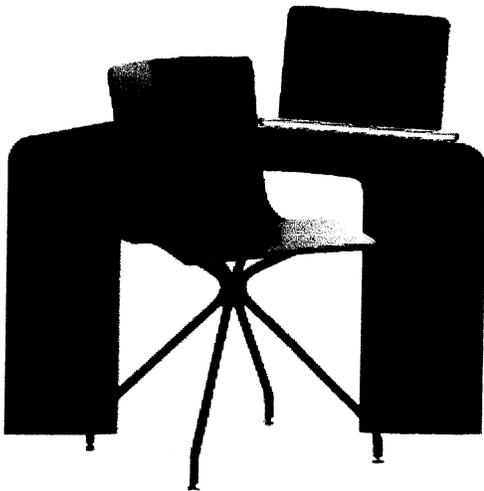
Gary Miron, a professor of education at Western Michigan University, had a succinct explanation for the current turnover in online schools when he said, "The kids enroll. You get the money, the kids disappear."⁴⁵

Without question the enrollment practices require greater scrutiny. There is no prohibition against online charters signing up students for the first few months of the year, and then allowing them to matriculate back to the public school. Such an ebb and flow of students causes serious financial instability for the sending school district. And in some cases, the online school may charge an "upfront fee" for books and other supplies – this is money a school district may never recoup.⁴⁶

Attendance and Authenticity of Work

Like all school environments, online students must be present to learn. At a traditional school the question of a student's attendance is clear, but with online schools it is often harder to determine if a student is "present."

In Colorado, for example, a review by state auditors of the Colorado Virtual Academy found that the school was charging for 120 students "whose enrollments could not be verified or who did not meet Colorado residency requirements. Some had never logged in."⁴⁷ The state eventually demanded the Colorado Virtual Academy reimburse more than \$800,000 for the students that were not attending the school. A report from the I-Network and Education News Colorado alleges that, "millions of dollars are going to virtual schools for students who no longer attend online classes."⁴⁸



Confirming online attendance is a major issue. A New York Times profile of the Agora Charter in Pennsylvania showed that attendance was such a problem in 2010 the school dropped 600 students for failure to attend, "149 of them just before state tests were administered, according to school board minutes."⁴⁹ In one recent article, the author received an e-mail from the head finance director at the Agora school in Pennsylvania. The director was complaining to staff about a special education student who had been declared "absent" for 141 days. Per the report, the student had never formally withdrawn, and so the sending school district was continuing to make payments to the virtual school.⁵⁰ Teachers from Agora told the New

York Times that students only need to log in to be declared present for the day, raising even more questions about what constitutes attendance at a virtual charter school.⁵¹

Determining who is actually sitting in front of the computer or typing on the keyboard has been a considerable challenge for online schools as well. In some cases, online schools have to rely on the honor system for verification. For example, in California all students are required to complete physical education classes, but with no means of supervising the class, the K12 Inc. school relies on the students to self-report.⁵²

Teacher Ratios and Teacher Certification

K12 Inc. found itself in hot water regarding issues of teacher ratios and teacher certification. In Arizona, K12 Inc. was accused of "outsourcing" the teacher functions at its Arizona Virtual Academy to teachers from India.⁵³ In Wisconsin, K12 Inc. was the subject of a lawsuit alleging circumvention of the state's teacher certification law through claiming parents as the certified teachers for students. The Legislature then passed a law requiring greater scrutiny of online schools.⁵⁴

45 "Profits and Questions at Online Charter Schools" Stephanie Saul New York Times Dec. 12, 2011

46 "Profits and Questions at Online Charter Schools" Stephanie Saul New York Times Dec. 12, 2011

47 Ibid.

48 "Test Scores Raise Questions about Colorado Virtual Schools" Nancy Mitchell (Education News Colorado) and Burt Hubbard (I-News Network), Education Week

49 "Profits and Questions at Online Charter Schools", Stephanie Saul New York Times Dec. 12, 2011

50 Ibid.

51 Ibid.

52 "Public Financing Supports Growth of Online Charter Schools" Carol Pogash New York Times June 4, 2010

53 "K12 Inc. Scraps India Outsourcing" Andrew Trotter Education Week Sept. 10, 2008 (ref. Glass and Welner)

54 "Online K12 Schooling in the U.S.; Uncertain Private Ventures in Need of Public Regulation" Gene Glass and Kevin Welner, National Education Policy Center Oct. 2011

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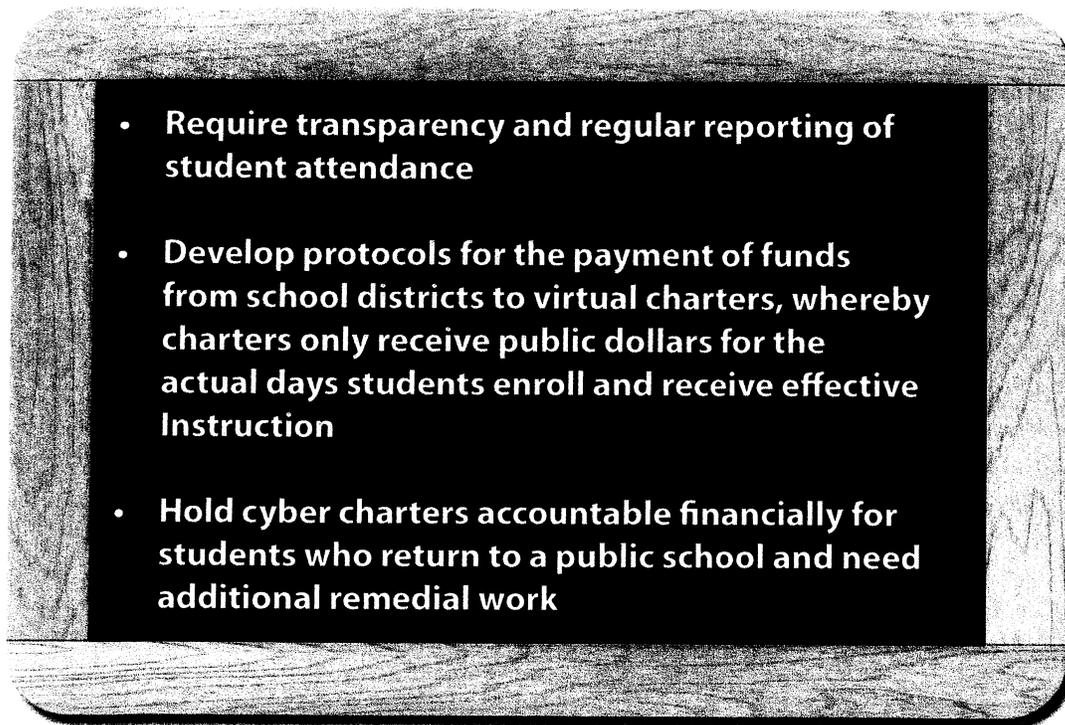
certification required for instructors. In addition to the Arizona outsourcing scandal mentioned previously, there are other instances of low-wage workers in other countries being used to correct homework assignments. With the concern cited regarding student-teacher ratios, policymakers should realize the expectations concerning "the level and extent of teacher involvement in the instructional process."⁶³

- **Audits.** Glass and Welner suggest ongoing, regular audits of online schools. Both Connections Academy and K12 Inc. are for-profit entities that will be using public taxpayer dollars to educate children. The Commission should proceed cautiously and should work to guarantee taxpayer dollars are used to provide the best education possible to Maine's students, not add to the bottom line of large out-of-state corporations.

Conclusions

The Maine Charter School Commission should deny the applications of K12 Inc. and Connections Academy to operate virtual charter schools.

If the Commission decides to entertain the notion of allowing either of these schools to operate, the Commission must consider the unique problems presented by each and create safeguards to prevent against the type of practices seen in other states.



The data are overwhelming. Charter cyber schools are not the promised "panacea" for improving student outcomes as their proponents advocated. In fact, cyber charters are far less effective than community-based, brick-and-mortar schools. They are an inefficient use of taxpayer funding and actually create additional burdens on public schools. Other states have already experimented with this new model and the results are conclusive. Maine can learn from others and put taxpayer funding to more productive student-first uses.

**For more information, contact:
Maine Education Association President Lois Kilby-Chesley at 622-4418 ext. 2220**

⁶³ "Online K12 Schooling in the U.S.; Uncertain Private Ventures in Need of Public Regulation" Gene Glass and Kevin Welner, National Education Policy Center Oct. 2011, p.14

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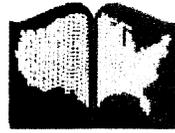
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NATIONAL EDUCATION
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**UNDERSTANDING AND IMPROVING
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**A STUDY OF STUDENT CHARACTERISTICS,
SCHOOL FINANCE, AND SCHOOL PERFORMANCE
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Gary Miron and Jessica L. Urschel

Evaluation, Planning, and Policy Analysis
and Western Michigan University

July 2012

National Education Policy Center

School of Education, University of Colorado Boulder
Boulder, CO 80309-0249
Telephone: (802) 383-0058

Email: NEPC@colorado.edu
<http://nepc.colorado.edu>

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Kevin Welner

William Mathis

Erik Gunn

Alex Molnar

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UNDERSTANDING AND IMPROVING FULL-TIME VIRTUAL SCHOOLS

A STUDY OF STUDENT CHARACTERISTICS, SCHOOL FINANCE, AND SCHOOL PERFORMANCE IN SCHOOLS OPERATED BY K12 INC.

*Gary Miron and Jessica L. Urschel
Evaluation, Planning, and Policy Analysis
and Western Michigan University*

Executive Summary

K12 Inc. enrolls more public school students than any other private education management organization in the U.S. Much has been written about K12 Inc. (referred to in this report simply as “K12”) by financial analysts and investigative journalists because it is a large, publicly traded company and is the dominant player in the operation and expansion of full-time virtual schools. This report provides a new perspective on the nation’s largest virtual school provider through a systematic review and analysis of student characteristics, school finance, and school performance of K12-operated schools. Using federal and state data, this report provides a description of the students served by K12 and the public revenues received and spent by the company at the school level. Further, the report presents evidence from a range of school performance measures and strives to understand and explain the overall weak performance of these virtual schools.

Students in K12 schools are more likely to be white and less likely to be Hispanic relative to comparison states. They are also less likely to be low-income and much less likely to be classified as English language learners. In recent years, K12 is increasingly serving more students with disabilities and students it classifies as at-risk, but it still spends relatively little for special education instruction and student support services. Students in schools operated by K12 Inc. and other virtual schools are also more prone to attrition.

K12’s full-time virtual schools receive less public revenue relative to the average for charter schools and district schools. At the same time, however, the company benefits from a number of cost advantages outlined in the report. Weak performance outcomes were found

across an array of school performance measures. Before promoting or even enabling the expansion of full-time virtual schools, more research is needed concerning two key issues: understanding why the performance of full-time virtual schools suffers, and how that performance can be improved. The report offers recommendations to policymakers to revise and strengthen accountability measures and finance mechanisms governing the operation of full-time virtual schools.

Key findings from the study are organized by section of the report and presented in bulleted form below.

Analysis of K12 Student Characteristics

- K12 Inc. virtual schools enroll approximately the same percentages of black students but substantially more white students and fewer Hispanic students relative to public schools in the states in which the company operates. Because K12 schools generally enroll students without regard to school district boundaries, such same-state comparisons are the most useful.
- On average, 39.9% of K12 students qualify for free or reduced-price lunch, compared with 47.2% for the same-state comparison group.
- K12 virtual schools enroll a slightly smaller proportion of students with disabilities than schools in their states and in the nation as a whole (9.4% for K12 schools, 11.5% for same-state comparisons, and 13.1% in the nation).
- Students classified as English language learners are significantly under-represented in K12 schools; on average the K12 schools enroll 0.3% ELL students compared with 13.8% in the same-state comparison group and 9.6% in the nation.
- Most K12 schools serve students from grades Kindergarten to 12; however, K12's enrollment is greatest in the middle school grades. Enrollment decreases sharply for the high school grades.

Analysis of K12 Revenues and Expenditures

Detailed revenue and expenditure data were obtained from the federal dataset on school finance (2008-09). This dataset included information from seven K12 schools located in five states. Those seven schools enrolled 21,866 students in 2008-09, nearly 60% of all students enrolled in all K12-operated schools in that year, according to National Center for Education Statistics (NCES) data. We analyzed K12 revenues and patterns of expenditures and compared them with three groups: (1) brick-and-mortar charter schools in the five states, (2) all public schools in the five states, and (3) all public schools in the country.

Revenues

- During the 2008-09 school year, K12 schools reported receiving an average of \$7,393 in public revenue per pupil, which is less than what charter schools (\$9,258) or district schools (\$11,708) received in the same states. The national average for public revenue per pupil for all public school districts in that same school year was \$12,139.

Expenditures

- K12 schools spend more on overall instructional costs than comparison schools, but noticeably less on teacher salaries and benefits. The data does not provide clear answers to explain this. We assume that this is explained by contracts back to the company for instruction-related costs.
- K12 schools outspend comparison schools on administration but spend substantially less on administrator salaries and benefits. We believe the bulk of the additional spending on administration is accounted for in contracts to the company, although the variables in the federal finance data set do not clearly explain this discrepancy.
- K12 spends little or nothing on such key items as facilities and maintenance, transportation, and food services.
- K12 also spends relatively little for supplemental programs and an array of activities and services that fall under the category of Student Support Services.
- Although K12 enrolls an increasing number of students with disabilities, it spends less than half as much per pupil as charter schools on special education instruction and a third of what districts spend on special education instruction.

Cost advantages and disadvantages

- Full-time virtual schools inherently have a tremendous cost advantage when it comes to facilities, operations, transportation, and food services.
- Based on K12's spending patterns, its full-time virtual schools also benefit from cost advantages by having more students per teacher and by reducing overall spending on teacher salaries and benefits, particularly for special education instruction.
- Full-time virtual schools have to spend more on computers and the development of online curriculum and the development of learning platforms. Also, it is assumed

that these schools need to spend more on marketing and recruitment of students than brick-and-mortar schools, which often have students assigned to them. Beyond this, companies such as K12 spend resources to lobby and advocate for the expansion of online learning across the country, although such expenses are not clearly captured with the established categories and variables in the federal district finance dataset.

- There is a need for more research on the actual costs of educating students in full-time virtual schools. Such research will require companies that operate these schools to be more transparent with their financial data than they have been heretofore.

Analysis of K12 School Performance

- Only 27.7% of K12 schools reported meeting Adequate Yearly Progress (AYP) in 2010-11. This is nearly identical to the overall performance of all private Education Management Organizations that operate full-time virtual schools (27.4%). In the nation as a whole, an estimated 52% of public schools met AYP in 2010-11.
- AYP is a relatively crude indicator of whether or not schools are meeting state standards. Nevertheless, extremely large differences—such as the 25-percentage point difference between the proportion of virtual schools that meet AYP compared with the proportion of brick-and-mortar charter or district schools that do so—warrant further attention. The aforementioned difference in AYP attainment has been constant over the past two years.
- The majority of the K12 schools did not meet AYP because one or more groups of students did not meet state targets on either math or reading assessments (or both). In some cases, K12 schools did not meet the participation target: the requirement that at least 95% of students in a given grade take the state assessments.
- Thirty-six of the 48 full-time virtual schools operated by K12 were assigned school performance ratings by state education authorities in 2010-11, and just seven schools (19.4% of those rated) had ratings that indicated satisfactory progress status.
- The mean performance on state math and reading assessments of K12-operated virtual schools consistently lags behind performance levels of the states from which the schools draw their students.
 - Across grades 3-11, the K12 schools' scores were between two and 11 percentage points below the state average in reading.

- In math, K12 students score, on average, between 14 and 36 percentage points lower than students in their host states, with the gap increasing dramatically for students in higher grades.
- The on-time graduation rate for the K12 schools is 49.1%, compared with a rate of 79.4% for the states in which K12 operates schools.
- Many families appear to approach the virtual schools as a temporary service: Data in K12's own school performance report indicate that 31% of parents intend to keep their students enrolled for a year or less and more than half intend to keep their students enrolled for two years or less. K12 also noted in this report that 23% of its current students were enrolled for less than a year and 67% had been enrolled for fewer than two years.

Discussion and Conclusion

The final section of the report summarizes findings specific to the research questions and explores a number of possible explanations for the generally weak performance of K12. Here (unlike the rest of the report) we include a broader discussion of full-time virtual schools as compared with traditional district schools and brick-and-mortar charter schools. We also present and discuss policy recommendations, highlighting a list of key questions for future research.

Possible explanations for poor performance of K12 schools

There are a number of possible explanations for the relatively poor outcomes of K12 and of full-time virtual schools on common measures of school performance.

- K12 maintains that commonly used school performance measures do not adequately apply to virtual schools, since they have high levels of student mobility. This argument has some merit and is comparable to similar obstacles faced by large urban districts. As applied to full-time virtual schools, this raises an important empirical research question: Are these schools simply enrolling students who would be mobile in any case, or are the schools contributing to or causing the mobility?
- Another possible explanation for the weak performance is that there are insufficient funds allocated for these schools. Our analyses found that K12's virtual schools receive less revenue on average than brick-and-mortar charter schools and district schools, although K12 schools (and other virtual schools) have a number of cost advantages that justify the differences in revenue. A more in-depth analysis of the true costs of educating students in full-time virtual schools is required to better understand whether insufficient revenue is indeed the cause of poor performance.

It is relevant to note that K12 Inc. shares positive news with investors about the profitability of the company and announced in May 2012 that it seeks to “increase profitability in fiscal year 2013” by implementing as much as \$20 million in costs savings. K12 argues that these cuts can be made “without any adverse effects on student performance, employee retention, customer satisfaction, or our growth rate.”¹ Such statements by K12 suggest that it believes that weaknesses in performance are not due to insufficient revenues or cannot be addressed with additional resources. An alternative explanation is that the company chooses not to address the weak performance of its schools to protect profits.

- A third possible explanation for the weak performance concerns inadequate or misaligned curriculum. This hypothesis was not explored in this study.
- A fourth possible explanation for the weak performance relates to inadequate or insufficient instruction. Based on our findings, K12 devotes considerably fewer resources to instructional salaries and benefits for employees. This reduced spending on salaries is linked to the fact that K12 has more than three times the number of students per teacher compared with overall public school student-teacher ratios. The higher student-teacher ratio and the reduced spending on teacher salaries, as well as on salaries for all other categories of staff typically found in schools, help explain the poor performance of K12’s schools. Also related to the issue of adequacy of instruction, we found that K12’s math scores, which are more dependent on instruction, were substantially lower than reading scores, which are more influenced by students’ home environment.
- Finally, we note the issue of “fit.” Full-time virtual schools may have the potential to provide an effective learning environment for some students but not others. Learning styles and resources within a home will differ from student to student. That possibility is not explored in this study, but it presents an important empirical question for later research as well as an important policy question concerning, for instance, the types of advertising being used to recruit new enrollees into full-time virtual schools.

Recommendations for policymakers

Based on the findings, the following policy recommendations are offered for states or other appropriate policymaking entities:

- **Slow or put a moratorium on the growth of full-time virtual schools.** In the area of full-time virtual education, states should place their first priority on understanding why the performance of virtual schools suffers and how it can be improved before undertaking any measures or programs to expand this new model of schooling.

- **Revise performance accountability measures for virtual schools.** Since some performance measures commonly used for public schools are inadequate or inappropriate for full-time virtual schools, more suitable measures should be devised, implemented and, over time, improved. Part of the solution may involve alternative or supplemental measures, including measures of market accountability.
- **Revise funding formula and financial oversight.** Funding formulas for virtual schools should reflect the actual costs of educating students in those schools, rather than the typical costs for educating students in traditional public schools. Given the high mobility of students in K12's virtual schools, the practice of allocating funding for students who enroll should shift to funding based on the number of students who satisfactorily complete courses. This model is already in practice at the Florida Virtual School. More transparency is needed to understand how full-time virtual schools spend public funds.

Future research and conclusion

Our study has raised more questions than we initially sought to answer. A list of questions for future research is included in the final section of the report as well as in Appendix F.

While we share the excitement of new technologies and the potential these have to improve communication, teacher effectiveness, and learning, we are convinced policymakers should move forward cautiously and only after piloting and thoroughly vetting new ideas. Although this report is modest in scope, we hope that its findings will help inform policymakers and motivate researchers to carefully study various aspects of full-time virtual schools. A better understanding of virtual schools can serve to improve this new model and help ensure that full-time virtual schools can better serve students and the public as a whole.

UNDERSTANDING AND IMPROVING FULL-TIME VIRTUAL SCHOOLS

A STUDY OF STUDENT CHARACTERISTICS, SCHOOL FINANCE, AND SCHOOL PERFORMANCE IN SCHOOLS OPERATED BY K12 INC.

Introduction and Conceptual Framework

Online learning for students in elementary and secondary education is becoming increasingly controversial, especially with the rapid expansion of full-time virtual schools. Because of the sudden appearance and growth of this sector, very little research evidence exists concerning costs, outcomes, or accountability related to virtual schooling.² Barth, Hull, and St. Andrie (2012) note that “news organizations, rather than education researchers, seem to be taking the lead in investigating and reporting the effects of virtual schools” (p. 2).³ Yet despite limited research evidence to guide policy, more and more states are passing legislation to permit fulltime virtual schools or to remove the caps that once limited their growth.⁴

The purpose of this report is to learn more about full-time virtual schools and better understand whom they serve, how they operate and spend their public revenues, and their impact on student learning. We are doing this by studying schools operated by K12 Inc., the nation’s largest provider of full-time virtual education at the elementary and secondary level. Our purpose is not to judge the merits of this company, of online instruction, or of the long-term growth of cyberschooling. Rather, we agree with the oft-repeated message that we need to know more about virtual schools so we can improve their performance and take measures to advance high-quality learning opportunities and ensure taxpayer dollars are well used.

Growth and Expansion of Virtual Schools

In 2006, a policy brief by Greg Vanourek⁵ published by the National Association of Charter School Authorizers helped lay out a framework for identifying and understanding the various dimensions and modalities of online learning. This framework illustrated a wide array of online options, ranging from delivery of individual courses, to hybrid or blended learning (i.e., part of the instruction in a given course is face-to-face, and part is delivered online), to full-time virtual schools. The focus in this report is on full-time virtual schools (also known as cyber schools or online schools), which deliver their curriculum and

provide instruction via the Internet and electronic communication. Most virtual schools are full-time, statewide, and asynchronous, with students learning from home and teachers working out of an office building or their home.

All types of online learning are expanding; however, full-time virtual schools are gaining the most attention. These cyberschools are being pushed as a new tool for expanding school choice, for privatization of schooling, and as a new investment opportunity; they are not simply a means to supplement and expand the courses available in traditional brick-and-mortar schools. With advocacy and lobbying by key providers, and with the support of national organizations advocating school choice, 30 states and the District of Columbia have created full-time virtual schools,⁶ and even more states have approved the use of online instruction to deliver one or more courses to students attending public schools.

Close to a quarter of a million students are enrolled in full-time virtual schools. These schools are often organized as charter schools and operated by for-profit education management organizations (EMOs).⁷ The largest operator of full-time virtual schools is K12 Inc., with 48 full-time virtual schools that enrolled just over 65,000 students in 2010-11. Connections Academies is the second largest for-profit operator, with 13 schools and just over 20,000 students in 2010-11.⁸ Note that the schools and students we count are only for those schools at which the virtual provider has full control and responsibility for the school. K12 Inc. may be hired to provide curriculum, software or learning platforms, or support, although the responsibility and control of the school remains in the hands of a school district or other public entity that is considered the operator, while K12 serves as a vendor. This study does not investigate those additional K12 services.

Figure 1 is adapted from a forthcoming book on school choice, to be released in the summer of 2012.⁹ In this book, virtual schools are found to represent a relatively small portion of the overall school choice options, but they also constitute one of the fastest-growing among them. Enrollment in full-time virtual schools has been expanding rapidly in recent years, reaching the current estimate of 250,000 students, compared with fewer than 20,000 less than a decade ago. It is important to note that virtual schools, as a category of school choice, overlap with both homeschooling and charter

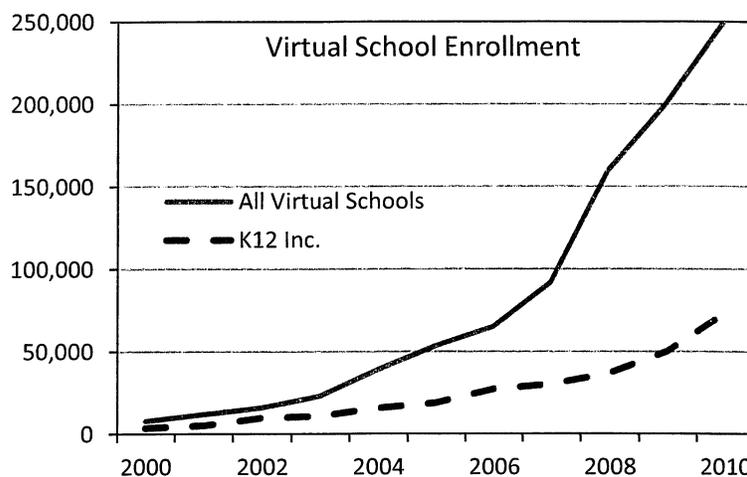


Figure 1. Estimated Enrollment Trends in Full-Time Virtual Schools

schools. Most virtual schools are organized as charter schools, although an increasing number of district and state education agencies are now starting full-time virtual schools. Private for-profit EMOs have played an important role in expanding the number of virtual schools and now operate these schools on behalf of charter school or district school boards.

The enrollment in schools operated by K12 Inc. was just over 65,000. Estimates by Evergreen Education Group (a consulting firm that prepares an annual review of policy and practice for online learning) suggest that K12 had over 80,000 students in 2010-11;¹⁰ we understand, however, that this includes both the schools that K12 operates as well as district-run schools for which K12 has a contract to provide services and support, but not for operational responsibility. Independent vendors such as K12 Inc. deliver close to half (47%) of all online courses in the country.¹¹

Arguments For and Against Virtual Schools

Advocates for expanding virtual schooling claim that by using technology to enable teachers to communicate more effectively with more students, virtual schools can improve student learning and performance.¹² Accordingly, there are claims that virtual schools can “potentially” improve productivity and decrease costs, but even proponents admit that there is still insufficient evidence to determine whether virtual schools are more effective than conventional schools or can actually reduce cost.¹³

A report by the Fordham Institute titled *Teachers in the Age of Digital Instruction*¹⁴ offered a vision for how technology might transform the teaching profession as well. Arguing that effective teachers will be even more important for online instruction, the authors suggest that salaries would rise for online teachers because of their greater effectiveness and because technology would allow them to reach more students, thus improving outcomes at lower cost. As Huerta (2012)¹⁵ found in his review of the report, however, evidence for such claims is insufficient to resolve whether that “potential” was real or just wishful thinking.

Another argument for full-time virtual schools is that they promote school choice. Choice advocates believe that there are inherent benefits that arise as more parents become active choosers. Perhaps most importantly, school choice theory posits that increased choice will impose “market accountability” in the form of competition that drives schools to improve as they compete to recruit and retain students.¹⁶

Critics, by contrast, raise a number of concerns about virtual schools at the elementary and secondary (K through 12) levels. These concerns are generally related to legislation and regulations that have not kept up with the rapid growth of virtual schools. Critics also question the motives of for-profit groups and school choice advocacy groups that lobby and advocate for the expansion of virtual schools.¹⁷

Below, we summarize the research connected to the relative effectiveness of full-time virtual schools and the relative cost for these schools. Note that we are using “cost” here as meaning the same thing as “expenditures.” The more technically accurate use of the term would also take into account issues of productivity: the effectiveness of what is being purchased through that expenditure. We have adopted the more common usage because we are reporting on the work of others who have similarly taken that approach.

Effectiveness of virtual schools

In a policy brief, Glass and Welner (2011)¹⁸ reviewed research evidence related to the growth of online learning, the effectiveness of virtual schooling in terms of student achievement, the cost of virtual schooling, and the quality of virtual schools in terms of how these might be evaluated by accreditation agencies. They found that “no study examined test performance over an extended period of time, none attempted to compare outcomes for virtual and traditional full-time schooling, and none looked at a complete curriculum” (p. 5). Instead, they concluded that “there exists no evidence from research that full-time virtual schooling at the K-12 level is an adequate replacement for traditional face-to-face teaching and learning” (p. 5).

The most comprehensive meta-analysis of research on online learning to date, published in 2009 (and revised in 2010) and commissioned by the U.S. Department of Education, offers little help. Researchers found a slightly positive impact of online courses, but most of the studies reviewed were at the tertiary level (higher education and medical training) and were restricted to individual courses rather than studying full-time programs or schools.¹⁹ Glass and Welner (2011, p. 5) summarized the findings as follows: “only five studies included in the meta-analysis were conducted at the K-12 level, and all of these involved comparisons of blended online plus face-to-face instruction versus only face-to-face instruction. Moreover, of the seven effect sizes from these five studies, two actually favored face-to-face instruction over blended instruction.”

Thus, specific to full-time virtual schools at the elementary and secondary school levels, few studies have been completed on student achievement. These few studies are evaluations of charter schools, with results broken out for the subgroup of full-time virtual charter schools, or they are audits commissioned by states that address an array of issues, including performance. The findings have been largely negative. In a 2003 study of California charter schools, Zimmer et al. (2003)²⁰ included some non-classroom-based charter schools and found that they had lower achievement scores than traditional public schools and other charters. In a 2002 evaluation of Pennsylvania charter schools, Miron, et al.²¹ found that four virtual charter schools performed worse than or similarly to comparison groups. A more recent study by CREDO (2011)²² looked at student achievement in charter schools in Pennsylvania, which now has the nation’s largest concentration of virtual charter schools. One-third of all charter school students in Pennsylvania are enrolled in eight very large virtual charter schools. This was the most

rigorous study of full-time virtual schools because it relied on student level results, it carefully matched students with similar non-charter students, and it based its analysis on students who remained in the virtual schools for at least two consecutive test events. The CREDO study found that students in charter schools were making significantly smaller gains in learning over time than matched students in traditional public schools. While students in brick-and-mortar charter schools were slightly behind their matched peers in district schools, the gains in learning over time by students enrolled in virtual charter

A study of Colorado virtual schools found that half the online students wound up leaving within a year, and when they returned they were often further behind academically than when they started.

schools were even smaller still. The math gains by virtual charter school students were substantially worse than the reading results which also showed virtual charter school students significantly behind their matched peers in brick-and-mortar district schools. All eight virtual charter schools in Pennsylvania showed learning gains that were significantly smaller than matched peers for both reading and math. There was not a single subject test in any of the eight schools that favored the students in the virtual charter schools.

In a study of Colorado virtual schools, Hubbard and Mitchell (2011)²³ found that half the online students wound up leaving within a year, and when they returned they were often further behind academically than when they started. This study also found that the Colorado online schools produced three times as many dropouts as they did graduates and that one of every eight online students dropped out of school permanently, four times the state average for the study period. These findings were similar to those in a 2006 study of Colorado virtual schools conducted by the State Audit Office.²⁴ This earlier study also found that online students performed poorly on the state assessments, especially in math, and that they had high rates of grade repetition, attrition, and dropping out.

An evaluation of Wisconsin's virtual schools found that virtual charter school students typically scored higher on state assessments in reading than other public school students, but lower in mathematics.²⁵ Additionally, the Wisconsin study, which spanned a three-year period, found that only a small number of students were continuously enrolled in virtual charter schools over that time and their performance varied.

In Minnesota, the Office of the Legislative Auditor evaluated online schools in 2011 and found that students in full-time online schools had low course completion rates and elevated school drop-out rates. They also found that students tended to lose more ground on the state math assessment.²⁶ Although no state-authorized audit of full-time virtual schools has been undertaken in Arizona, there has been considerable reporting on the relatively weak performance of students in the state's full-time virtual schools.²⁷

Over the last two years, the annual EMO profiles reports published by the National Education Policy Center have included indicators on adequate yearly progress (AYP) status and school performance ratings assigned by state education authorities. Of the full-time

virtual schools operated by private EMOs, only 27% are classified as meeting Adequate Yearly Progress.²⁸

Relative Costs for Virtual Schools

There is an assumption that virtual schools are inherently more efficient because they operate at less cost than brick-and-mortar charter or traditional district schools. Examining virtual school legislation in 19 states, Thedy (2010) found that the funding formula for virtual charter schools was usually the same as for brick-and-mortar charter schools. Based on her analysis, she also established a set of recommendations to help ensure the quality, equity, and fiscal responsibility of virtual charter schools.²⁹ Barth, Hull, & St. Andrie (2012)³⁰ reviewed policies regarding funding for virtual schools and found that depending on the state, the virtual schools were receiving between 70 and 100 percent of what traditional district schools received. In terms of funding for K-12 virtual schooling, Glass and Welner (2011) similarly concluded that state reimbursement policies varied widely.

Just because virtual schools and brick-and-mortar schools do not receive the same allotments per pupil does not mean they are treated differently according to the funding formula. As we explained in our national charter school finance study in 2010,³¹ charter schools may be funded equally under the formula, but since many charter schools do not offer a full range of programs or serve large numbers of children with disabilities, they are not receiving as much in categorical funding. Charter schools and full-time virtual schools can, if they wished, qualify for more categorical funding by offering programs and services like vocational and technical education, and they can receive more money if they enroll more students with disabilities, particularly children with moderate and severe disabilities.

Recently, the Fordham Institute published a study on the costs for online learning.³² This study was based on interviews with about 50 entrepreneurs, experts and vendors in the field. The study estimated the annual cost for full-time virtual schools to be \$6,400 per pupil, compared with approximately \$8,900 for “blended learning” schools and \$10,000, which is what the authors calculated was the average cost per pupil for all schools in the U.S. Although the study lacked rigorous methods and there was a wide range of estimates, a review of the report by Rice (2012) concluded that it did explore a number of important topics and shared valuable insights, particularly in discussing the upfront costs of virtual schools and factors that can affect costs in diverse categories of expenditures.³³

Similar to the Fordham Institute study, an earlier study sponsored by the BellSouth Foundation³⁴ also relied on interviews of persons seen as familiar with actual spending on virtual schools. This study concluded that virtual and brick-and-mortar schools had similar total costs and should be allocated matching public funds. This study did concede,

however, that it did not consider areas in which virtual schools had clear costs advantages such as facilities and transportation.

For its analysis, the Wisconsin State Audit Office broke out expenditures by virtual schools into three broad categories: curriculum-related costs, staffing costs, and other expenditures. Below is a description of these three categories and the proportion of total expenditures that each category comprised.

- *Curriculum-related costs* (47.5% of total expenditures). Most virtual charter schools purchase at least a portion of their online class curricula from contractors. They can purchase individual online classes or a license to own and modify a class for use from year-to-year. Curriculum-related costs also include students' computers, printers, and Internet subsidies.
- *Staffing costs* (45.8% of total expenditures). These expenditures included staff salaries and fringe benefits; travel to meet with pupils in or near their homes, to conduct pupil orientation sessions around the state, and to attend training events; and staff professional development, training, and dues and fees related to memberships in professional organizations.
- *Other expenditures* (6.7% of total expenditures). This category consists largely of advertising expenses, computer equipment and maintenance, and office supplies.

One of the key results from this Wisconsin audit was that in five out of 15 virtual charter schools, per pupil expenditures were higher than their chartering school districts' per pupil education costs. In other words, a third of the virtual charter schools spent more per pupil than what was spent for similar services, on average, at other schools within their districts. Economies of scale appear to be the culprit; the five virtual charter schools whose per pupil expenditures exceeded their chartering districts' per pupil education costs were all small schools, so the costs for the schools could not be distributed across a large number of students as happens in school districts or in the large virtual schools.³⁵

Michael Barbour has been studying virtual schools for some time and has compared the costs for virtual schools and brick-and-mortar schools.³⁶ He notes that the actual cost for virtual schooling, particularly the cost for full-time virtual schools, are difficult to determine since many of the schools are operated by for-profit companies. After reviewing a detailed budget for one of K12's full-time virtual schools, he concluded that it was still not clear which category of the budget paid for K12's proprietary course management system, which should be a large but readily recognizable expense. Barbour notes that district-operated virtual schools are more transparent with their financial data than those virtual schools operated by for-profit EMOs.

One thing we learned from our analysis is that it is not possible to explain fully how K12 Inc. spends the public resources it receives using the federal finance dataset. We are, however, able to determine categories or areas in which K12 is devoting relatively little or none of the money it receives from public sources.

Research Questions Addressed in this Report

- What are the characteristics of the students enrolled in K12 schools and how does this differ from same-state averages? Here we consider race/ethnicity, the percentage of students who qualify for free and reduced-price lunch and special education services, the proportion of students classified as English language learners (ELL), and the distribution of students enrolled by grade.
- How do the amount and source of public revenue for K12 schools differ from other charter schools and district schools?
- How do the patterns of expenditure for schools operated by K12 differ from other charter and district schools?
- What are the reasons for K12's very low proportion of schools meeting Adequate Yearly Progress?
- What is the performance of K12's schools relative to same-state averages for all public schools? Specifically, we consider the proportion of students meeting state standards, graduation rates, and performance ratings assigned to schools by state education authorities.
- What lessons can be learned from this analysis of K12 Inc. that could inform overall policy for full-time virtual schools?

Methods and Data Sources

This report draws on publicly available data, collected, audited, and warehoused by public authorities. The data sources are publicly available and are clearly documented. For this reason, readers will find it relatively easy to track and verify the data we report. To a large extent we allow the data to speak for itself, with relatively little interpretation until the final section of the report. Because this report draws on publicly available data, we made no data requests to K12 aside from the requests we make in connection with our annual report providing profiles of EMOs, when we ask K12, as we ask all other private EMOs, to confirm or help us revise the general information we report on their fully managed public schools across the nation.

The scope of our study is limited to the full-time, virtual public schools for which K12 has a contract to manage in their entirety. There were 48 such schools operating in 2011-12. Our analysis does not include the virtual schools operated by school districts that use services, software, or curriculum from K12. Nor does our analysis cover other services offered by K12, such as the fee-based delivery to public and private schools of individual courses or curriculum, both in the United States and abroad.

This report represents a relatively quick and direct effort at gathering and reporting publicly available data. Although no sophisticated methods are used, we believe that the data sources and methods used allowed us to answer the research questions we have posed and, just as importantly, allowed us to identify new questions and areas for future research. When appropriate and necessary, further details about the methods are included in the sections containing actual findings.

Study of K12 demographics. The primary sources for demographic data were state-level datasets and school report cards. If data were not found on state-level websites, we gathered information from the National Center for Education Statistics (NCES). The most recent data available from the NCES, as well as from the Idaho and Arkansas departments of education, are from 2009-2010. For the remaining states, data are from the 2010-2011 school year.

Study of K12 revenues and expenditures. Financial data come from the NCES Common Core of Data School District Finance Survey (F-33), School Year 2008–09 (Fiscal Year 2009), the most recent year for which national school finance data are available. Spending by category is reported both as a percentage of *Total Current Expenditures* (TCE) and as a per-pupil amount.

Seven unique K12 districts had financial data reported in the federal data set. However, one of these districts, Utah Virtual Academy, had suspiciously low total per-pupil revenues reported (\$114) so we decided to remove this district from the analysis. The remaining six K12 units with district status comprised seven of the individual K12 schools (Arkansas' two Virtual Academies are reported together). This represents seven of the 37 (18.9%) K12 schools operational in 2008-09. The remaining K12 schools' financial data were not separate from other schools in the CCD dataset. Although our financial analysis only covers seven K12 schools, these are very large and more established schools and they accounted for 58.2% of the K12 enrollments in the 2008-09 school year.

The comparison groups for these schools are the state average for all public schools and the state charter school average. Only states with K12 schools are included when results have been aggregated across charter school averages or across comparison states. When we aggregate the data, we always use weighted averages based on enrollment. This means that the influence of a school, district, or state on the aggregate results is proportional to its enrollment.

Limitations

There are five general limitations that readers should keep in mind.

Completeness of demographic data. While data on student ethnic background and free and reduced-price lunch status were rather complete, the special education data were not. This was particularly problematic in states where charter schools are not considered Local

Education Authorities or districts and thus did not have the legal responsibility to provide special education services.

Completeness of school finance data. Although many indicators in the Common Core of Data are reported at the building level, finance data are reported at only the district level. This has implications for this study, since in many states charters are not organized into their own districts. Instead, they have autonomy but remain legally part of a public school district for reporting purposes. NCES statistical reports on finance categorize districts in three ways: (1) districts including only individual charter schools or groups of charter schools, (2) districts with both charters and traditional public schools, or (3) districts with no charter schools at all. This categorization represents a critical obstacle to obtaining a comprehensive survey of financial data, because many K12 schools are in mixed districts (or in full charter districts, but with other non-K12 schools), with no way to parse out K12 data.

In examining finance data, this report focuses only on K12 schools with data in the federal school district data set. In the end this meant we had usable data on only seven K12 schools, although these seven schools represented 58.2% of K12's total enrollment in full-time virtual schools. Our analyses included only public sources of revenues since none of the K12 districts included in this analysis reported revenues from private sources. Given the limited scope of this project, we could not mine state or district data sets, nor could we piece together the school finance from individual audits.

A lot has been written and shared about K12's corporate finance data, including the value of its publicly traded shares and the rapid growth of its annual revenue figures. Analyzing and interpreting this information is also beyond the scope and purpose of this report.

Selection of comparison groups. For this study, we use two comparison groups: each K12 school's state average and state charter schools' averages. When possible, we have also included national data for comparison purposes. We recognize that large differences can exist within states and that state averages, K12 districts, and charter school districts may not draw the same types of student. We compare groups of schools by calculating mean scores for each group, however, these mean scores can mask considerable differences among schools in the same group

Comparing two different forms of schooling. It is difficult to compare two inherently different forms of schooling. This is especially true with finance data. However ill-fitting, state and federal agencies use the same categories and variables for expenditures for virtual schools as they use for brick-and-mortar schools. Comparing spending is also complicated by the fact that virtual schools may spend more in start-up and expansion phases and less when schools are at full capacity. Further, the extensive involvement of private EMOs in the full-time virtual school sector means that sizeable fees are paid to the private operator and may be lumped into a single category of spending, even while the private operator may spend these resources across a number of areas.

Evolving and changing group of schools. It is important to note that the network of K12 schools is changing and growing rapidly and that the number, demographic composition,

and financial data of K12 schools today could be significantly different from 2008-09, the most recent year that financial data are available, or even from 2010-11, the most recent year that demographic and performance data were available.

Student Characteristics

Before examining school performance data, we analyzed and summarized results related to student background characteristics. This provides important contextual data that help to explain differences in school finance and school performance, both of which are explored later in this report.

Race-Ethnicity

The data from K12's fully-managed schools indicate that three-quarters of the students are white [technically it is probably "White-Non-Hispanic"], which compares with 55% for the mean in states with K12 schools (see Figure 2). The proportion of black students served by K12 is similar to the state mean at 10.7% and 11.3%, respectively. But there is a large disparity between K12 and the comparison states in terms of the proportion of Hispanic students they enroll; K12 has 9.8% Hispanic students and the state mean is 27.6%. Although K12 has schools in places with higher than average concentrations of Hispanics (e.g., Arizona, California, and Texas), these virtual schools appear to be less attractive to Hispanics, or perhaps K12 is doing less outreach or marketing to this population.

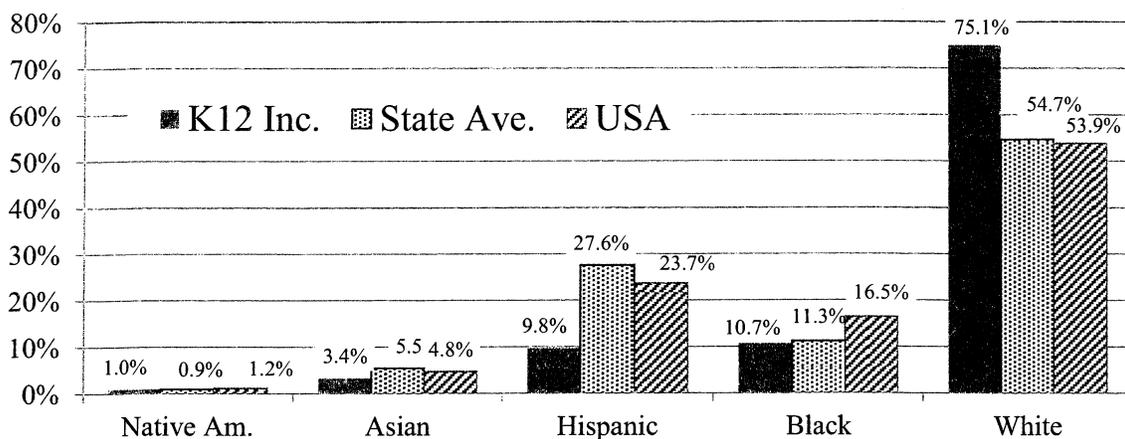


Figure 2. Ethnicity of Students in K12 Schools Compared with State and National Means, 2010-11

While the results in Figure 2 summarize weighted averages across all K12 schools and all host states, we also tallied the direct comparisons between each K12 school relative to its respective state average. At its South Carolina and Chicago, IL, schools, K12 had a higher proportion of nonwhite students relative to its respective state, but in all other schools, K12 consistently had a noticeably higher proportion of white students in its virtual schools compared to the states in which these schools are located.

FRL, Special Education, and English Language Learner Status

As illustrated in Figure 3, the proportion of students qualifying for free or reduced-price lunch (FRL) in K12 schools is 7.3 percentage points lower than the state mean (39.9% for K12 schools compared with 47.2% for states). In ten of its California schools, plus its Arizona, Ohio, Washington DC schools and its Chicago, IL school, K12 enrolled a higher proportion of FRL students compared to the respective state average. In the other two-thirds of its schools at which data were available for both the K12 school and the host state, we found that K12 consistently had a lower proportion of students that qualified for FRL.

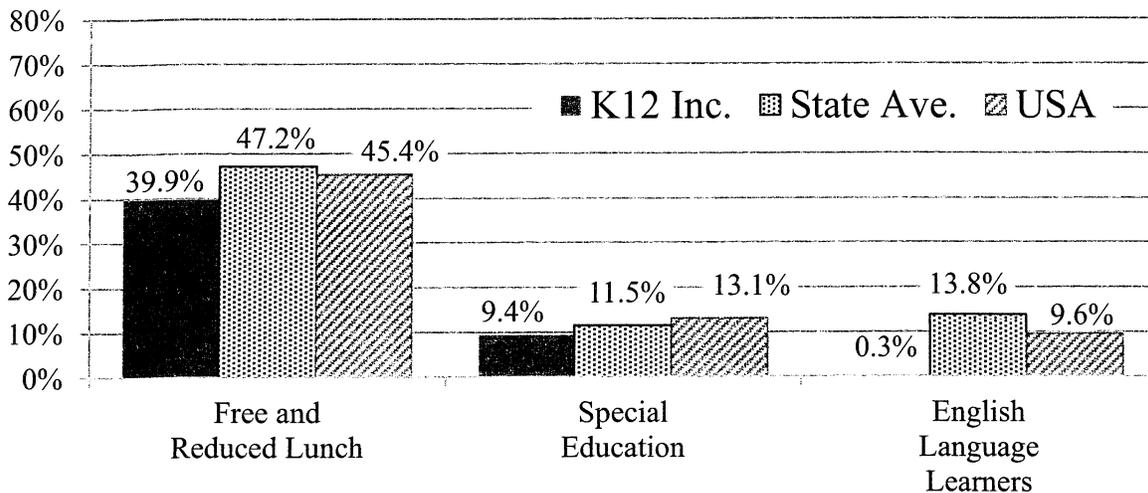


Figure 3. Proportion of Students Qualifying for Free and Reduced-Priced Lunch, Classified as Special Education, or Classified as English Language Learners, 2010-11

Figure 3 also depicts the proportion of students that are classified as special education. To be classified for special education, students must be identified with a disability and have a Individualized Education Plan (IEP) on record. The proportion of students with disabilities in K12 schools is two percentage points lower than the comparison state average and 3.7 percentage points lower than the national average (i.e., 9.4% for K12,

11.5% for comparison states, and 13.1% for the nation). In five K12 schools, the proportion of students classified for special education was slightly higher than the state average, while the remaining K12 schools with data available had fewer students with disabilities.

Given that charter schools usually have substantially lower proportion of students with disabilities compared to district schools or state averages,³⁷ one might expect an even greater disparity, but the relatively small difference in the overall proportion of students with disabilities between K12 schools and their respective states does not mean that the two groups serve students with similar disabilities. Past research has established that traditional public schools typically have a higher proportion of students with moderate or severe disabilities while charter schools have more students with mild disabilities that are less costly to remediate or accommodate.³⁸

We will return to these special education results later in the report, when discussing K12's spending. Schools can qualify for more funding for each child with a disability that is served, although the actual level of funding support and the funding formula that determines the amount of additional funds for students with disabilities varies considerably from state to state. Given that nearly one in ten of its students has a diagnosed disability, K12 is able to receive a considerable amount of additional public revenue to serve these students. In our school finance results later in this report, we include data on spending for special education, indicating that K12 spends a fraction of what other charter or districts spend on special education.

English language learners represent a growing proportion of students in our nation's schools, especially in the states served by K12 Inc. But only 0.3% of K12's students are classified as English language learners (ELL). This is a striking difference from 13.8% for the states that have K12 schools (see Figure 3). None of the K12 schools had higher proportions of ELL students than their respective state and most schools have fewer than 1% ELL students. With 6.3% ELL students, Community Academy Public Charter School located in Washington DC was the K12 school with the most ELL students.

Specific demographic data for each of the K12 schools and their respective states can be found in Appendix A. In this appendix, it is also possible to see the number of schools and states that were considered when calculating the weighted means.

Enrollment by Grade Level

The enrollment distribution of students by grade in all of the K12 schools is depicted in Figure 4. A disproportionate number of students served by K12 are in middle school grades while the number of students in the upper grades drops substantially after eighth grade. The distribution of students in all public schools in the country is also illustrated in Figure 4. Given the comparatively equal size of age cohorts in the nation's population, one can see a relatively even distribution of students across each grade in the distribution for the

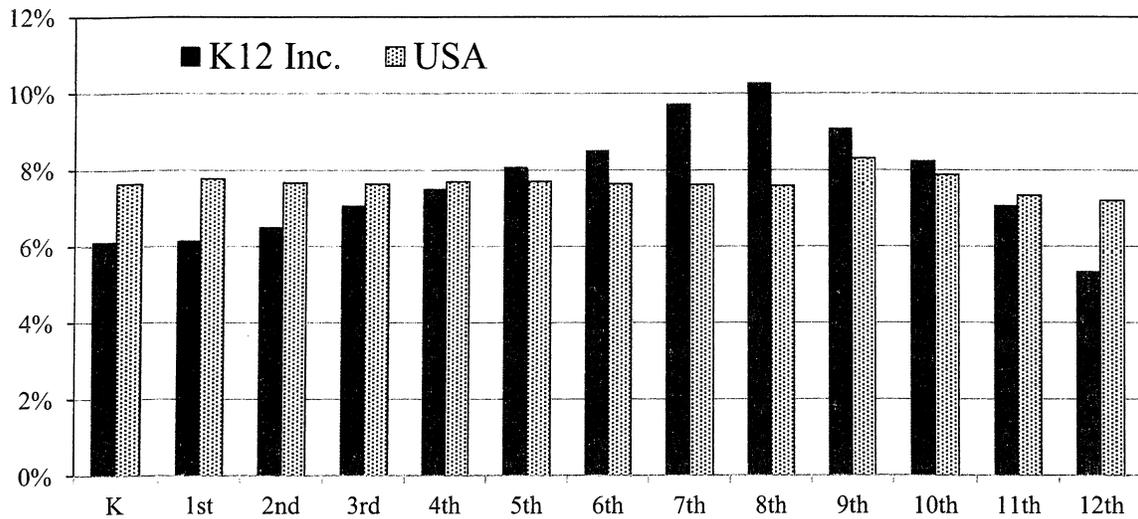


Figure 4. Distribution of Enrollment by Grade Level for K12 Schools and for USA, 2010-11

whole country, although there is a gradual drop off from grades 9 to 12. Note that in the national population there is an increase at grade 9 which is due to some students not obtaining enough credits to be classified as 10th graders. Starting in grade 10, however, the enrollment per grade continues to decrease, reflecting the nation's dropout problem.

The sharp drop in K12 enrollments in the high school grades is likely a result of attrition (transferring to brick-and-mortar schools) as well as students dropping out of schools. Further, this might be explained by some K12 schools that have not yet fully expanded enrollment to include all grades.

Whereas Figure 4 depicts the proportion of total enrollment at each grade level, Figure 5 illustrates the actual number of students served by K12 at each grade level.³⁹ Here one can see the increase in the middle school grades and the sharp decrease in enrollments in the high school grades. When we look at the number of schools that serve high school students we can see that this number is relatively consistent and only decreases by a few schools in the high school grades. This indicates that a large portion of K12 schools have classes in grades 9 to 12, but the class sizes drop dramatically after the ninth grade. As noted earlier, this could be a result of some K12 schools not fully rolling out their enrollment plans across all high school grades. Nevertheless, based on the low graduation rates in K12 schools—which we will discuss later—we believe this drop off in students is also explained by a relatively large proportion of students not persisting into the upper grades, and replacement of students in the full-time virtual schools does not appear to occur as often in these grades as it does in the lower grades.

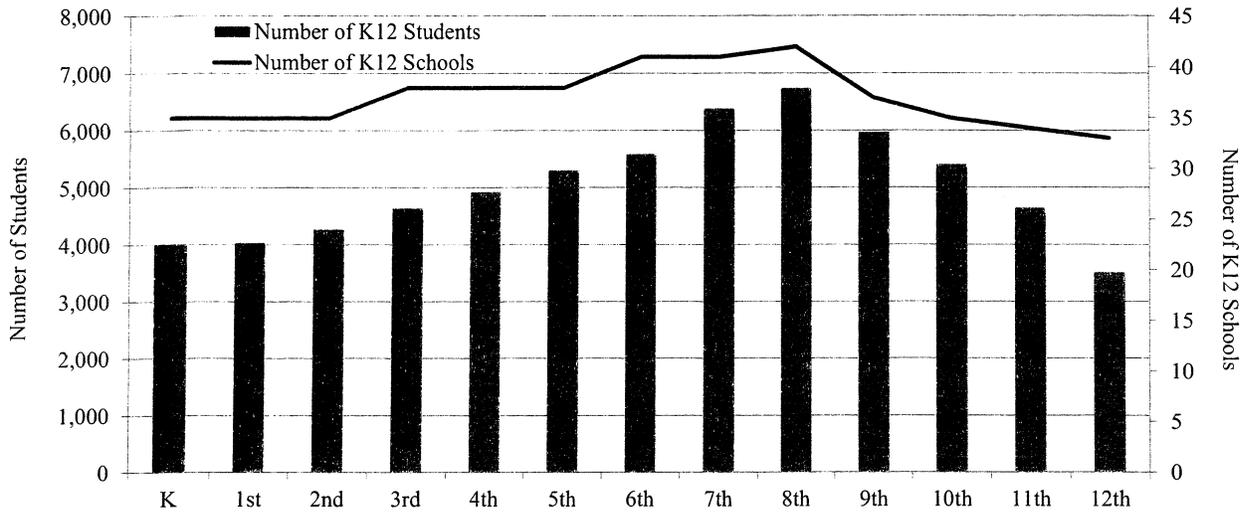


Figure 5. Number of K12 Students Per Grade Level and Number of Schools that Offer Instruction at Each of the Grade Levels

Analysis of School Revenues and Expenditures

In this section, we provide a comprehensive and detailed review of financial data for a subset of K12 schools, including revenues and total current expenditures. Our analysis is based on the required reporting on the public monies received and spent on behalf of the schools.

The level of per-pupil funding that K12 receives through federal, state, and local sources varies considerably from state to state because of differences in state funding formulas. Our financial analysis focuses on examining and comparing the amounts and sources of revenues and patterns of expenditures for K12 schools, other charter schools, and traditional public schools. To accomplish this we report data for four groups which can then be compared: (1) K12 schools, (2) charter schools in states in which K12 has schools, (3) all public schools in states in which K12 has schools, and (4) national average for all public schools.

As described in the methods section, financial data are only reported by school districts or local education authorities (LEAs). Because in many cases K12 schools do not have LEA status, or because charter school data in some states are combined with local district finance data, we were only able to obtain data from the federal district finance dataset for seven K12 schools, which comprise a total of six K12 district records. The schools included in this analysis reside in just five states: Arizona, Arkansas, Idaho, Ohio, and Pennsylvania. However, although our financial analysis only covers seven K12 schools from five states, these schools accounted for 58.2% of the K12 enrollments in the 2008-09

school year. Thus, the analysis covers the majority of enrollment for that year, but the representativeness of the remaining K12 schools is open to question, particularly since (as will be seen in the data presented below) the numbers vary so much between the seven included K12 schools. It should be noted that several factors make the examination of traditional public school and charter school finance difficult. These include:

- Funding formulas for both traditional public schools and charter schools tend to be complex and vary considerably from state to state.⁴⁰
- Some types and sources of revenue are not easily captured, are not reported by schools and state agencies, or both. For example, schools' general operating funds may be supplemented by allocations for capital investments, or for such supplemental services as transportation, vocational programs, or school health programs. Moreover, many charter schools secure large sums of private revenues, often kept outside the purview of analysts.

Although a few states have reduced revenues for virtual charter schools relative to brick-and-mortar charter schools, most states fund these two types of school with the same formula and rules. Nonetheless, this can still result in less per pupil revenue for K12 schools or the charter schools since these schools enroll fewer students with special needs and are less likely to provide supplemental or optional programs that qualify for additional funding.

Revenues

This section presents findings from a comparison of (1) revenues relative to the number of students enrolled, and (2) revenue sources. It is important to reiterate that comparing only K12 or charter school revenues with those of traditional public schools can produce a misleading picture. Note that we use the term "revenue" instead of "allotment" since this is how public resources allocated to public schools are referred to in the federal school district finance dataset. Traditional public school revenues often include funds for programs like adult education, not required of charter schools; traditional public schools receive and spend substantially more on special education and student support services; some traditional public school revenues include money earmarked for transportation of district students to charter schools, private schools, or both;⁴¹ and charter schools are less likely than traditional public schools to report private revenue sources. Moreover, states' funding formulas differ tremendously in important respects, such as the cost of living in a given area and how much of the funding is provided from the local level versus the state level. As is evident from the data presented below, this matters; if we were looking only at Pennsylvania or only at Idaho, the numbers would be considerably different. Averages of these seven K12 schools, therefore, should be interpreted with care and readers are encouraged to review school specific data in Appendix B.

Combined revenues. All public schools, including charter schools, can receive revenue from four major sources: federal, state, and local governmental sources, and private sources. In many states, schools are supposed to report private revenues as a component of local revenues.

The K12 schools received an average of \$7,393 in governmental sources of revenue per pupil in 2008-09, which is less than what charter schools or district schools received. The national average for all public school districts is \$12,139. The average per-pupil revenue for Arizona, Arkansas, Idaho, Ohio, and Pennsylvania is only slightly lower, \$11,706. The average combined per-pupil revenue for charter schools in these five states is \$9,258.

Federal, State, and Local Revenue. Figure 6 shows mean per-pupil revenues by source for the four groups we are comparing. The subset of seven K12 districts received significantly less in federal dollars (\$373) than the national average (\$1,104), the averages for states in which they are located (\$853), or charter schools districts in those states (\$883). On average, K12 schools also receive less revenue per pupil from state sources (\$3,683) than the national average (\$5,589), the five states' average (\$5,203) and less than charter districts in those states (\$5,366). In terms of local sources of funding, K12 districts report \$3,337 per pupil, which is less than the national average (\$5,445) and the states' average (\$5,650), but slightly more than charter schools in those states (\$3,009). Note, however, that the state and local averages are hiding extreme state-level variations, tied to the different approaches in the different states' school funding formulas (see Table 1).

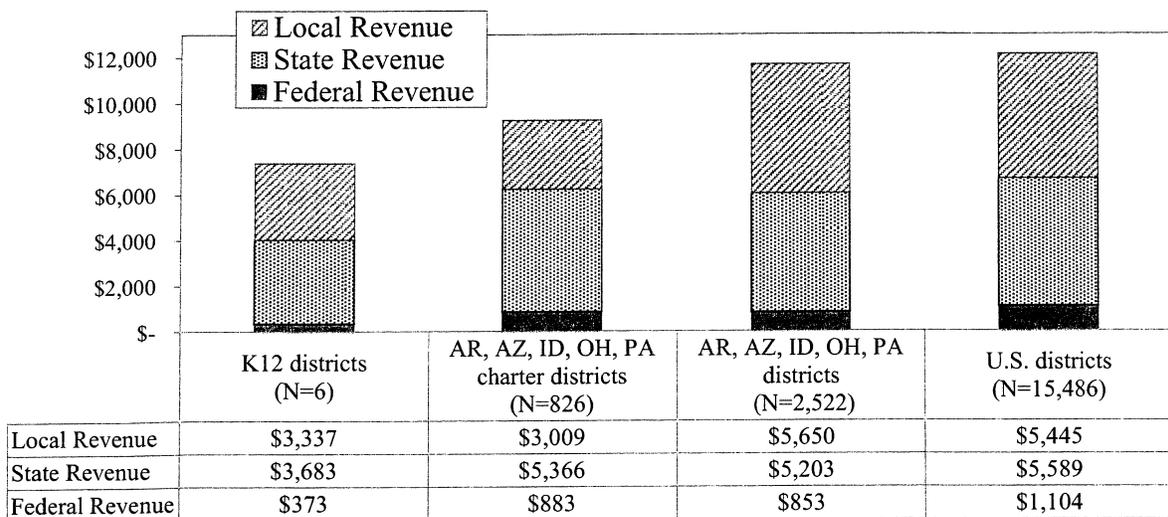


Figure 6. Distribution of Public Revenues by Source

Table 1 shows the variation in revenues by source for the six K12 districts. Combined revenues vary significantly, from Idaho Virtual Academy, which reports \$4,965 revenue per pupil, to Agora Cyber Charter School, which reports \$10,006 total revenue per pupil.

Table 1. Per-Pupil Revenue Broken Out by Source for K12 Schools and Comparison Groups (2008-09)

School	Federal Revenue	Same-State Revenue	Local Revenue	Total Revenue
<i>Arizona Virtual Academy (AZ)</i>	\$318	\$6,489	\$10	\$6,817
<i>Arkansas Virtual Academies (AR)</i>	\$599	\$5,860	\$2	\$6,461
<i>Idaho Virtual Academy (ID)</i>	\$406	\$4,511	\$48	\$4,965
<i>Ohio Virtual Academy (OH)</i>	\$443	\$5,797	\$13	\$6,253
<i>Agora Cyber Charter School (PA)</i>	\$257	\$102	\$9,647	\$10,006
<i>Pennsylvania Virtual Charter School (PA)</i>	\$404	\$216	\$9,212	\$9,831

Each of the schools' revenues are compared to the national average, state average, and state charter school average in Appendix B.

Private sources of revenues. None of the six K12 districts included in this analysis reported private contributions. But such contributions may nonetheless be included in the figures reported here, and they may still comprise a part of the overall revenue available to the school.⁴² In the federal NCES School District Finance Survey dataset, private revenues are considered a form of local revenues. Although some states break out revenue sources in four categories (federal, state, local, and private), states generally also group private revenues with local revenues.

Expenditures

In line with common practice among researchers who compare financial data across districts and states, this study also examines spending across diverse categories as a proportion of *total current expenditures* (TCE). TCE excludes capital outlay, which can increase and decrease dramatically from year to year. It also typically limits data to expenditures on elementary and

Table 2. Total Current Expenditure Per Pupil for K12 Districts

School	Total current expenditures
<i>Arizona Virtual Academy (AZ)</i>	\$6,155
<i>Arkansas Virtual Academies (AR)</i>	\$6,299
<i>Idaho Virtual Academy (ID)</i>	\$4,892
<i>Ohio Virtual Academy (OH)</i>	\$6,088
<i>Agora Cyber Charter School (PA)</i>	\$9,446
<i>Pennsylvania Virtual Charter Sch. (PA)</i>	\$9,532

secondary education, excluding such services as adult education and community services that are often neither required nor generally offered by charter schools.

On average, K12 schools spend less per pupil in total current expenditures (\$7,156) than the national average (\$10,267), the states' average (\$9,534), or charter districts in those states (\$8,327). Table 2 shows the variation among the six K12 districts in per-pupil total current expenditures. The K12 schools range from \$4,892 per pupil (Idaho Virtual Academy) to \$9,532 (Pennsylvania Virtual Charter School).

Spending on instruction and instruction-related costs. The NCES School District Finance Survey⁴³ contains 68 indicators related to expenditures. We have grouped these indicators into four categories: (1) instruction and instruction-related activities, (2) student support services, (3) administration, and (4) operations. Differences among the comparison groups in terms of spending on these four major categories are illustrated in Table 3 and Figure 7 below. In Appendix E, we compare each K12 district's spending on these four categories with state averages and state charter district averages.

NCES' School District Finance Survey defines instruction expenditure as

...payments from all funds for salaries, employee benefits, supplies, materials, and contractual services for elementary/secondary instruction; excludes capital outlay, debt service, and interfund transfers for elementary/secondary instruction. Instruction covers regular, special, and vocational programs offered in both the regular school year and summer school; excludes instructional support activities as well as adult education and community services (p. B-5).

Table 3. Break Out of Expenditures Across Four Broad Categories of Spending, 2008-09

Comparison Group (Number of Students)	Instruc- tion	Student support services	Adminis- tration	Opera- tions	Total Current Expend- itures	Instruc- tion	Student support services	Adminis- tration	Opera- tions
USA: All Public School Districts (N=48,979,375)	\$6,256	\$1,021	\$769	\$2,221	\$10,267	60.9%	9.9%	7.5%	21.6%
5 State Average (N=5,413,237)	\$5,588	\$945	\$748	\$2,253	\$9,534	58.6%	9.9%	7.8%	23.6%
5 State CS Average (N=273,343)	\$4,563	\$502	\$1,561	\$1,700	\$8,326	54.8%	6.0%	18.7%	20.4%
K12 Districts (N=21,866)	\$5,068	\$230	\$1,499	\$359	\$7,156	70.8%	3.2%	21.0%	5.0%

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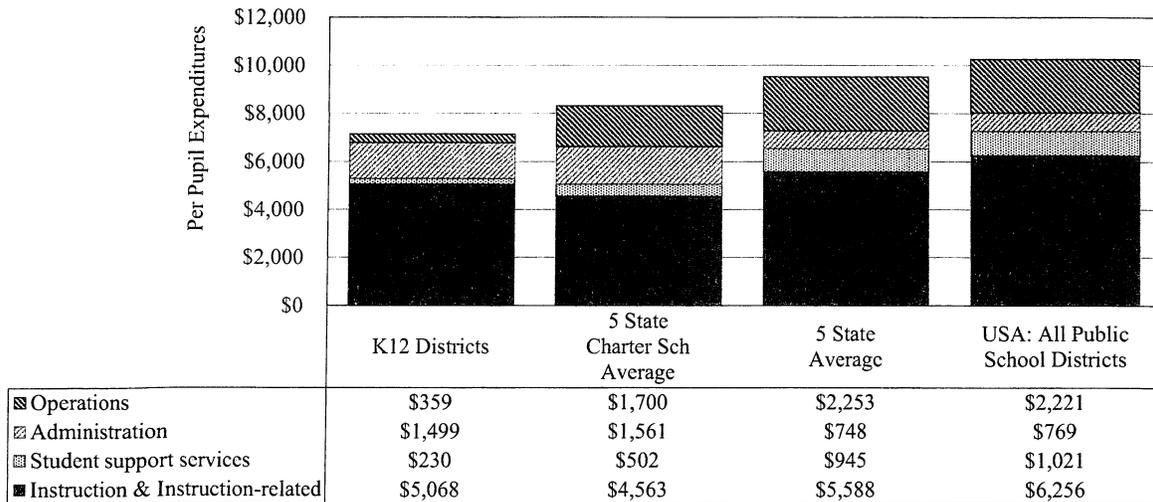


Figure 7. Total Current Expenditures Broken Out Across Four Main Categories of Spending, 2008-09

K12 spends more on instruction (\$5,068 per pupil) than charter schools in their states (\$4,563) but less than the national average (\$6,256) or the average of all schools in their states (\$5,588). When per-pupil amounts are converted into percentage of total current expenditures, K12 schools spend a larger portion of their total current expenditures (i.e., 70.8%) on instruction than any comparison group. We believe that a large portion of the \$5,068 is used for computers that are loaned to students as well as contracts for online curriculum and the learning platform that are provided by K12 Inc. As we will show later, only a small portion of the overall instructional costs are devoted to teacher salaries, which is just the opposite for brick-and-mortar schools.

Spending on student support services comprises pupil support services and instructional staff support services. NCEs's School District Finance Survey defines pupil support services as, "expenditure for attendance record keeping, social work, student accounting, counseling, student appraisal, record maintenance, and placement services. This category also includes medical, dental, nursing, psychological, and speech services" paid for by schools (p. B-10). At \$230 per pupil, K12 spent the least per pupil on student support services compared with the other 3 groups. Charter schools in the states with K12 schools spend over twice as much as K12 schools (\$502) did on student support services, and this amount was substantially less than the state average for all public schools (\$945) or the national average (\$1,021). This may reflect that charter schools and K12's virtual schools serve different types of students with disabilities than do traditional public schools or this could simply be due to reduced services and support provided by charter schools and K12 virtual schools.

Spending on administration. The administration category is made up of school administration costs, defined by NCES as “expenditure for the office of the principal services” (p. B-10), and general administration, defined as “expenditure for board of education and executive administration (office of the superintendent) services” (p. E-8). K12 spending on administration (\$1,499) is significantly greater than the national average (\$769) and the states’ average (\$748), but slightly lower than the states’ charter school average (\$1,561). As Figure 8 shows, K12 schools paid more in administrative costs as a percentage of total current expenditures than did any other comparison group, although charter school districts as a whole were close behind (20.9% compared to 18.7%, respectively).

Salary and benefits for administrators are part of the overall administration category of expenditures. Figure 8 showed that as a percentage of total current expenditures, K12 districts spend 20.9% on administration, more than any other comparison group. However, unlike what one might expect, the per-pupil dollars K12 reported spending on specific salaries and benefits are not greater than other comparison groups. Figure 8 shows total spending on administration, as well as total administration salary and benefits, as a percentage of total current expenditures, for each comparison group.

On average, U.S. public school districts spend most of the money allocated to administration on salary and benefits. This is also true for the five states where the six K12 districts analyzed are located. Charter schools in these five states spend 18.7% of total current expenditures on total administration costs, but only 10% of total current expenditures is spent on administration salary and benefits. This shift is much more extreme in the K12 districts’ data available in the 2008-09 F33 financial survey. Though K12 spends 20.9% of total current expenditures on administration, only 3.4% of total current expenditures is spent on administration salary and benefits. This leaves 17.5% of total current expenditures spent on other administrative costs, which are unspecified in the financial survey. The information in the federal data set does not contain details to

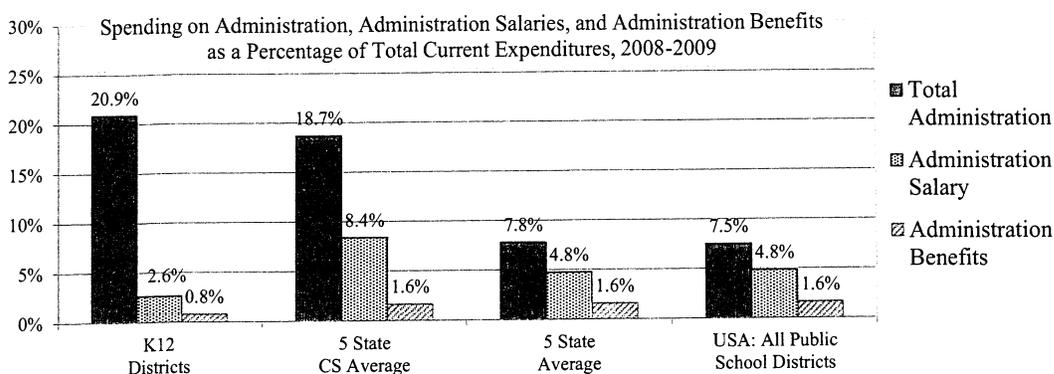


Figure 8. Spending on Administration as a Percentage of Total Current Expenditures, 2008-09

explain this anomaly. Our assumption is that extensive spending on administration is accounted for by management fees and contracts for services provided for by K12's central corporate offices.

Spending on operations. The final category of total current expenditures is Operations. Operations includes spending for the operation of buildings, the care and upkeep of grounds and equipment, vehicle operation, student transportation, food services, maintenance, security, and enterprise operations (activities financed at least in part by user charges, for example). Because K12 operates virtual schools and not schools with actual physical facilities, it is not surprising that K12 spends considerably less per pupil (\$359) on operations than any other comparison group.

The Operations category is further broken down into categories of (1) operation and maintenance of plant, (2) student transportation, (3) other support services,⁴⁴ (4) food services, and (5) enterprise operations. None of the K12 schools devoted resources to food services, enterprise operations, or other support services and only the Idaho Virtual School reported devoting resources for transportation. The K12 schools did report very small amounts of resources devoted to operation and maintenance of facilities. Appendix B has specific expenditure figures across these variables for each of the K12 schools in our analyses.

Spending on salaries. Figure 9 describes the patterns of spending on key categories of salaries (i.e. regular education, special education, and administration in per-pupil dollars). Compared to the national average (\$2,219), the five states' average (\$2,778), or the states' charter school average (\$2,717), K12 spends less than half the per-pupil dollars for regular education salaries (\$1,054).

Even though K12 schools enrolled around 4% fewer students with disabilities in 2008-09, K12 schools spend around one-third as much on special education salaries per pupil (\$182) compared to the states in which these schools are located (\$574). Based on special

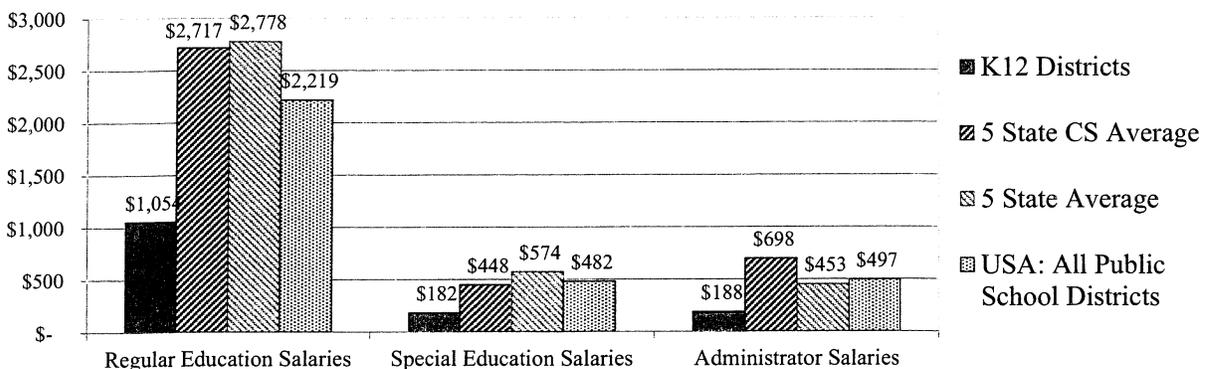


Figure 9. Per-Pupil Expenditures for Salaries, 2008-09

education enrollments in 2008,⁴⁵ K12 schools enrolled a similar percentage of students with disabilities as average charter schools. Still, K12 spent less than half per pupil on special education teacher salaries compared to brick-and-mortar charter schools (\$448). Similarly, K12 spends less than half per pupil on administrator salaries than the national average, five state average, or five state charter school average (\$188 compared to \$497, \$453, and \$698, respectively).

Because K12 receives less in total public revenue, it logically should spend less on salaries and other costs. In order to examine the relevant amount that K12 devotes to salaries, we also looked at spending on salaries as a percent of total current expenditures (TCE) (see Figure 10). Even though K12's TCE is less than any other comparison group, per-pupil spending on regular education salaries, special education salaries, and administrator salaries still comprise a smaller proportion of spending for K12 schools than any other comparison group. This means that K12 spends less in actual dollars for diverse categories of salary, and it also devotes a smaller proportion of its budget to salaries.

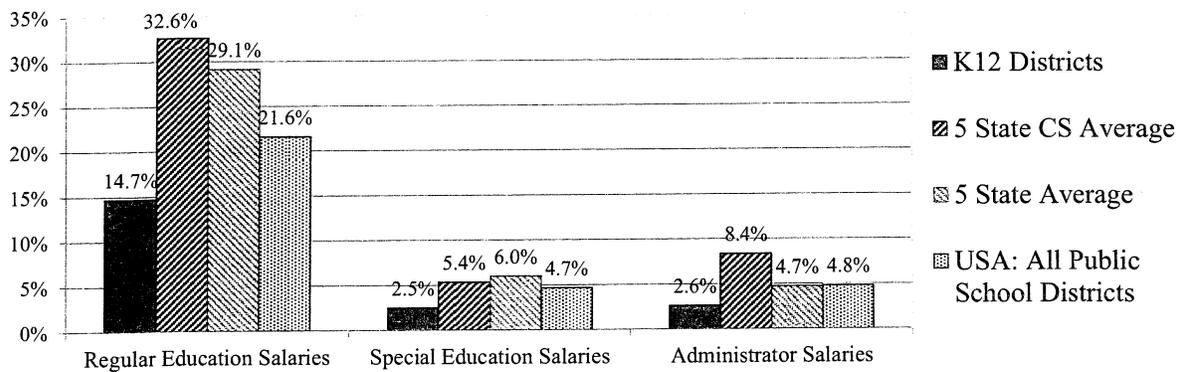


Figure 10. Expenditures on Salaries as a Percent of Total Current Expenditures

Table 4. Per-Pupil Spending on Salaries for K12 and Comparison Groups

Comparison Group (Number of students)	Salaries- Instruction	Salaries- Regular Education	Salaries- Special Education	Salaries- Vocational Education	Salaries - Other Education
USA: All Public School Districts (N=48,979,375)	\$4,253	\$2,219	\$482	\$80	\$117
5 State Average (N=5,413,237)	\$3,821	\$2,778	\$574	\$83	\$76
5 State Charter Average (N=273,343)	\$3,217	\$2,717	\$448	\$4	\$31
K12 Districts (N=21,866)	\$1,306	\$1,054	\$182	\$0	\$0

Note: In some cases, data for instructional salary subgroups reported in the F33 Financial Survey do not add up to the total spent on instructional salaries.

Spending on salaries for instruction. Spending on instructional salaries is split, in the NCES dataset, into four categories: regular education, special education, vocational education, and other educational programs. In Table 4, K12's spending on these categories of instructional salaries is compared to the national average, the five-state average, and the five state charter school average. Once again, K12 districts spent less per pupil in every salary category compared with all other comparison groups. Across the K12 schools (see Appendix E) there are noticeable variations in spending, particularly spending on special education. The reduced spending for special education salaries could be a result of new cost-effective means of delivering special education services, or it could be due to shortcuts taken to maximize profitability.

Spending on salaries for student support services. Besides instructional salaries, there are a number of other salary indicators in the F33 Financial Survey. The per-pupil spending on these salary indicators is illustrated in Table 5. It is interesting to note the variability among the K12 districts on these indicators. Two K12 schools did not report spending anything on "Salaries for Support Services – Pupils", which includes salaries for attendance, social work, student accounting, counseling, student appraisal, information, record maintenance, and placement services. This category also includes spending on salaries for medical, dental, nursing, psychological, and speech services (p. E-8). (Arizona Virtual Academy reported spending a small amount on this salary indicator, which rounded to \$0).

Only two K12 schools reported salary spending on "Student support services - instructional staff," which includes the supervision of instruction service improvements, curriculum development, instructional staff training, academic assessment, and media, library, and instruction-related technology services.

Arkansas Virtual Academies and Ohio Virtual Academy (OVA) reported no spending on "Student support services - general administration" or "school administration" salaries. General administration salaries are those for the board of education and executive administration; school administration salaries include those for the office of principal services.

Table 5. Per-Pupil Spending on Support Services Salary Indicators for K12 and Other Comparison Groups, 2008-09

<i>Comparison Group</i>	<i>Support Services - Pupils</i>	<i>Support Services - Instructional Staff</i>	<i>Support Services - General Admin.</i>	<i>Support Services - School Admin.</i>	<i>Support Services - Operation & Maintenance of Plant</i>	<i>Support Services - Student Transport.</i>	<i>Support Services - Business/Central/Other</i>
USA	\$361	\$291	\$83	\$414	\$363	\$155	\$158
5 State Average	\$331	\$252	\$109	\$343	\$361	\$159	\$146
5 State Charter Ave.	\$215	\$99	\$181	\$517	\$139	\$15	\$327
K12 schools	\$23	\$5	\$131	\$56	\$0	\$0	\$44

None of the K12 schools reported spending on salaries for the operation and maintenance of building services, grounds equipment, vehicle operation, security services, or salaries for student transportation. One district, Pennsylvania Virtual Charter School, reported spending on salaries for business/central/other support services, which includes fiscal services, planning, research, and development, evaluation, information, management services, and expenditures for other support services.

The national averages, five-state averages, and five-state charter school averages on these support services salary categories can be compared to K12's district averages in Table 5. As with the instructional salaries, K12 schools spend substantially less on support services salary indicators than the other comparison groups. The only exception is "Student support services - general administration" category in which K12 spent more per pupil than 2 of the comparison groups. Although three of the six K12 districts reported spending \$0 on general administration salaries, PAVCS reported spending a substantial amount (\$581 per pupil), which raised the K12 district average (\$131 per pupil) above the national average (\$83 per pupil) and the five state average (\$109 per pupil). However, K12's spending on general administration is less than the five state charter district average (\$181 per pupil) for spending on "Support services - general administration."

Spending on employee benefits. The F33 financial survey includes a break out of employee benefits very similar to that of salaries. In general, those K12 schools that reported salary spending in a particular category also reported benefits in that same category. The employee benefits for instruction at every K12 district constitute a majority of spending on benefits. For five of the six K12 schools, over 85% of spending on employee benefits was reported in the instruction category.⁴⁶

The national average, five-state average, and five-state charter district average on benefits categories can be compared to K12's spending on benefits in Table 6. Similar to the salary data, K12 spends much less on benefits for instruction and support services than the comparison groups. Once again, the only category of spending for which K12 is similar to comparison groups is for benefits for the general administration.

Table 6. Per-Pupil Spending on Employee Benefits, 2008-09

<i>Comparison Group</i>	<i>Total Employee Benefits</i>	<i>Benefits - Instruction</i>	<i>Support Services - Pupils</i>	<i>Support Services - Instructional Staff</i>	<i>Support Services - General Admin.</i>	<i>Support Services - School Admin.</i>	<i>Support Services - Business/Central/Other</i>
USA	\$2,205	\$1,421	\$115	\$93	\$31	\$134	\$65
5 State Average	\$1,880	\$1,222	\$104	\$90	\$37	\$115	\$55
5 State Charter Ave.	\$881	\$628	\$33	\$22	\$44	\$92	\$25
K12 Schools	\$491	\$416	\$6	\$1	\$35	\$21	\$13

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It is important to note that the subcategories in Table 6 do not add up to the total spending on benefits. This is because four additional areas to which schools can devote salaries and benefits are not included in the table: (i) operation and maintenance of plant, (ii) student transportation, (iii) food services, and (iv) enterprise operations. These four categories were left out of Table 6, since the K12 schools did not report any spending on benefits in these categories.

Cost Advantages and Disadvantages for Full-Time Virtual Schools

Although K12's schools receive less in public revenues than brick-and-mortar schools, these full-time virtual schools have considerable cost advantages that explain or justify differences in amount of public monies received. In this section, we present and explain some of the general costs advantages of the virtual school model and others that—based on our analysis of expenditures—appear to be specifically present in the case of K12 Inc. We then present and explain some likely cost disadvantages. First, the advantages:

- Full-time virtual schools save on “Operations” expenses, including facilities, maintenance, transportation, and food services. Although there is a need for some infrastructure for corporate and central office staff, virtual school teachers and students largely work from home, thus saving on office space for instructors and classroom (and other school) space for students. The virtual school model results in considerable spending reductions in terms of facilities for instruction, furniture, and equipment. Only one of the K12 schools reported transportation costs, and this was a fraction of what districts spend per pupil on transportation. Districts and some charter schools have food preparation costs as well as costs associated with dining facilities and supervision of students during meals that must be considered, and this is an area where full-time virtual schools spend nothing. In terms of spending on operations, we found that K12 schools had a spending advantage of *\$1,894 per pupil* relative to the comparison states.
- K12 saves on student support services. Although reduced spending for student support services is not inherent in the virtual school model, this was clearly the case for K12 schools. Given that K12 indicates that its schools are now serving more “at-risk” students, it is likely that additional spending in this category will be required. But based on our analysis of spending for student support services, K12 had an advantage of *\$715 per pupil*.
- K12 saves on teachers' salaries. Compared with charter and district schools, K12 spends considerably less for all categories of staff typically found at building or district levels. Savings such as these are achieved by having more students per employee or having employees work for lower salaries. The instructional costs are effectively passed on to the families, since parents need to oversee and sometimes tutor and provide direct instruction for students.⁴⁷ Based on our analysis, the K12

schools had a spending advantage for teachers that was equivalent to *\$1,165 per pupil* compared to the states in which K12 operated schools.

- K12 spends considerably less on benefits for its employees. In terms of benefits for all categories of staff, K12 had a spending advantage of *\$1,250 per pupil* relative to the comparison states.
- K12 saves on reduced services or spending for children with disabilities. Even though K12 schools enroll students with disabilities at rates approaching conventional public schools, it spends substantially less on special education. Moreover, those students with disabilities who are enrolled in charter schools tend to have mild and less-costly-to-remediate disabilities.⁴⁸ While public schools receive special education funds from state and federal sources, that funding seldom covers all the costs incurred; districts thus must cover additional special education costs as part of their current operating expenses.⁴⁹ Based on our financial estimates, K12 has a spending advantage of at least \$500 per pupil when it comes to special education salaries and other special education related costs (this excludes benefits for special education teachers, since the benefits category was itemized separately above).
- Lower overall spending on employees also may stem from lesser services. Unlike many traditional public schools, charter schools as well as virtual schools are not obligated to provide such additional services as adult education or vocational education. Salary data indicated that K12 has few staff working in other programs and services outside of regular instruction. However, because we are not able to accurately compare programs and services, we have not reported the large cost savings that K12 schools are believed to have in terms of delivering reduced levels of programs.
- District schools often struggle to maintain cost-efficient arrangements that match students with existing facilities and instructors. For instance, in a school choice context, a district may discover, as fall approaches, that a school with a capacity for 30 teachers and 700 students has enrolled only 500 students, requiring some last-minute scrambling and a situation with classes in each building that do not optimally match students to teachers.. Full-time virtual schools can more readily move and group students to match them cost-efficiently with instructors. The corresponding struggle for virtual schools concerns attrition – discussed later – which can result in a greater need for instructional staffing in the fall than in the spring.
- While charter schools tend to be small and lack the economies of scale found in conventional school districts, K12 and other large operators of full-time virtual schools are able to adjust staffing and distribute costs for specialists or administrators over a larger number of students.

- Enrollments in K12 schools are more concentrated at the elementary and lower secondary levels. For brick-and-mortar schools, at least, per-pupil costs in these grades are lower than in the upper secondary grades.⁵⁰
- K12 schools also have considerably fewer students classified as English Language Learners and fewer English-speaking students with special education needs. These students tend to require additional resources.
- In most states, full-time virtual schools appear to be able to retain funds for students that leave after autumn head count (typically four weeks into the school year). In these states, when students leave a school after the autumn head count, the funding allocated to the school remains for the school year, even though the students who left return to another school or to a homeschool arrangement. Traditional public schools do not typically benefit from such mobility, since they are required to admit students at any time during the school year, meaning that places vacated are then filled by other mobile students (including those leaving charter schools and virtual schools). It is necessary to understand the scope, direction, and timing of student mobility to understand the extent to which companies like K12 can benefit from such a process. One study from Colorado indicated that half of the online students left their schools within a year; this pattern continued for three years.⁵¹ This raises an empirical question: To what extent do K12 and other full-time virtual schools enroll new, mobile students mid-year even though no state funding comes with those transferring students? While accepting those transfers may provide a service, the business incentives for these (generally) for-profit companies would counsel against it.

The examples presented above serve as illustrations of obvious cost advantages for K12 schools. Below we list what we believe are likely cost disadvantages for full-time virtual schools.

- Although it is not easy to determine from our financial analysis how—or on what—K12 schools are spending their instruction-related costs, we can see from some of the literature that full-time virtual schools spend more on computers and software for students. Most virtual schools loan a computer to each student enrolled, and many of these schools also pay for monthly expenses for Internet service providers. Our analysis showed that K12 was spending more on instruction than comparison groups, but less on instructional salaries and benefits. Based on findings from the Fordham Institute study, computer and Internet subsidies plus extra hardware for teachers cost an estimated \$1,200 per pupil. Even though some of these expenses may be distributed across two or more years, relative to spending by district in these same areas, we estimate that K12 schools have a spending disadvantage in this area of *approximately \$950 per pupil*.
- Full-time virtual schools spend more on their learning platform and the development and acquisition of content. These schools also spend more on the development and maintenance of their websites compared to brick-and-mortar

schools. The Fordham Institute study reported that spending for content acquisition, which includes the content-management system or learning platform, costs an estimated \$800 per pupil. Traditional public schools also have costs in these areas for textbooks, and such, but costs are much lower. We estimate that K12 schools have a cost disadvantage of *about \$450 per pupil*.

- Either the full-time virtual school or the company it contracts with for curriculum must invest more resources for the development of the curriculum. These costs are high in the start-up phase but should be reduced over time and as such expenses are distributed across more schools.
- Full-time virtual schools have to spend much more on office equipment and computers for each staff member, although these schools have considerably fewer staff per pupil relative to brick-and-mortar schools. We assume that spending in this category is accounted for by the “operations” related costs reported by K12.
- Full-time virtual schools have to spend more on advertising and recruitment than district schools that already have students assigned to them. Students attracted to virtual schools seem more mobile, which also indicates the need for greater spending on recruitment of students in order to replace all those that are leaving within and between school years. Beyond marketing and recruitment, K12 Inc. and other companies and advocates are spending on lobbying legislators and bureaucrats in order to facilitate the expansion of opportunities into new states and markets.

Our lists of costs advantages or disadvantages underscore how complex and even confusing school finance can be. These lists also indicate how difficult it is to compare two very different school models using a set of variables based on practices from only one of these models. We hope that the detailed findings presented in this report will add clarity to how full-time virtual schools spent public resources and how this differs with brick-and-mortar charter and district schools.

If we sum up the cost advantages and disadvantages for K12 schools in categories for which we can generate estimates, we see that K12 schools have a cost advantage of over \$4,000 per pupil. If we could provide estimates for many of the other cost advantages that K12 and other virtual schools have, we believe that our estimate for cost advantages would likely surpass \$5,000 per pupil in some states. [The greater the state support for virtual schools, the lower would be the cost advantage of such schools in those states.]

School Performance Data

In this section, results from a few key school performance indicators are reviewed, including Adequate Yearly Progress (AYP) status, state ratings, performance on state assessments in reading and math, on-time graduation, and student attrition. The results

across all these measures for the full-time virtual schools operated by K12 are by no means positive. In fact, all of the diverse measures we reviewed indicated a consistent pattern of weak performance.

This report was prompted, in part, by a response from K12 Inc. following the release of the 13th Annual *Profiles of Education Management Organizations* in January 2012.⁵² In our 2012 report, K12 was identified as the nation's largest for-profit EMO in terms of the number of students enrolled.⁵³ Although the annual *EMO Profiles* reports are largely statistical digests with information on numbers of schools and enrollments of private EMOs, over the past couple years, we have begun to report some common measures of school performance, such as whether or not schools were meeting NCLB's AYP targets, and—where available—state ratings for school performance. As we reported, the performance ratings for K12 and other private EMOs that operated full-time virtual schools were markedly lower than ratings for brick-and-mortar charter schools and traditional district schools. K12 criticized the findings in the 2012 *EMO Profiles* report and followed up this criticism with a report of its own that was released in April 2012.⁵⁴ In particular, K12 attacked our use of AYP targets. Because we agree that this criterion has limited usefulness (as noted in the *EMO Profiles* report itself and as discussed below), we wanted to expand our analysis.

Adequate Yearly Progress and State Ratings Assigned to K12 Schools

In our last two annual Profiles of EMOs,⁵⁵ we included data on AYP and school performance ratings assigned by states. Although these are weak and flawed measures, they provide a descriptive indicator of school performance that can be aggregated across states. Essentially, AYP indicates whether any given public school meets its respective state standards. As we have consistently explained when discussing school performance measures, AYP is a relatively crude indicator of whether or not schools are meeting state standards. One should be cautious in drawing conclusions from such a school performance measure, and one should be cautious in interpreting differences among groups of schools. At the same time, we argue that extremely large differences such as the 25 percentage point difference between virtual schools and brick-and-mortar schools which has been observed over the past two years of data warrants further attention rather than excuses. Given the rapid growth of full-time virtual schools, it is critical that we understand why so few virtual schools are able to meet state standards.

While the performance of K12 schools on the AYP measure is poor, it is important to note that other EMOs that operate virtual schools have similarly weak performance levels, as illustrated in Figure 11. In our 13th Annual Profiles of EMOs released in January 2012,⁵⁶ we reported that 33% of the K12 schools met AYP in 2010-11. Since the release of that report, there are now more AYP ratings available for K12 schools and we have adjusted the AYP rate for K12 schools downwards to 27.7% which is almost identical to the average for all EMO-operated virtual schools (27.4%).

As a point of comparison, it is estimated that only 52% of all public schools (district and charter schools) in the U.S. met AYP during the 2010-11 school year.⁵⁷ The AYP ratings for virtual schools managed by EMOs were substantially weaker than the ratings for the brick-and-mortar schools. While only 27.4% of the virtual schools met AYP, 51.1% of the brick-and-mortar schools operated by EMOs met AYP. In the previous year, 30% of the virtual schools operated by EMOs met AYP.⁵⁸

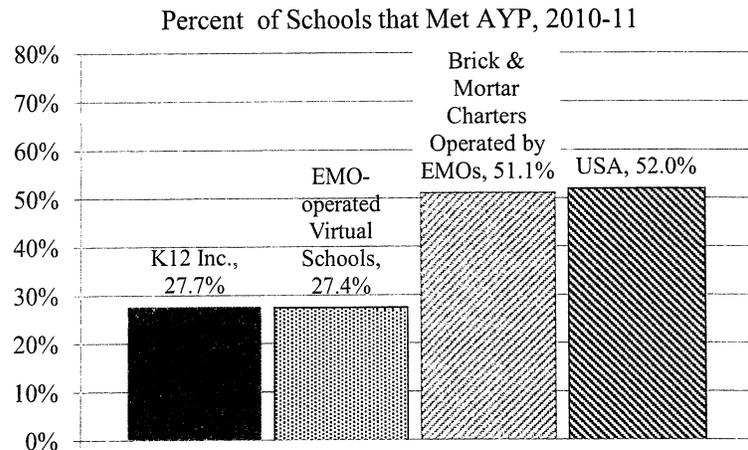


Figure 11. Proportion of Schools Meeting Adequate Yearly Progress, 2010-11

In April 2012, K12 released its own report on the performance of their schools. In that report⁵⁹ the authors share a number of concerns about the relevance and utility of AYP,⁶⁰ which we summarize below:

- AYP is structured to reward schools that have small, stable, and/or homogenous populations, i.e., traditional suburban schools.
- AYP is not structured to reward growth.
- AYP is an annual “snapshot in time” look at student performance, thus favoring schools with steady populations.
- AYP is a binary model being used to interpret something very complex—namely student learning and the effectiveness of a school in helping students achieve that learning.

We find little here to disagree with. At the same time, we recognize that these measures are used to hold all public schools accountable, and they are used to determine whether corrective or punitive action needs to be taken for schools that do not meet their respective state standards.

After seeing the surprisingly low AYP ratings for K12 and other virtual schools, and after noticing that these schools did not appear to serve more disadvantaged students than local district schools, we hypothesized that K12 schools may not be meeting AYP due to falling short of the test-taking rate mandated by NCLB. Schools must have, pursuant to NCLB, at least 95% of the students completing the test (in any grade with a required state assessment). Two characteristics of full-time virtual schools may make this a difficult

obstacle: (1) attrition, with a large portion of the students enrolled in the fall no longer attending in the spring;⁶¹ and (2) the challenge of getting all students to come to a common test site for the state assessment.

We tested this hypothesis by reviewing available data and information from state education agencies related to the specific reasons for why K12 schools are not meeting AYP. In summary, we did find that in a number of cases, the K12 schools did not have a sufficient number of test takers to meet NCLB's AYP requirements. At the same time, we found that in all but a few cases, the insufficient proportion of the students taking the test still did not meet state standards. In Appendix C we present a table that indicates whether or not each K12 school met AYP and the reasons cited by state authorities for why 73% of the K12 schools did not meet AYP in 2010-11.

In addition to AYP data, we have reviewed the state ratings assigned to each of the K12 schools (these are also included in Appendix C). A total of 36 of the schools were assigned some form of state rating for the 2010-11 school year. The state rating categories vary considerably; some assign letter grades and other specify whether or not the school is in corrective action and which year or phase of corrective action. In many cases, the state ratings are based on a variety of measures, and in some states this includes gain scores of students who remain in the school for a year or more. Of the 36 K12 Inc. schools that had been assigned a school rating by state education authorities, only seven (19.4%) of these schools had ratings that clearly indicated satisfactory status.

Performance on State Reading and Math Assessments, Grades 3-11

In addition to AYP, which has stringent cuts-offs designating whether or not a school has met state standards on each of the grade and subject level assessments, we also looked at the overall or mean performance of the K12 schools on state reading and math assessments and compared this to average state performance. Mean performance refers to the percent of students that meet or exceed state standards. The mean scores reported in Figures 12 and 13 represent weighted averages for all K12 Inc. schools that reported both test data and the number of students per grade. We required data on the number of students per grade or the number of actual test takers, since this was used to calculate a weighted average. A weighted average was also calculated for each state that had a K12 school within its boundaries. Appendix D contains details on the actual scores of each K12 school. Not all states and K12 schools had assessment data for all grades, so there are some fluctuations in the number of K12 schools and the number of states considered in each weighted average. These details also are available in Appendix D.

Across grades 3-11, the K12 schools were between 5 and 12 percentage points behind the state average in reading (see Figure 12). In other words, K12 schools, on average, have consistently a lower proportion of their students meeting or exceeding state standards in reading.

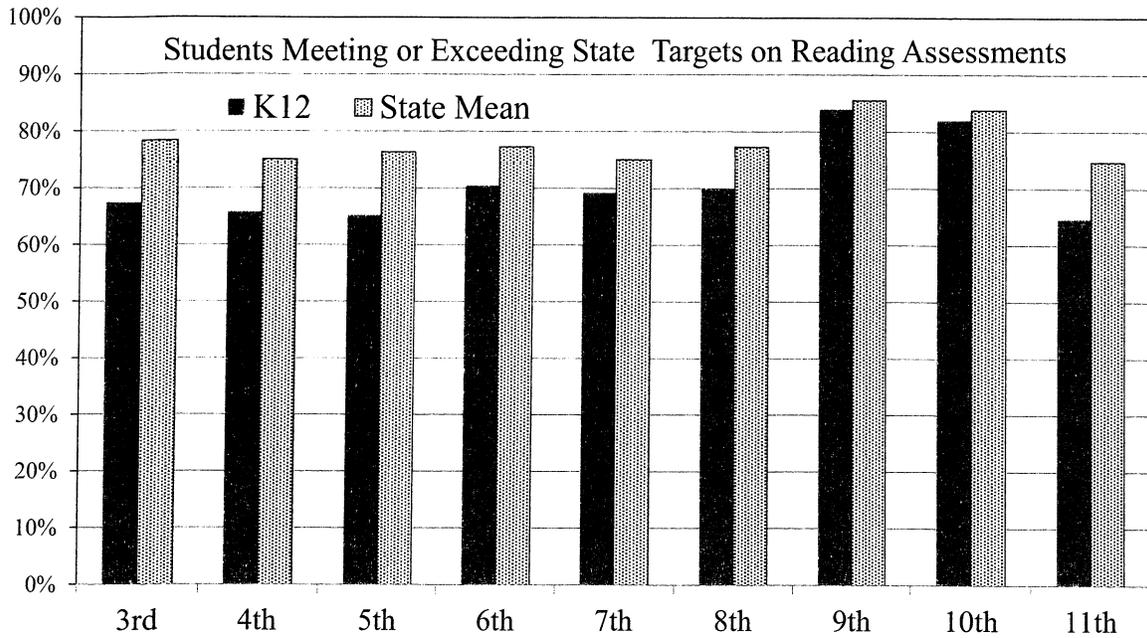


Figure 12. Proportion of Students Meeting State Standards in Reading by Grade, 2010-11

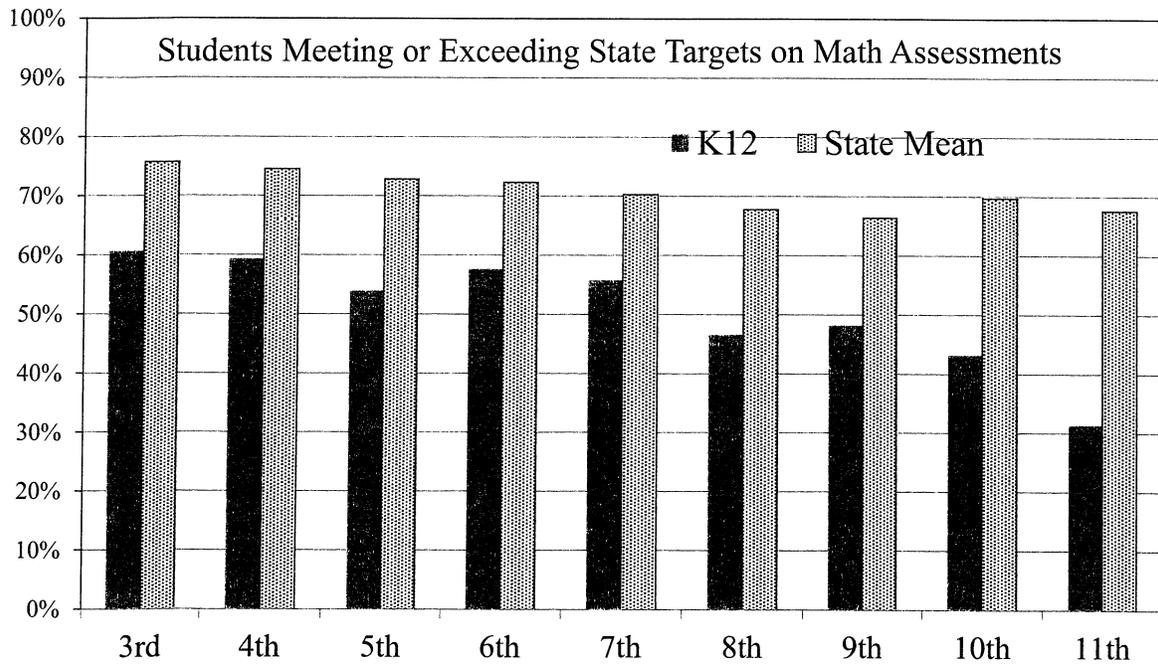


Figure 13. Proportion of Students Meeting State Standards in Math by Grade, 2010-11

As can be seen in Figure 13, the gap between K12 schools and the states is substantially larger for math than it was for reading. Also noteworthy is that this gap in performance

The mean performance of K12 schools on state reading and math assessments reveals that these virtual schools consistently lag behind performance levels of the states from which the schools draw their students.

increases dramatically over the grades. In grade 3 the gap in math performance is 14 percentage points, and in grade 11, it rises to almost 35 percentage points. These especially weak results in math constitute a finding that was apparent in other studies or audits of virtual schools.⁶²

The review of mean scores across schools provides a better—albeit still far from perfect—measure of school performance. The mean performance of K12 schools on state reading and math assessments reveals that these virtual schools consistently lag behind performance levels of the states from which the schools draw their students.

Graduation Rates

The manner in which schools and states record and report graduation rates has become more standardized in recent years. The measure in wide use today is “On-Time Graduation Rate,” which refers to the percentage of all students who graduate from high school within four years after they started 9th grade. The numerator is all high school students who graduated with a high school diploma within four years of starting 9th grade. The denominator is the total cohort size starting 9th grade four years prior to graduation (for our analyses we are looking at 2006-07 to 2010-11). There were 18 K12 schools that had a score related to on-time graduation rate in 2010-11. We weighted the data based on the total number of students enrolled in the high school grades in each of the schools for which

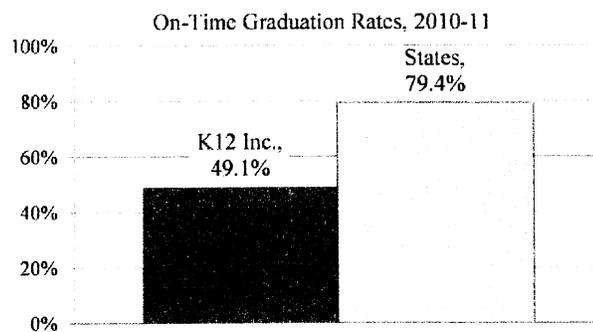


Figure 14. On-Time Graduation Rates for K12 Schools and Host States

Note. These figures are represented weighted averages from 18 K12 schools and 15 states that had K12 schools within their boundaries.

there was a graduation rate. As Figure 14 illustrates, the on-time graduation rates for the K12 schools is just below 50%. The weighted mean for the states was 79.4%.

It is important to note that the low graduation rate for schools operated by K12 Inc. is likely to be closely related to—and impacted by—student attrition, which is considerably elevated in full-time virtual schools.

By itself, the graduation rate is insufficient in order to hold the schools accountable. However, this is an important outcome measure and helps to complete the overall picture of school performance.

Student Attrition

Virtual schools are choice schools; therefore, they should be keen to attract and retain students. In fact, advocates of school choice emphasize the importance of measures related to market accountability such as ability to attract and retain customers. For this reason, student attrition in virtual schools could be considered a supplemental measure of school performance. We do have concerns, however, that attrition rates may be inherently higher in full-time virtual schools and that this may not even be a disadvantage. The key question is whether these schools are providing a service to a mobile or transient population or whether it is driving transiency where it otherwise might not exist.

Because of the ease with which students can be enrolled and disengage, parents and students may seek out full-time virtual schools as a place to “park” for a short period of time because of, for instance, family mobility or the temporary lack of a desirable brick-and-mortar option. In those instances, the virtual school is providing a service. In other instances, however, parents and students may be drawn into an ill-fitting option by persuasive television advertisements and may not discover their error until after enrollment. Or parents and students may leave a virtual school simply because they consider it to be of poor quality. In those latter instances, the virtual school may be doing harm, not providing a service. Empirical evidence concerning the exact nature of the apparently large attrition rates at these schools is necessary if researchers and policymakers are to tease out what those rates really mean.

The federal data sets did not have a common variable for student attrition, and states tend to identify or report attrition or student mobility in ways that differ greatly. For this reason, we could not obtain comparable results from a common public source. Instead, we reviewed results from evaluations and state audits of full-time virtual schools. From this evidence it was clear that, regardless of whether the virtual school was operated by a for-profit EMO or a district, there were likely to be high levels of student attrition.⁶³

We also considered evidence provided by K12 in its publicly available report on school performance that was released in April 2012.⁶⁴ In that report, K12 noted that its enrollment applications indicated that 31% of the parents intended to keep their students

enrolled for one year or less and more than half intended to keep their students enrolled for two years or fewer. In this report, K12 also noted that 23% of its current students were enrolled for less than a year and 67% had been enrolled for fewer than two years. These findings suggest that many families do in fact approach the virtual schools as a temporary service.

Discussion and Conclusion

In this final section, we first summarize evidence specific to each of our research questions. Next we explore and discuss a number of possible explanations for the generally weak performance of K12 schools on common measures of school performance. This study has generated a number of new research questions related to full-time virtual schools and to K12 Inc., and these questions are listed in this section. Finally, we present a set of recommendations for policymakers that should apply to K12 Inc. and other providers of full-time virtual schools.

Answering our Research Questions

What are the characteristics of the students enrolled in K12 schools, and how does this differ from state averages?

K12 serves more white students (75.1% for K12 compared with 54.7% for comparison states) and fewer Hispanic students (9.8% for K12 compared with 27.6% for comparison states). On average, K12 schools have 7.3 percentage points fewer students qualifying for free and reduced-price lunch. Close to one in 10 students enrolled in a K12 school have a diagnosed disability, which is only a few percentage points lower than the same-state comparison group and 3.5 percentage points lower than the national average for public schools. Only 0.3% of K12 students are classified as English language learners, compared with 13.8% of the same-state comparison group. K12 serves student at all grade levels, but has a higher concentration of students in the middle school grades, and the mean enrollments by grade drop considerably after grade 8.

How does the amount and source of public revenue for K12 schools differ from other charter schools and district schools?

K12 schools receive on average \$7,393 per pupil during the 2008-09 school year. This is approximately 36% lower than district schools in the same states as K12 has schools, and 20% lower than charter schools in these same states.

How do the patterns of expenditure for schools operated by K12 differ from other charter and district schools?

K12 schools spend more on overall instruction, but substantially less on salaries and benefits for instructional staff, which are typically the largest component of instruction spending. Similarly, K12 schools spend a higher proportion of their total current expenditures on administration, but considerably less on administrator salaries and benefits. As expected, K12 spends little or nothing on items such as facilities and maintenance, transportation, and food services. K12 also spends relatively little for supplemental programs and an array of activities and services that fall under the category of Student Support Services. Although K12 enrolls students with disabilities at rates only moderately below public school averages, it spends half as much as charter schools on special education instruction and a quarter of what districts spend on special education instruction.

What are the reasons for K12's very low proportion of schools meeting Adequate Yearly Progress targets?

Only 27.7% of K12 schools met AYP targets in 2010-11. This can be compared with an estimated 52% of all public schools in the country that met AYP in the same year. The majority of the K12 schools did not meet AYP because one or more groups of students did not meet the state target on either the math or reading assessments. Also, in some cases, K12 did not meet the participation target, which requires that at least 95% of the students in a given grade take the state assessments in math and reading. So we know that the immediate reasons for this failure were simply low test scores. Later in this section, we offer some thoughts as to why this may be happening.

What is the performance of K12's schools relative to state averages for all public schools in terms of the proportion of students meeting state standards. What is the performance of K12's schools as shown in graduation rates and performance ratings assigned to schools by state education authorities?

As just noted, only 27.7% of K12 schools met AYP in 2010-11. This is similar to other full-time virtual schools operated by EMOs (27.4% met AYP). Thirty-six of the 48 K12 schools were assigned school performance ratings by state education authorities, and only seven schools (19.4%) had ratings that clearly indicated satisfactory progress.

K12 schools consistently had fewer students meeting state targets on assessments in reading and math. Across grades 3 to 11, the K12 schools were between 5 and 12 percentage points behind the state average in reading. K12 schools lagged further behind in math, and this gap increased in higher grades. In grade 3, K12 schools were 14 percentage points lower than state averages in math, and by 11th grade this gap increased to 35 percentage points.

The K12 schools that served high school grades had a 49.1% on-time graduation rate, compared with 79.4% for the comparison states.

What lessons can be learned from this analysis of K12 Inc. that could inform overall policy for full-time virtual schools?

Further below in this section, we outline recommendations specific to state policymakers and other actors that authorize and oversee full-time virtual schools.

Possible Explanations for Poor Performance of K12 Schools

There are a number of possible reasons for the relatively poor performance of full-time virtual schools on common measures of school performance. We explore and discuss some of these possibilities below.

Commonly used school performance measures do not adequately apply to full-time virtual schools. K12 maintains that commonly used school performance measures do not adequately apply to virtual schools, since they have high levels of student mobility. This argument has some merit and is comparable to similar obstacles faced by large urban districts. As applied to full-time virtual schools, this raises an important empirical research question: Are these schools simply enrolling students who would be mobile in any case, or are the schools contributing to the mobility – increasing the given state’s overall levels of student mobility?

Insufficient funds. Another possible explanation for the weak performance is that there are insufficient funds allocated for these schools. Our analyses found K12’s virtual schools receive fewer revenues on average than brick-and-mortar charter schools and district schools, although K12 schools (and other virtual schools) have a number of cost advantages that justify the differences in revenues. A more in-depth analysis of the true costs of educating students in full-time virtual schools is required to better understand if insufficient revenue is indeed the cause of poor performance.

It is relevant to note that K12 Inc. shares positive news with investors about the profitability of the company and announced in May 2012 that it seeks to “increase profitability in fiscal year 2013” by implementing as much as \$20 million in costs savings. K12 argues that these cuts can be made “without any adverse effects on student performance, employee retention, customer satisfaction, or our growth rate.”⁶⁵ Such statements by K12 suggest that it believes that weaknesses in performance are not due to insufficient revenues or cannot be addressed with additional resources. An alternative explanation is that the company chooses not to address them to protect profits.

Our analysis of cost advantages and disadvantages suggests that K12 has a typical cost advantage of between \$4,000 and \$5,000 per pupil. This amount is in line with the actual difference in mean revenues per pupil between K12 schools and public schools in the states in which K12 operates. (K12 was receiving \$4,300 less per pupil in public revenues than the average for all schools in the states in which K12 operated.)

Inadequate or misaligned curriculum may also explain the troubling performance of these schools. This hypothesis was not explored in this study.⁶⁶

Inadequate or insufficient instruction. A fourth possible explanation for the weak performance relates to inadequate or insufficient instruction and this possibility is considered in our report in terms of two factors: student-teacher ratios and overall spending for salaries for various types of teachers and staff in the schools. Although the teacher-student ratios reported by K12 schools vary considerably, the average across K12 schools, when weighted by student enrollment, showed that there were 61.4 students for each full-time equivalent teacher.⁶⁷ For the states in which K12 has schools, there were 16.9 students for each teacher in conventional schools.

Because K12 has more than three times the number of students per teacher relative to traditional or charter brick-and-mortar public schools, the higher student-teacher ratio may help explain the poor performance of its schools. This also appears to be the key explanation for reduced per-pupil spending on instruction. Given the evidence available to us, however, it is not possible to discern whether K12 teachers have relatively lower or higher salaries and benefits compared with charter or district schools.

As our evidence indicates, K12 is enrolling and serving an increasing number of students with disabilities and students that it classifies as “at-risk” (K12 uses this designation because they are already behind grade level expectations when they arrive).⁶⁸ Schools serving more students with disabilities qualify for additional funding.⁶⁹ Using the most recent available data, close to 10% of K12’s students have disabilities, while three years ago we estimated that only 6% of students enrolled in K12 schools had disabilities. In the area of special education, particularly special education teacher salaries, we found that K12 spent less than half of what charter schools spend on special education and a third of what district schools spend. Given K12’s performance problems and given its enrollment of increasing numbers of students with special needs and those needing remedial instruction, it would seem that K12 should be increasing spending on payroll for special education instructors and on student support services. K12’s current comparatively lower spending in these areas may also help explain the schools’ poor performance and even its high student attrition rates.

As our findings revealed, in addition to devoting fewer resources to instructional staff, K12 devotes few if any resources to other categories of staff that are typical in traditional schools, including staff involved with Student Support Services. Our findings showed that K12 has been spending considerably less than comparison schools on salaries and benefits, but we could not clearly determine where or how “instructional-related costs” were being spent, since the sub-categories of expenditures available in the federal finance dataset did not capture this. We believe that K12 was devoting a large portion of its instruction-related expenses for computers, software, and Internet access to students as well as online curriculum and the learning platform, all of which are provided by the company.

If weak or inadequate instruction helps to explain the poor performance of K12 schools, one would also expect to see worse outcomes for math as compared to reading, since reading tends to be more readily influenced by home-background factors while math—especially the advanced math that students take in upper grades—is more heavily dependent on outside instructors. That is, many parent with students in virtual schools can

help their children with math at the primary level, but they are less likely to be able to instruct their children in the advanced math students encounter in the upper grades. Here the school-based instruction is increasingly important, and it is indeed in these upper grades that we see the performance of K12 schools in math plummet compared to state performance levels. This finding was also apparent in other studies of virtual schools.⁷⁰

Poor fit. Finally, we note the issue of ‘fit.’ Full-time virtual schools may have the potential to provide a strong learning environment for some students but not others. Learning styles and resources within a home will differ from student to student. That possibility is not explored in this study, but it presents an important empirical question for later research as well as an important policy question concerning, for instance, the sorts of advertising being used to draw new enrollees into full-time virtual schools.

Recommendations for Policymakers

Although researchers have already provided information and advice on policy issues related to virtual schools (see for example, the work of Huerta, González, & d'Entremont [2006]; Barbour & Reeves [2009]; and Glass & Welner [2011]⁷¹), decisions taken thus far to open state markets for virtual schools or to lift caps on virtual schools have, we believe, been largely driven by extensive lobbying and special interests, rather than evidence. Now, based on the findings from K12's own school performance report and the findings in this report, we believe there is a much greater understanding of the relatively poor performance of virtual schools, particularly those operated by K12. This information and these insights can help guide policymakers as they develop or revise legislation related to full-time virtual schools.⁷² In particular, based on the findings in this report, we include the following policy recommendations.

Slow or put a moratorium on the growth of full-time virtual schools.

In our earlier review of evidence on the effectiveness of full-time virtual schools we found that there was no evidence that indicated that full-time virtual schools outperform brick-and-mortar schools. In fact, studies on full-time virtual schools in the charter school sector have all found the performance of these schools to be lagging substantially behind brick-and-mortar charter schools and district schools. The new findings summarized in this report on AYP and state-assigned school performance measures, on mean performance on state reading and math assessments, and on-time graduate rates, all found that K12 schools were performing at levels far below those of the states in which they operate. While more research is needed on this issue, measures should be taken in the meantime to stop or slow further growth of these schools until we understand why their performance suffers and how this can be remedied.⁷³

Revise performance accountability measures for virtual schools.

Given K12's valid concerns about the relevance and utility of performance measures used to hold virtual schools accountable, it seems prudent to rethink those accountability measures. We agree with K12 that many measures under NCLB do not adequately apply to full-time virtual schools. At the same time, we are not impressed with the alternative evidence that K12 reports in its own report on school performance, since (i) that evidence focuses on a subset of students that are more adapted to online learning; (ii) the comparison groups are not necessarily relevant; and (iii) oversight agencies would be dependent on K12's reporting from its own internal assessment, rather than relying on a common assessment for all public schools handled by a testing company or an organization that reports to the state education agency.⁷⁴

In its own report on the performance of its schools, K12 does an excellent job of arguing why regular measures of school performance do not function well in capturing the performance of its schools. The strongest argument made by K12 is that standard measures of school performance do not work because of the extremely high mobility rates of its students. As K12 argues, a large portion of the students tested have only just arrived at a K12 school, and a large portion will not remain until the next year. This is a good argument for why standard measures of school performance may not be fair to schools like K12 or high poverty urban schools that have high rates of student mobility. At the same time, the elevated rates of student mobility also may serve as an alternative or supplemental measure of school performance related to market accountability. Because K12 embraces school choice and money following the student, and even acknowledging a subset of families that view the schools as a form of 'rest stop' between other schooling options, it is comes with ill grace for that company to argue that high student mobility does not represents a market signal that families and students are not satisfied and are not willing to stay.⁷⁵ Unfortunately, given that many state funding approaches are based on fall student counts, this market signal is dulled by K12's successful efforts to replace students anew each fall either because of the large demand for places in virtual schools or because of its extensive investment in marketing. Student mobility is only one of many alternative or supplemental accountability measures that might be used for full-time virtual schools.

Revise funding formula and financial oversight.

The results from our analysis of revenues and expenditures raise more questions than we initially sought to answer. Funding formulas used to direct public resources to virtual schools need to be rewritten and should reflect attrition issues as well as the actual costs of educating students in virtual environments. Given that we now have two very distinct and different models for delivery of instruction, it seems apparent that a singular funding formula is problematic.

Charter proponents and opponents have aired a wide variety of arguments about whether or not the "marketplace" in which charter and traditional schools compete is a level playing field, based on assumed financial advantages or disadvantages that either type of school experiences. These cost advantages and disadvantages were discussed in our 2010 national study of charter school finance⁷⁶ which found that charter schools received on average around 20% less than district schools in public revenues, but this difference was

largely accounted for with extra spending required by district schools for special education, student support services, and transportation.

A recent study by the Center for Public Education (CPE) concluded that “States need to establish straightforward funding policies based on a clearer understanding of true costs, how the money is distributed, and the impact on local school districts” (p. 2).⁷⁷ As the authors of the CPE study argued, we need to better understand the true costs of educating a student in a full-time virtual school. Having this information will make it easier for policymakers to sensibly suggest revisions to how these schools are funded.

In this regard, consider Florida Virtual School (FLVS), which serves as a national model for virtual instruction. FLVS is driven by a performance-based funding model. Rather than receive funding based on all students that enroll or decide to try out virtual schools, FLVS only receives funding for students who successfully complete courses.⁷⁸

Consider also the work of Huerta, González, and d’Entremont (2006),⁷⁹ who outlined key policy issues that deserved attention. Among the issues they highlighted were the need for differential funding associated with online learning models that have lower costs, new accountability measures that could account for and define adequate instructional time, and improved reporting of how per-pupil payments are linked to services provided. Six years later, these and other policy recommendations raised by scholars⁸⁰ have been largely left unaddressed by legislators. We believe the findings in this report support the earlier suggestion by researchers that policymakers revise how virtual schools are funded.

In addition to revising funding mechanisms, it is necessary to improve oversight of school finance for this new model of schooling. As this study reveals, common categories and variables used to organize and classify school expenditures are not easily applied to full-time virtual schools, where more is spent on contracts for curriculum and learning platforms than for actual instructors, and where more is paid for administration but less is spent on salaries and benefits for school administrators. Our analysis of expenditure variables from a federal school district finance dataset could not fully explain how K12 was spending its public revenues; what we could determine from these data, however, was what K12 was not spending on.

Questions for Future Research

Our study has raised more questions than we initially sought to answer. A list of questions for future research is included in below.

- Do K12 and other providers of full-time virtual schools admit students after the autumn head count? If so, what are the policies and practices concerning how these providers fill places?
- Why are Hispanics and students classified as English language learners so much less likely to enroll in full-time virtual schools?

- How does K12 serve students with disabilities in a virtual environment? If K12 is not spending on special education teacher salaries, how is it spending the revenues it receives for children with disabilities?
- Among the students with special needs who enroll in K12 and other providers of full-time virtual schooling, what is the breakdown in terms of special education categories and intensity of needs?
- What are the actual or true per pupil costs for educating students in a full-time virtual school environment? How do the costs change from the initial start-up year of a new virtual school compared to the costs for an established full-time virtual school?
- What are the per pupil costs for the proprietary curriculum, and what are the per pupil cost for access to learning platforms?
- K12 spends more on administration than comparison groups although most of the administration expenses are unspecified, and only a small portion of the administration spending is devoted to salaries and benefits for administrators. How does K12 spend its resources for administration?
- What is the overall demand for places in full-time virtual schools? Is it likely that K12 and other providers may have to work harder to retain these students in the future or can these providers continue to rely on replacement to maintain their enrollment levels?
- How are brick-and-mortar district or charter schools impacted by full-time virtual schools?⁸¹
- Does enrollment in K12 and other providers of full-time virtual schooling fit well with the possible enrollees? Which students are best served by these schools, and are they the ones who are enrolling? What are the characteristics of students and their families, that enroll in full-time virtual schools and that perform well or poorly in those schools?
- In addition to this study, several other audits and evaluations found that students in full-time virtual schools were behind in math and reading, although students were further behind in math and this gap widened over the grades. Why do students in full-time virtual schools lose more ground in math than in reading relative to comparison groups? Is this because math instruction is more difficult in an on-line environment, is it because this model relies more heavily on parents as instructors, and as math becomes more complex and difficult, parents are less able to guide and support their children, or is it for some other reason?
- How do providers of full-time virtual schools staff their schools? What are the background characteristics and qualifications of teachers in full-time virtual schools? How are teachers prepared to work in an online environment?

- Is the curriculum used by K12 Inc. adequate and properly aligned with state standards? Does K12 modify the curriculum for various states? Are the especially weak results in math due to the K12 curriculum, to instruction-related problems, or to something else?
- What are the working conditions of teachers, including numbers of students they work with and the amount of time they devote to group instruction and to one-on-one instruction? How do teachers work with parents who oversee or lead instruction?
- What is the actual attrition rate at K12 and other providers of full-time virtual schooling, and what is the breakdown of reasons for this attrition?
- How do K12 and other providers of full-time virtual schooling address the attrition – and the resulting lower numbers of students as the school year progresses – in terms of staffing? Is the teacher-student ratio much higher in the fall than in the spring, do they lay off teachers, or is it handled in some other way?

In addition to these questions, we have included in Appendix F a list of research questions highlighted by a May 2012 review of literature related to online schooling conducted by the Center for Public Education.⁸²

Conclusion

With the rapid expansion of full-time virtual schools, and with the outsized political involvement of key companies that aim to extend market share, the world of online learning is becoming increasingly controversial. Aside from proclamations of politicians and advocates, claims that full-time virtual schools are working are not substantiated by empirical evidence. This report reviewed an array of publicly available performance indicators for schools operated by K12 Inc. and all of these indicators indicate weak performance.

While we share the excitement of new technologies and the potential these have to improve communication, teacher effectiveness, and learning, we remain convinced that policymakers should embrace these schools only after piloting and thoroughly vetting this new model for schooling.

Although this report is modest in scope, we hope that the findings will encourage policymakers to act more cautiously in the political arena, where companies such as K12 Inc. apparently exert considerable influence. Also, we hope this study will cause researchers, educators, and others to look more closely at full-time virtual schools. To truly understand productivity, one needs sound evidence of outcomes and an accurate understanding of inputs such as characteristics of students entering the school, and public monies received and spent by the school.⁸³ Though this report focuses only on a single

provider of virtual schools, it is our hope that its description of evidence from diverse public sources on inputs and outcomes has helped to further our understanding of the potential and limits of full-time virtual schools. We also hope this report can inform policies that will improve this new model of schooling and help to ensure that full-time virtual schools better serve students and the public school system as a whole.

Appendices

Six appendices containing detailed data are available as a separate document:

Appendix A. Demographic Characteristics of Students Enrolled in K12 Schools

Appendix B. Details on Publicly Reported Revenues and Expenditures for K12 Schools

Appendix C. State Performance Ratings, Adequate Yearly Progress Status, and Reasons for Not Meeting AYP

Appendix D. Performance of K12 Schools on State Reading Assessments

Appendix E. Performance of K12 School on State Math Assessments

Appendix F. Questions about Online Learning for Policymakers and School Leaders from the Center for Public Education Study

Notes and References

¹ This is based on statements in K12's third quarter earnings conference call for investors (page 3).

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State funding formulas also can vary in the degree to which they fund differentials in teacher salaries, including increments for such characteristics as advanced degrees or years of teaching experience. Further, they vary in financial support for educating students with special needs. While the accounting formulas of some states do allocate for such services, other states' formulas are crude and create inherent incentives not to enroll students with special needs.

The biggest difference among states relates to costs for facilities. Many states allocate separate funding for facilities or capital improvements. Charter schools have access to federal Public Charter School Program funds for start-up during the initial years of operation, although these funds are insufficient to purchase or build a new facility. While some states are generous in financing charter school facilities, others offer little or no such financing. We explore the issue of facilities in comparing expenditures later in this report.

41 For example, in a handful of states, such as Connecticut and Illinois, a large portion of the costs for special education services provided by the charter schools is actually paid by local districts.

42 Most of K12's schools are charter schools, which by design have been considered to be more able to attract or obtain funding from private sources because of their community roots, entrepreneurial spirit, and flexibility to create new partnerships. As we found in our 2010 national study of charter school finance (Miron & Urschel, 2010), charter schools are much less likely than traditional school districts to share or report information on the private revenue that are collected and spent on behalf of charter schools.

43 The data set and information about the dataset can be obtained from the following website:
<http://nces.ed.gov/ccd/stfis.asp>

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58 The performance of other EMOs that operate large number of virtual schools, such as Connections Academies, is similar to K12, while the performance of EMOs that operate few virtual schools, such as White Hat Management, is substantially work (only 5% of the full-time virtual schools operated by White Hat met AYP).

59 K12 Inc. (2012). *K12® virtual academies: Academic performance trends*. Herndon, VA: Author. Retrieved May 24, 2012. <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMoMDc2fENoaWxkSUQ9LTF8VHlwZToz&t=1>

60 In the K12 report other measures of performance are shared that are collected and analyzed internally and not by an independent state authority. We reviewed the findings and methods of the alternative performance measures and found them to be helpful in determining the impact K12 has on students that persist in its schools. We also recognize that important methodological details are missing and we regret that the findings do not permit adequate comparisons between K12 schools and other schools.

61 Hubbard, B. & Mitchell, N. (2011). Online K-12 schools failing students but keeping tax dollars. *I-News Network*. Retrieved May 30, 2012, from <http://www.inewsnetwork.org/special-reports/online-k-12-schools/>

62 CREDO. (2011). *Charter school performance in Pennsylvania*. Palo Alto, CA: Center for Research on Education Outcomes (CREDO), Stanford University. Retrieved June 14, 2011 from http://credo.stanford.edu/reports/PA%20State%20Report_20110404_FINAL.pdf.

Hubbard, B. & Mitchell, N. (2011). Online K-12 schools failing students but keeping tax dollars. *I-News Network*. Retrieved May 30, 2012, from <http://www.inewsnetwork.org/special-reports/online-k-12-schools/>.

Office of the State Auditor. (2006). *Online education: Department of Education Performance audit*. Denver, CO: Author.

Legislative Audit Bureau. (2010). *An Evaluation: Virtual Charter Schools*. Madison, WI: Author.

Office of the Legislative Auditor. (2011). *Evaluation report: K-12 Online Learning*. St. Paul, MN: Author.

63 Hubbard, B. & Mitchell, N. (2011). Online K-12 schools failing students but keeping tax dollars. *I-News Network*. Retrieved May 30, 2012, from <http://www.inewsnetwork.org/special-reports/online-k-12-schools/>.

Office of the State Auditor. (2006). *Online education: Department of Education Performance audit*. Denver, CO: Author.

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64 K12 Inc. (2012). K12® virtual academies: Academic performance trends. Herndon, VA: Author. Retrieved May 24, 2012. <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMoMDc2fENoaWxkSUQ9LTF8VHlwZToz&t=1>

65 This is based on statements in K12's third quarter earnings conference call for investors (page 3).

K12 Inc. (2012, May 8). *Q3 2012 K12 Inc. Earnings Conference Call – Final*

66 Although the K12 curriculum was not examined in this study, there are available a couple older papers that explore and discuss K12's curriculum, see Bracey (2004) and Ohanian (2004):

Bracey, G. (2004). *Knowledge Universe and virtual schools: Educational breakthrough or digital raid on the public treasury?* Retrieved June 3, 2012, <http://nepc.colorado.edu/files/EPsL-0404-118-EPRU.pdf>.

Ohanian, S. (2004). *The K12 virtual primary school history curriculum: A participant's-eye view*. Tempe, AZ: Education Policy Studies Laboratory, Arizona State University. Retrieved June 3, 2012, from <http://nepc.colorado.edu/files/EPsL-0404-118-EPRU.pdf>.

67 The teacher data reported by K12 suggests reasonable teacher–student ratios at some of its schools, although a weighted average indicates that K12 has just over 60 students per teachers.

68 K12 Inc. (2012). K12® virtual academies: Academic performance trends. Herndon, VA: Author. Retrieved May 24, 2012. <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMoMDc2fENoaWxkSUQ9LTF8VHlwZToz&t=1>

69 Charter schools and traditional public schools are funded according to state funding formulas. The main reason explaining why charter schools receive less per pupil is categorical funding for programs that are not required by charter schools and for extra costs associated with children with special needs. A recent study by Bruce Baker, Ken Libby, and Kathryn Wiley found that special education population concentrations were the strongest predictor of spending variation across schools.

Baker, B.D., Libby, K., & Wiley, K. (2012). *Spending by the Major Charter Management Organizations: Comparing charter school and local public district financial resources in New York, Ohio, and Texas*. Boulder, CO: National Education Policy Center. Retrieved May 25, 2012, from <http://nepc.colorado.edu/publication/spending-major-charter>.

70 CREDO. (2011). *Charter school performance in Pennsylvania*. Palo Alto, CA: Center for Research on Education Outcomes (CREDO), Stanford University. Retrieved June 14, 2011 from http://credo.stanford.edu/reports/PA%20State%20Report_20110404_FINAL.pdf.

Hubbard, B. & Mitchell, N. (2011). Online K-12 schools failing students but keeping tax dollars. *I-News Network*. Retrieved May 30, 2012, from <http://www.inewsnetwork.org/special-reports/online-k-12-schools/>.

Office of the State Auditor. (2006). *Online education: Department of Education Performance audit*. Denver, CO: Author.

Legislative Audit Bureau. (2010). *An Evaluation: Virtual Charter Schools*. Madison, WI: Author.

Office of the Legislative Auditor. (2011). *Evaluation report: K-12 Online Learning*. St. Paul, MN: Author.

71 Huerta, L. A., González, M. F., & d'Entremont, C. (2006). Cyber and home school charter schools: Adopting policy to new forms of public schooling. *Peabody Journal of Education*, 81(1), 103-139.

Barbour, M.K., Reeves, T.C. (2009). The reality of virtual schools: A review of the literature. *Computers & Education*, 52(2), 402-416.

Glass, G. V & Welner, K. G. (2011). *Online K-12 Schooling in the U.S.: Uncertain Private Ventures in Need of Public Regulation*. Boulder, CO: National Education Policy Center. Retrieved May 15, 2012, from <http://nepc.colorado.edu/publication/online-k-12-schooling>.

72 Note that Justin Bathon has already drafted model legislation that can be used or adopted by policymakers:

Bathon, J. (2011). *Model Legislation Related to Online Learning Opportunities for Students in Public Elementary and Secondary Education Schools*. Boulder, CO: National Education Policy Center. Retrieved May 25, 2012, from <http://nepc.colorado.edu/publication/online-k-12-schooling>.

73 The performance outcomes we have reviewed are for full-time virtual schools operated by K12 Inc. We believe that other full-time virtual schools face similar performance problems as K12. Our study has not considered delivery of individual online courses, nor has it considered hybrid options in which only part of the instruction is delivered virtually.

74 K12 Inc. (2012). K12® virtual academies: Academic performance trends. Herndon, VA: Author. Retrieved May 24, 2012. <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTMoMDc2fENoaWxkSUQ9LTF8VHlwZToz&t=1>

75 Given many states' funding approaches, involving fall student counts, this market signal is dulled by K12's successful efforts to replace students anew each fall.

76 Miron, G. & Urschel, J.L. (2010). *Equal or fair? A study of revenues and expenditure in American charter schools*. Boulder, CO: National Education Policy Center Retrieved April 20, 2012, from <http://nepc.colorado.edu/publication/charter-school-finance>.

77 Barth, P., Hull, J., & St. Andrie, R. (2012). Searching for the reality of virtual schools. Alexandria, VA. Center for Public Education, National School Boards Association. Retrieved May 18, 2012, from <http://www.centerforpubliceducation.org/Main-Menu/Organizing-a-school/Searching-for-the-reality-of-virtual-schools-at-a-glance/Searching-for-the-reality-of-virtual-schools-full-report.pdf>.

78 Anderson, A.B., Augenblick, J., DeCescre, D., & Conrad, J. (2006). *Costs and funding of virtual schools: An examination of the costs to start, operate, and grow virtual schools and a discussion of funding options for states interested in supporting virtual school programs*. Atlanta, GA: BellSouth Foundation.

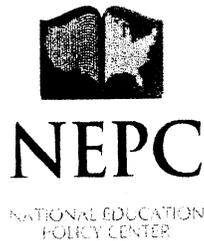
79 Huerta, L. A., González, M. F., & d'Entremont, C. (2006). Cyber and home school charter schools: Adopting policy to new forms of public schooling. *Peabody Journal of Education*, 81(1), 103-139.

80 Glass and Welner (2011) recommended that state legislatures address the authentication of the source of students' work, revise and improve fiscal and instructional regulations, require audits of private providers, and create and maintain a list of legitimate agencies that accredit providers of K-12 online education.

81 The research evidence we reviewed indicated that sending districts can experience negative financial effects when resident pupils attend virtual charter schools in other districts, because the loss of enrollment is not sufficient to reduce their fixed costs to operate traditional schools.

82 Barth, P., Hull, J., & St. Andrie, R. (2012). *Searching for the reality of virtual schools*. Alexandria, VA. Center for Public Education, National School Boards Association. Retrieved May 18, 2012, from <http://www.centerforpubliceducation.org/Main-Menu/Organizing-a-school/Searching-for-the-reality-of-virtual-schools-at-a-glance/Searching-for-the-reality-of-virtual-schools-full-report>.

83 Baker, B. D. & Welner, K. G. (2012). Evidence and Rigor: Scrutinizing the Rhetorical Embrace of Evidence-based Decision-making. *Educational Researcher*, 41(3), 98-101.



School of Education, University of Colorado at Boulder
Boulder, CO 80309-0249
Telephone: 802-383-0058

NEPC@colorado.edu
<http://nepc.colorado.edu>

AUTHOR REPLY TO K¹² INC. RESPONSE

In advance of sending out our general announcement of this new report, NEPC sent a copy to K12 Inc. and invited them to send us a response to be posted on this website along with the main report. Although we did not receive a response, "K12 Inc. Public Affairs" did prepare a document that was posted on their website that had fourteen bullet points, currently available on the K12 Inc website at http://k12choice.com/images/stories/K12_Response_to_NEPC_1.pdf.

Below, we provide a very brief response to these points. Our original report's methods section provides a much more complete discussion; most of K12 Inc.'s concerns are answered or explained in the report itself.

- *K12 Inc.'s First Bullet: Objection to the report's use of the term "falling behind."* The press release includes a quote from co-author Gary Miron: "Our findings are clear... Children who enroll in a K12 Inc. cyberschool, who receive full-time instruction in front of a computer instead of in a classroom with a live teacher and other students, are more likely to fall behind in reading and math." This statement is based on the report's literature review, supported by the new study's results. The available evidence thus far is indeed more convincing about K12 Inc.'s poor performance in terms of students' absolute outcomes – as compared with growth measures. That is, K12 is arguing that while its students are behind, they start that way. While the "falling behind" statement is in the press release (not in the body of the report, as K12 states in its "Response," the report does summarize research by CREDO that tracked individual students in virtual schools and found students were falling behind matched peers in district schools. Further, in some states (e.g., Texas) the school performance rating is based on an index that takes into account student growth. Several state-level evaluations and audits are also

included in the report. Conclusion: while we do think the evidence supports the “falling behind” statement, this is an area where we would like to see a lot more data made available.

- *K12 Inc.’s Second through Fourth Bullets: Pointing to K12 Inc.’s data concerning results of a “Scantron Performance Series exam.”* It is common for school districts and individual schools to develop their own assessments or pay to use existing assessments. Although the K12 Inc. Scantron data haven’t been made available, we would be happy to examine them. One concern we have involves ensuring a strong, valid comparison group, since the students take the tests in fall and spring. If compared with a group with tests administered over consecutive falls or springs, then the latter group would be exposed to summer learning loss. Another concern involves attrition; we know that many K12 Inc. students who start in the fall are no longer attending in the spring. Finally, while additional assessments administered by a school are helpful for formative (and sometimes even summative) purposes, in the current accountability context the results from such an assessment cannot replace a state’s common assessments. But even with these caveats, we expect that these data would be useful, and we welcome an opportunity to analyze them.
- *K12 Inc.’s Fifth Bullet: Pointing out new initiatives undertaken by K12 Inc. to support struggling students.* We understand this bullet to be providing information to reporters and other interested readers, rather than responding to a claim in the report. We do note, however, some tension between these initiatives and K12 Inc.’s statement to investors in its 3rd quarterly report in May 2012, announcing that it seeks to “increase profitability in fiscal year 2013” by implementing as much as \$20 million in costs savings. We hope these savings can be found in places that do not further limit learning opportunities for K12’s students. A theme that emerged in our report is the need for K12 Inc. to increase enrollments and limit spending while still serving its students. We recognize this challenge, and our message to policy makers as well as K12 Inc. stresses the importance of clear evidence that the school’s students are indeed being well served.
- *K12 Inc.’s Sixth and Seventh Bullets: Contesting spending evidence from the report.* There’s a lot here. The report includes separate sections that attempt to tease out areas where K12 Inc. is able to spend less and other areas where the company must spend more. As we note, K12 Inc. receives less revenue on average and this is largely because their schools offer a more limited range of programs and services. In the report’s discussion of cost advantages and disadvantages, it does in fact take note of the costs that are unique to full-time virtual schools such as the costs for computers, internet service for students work from home. The findings from the federal finance dataset do reveal that K12 spends some of its resources on facilities, transportation, and student support services. Nevertheless, the amount it spends on such categories is a fraction of what brick-and-mortar schools spend. Our main area of disagreement with K12 Inc.’s Response concerns its claim that it is a vendor and is not involved in decisions about spending on behalf of the charter or district schools it operates. This is not true. We have collected a sample of the K12 Inc. management contracts and have digitalized these so that they can be shared with journalists and researchers that wish to learn more about K12 Inc.’s responsibilities for the schools it operates as well as its management fees.

- *K12 Inc.'s Eighth Bullet: Attempting to minimize the importance and strength of the CREDO study.* The most rigorous study to date on K12 Inc. was, in fact, conducted by CREDO at Stanford University. K12 Inc. claims that since CREDO did not name the eight Pennsylvania virtual schools, it is not possible to parse out the performance of its schools from other virtual charter schools in Pennsylvania. What K12 Inc., forgets to mention, however, is that all eight virtual charter schools that CREDO studied in Pennsylvania exhibited weak performance, with student losing ground compared to their matched peers in district schools.
- *K12 Inc.'s Ninth Bullet: Concerning the weakness of AYP measures.* This is an area of agreement. We have consistently pointed out that AYP measures, by themselves, provide only weak evidence of how well a school is doing. K12 Inc.'s Response, however, ignores the fact that across all school performance measures presented in the report, the results indicate weak performance.
- *K12 Inc.'s Tenth Bullet: Defending the company's teachers.* Although our report did not malign K12 Inc.'s teachers, it did point out that spending on teachers was comparably low. While we addressed class size concerns, which have also been raised by others in greater detail, our report's focus in this regard is on spending patterns. The opinions of K12 Inc. teachers were included in a lengthy story on the company's schools published by the *New York Times* in December 2012. For those interested in more detailed statements, the class action complaint filed against K12 Inc. (*Hoppaugh v. K12 Inc.*, filed in the Eastern District of Virginia), includes statements from former teachers, administrators, and recruitment staff of K12 Inc. .
- *K12 Inc.'s Eleventh Bullet: Concerning student attrition.* This does not appear to be an area of disagreement. Our report includes a brief discussion of reasons for the high attrition rates, which the company appears to attribute to the nature of its incoming students (those looking for a temporary outpost, plus those with a history of academic struggles). We think there are two main issues raised here. First, does K12 Inc.'s model (and the model for cyberschools in general) succeed with students that have a history of academic struggles? Or does the model require students who are self-motivated and/or who have parents who will essentially serve as at-home teachers (or at least monitors)? Second, is K12 Inc.'s business and advertising model, aimed at expanding enrollment, reaching out to a group of students who are likely to benefit from its services? Neither of these questions can be answered by our report, but we do think the report helps to frame those questions. Our report does recommend that K12 Inc. and state policies stop or slow growth until the company can fix apparent problems in adequately serving the current students it enrolls.
- *K12 Inc.'s Twelfth Bullet: Concerning the company's internal "customer satisfaction surveys."* We do not address this issue in our report. We would, however, be interested in seeing the response rates and in understanding how the company has addressed issues of attrition (i.e., making sure parents/students who stopped attending are properly included among the respondents). In fact, the attrition itself is presumably problematic evidence in this regard.

While satisfaction rates are indeed an important measure within a system of market accountability, so too are student attrition rates.

- *K12 Inc.'s Thirteenth Bullet: Concerning students with disabilities.* It is true that funding arrangements for children with disabilities vary from state to state. Nevertheless, in most states charter schools are classified as LEAs (local education agencies) and receive and spend money on special education. We compare K12 Inc. to brick-and-mortar *charter schools* in the same states. Such charter schools will generally have spending obligations for special education that are similar to K12 Inc. schools. Brick-and-mortar charter schools in these states report a lower proportion of students with disabilities, as compared to K12 schools. But these brick-and-mortar charters spend more per pupil on special education than K12 Inc. does. We do not understand or think reasonable K12 Inc.'s claims that excess costs for special education are not reported as special education expenditures.

- *K12 Inc.'s Fourteenth Bullet: Concerning inclusion and exclusion of the company's schools and concerning data on free- and reduced-price lunch.* The list of K12 Inc.-operated schools used in this study was derived from the annual "Profiles of EMOs" report, which is also published by the NEPC. The 13th annual Profiles Report was released in January 2012. When this report is prepared each year, data are collected from multiple sources, including from the websites and other releases of the EMOs themselves. After data are compiled for the 300 for-profit or nonprofit EMOs that operate 1,700 schools in the country, we share this information with the EMOs by fax and e-mail to give them an opportunity to confirm and correct the information. K12 Inc. has generally been good about providing us with responses, updating and correcting the information we collect from other sources.

The three schools mentioned in the K12 Inc. response as being supplied but not operated by the company concern a relatively small number of students, but we want to ensure our data are correct. We are therefore seeking documentation of any changes in status. The one school mentioned in the K12 Inc. response as being operated by the company but not included in our report (the Georgia Cyber Academy), is invisible in the available datasets of the National Center for Education Statistics and the Georgia Department of Education. Again, however, it is important to us to correct and update our data, and we encourage K12 to send us information and documentation.

The K12 Inc. Response also includes a confusing element regarding data about the enrollment of students eligible for free- or reduced-price lunch (a proxy for enrolling students from families in poverty). For the financial analyses presented in the report, we were necessarily limited to seven K12 Inc. schools in five states since these were the only K12 schools that had data in the federal school district finance dataset. The most recent year for which these data are available is 2008-09. For demographic comparison, however, we were able to include a much wider set of states where K12 Inc. operates (typically more than 20 states for demographic and school performance indicators). Our finding (pg. 12) was that, "the proportion of students qualifying for free or reduced-price lunch (FRL) in K12 schools is 7.3 percentage points lower than the state mean (39.9% for K12 schools compared with 47.2% for states)."

The K12 Inc. response is that in the five states that were the subject of the financial analysis they "find that the combined average percentage of students in the K12---managed

schools who are eligible for Free and Reduced Lunch (FRL) is 58%, compared to the average of 45% among all schools in those states, and compared to the national average of 45.4%.” We do not know why these K12 Inc. schools would enroll so many more high-poverty students than the larger sample of K12 Inc. schools; we simply note that our report was using the broader sample.

The more important item in the Response is a claim that the FRL numbers we used for two schools were incorrect. In the case of the Nevada school, it appears that K12 did not report their corrected FRL count to the state education agency, where we obtained the information used in the report. In the case of the Pennsylvania school, we used the FRL rate from the previous year, since the state had not yet released data for 2010-11 at the time when we compiled our data. We welcome documentation of any updates or corrections.

Appendix A

Demographic Characteristics of Students Enrolled in K12 Schools, 2010-11

School Name	City	State	Year Founded	Total Enrollment	Percent Am. Indian	Percent Asian/Pac Islander	Percent Hispanic	Percent Black	Percent White	Percent FRL	Percent IEP	Percent ELL
Alaska Virtual Academy	Wrangell	AK	2009	32	19.4%			3.2%	77.4%	37.5%	4.0%	0.0%
Arizona Virtual Academy	Phoenix	AZ	2003	4,444	2.2%	2.0%	14.0%	4.9%	76.9%	55.5%	12.4%	0.0%
Arkansas Virtual Academy Elementary	Little Rock	AR	2002	437	0.7%	1.4%	2.9%	4.3%	90.6%	0.0%		
Arkansas Virtual Academy Middle	Little Rock	AR	2008	78	1.2%	0.0%	0.0%	10.7%	88.1%	0.0%	13.1%	0.0%
California Virtual Academy at Jamestown	Simi Valley	CA	2002	263	1.2%	4.6%	21.2%	4.6%	68.5%	77.7%	nr	0.0%
California Virtual Academy at Kern	Simi Valley	CA	2002	493	1.8%	2.7%	16.0%	6.1%	73.5%	68.3%	nr	1.0%
California Virtual Academy at Kings	Simi Valley	CA	2002	781	1.0%	4.4%	19.2%	5.4%	70.1%	68.5%	nr	0.0%
California Virtual Academy at Los Angeles	Simi Valley	CA	2006	4,375	0.9%	7.8%	20.0%	17.9%	53.3%	68.9%	nr	0.0%
California Virtual Academy at San Diego	Simi Valley	CA	2002	2,435	1.2%	7.1%	20.3%	8.8%	62.6%	61.5%	nr	0.0%
California Virtual Academy at San Joaquin	Simi Valley	CA	2007	417	1.5%	7.4%	19.9%	10.7%	60.4%	83.3%	nr	0.0%
California Virtual Academy at San Mateo	Simi Valley	CA	2005	1,020	0.8%	14.2%	15.2%	18.4%	51.5%	57.7%	nr	0.0%
California Virtual Academy at Sonoma	Petaluma	CA	2004	1,026	2.3%	7.5%	8.6%	15.5%	66.1%	61.5%	nr	nr
California Virtual Academy at Sutter	Simi Valley	CA	2006	603	1.8%	8.7%	12.3%	15.1%	62.1%	83.9%	nr	4.0%
iQ Academy California—Los Angeles	Rowland Heights	CA	2010	27	3.7%	0.0%	25.9%	40.7%	29.6%	nr	nr	
Pacific View Charter School	Oceanside	CA	1999	430	1.9%	6.1%	38.5%	8.5%	44.9%	64.2%	nr	
San Francisco Flex Academy	San Francisco	CA	2010	75	0.0%	8.8%	36.8%	27.9%	26.5%	nr	nr	
Colorado Virtual Academy	Northglenn	CO	2001	5,034	1.8%	1.5%	11.8%	4.7%	80.1%	19.1%		
Community Academy Public Charter School	Washington	DC	2004							72.0%	15.0%	6.3%
Hawaii Technology Academy - Pcs	Kapolei	HI	2009								10.7%	
Idaho Virtual Academy	Meridian	ID	2004	2,740	0.6%	1.2%	1.8%	1.3%	95.1%			
Chicago Virtual Charter School	Chicago	IL	2006	564	0.4%	4.9%	15.7%	63.0%	15.9%	62.0%	nr	
Hoosier Academy - Indianapolis	Indianapolis	IN	2008	506	0.4%	1.6%	3.7%	12.4%	81.9%		nr	1.2%
Hoosier Academy - Muncie	Muncie	IN	2008	108	0.0%	1.9%	0.9%	15.1%	82.1%		nr	0.0%
Lawrence Virtual High School	Lawrence	KS	2010	100	0.0%	0.0%	5.3%	4.2%	90.5%	0.0%	3.0%	0.0%
Lawrence Virtual School	Lawrence	KS	2004	1,213						0.0%	0.0%	0.0%
Massachusetts Virtual Academy (MAVA) at Green	Greenfield	MA	2010	484	0.6%	1.7%	9.4%	10.5%	77.8%			
Michigan Virtual Charter Academy	Grand Rapids	MI	2010	329	0.3%	3.4%	2.8%	16.3%	77.1%	34.7%	5.8%	0.0%
iQ Academy Minnesota	Fergus Falls	MN	2008	251	5.2%	1.2%	4.4%	4.4%	84.9%	25.1%	10.4%	0.0%
Minnesota Virtual Academy	Houston	MN	2002	1,432	1.3%	1.2%	3.4%	5.4%	88.8%	16.1%	9.9%	0.1%
Beacon Nevada	Las Vegas	NV	2009	639	1.5%	5.5%	22.9%	12.6%	57.6%	0.0%	11.3%	0.0%
Nevada Virtual Academy	Las Vegas	NV	2007	2,602	1.4%	2.9%	14.8%	9.5%	71.4%	0.0%	9.3%	0.0%
Ohio Virtual Academy	Maumee	OH	2002	9,474	0.5%	3.7%	3.5%	10.7%	81.6%	55.3%	11.4%	0.0%
Oregon Virtual Academy	North Bend	OR	2008	563	1.8%	2.5%	8.4%	2.5%	84.8%	0.0%	nr	nr
Agora Cyber Charter School	Wayne	PA	2005	5,861	0.5%	0.8%	6.4%	23.7%	68.5%	35.1%	10.5%	0.2%
Pennsylvania Virtual Charter School	Norristown	PA	2001	3,353	0.8%	1.0%	3.3%	11.7%	83.2%	19.8%	8.2%	0.0%
South Carolina Virtual Charter School	Columbia	SC	2008	2,907	0.3%	0.5%	2.7%	16.6%	80.0%	59.2%	12.0%	0.0%
iQ Academy Texas	Lewisville	TX	2009	444	0.7%	2.6%	29.9%	9.2%	57.6%	59.2%	0.0%	0.0%
Texas Virtual Academy at Southwest	Houston	TX	2006	2,119	0.7%	6.9%	19.7%	13.7%	59.0%	0.0%	0.0%	0.0%
Utah Virtual Academy	Murray	UT	2008	2,000	0.7%	1.8%	4.8%	1.9%	90.9%		10.2%	
Bethel Elementary Learning Academy	Spanaway	WA	2010	30	0.0%	20.0%	3.3%	3.3%	73.3%	13.0%	4.3%	0.0%
iQ Academy Washington	Vancouver	WA	2008	389	0.8%	4.7%	7.9%	1.8%	84.7%	18.4%	0.6%	0.0%
Mid-Columbia Parent Partnership Virtual School	Kennewick	WA	2010	186	1.1%	4.2%	11.6%	1.1%	82.0%	11.0%	3.4%	0.0%
Three Rivers Home Link	Richland	WA	2010	287	1.4%	0.7%	5.2%	3.8%	88.9%	14.7%	2.8%	0.0%
Washington Virtual Academy (WAVA)	DuPont	WA	2006	808	0.5%	7.8%	7.0%	4.5%	80.2%	6.1%	7.2%	0.0%
Washington Virtual Academy Omak Elementary	Omak	WA	2006	440	1.9%	4.8%	10.7%	3.8%	78.8%	11.7%	2.8%	0.0%
Washington Virtual Academy Omak High School	Omak	WA	2006	164	0.0%	0.0%	10.1%	0.6%	89.2%	11.4%	5.4%	0.0%
Washington Virtual Academy Omak Middle Schoc	Omak	WA	2006	362	1.1%	4.6%	8.3%	2.6%	83.4%	8.6%	5.8%	0.0%
Wisconsin Virtual Academy	Mcfarland	WI	2003	819	0.7%	2.3%	3.0%	9.7%	84.2%	7.9%	10.0%	0.9%

Appendix B

Details on Publicly Reported Revenues and Expenditures for Schools Operated by K12 Inc., 2008-09

K12 Arizona Virtual Academy

Number of Schools: 1

08-09 Number of Students: 3817

Revenues by Source

	Federal	State	Local	Total	Federal	State	Local	Total
K12 Arizona Virtual Academy	\$318	\$6,489	\$10	\$6,817	4.7%	95.2%	0.1%	100.0%
Arizona	\$1,028	\$4,103	\$3,650	\$8,781	11.7%	46.7%	41.6%	100.0%
Arizona Charter Schools	\$707	\$6,854	\$499	\$8,060	8.8%	85.0%	6.2%	100.0%

Per Pupil Total Current Expenditures - 10 categories

	Total current expenditures	Instruction	Student support services	State	Local	Total	Instruction and instruction-related	Student support services	Operational and maintenance	School administration	Other support services	Student transportation	Enterprise operations	Food services	Other support services	Enterprise operations
K12 Arizona Virtual Academy	\$6,155	\$5,207	\$457	\$0	\$0	\$5,207	\$5,207	\$491	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arizona	\$7,625	\$4,232	\$525	\$123	\$418	\$954	\$5,555	6.9%	4.3%	1.6%	5.5%	12.5%	4.4%	5.6%	4.3%	0.6%
Arizona Charter Schools	\$6,603	\$3,490	\$276	\$111	\$344	\$988	\$52.9%	4.2%	1.7%	5.2%	11.2%	15.0%	1.9%	5.7%	2.3%	0.0%

Per Pupil Total Current Expenditures - 4 categories

	Instruction and instruction-related	Student support services	Operational and maintenance	Enterprise operations
K12 AVA	\$5,207	\$457	\$0	\$0
AZ	\$4,232	\$760	\$1,139	\$56.4%
AZ CS	\$3,490	\$388	\$1,082	\$52.9%

Per Pupil Spending on Salaries - Instruction

	Total current expenditures	Salaries - Instruction	Salaries - Regular Education	Salaries - Special Education	Salaries - Vocational Education	Salaries - Other Education
K12 Arizona Virtual Academy	\$6,155	\$1,132	\$670	\$163	\$0	\$0
Arizona	\$7,625	\$3,020	\$1,991	\$365	\$32	\$87
Arizona Charter Schools	\$6,603	\$3,312	\$2,258	\$1,151	\$87	\$0

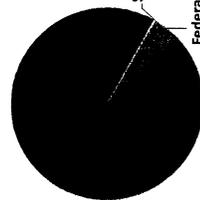
Per Pupil Spending on Salaries - Support Services

	Total current expenditures	Support Services - Instructional Staff	Support Services - General Admin.	Support Services - School Maintenance	Support Services - Operation & Transportation	Support Services - Student Support	Support Services - Other
K12 AVA	\$0	\$0	\$163	\$0	\$0	\$0	\$0
AZ	\$332	\$164	\$53	\$306	\$303	\$167	\$154
AZ CS	\$141	\$47	\$115	\$445	\$88	\$42	\$93

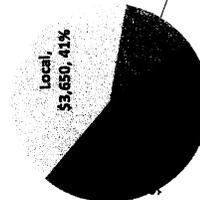
Per Pupil Spending on Benefits

	Total current expenditures	Total Employee Benefits	Support Services - Instructional Staff	Support Services - General Admin.	Support Services - School Maintenance	Support Services - Operation & Transportation	Support Services - Student Support	Support Services - Other
K12 Arizona Virtual Academy	\$6,155	\$267	\$0	\$35	\$0	\$0	\$0	\$0
Arizona	\$7,625	\$1,310	\$842	\$91	\$79	\$47	\$47	\$47
Arizona Charter Schools	\$6,603	\$738	\$494	\$33	\$99	\$21	\$21	\$21

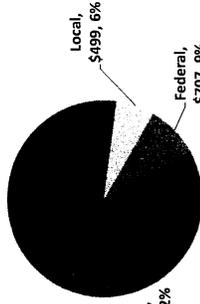
K12 Arizona Virtual Academy



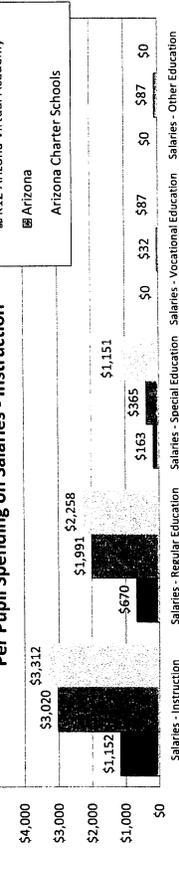
Arizona



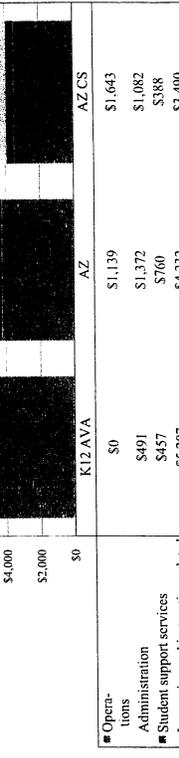
Arizona Charter Schools



Per Pupil Spending on Salaries - Instruction



Total Current Expenditures Per Pupil Broken Out by Four Main Categories of Spending, 2008-2009



1222

K12 Idaho Virtual Academy

Number of Schools: 1

08-09 Number of Students: 2425

Revenues by Source

	Federal	State	Local	Total	Federal	State	Local	Total
K12 Idaho Virtual Academy	\$406	\$4,511	\$48	\$4,965	8.2%	90.9%	1.0%	100.0%
Idaho	\$811	\$5,446	\$1,837	\$8,094	10.0%	67.3%	22.7%	100.0%
Idaho Charter Schools	\$614	\$5,411	\$195	\$6,220	9.9%	87.0%	3.1%	100.0%

Per Pupil Total Current Expenditures - 4 categories

	Instruction and instruction-related	Student support services	Administrative	Operations
K12 IVA	\$3,713	\$119	\$564	\$496
Id	\$4,314	\$688	\$560	\$1,495
ID CS	\$4,067	\$140	\$736	\$797
	75.9%	1.0%	10.3%	10.3%
	61.3%	5.6%	4.2%	2.3%
	70.8%	1.4%	1.1%	9.5%

Per Pupil Total Current Expenditures - 10 categories

	Total current expenditures	Instruction	Student support services	Instruc-tional staff	General adminis-tration	Oper-ations	Enter-prise operations	Food ser-vices	Other support ser-vices	Student transpor-tation	Operation main-te-nance	School adminis-tration	Oper-ation main-te-nance	Student support ser-vices	Adminis-tration	Other support ser-vices	Food ser-vices	Enter-prise operations
K12 Idaho Virtual Academy	\$4,892	\$3,713	\$47	\$73	\$501	\$14	\$0	\$292	\$190	\$314	\$63	\$341	\$138	\$351	\$1	\$0	\$0	\$0
Idaho	\$7,057	\$4,314	\$395	\$293	\$161	\$398	\$663	\$138	\$341	\$351	\$138	\$351	\$138	\$351	\$1	\$0	\$0	\$0
Idaho Charter Schools	\$5,740	\$4,067	\$78	\$62	\$545	\$191	\$356	\$127	\$215	\$127	\$99	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Per Pupil Spending on Salaries - Instruction

	Total current expenditures	Salaries - Instruction	Salaries - Regular Education	Salaries - Special Education	Salaries - Vocational Education	Salaries - Other Education
K12 Idaho Virtual Academy	\$4,892	\$1,117	\$857	\$260	\$0	\$0
Idaho	\$7,057	\$2,993	\$2,463	\$432	\$26	\$73
Idaho Charter Schools	\$5,740	\$2,017	\$1,754	\$171	\$0	\$93
		17.5%	5.3%	0.0%	0.0%	0.0%
		34.9%	6.1%	0.4%	1.0%	1.0%
		77.6%	3.0%	0.0%	0.0%	1.6%

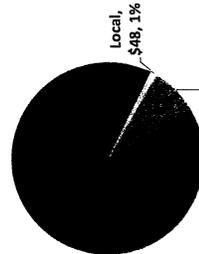
Per Pupil Spending on Salaries - Support Services

	Support Services - Pupils	Support Services - Instructional Staff	Support Services - General Admin.	Support Services - School Admin.	Support Services - School Maintenance	Support Services - Student Transportation	Support Services - Business/Central	Support Services - Food Services
K12 IVA	\$35	\$25	\$56	\$19	\$0	\$0	\$0	\$0
ID	\$267	\$150	\$87	\$295	\$232	\$120	\$72	\$112
ID CS	\$35	\$16	\$194	\$116	\$15	\$0	\$8	\$28

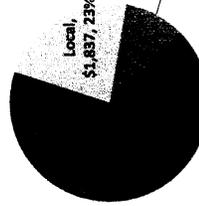
Per Pupil Spending on Benefits

	Total current expenditures	Total Employee Benefits	Benefits - Instruction	Benefits - Other Education	Support Services - Instructional Staff	Support Services - School Admin.	Support Services - General Admin.	Support Services - Business/Central	Support Services - Other
K12 Idaho Virtual Academy	\$4,892	\$381	\$328	\$53	\$0	\$15	\$31	\$0	\$0
Idaho	\$7,057	\$1,446	\$970	\$83	\$83	\$27	\$94	\$26	\$26
Idaho Charter Schools	\$5,740	\$879	\$560	\$10	\$10	\$58	\$34	\$1	\$1
		7.8%	6.7%	0.1%	0.0%	0.3%	0.6%	0.0%	0.0%
		20.5%	13.7%	1.2%	0.7%	0.4%	1.3%	0.4%	0.4%
		11.8%	9.8%	0.2%	1.0%	0.6%	0.6%	0.0%	0.0%

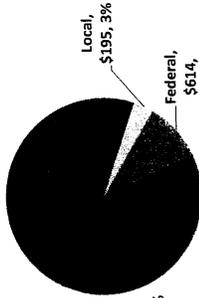
K12 Idaho Virtual Academy



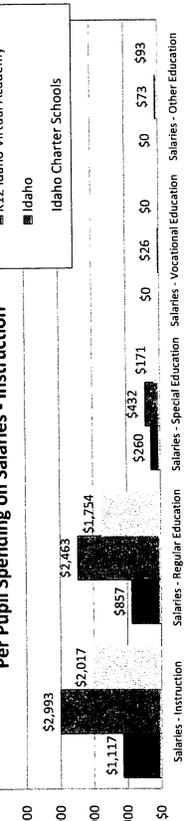
Idaho



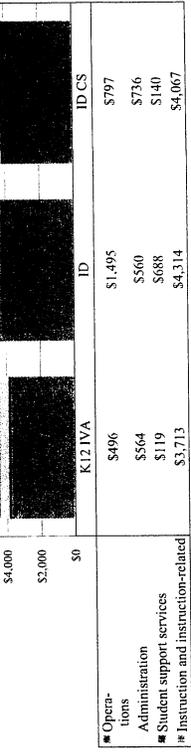
Idaho Charter Schools



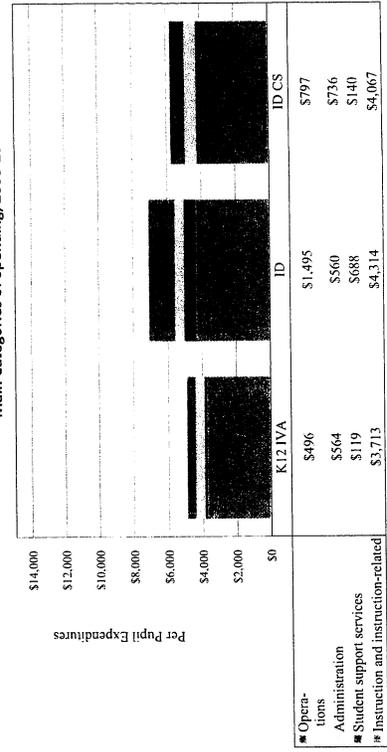
Per Pupil Spending on Salaries - Instruction



Per Pupil Spending on Salaries - Support Services



Total Current Expenditures Per Pupil Broken Out by Four Main Categories of Spending, 2008-2009



124x

K12 Pennsylvania Virtual CS

Number of Schools: **1** 08-09 Number of Students: **3644**

Revenues by Source

	Federal	State	Local	Total	Federal	State	Local	Total
K12 Pennsylvania Virtual CS	\$404	\$216	\$9,212	\$9,831	4.1%	2.2%	93.7%	100.0%
Pennsylvania	\$716	\$5,276	\$8,234	\$14,226	5.0%	37.1%	57.9%	100.0%
Pennsylvania Charter Schools	\$827	\$494	\$10,274	\$11,595	7.1%	4.3%	88.6%	100.0%

Per Pupil Total Current Expenditures - 10 categories

Total current expenditures	Instruction	Student support services	Instructional staff support	General administration	School administration	Operation and maintenance	Student transportation	Other support services	Food services	Enterprise operations
K12 Pennsylvania Virtual CS	\$9,532	\$6,363	\$446	\$40	\$1,591	\$333	\$201	\$0	\$560	\$0
Pennsylvania	\$11,186	\$6,796	\$518	\$394	\$528	\$1,243	\$634	\$350	\$421	\$6
Pennsylvania Charter Schools	\$10,604	\$6,063	\$390	\$187	\$450	\$1,035	\$42	\$896	\$204	\$2

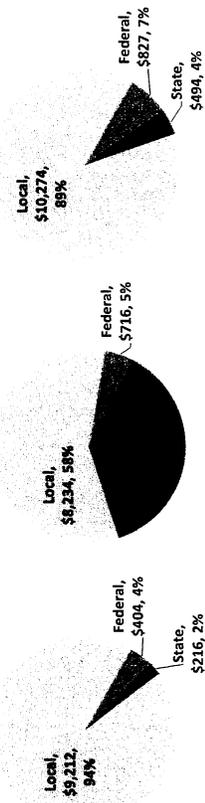
Per Pupil Spending on Salaries - Instruction

Total current expenditures	Salaries - Instruction	Salaries - Regular Education	Salaries - Special Education	Salaries - Vocational Education	Salaries - Other Education
K12 Pennsylvania Virtual CS	\$9,532	\$1,701	\$1,318	\$383	\$0
Pennsylvania	\$11,186	\$4,570	\$3,550	\$701	\$95
Pennsylvania Charter Schools	\$10,604	\$3,217	\$2,717	\$448	\$4

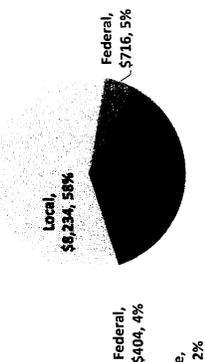
Per Pupil Spending on Benefits

Total current expenditures	Total Employee Benefits	Benefits - Instruction	Benefits - Pupil Services	Benefits - General School Administration	Benefits - Other
K12 Pennsylvania Virtual CS	\$9,532	\$937	\$602	\$17	\$0
Pennsylvania	\$11,186	\$2,244	\$1,544	\$118	\$78
Pennsylvania Charter Schools	\$10,604	\$1,422	\$1,027	\$61	\$33

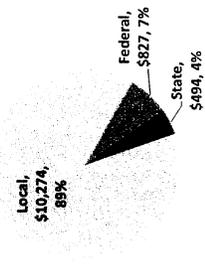
K12 Pennsylvania Virtual Charter School



Pennsylvania



Pennsylvania Charter Schools



Per Pupil Spending on Salaries - Instruction

Total current expenditures	Salaries - Instruction	Salaries - Regular Education	Salaries - Special Education	Salaries - Vocational Education	Salaries - Other Education
K12 Pennsylvania Virtual CS	\$1,701	\$1,318	\$383	\$0	\$0
Pennsylvania	\$4,570	\$3,550	\$701	\$95	\$4
Pennsylvania Charter Schools	\$3,217	\$2,717	\$448	\$4	\$0

Per Pupil Total Current Expenditures - 4 categories

	Instruction and instruction-related	Student support services	Administration	Operations
K12 PAVCS	\$6,363	\$486	\$1,923	\$761
PA	\$6,796	\$912	\$2,655	\$824
PA CS	\$6,063	\$577	\$1,485	\$2,478

Instruction	Student support services	Enterprise operations	Food services	Other support services	Student transportation	Operation and maintenance	School administration	General administration	Instructional staff support	Instructional services	Support Services - Pupil Services	Support Services - Instructional Staff	Support Services - General School Administration	Support Services - Other	Salaries - Pupil Services	Salaries - Instruction	Salaries - Pupil Services	Salaries - Instruction	Salaries - Pupil Services	Salaries - Instruction
66.7%	4.7%	\$0	\$0	\$0	0.0%	2.1%	3.5%	16.7%	0.4%	0.4%	1.7%	0.8%	0.8%	0.0%	6.3%	0.0%	4.0%	0.0%	0.0%	0.0%
60.8%	4.6%	\$6	\$6	\$6	1.1%	4.7%	2.6%	2.6%	3.5%	2.6%	0.7%	1.1%	1.1%	1.1%	13.8%	1.1%	6.3%	0.3%	0.8%	0.8%
57.2%	3.7%	\$2	\$2	\$2	0.4%	9.8%	4.2%	4.2%	1.8%	4.2%	0.3%	0.9%	0.9%	0.3%	9.7%	0.6%	4.2%	0.0%	0.3%	0.3%

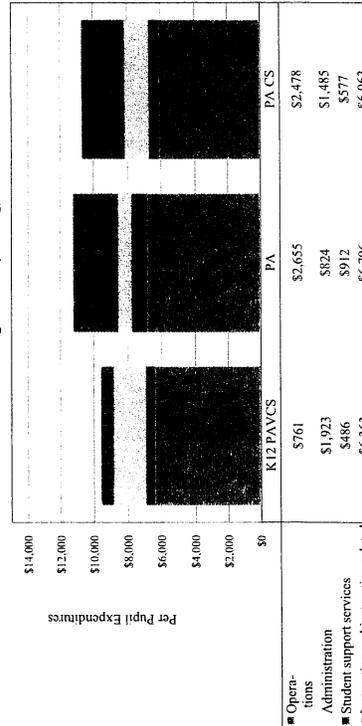
Per Pupil Spending on Salaries - Support Services

Support Services - Pupil Services	Support Services - Instructional Staff	Support Services - General School Administration	Support Services - Other
K12 PAVCS	\$58	\$0	\$581
PA	\$357	\$224	\$127
PA CS	\$215	\$99	\$181

Per Pupil Spending on Benefits

Total current expenditures	Total Employee Benefits	Benefits - Instruction	Benefits - Pupil Services	Benefits - General School Administration	Benefits - Other
K12 Pennsylvania Virtual CS	\$937	\$602	\$17	\$161	\$78
Pennsylvania	\$2,244	\$1,544	\$118	\$45	\$124
Pennsylvania Charter Schools	\$1,422	\$1,027	\$61	\$48	\$145

Total Current Expenditures Per Pupil Broken Out by Four Main Categories of Spending, 2008-2009



127x

Appendix C

State Performance Ratings, Adequate Yearly Progress Status, and Reasons for Not Meeting AYP

School Name	State	State Rating 2009-10	State Rating 2010-11	AYP 2009-10	AYP 2010-11	Reason for not meeting AYP in 2010-11
Alaska Virtual Academy	AK				Yes	
Arizona Virtual Academy	AZ	Performing		No	No	"Did not meet test objective" Only information reported on http://www.azdatapages.com
Arkansas Virtual Academy Elementary	AR	Achieving	4-Schools Exceeding Standards	Yes	Yes	
Arkansas Virtual Academy Middle	AR		4-Schools Exceeding Standards	Yes	Yes	
California Virtual Academy at Jamestown	CA	+25 API, Met Targets	Not in PI	Yes	No	Did not meet percent proficient objectives for school or white students in math OR english
California Virtual Academy at Kern	CA	+12 API, Met 1 of 2 Targets	Year 2	No	No	Whites did not meet english percent proficient
California Virtual Academy at Kings	CA	+21 API, Met Targets	Year 2	No	No	Did not meet percent proficient objectives for Hispanics in English; White in Math
California Virtual Academy at Los Angeles	CA	-4 API, Met 0 Targets	Year 2	No	No	Did not meet schoolwide Black, White, low SES, SPED in English; schoolwide, Black, Hispanic, White, low SES, or SPED in math
California Virtual Academy at San Diego	CA	+1, Met 0 of 2 Targets	Year 2	No	No	Did not meet: SPED percent tested, schoolwide Hispanic or low SES English; schoolwide, Hispanic, White, or low SES math percent proficient
California Virtual Academy at San Joaquin	CA	+33 API, Met Targets	Not in Program Improvement	No	No	Did not meet percent proficient Black for English; Black, White, or low SES in math
California Virtual Academy at San Mateo	CA	+12 API, Met Targets	Year 2	No	No	No data in dataquest
California Virtual Academy at Sonoma	CA	+32 API, Met Targets	Year 2	No	No	Did not meet proficient for any group for math or reading
California Virtual Academy at Sutter	CA	+5 API, Met Targets	Year 2	No	No	Did not meet proficient for any group for math or reading
iQ Academy California—Los Angeles	CA				Yes	
Pacific View Charter School	CA		Not Title 1		No	Did not meet schoolwide percent proficient in math
San Francisco Flex Academy	CA				Yes	
Colorado Virtual Academy	CO		Priority improvement	No	No	Elementary did not meet participation rate for IEP subgroups, reading and math performance targets were not met.
Community Academy Public Charter School	DC		C		No	Did not meet reading or math targets
Hawaii Technology Academy - Pcs	HI				No	Did not meet proficiency objective in math for all students and white subgroup
Idaho Virtual Academy	ID	School Improvement Year 2	School Improvement Year 3	No	Yes	
Chicago Virtual Charter School	IL	Fully Recognized	Fully Recognized	Yes	No	Did not meet overall reading target; black and FRL did not meet reading or math performance target; did not meet graduation rate target
Hoosier Academy - Indianapolis	IN		Academic progress		No	FRL and IEP subgroups did not meet math performance; black subgroup did not meet reading participation or math participation; FRL subgroup did not meet math participation requirement.
Hoosier Academy - Muncie	IN		Academic probation		No	Did not meet overall English Language Arts (ELA) or math performance targets; white subgroup did not meet ELA or math performance target.
Lawrence Virtual High School	KS				Yes	
Lawrence Virtual School	KS		Made standard of excellence		No	FRL, IEP didn't meet reading assessment goals; overall, FRL, IEP didn't meet math assessment goal
Massachusetts Virtual Academy (MAVA) at Greenfield	MA				No	Did not meet participation rates in math and English Language Arts; did not meet aggregate performance goals in math and English Language Arts
Michigan Virtual Charter Academy	MI				No	Met 0 of 8 targets - all participation rate goals not met
iQ Academy Minnesota	MN	24% Proficient	24% Proficient	Yes	No	Did not meet overall reading and math performance targets or attendance target
Minnesota Virtual Academy	MN		50.82% Proficient		No	Did not meet math performance targets for FRL and IEP subgroups
Beacon Nevada	NV		In Need of Improvement (Year 1)	No	No	white subgroup did not meet math target; math target not met
Nevada Virtual Academy	NV	Watch	In Need of Improvement (Year 1)	No	No	Did not meet ELA or math target. Hispanic, black, white, and IEP subgroups did not meet ELA or math targets.
Ohio Virtual Academy	OH	Continuous Improvement	Improvement Year 5	No	No	Black, IEP (special education) subgroups did not meet reading or math performance targets
Oregon Virtual Academy	OR		Satisfactory	Yes	No	All students and white subgroup did not meet mathematics student achievement target
Agora Cyber Charter School	PA	Group met target using Growth Model	Corrective Action II 1st Year	No	No	Did not meet graduation target, overall math & reading targets. Further, white, black, Hispanic, IEP, FRL did not meet math target; black, Hispanic, IEP, and FRL subgroups did not meet reading performance targets.
Pennsylvania Virtual Charter School	PA		Group met measure (Making Progress: in Corrective Action I)		No	Black subgroup did not meet reading performance target; black and IEP subgroups did not meet math performance targets
South Carolina Virtual Charter School	SC	Average ABSOLUTE RATING, Average GROWTH RATING	NI	No	No	Did not meet IEP subgroup participation rate.
iQ Academy Texas	TX		Academically acceptable		Not evaluated, new campus	
Texas Virtual Academy at Southwest	TX	ACADEMICALLY UNACCEPTABLE	Academically unacceptable	Yes	No	
Utah Virtual Academy	UT				Yes	
Bethel Elementary Learning Academy	WA				Yes	Says "Met" but every subcategory is N<Required
iQ Academy Washington	WA	In Improvement Step 2	In Improvement: Step 3	No	Yes	
Mid-Columbia Parent Partnership Virtual School	WA		In Improvement: No		Yes	
Three Rivers Home Link	WA		In Improvement: No		Yes	
Washington Virtual Academy (WAVA)	WA		In Improvement: Step 2		No	white subgroup did not meet math target; math target not met
Washington Virtual Academy Omak Elementary	WA				No	white subgroup did not meet reading target; reading target not met
Washington Virtual Academy Omak High School	WA		In Improvement: No		No	white subgroup didn't meet either target; neither target met
Washington Virtual Academy Omak Middle School	WA				No	white subgroup didn't meet either target; neither target met
Wisconsin Virtual Academy	WI	Satisfactory	Satisfactory		Yes	

Appendix D Performance of K12 Schools on State Reading Assessments, 2010-11

School Name	State	Grade 3 Reading		Grade 4 Reading		Grade 5 Reading		Grade 6 Reading		Grade 7 Reading		Grade 8 Reading		Grade 9 Reading		Grade 10 Reading		Grade 11 Reading	
		Number Test-takers	Percent Meets or Exceeds																
Alaska Virtual Academy	AK		100.0	5	*	3	*	5	80.0	8	100.0	6	70.0						
Arizona Virtual Academy	AZ		69.2		71.4		78.8		76.7		72.5		72.7						
Arkansas Virtual Academy Elementary	AR																		
Arkansas Virtual Academy Middle	AR																		
California Virtual Academy at Jamestown	CA																		
California Virtual Academy at Kern	CA																		
California Virtual Academy at Kings	CA																		
California Virtual Academy at Los Angeles	CA																		
California Virtual Academy at San Diego	CA																		
California Virtual Academy at San Joaquin	CA																		
California Virtual Academy at San Mateo	CA																		
California Virtual Academy at Sonoma	CA																		
California Virtual Academy at Sutter	CA																		
iQ Academy California—Los Angeles	CA																		
iQ Academy California—Los Angeles	CA																		
Pacific View Charter School	CA																		
San Francisco Flex Academy	CA																		
Colorado Virtual Academy	CO																		
Community Academy Public Charter School	DC	13	76.9	13	46.2	12	100.0	14	50.0	15	80.0	11	81.8						
Hawaii Technology Academy - Pcs	HI		80.0		86.0		78.0		88.0		79.0		83.0						
Idaho Virtual Academy	ID																		
Chicago Virtual Charter School	IL	56	80.0	57	61.0	61	57.0	61	82.0	61	87.0	59	85.0	nr	nr	nr	nr	16	56.0
Hoosier Academy - Indianapolis	IN		91.0		74.0		83.0		71.0		85.0		75.0						
Hoosier Academy - Muncie	IN		47.0		36.0		60.0		38.0		6.0		64.0						
Lawrence Virtual High School	KS																		
Lawrence Virtual School	KS		81.3		76.7		86.0		86.9		90.0		92.3						
Massachusetts Virtual Academy (MAVA) at Greenfield	MA		50.0		19.0		47.0		100.0		69.0		86.0						
Michigan Virtual Charter Academy	MI	37	66.7	30	66.7	25	68.0	30	66.7	34	47.1	42	66.7						
iQ Academy Minnesota	MIN	79	69.6	94	77.7	104	87.5	85	83.4	100	73.0	113	66.4	nr	nr	48	69.4	nr	nr
Minnesota Virtual Academy	MIN															139	74.8	nr	nr
Beacon Nevada	NV	159	48.0	162	51.3	205	53.7	301	47.2	401	44.7	429	31.1	nr	nr	nr	nr	76	94.7
Nevada Virtual Academy	NV		78.7		79.3				80.4		80.1		82.1					160	89.4
Ohio Virtual Academy	OH																		96.6
Oregon Virtual Academy	OR																		
Agora Cyber Charter School	PA		58.0		47.0		38.0		40.0		55.0		59.0						48.0
Pennsylvania Virtual Charter School	PA		77.0		65.0		57.0		71.0		79.0		82.0						65.0
South Carolina Virtual Charter School	SC	132	72.6	152	79.8	177	77.1	236	72.5	312	72.1	320	66.3	nr	nr	nr	nr	nr	nr
iQ Academy Texas	TX		90.0		85.0		88.0		91.0		94.0		94.0						na
Texas Virtual Academy at Southwest	TX		83.0		75.0		85.0		89.0		85.0		94.0						86.0
Utah Virtual Academy	UT		66.0		71.0		64.0		71.0		74.0		88.0						93.0
Bethel Elementary Learning Academy	WA	2	nr	5	nr	4	nr	4	nr	na	na								
iQ Academy Washington	WA		na		na		na		85.7		67.7		69.6						na
Mid-Columbia Parent Partnership Virtual School	WA	15	62.5	20	75.0	13	72.2	23	82.6	19	73.7	14	92.9	nr	nr	35	65.4	nr	nr
Three Rivers Home Link	WA	12	83.3	11	66.7	18	66.7	10	90.9	13	61.5	17	57.9	nr	nr	2	nr	nr	nr
Washington Virtual Academy (WAVA)	WA																		nr
Washington Virtual Academy Omak Elementary	WA	64	56.7	61	68.9	62	37.5	80	68.8	128	44.6	136	48.6	0	0.0	44	60.7	0	0.0
Washington Virtual Academy Omak High School	WA																		
Washington Virtual Academy Omak Middle School	WA																		
Wisconsin Virtual Academy	WI	31	83.9	38	78.9	35	85.7	40	87.5	50	88.0	49	79.6	0	0.0	34	88.3	0	0.0

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Appendix F

Questions about Online Learning for Policymakers and School Leaders from the Center for Public Education Study

This list of questions was developed from a comprehensive review of research on online schooling by the Center for Public Policy in May 2012. This is reprinted here with permission of the authors.¹

Policymakers and school leaders considering online learning have many questions to consider. Here are some suggested ones to start exploring the issues:

Enrollment

- Who is enrolling for online learning? What are the different populations? What different needs do they have?
- What student populations use online learning the most?
- How will we track who is enrolled and who has dropped out? What happens to students who stop attending a virtual school? Will funding change as a consequence if this happens during the year?

Providers

- Who are the different providers of online learning in our state or district?
- Who authorizes different providers?

Program quality

- How do we make sure the online curriculum is aligned with state and district standards?
- Who teaches the courses? How are teachers selected and assigned? Do they have adequate preparation to teach in an online environment?
- Does the district provide professional development to help teachers use online learning to the greatest advantage?

Outcomes

- What outcomes will we track for virtual schools or online courses? What will define success?
- Who is accountable for students' progress in online courses? What alignment do these courses have with district or state curricula?
- How will student progress be monitored? Is there sufficient infrastructure to track student log ins and participation?
- Who uses online learning the most?
- If we are using online learning to help at-risk students or for credit recovery, do they improve or continue to struggle?

Funding

- What is the true cost of operating a virtual school in our district or state? What about blended learning or online courses?
- Who determines funding for online courses or virtual schools? How and when is this funding awarded? How is it reported to the public?

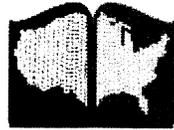
Accountability

- Who authorizes an online learning course or enrollment?
- How are test scores or other accountability measures for online learners reported? Are they broken out or included with the district? Is this the same for online learning run by outside companies? What gains are students making compared to similar students who do not have online instruction?

State

- How do gain scores compare statewide compared to those not taking online courses?
- How does the state policy for funding virtual schools impact the funding for brick-and-mortar public schools? What happens if students enroll in a virtual school and then return to the neighborhood school during school year? Is there a better approach toward funding?
- Who does the state authorize to provide online learning? What criteria are used to authorize or evaluate their work?
- To what extent is the design for providers structured to complement school districts or to compete against local school systems?

¹ Barth, P., Hull, J., & St. Andrie, R. (2012). *Searching for the reality of virtual schools*. Alexandria, VA. Center for Public Education, National School Boards Association. Retrieved May 18, 2012 at <http://www.centerforpubliceducation.org/Main-Menu/Organizing-a-school/Searching-for-the-reality-of-virtual-schools-at-a-glance/Searching-for-the-reality-of-virtual-schools-full-report.pdf>



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ONLINE K-12 SCHOOLING IN THE U.S.

UNCERTAIN PRIVATE VENTURES
IN NEED OF PUBLIC REGULATION

Gene V Glass and Kevin G. Welner

University of Colorado Boulder

October 2011

National Education Policy Center

School of Education, University of Colorado Boulder
Boulder, CO 80309-0249
Telephone: 303-735-5290
Fax: 303-492-7090

Email: NEPC@colorado.edu
<http://nepc.colorado.edu>

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<http://www.greatlakescenter.org>
GreatLakesCenter@greatlakescenter.org

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Kevin Welner

Patricia H. Hinchey

William Mathis

Erik Gunn

Alex Molnar

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ONLINE K-12 SCHOOLING IN THE U.S.: UNCERTAIN PRIVATE VENTURES IN NEED OF PUBLIC REGULATION

Gene V Glass and Kevin G. Welner, University of Colorado Boulder

Executive Summary

Over just the past decade, online learning at the K-12 level has grown from a novelty to a movement. Often using the authority and mechanism of state charters, and in league with home schoolers and other allies, private companies and some state entities are now providing full-time online schooling to a rapidly increasing number of students in the U.S.

Little or no research is yet available on the outcomes of such full-time virtual schooling. Partial or “blended” approaches to virtual education, however, have existed for some time and have been studied fairly extensively. These approaches provide virtual courses in certain areas (math, English, and social studies, for example), and research has shown the virtual courses to produce test scores comparable to those from conventional, face-to-face courses.

While such research is useful, it tells us little about scaling up from isolated courses to full-time virtual schooling. Some areas of the curriculum (the arts, for example) are likely beyond the successful reach of these new arrangements. And research thus far has offered little information about outcomes beyond scores on written tests. Moreover, the rapid growth of virtual schooling raises several immediate, critical questions for legislators regarding matters such as cost, funding, and quality.

Virtual education presents policy challenges to governments at all levels, from local school boards to the federal government. However, the challenges are particularly acute for states, because states bear responsibility for sanctioning and chartering online providers. Therefore, this policy brief is accompanied by model statutory code language to addresses the issues raised by research and discussed in the main body of this brief.

ONLINE K-12 SCHOOLING IN THE U.S.: UNCERTAIN PRIVATE VENTURES IN NEED OF PUBLIC REGULATION

Introduction

This policy brief has four goals: (1) to describe the current status of “online” (computer mediated) schooling in America; (2) to synthesize major research findings on the effectiveness of online instruction; (3) to analyze and discuss the political and economic forces shaping the movement toward increased use of online education at the K-12 level; and (4) to offer recommendations based on the findings. In part, this brief updates and supplements Gene Glass’s April 2009 report, *The Realities of K-12 Virtual Education*.¹

Virtual or “online” schooling is a growing phenomenon, extolled by some and found troubling by others. In its contemporary form, virtual education provides asynchronous, computer-mediated interaction between a teacher and students over the Internet. In just a decade, such virtual education has grown from a novelty to a movement that is now driven by a handful of large companies. Although exact counts are elusive, online instruction provided all or part of the formal schooling for nearly one in every 50 students in the U.S. in 2007, and the sector has increased rapidly since then.

Virtual schooling can be classified either as supplemental (including credit recovery) or as full-time cyber schools, with the former currently accounting for about twice the number of students as the latter.² Students who schedule an online course to make up a failed course are engaging in credit recovery. Often, such online work allows a student to graduate on time. Supplemental courses might also include advanced courses not available at the student’s usual school. Because most of these students’ coursework is completed in a traditional school, they are usually well known by their teachers.

The situation with full-time virtual schooling is somewhat different, however. Students as well as their teachers may be widely separated, with little or no interaction beyond a particular course. These cyber schools exist in at least 27 states today³ and are substantially different from established public schools administering online supplemental programs. Frequently taking the form of online charter schools, they represent a convergence of home schooling, charter schools, and online content providers. These virtual schools have intrigued politicians, particularly those seeking to lower expenditures for K-12 education.⁴ As a few large, private companies lobby legislatures across the nation,⁵ full-time cyberschools have spread widely. However, virtual schools—often chartered by a state agency and supported wholly or in large part by state funds—have not been completely embraced by education professionals. Experienced educators have worried that something important may be lost when live teachers and classroom communities are replaced by laptops.⁶

Assuming virtual schooling continues to advance, as is likely, legislatures will be increasingly called on to address the important policy issues that arise in this radical transformation of K-12 public education. We offer this brief as a resource for legislators in their efforts to protect the public interest in their school systems.

Review of Research

Research on virtual K-12 schooling speaks to four issues: 1) the incidence and rate of growth of the virtual school population; 2) the effectiveness of virtual K-12 schooling in terms of student academic achievement; 3) the cost of virtual K-12 schooling, particularly in relation to the cost of conventional “brick-and-mortar” education; and 4) the quality of virtual K-12 schooling as it might be viewed by traditional accrediting agencies and the public. Each of these issues is discussed below.

The Incidence and Growth of Virtual Education

This brief focuses on privately owned and operated virtual schools, most often taking the form of charter schools. That is, the focus is on publicly funded private ventures, and this combination of public and private interests raises significant and timely questions about the need for regulatory guidance.

Our rationale for concentrating this brief on these private enterprises is simply one of numbers. While state-run virtual schools now exist in at least 39 states, only a small percentage of their enrollment is full-time.⁷

Nationally representative surveys have yet to be conducted (though they are likely at the federal level soon), but a detailed listing of online schooling programs at state and local levels is available in the annual *Keeping Pace* reports produced by Evergreen Consulting Associates.⁸ The latest *Keeping Pace* report sets forth specifics concerning the Education Management Organizations (EMOs) that tend to operate these schools:⁹

National [EMOs] are a key part of the full-time online school landscape, because they operate the schools that collectively make up more than perhaps 75% of the total enrollment in all full-time online schools. The EMOs are a mix of companies that started as online school providers (e.g., K12 Inc., Connections Academy, Insight Schools) and companies that were involved in education and have recently begun offering online schools (e.g., Edison, Kaplan).¹⁰

Looking back over the past decade, one sees only a patchwork of research studies attempting to describe the growth of virtual schools and the role of charter schools. In 2001-2002, a survey conducted by Dick Carpenter identified more than 70 virtual charter schools operating in Arizona, California, Florida, Michigan, or Texas.¹¹ Setzer and Lewis reported that in the 2002–2003 academic year, some 330,000 students were enrolled in distance education courses, with a presence in one-third of the nation’s school districts.¹²

Smith, Clark & Blomeyer estimated in 2005 that 1 in 100 U.S. K-12 public school students had taken at least one online course.¹³

Also in 2005, a single company (K12 Inc., a private company headquartered in Herndon, Virginia) reported having sold curriculum and distance-learning products to school districts, charter schools, and home schoolers in 13 states serving 50,000 online students, an increase from 12,000 students in 11 states just one year earlier.¹⁴

In 2007, the Sloan Consortium conducted a two-year follow-up survey of school district administrators to gauge the prevalence and rate of growth of K-12 virtual schooling.¹⁵ Consortium researchers estimated that more than a million students in the U.S. were

By the year 2011, approximately 40 states operated or authorized online schools that students may attend full or part time.

engaged in some form of virtual schooling, nearly a 50% increase over 2005-2006. The estimate of one million students represents 2% of all U.S. elementary and secondary students—or double the 2005 estimate of 1%.¹⁶

By the year 2011, approximately 40 states operated or authorized online schools that students may attend full or part time.¹⁷ About 30% of high school students and 19% of middle school students report having taken at least one course online in either a blended (online and face-to-face) or totally self-directed format.¹⁸ Nearly two dozen states *prohibit* full-time virtual schooling but allow virtual education to supplement traditional schooling for the purpose of credit recovery or access to courses not offered locally, or to serve homebound or rural students.¹⁹ Seventeen states permit virtual schooling both for credit recovery and convenience (in the case of rural or home-schooled students), or through charter schools.

In 2010, as many as 27 states had at least one full-time virtual school,²⁰ a figure up from about 20 in 2003-2004.²¹ For the 2009-2010 school year, more than 150,000 K-12 students were enrolled in full-time online schools.²² Three states—Arizona, Ohio, and Pennsylvania—were operating multi-district, full-time virtual schools with more than 24,000 students enrolled in each state. These schools are almost all charter schools. Current estimates of the number of full-time virtual school students are difficult to obtain. No single governmental body collects such data, and even state education agencies are often not forthcoming with data on numbers of full-time students in virtual schools. However, the Wikipedia entry for “virtual schools” lists more than 200 full-time virtual K-12 schools.²³ Some of these schools enroll thousands of full-time students. The Florida Virtual School currently enrolls somewhere between 30,000 and 40,000 full-time middle and high school students, most of these being home schooled.²⁴

In league with the home schooling and charter school movements, virtual schooling has become the fastest growing alternative to traditional K-12 education in the United States. As discussed below, this growth is due in large part to the entry of for-profit companies into the arena of K-12 public education.

Effectiveness of Virtual K-12 Education

Meta-analyses of studies investigating achievement outcomes of part-time virtual schooling—none looked at full-time virtual schooling—have appeared in four major publications. The studies asked whether computer-mediated, asynchronous teaching and learning via computers produces similar achievement on written tests as the same material taught in a traditional, synchronous, face-to-face setting. None of the studies synthesized in these meta-analyses looked at complete curricula (reading, math, language arts, social studies, and the like); they each looked only at a partial curriculum (e.g., reading, math, or both). Further, none examined test performance over an extended period of time or with adequate follow-ups. And as just noted, none attempted to compare outcomes for virtual and traditional full-time schooling.

In 2004, Cavanaugh, Gillan, Kromrey, Hess, and Blomeyer²⁵ published the first meta-analysis of online learning outcomes focused entirely on K-12 teaching. The authors synthesized the results of 14 studies published between 1989 and 2004 that compared online courses with face-to-face courses; each met strict inclusion criteria for internal experimental validity. Outcomes were measured by written tests of course objectives. The authors concluded that there were no statistically significant differences in achievement between online and conventional courses.

In 2005, Smith, Clark, and Blomeyer²⁶ published a meta-analysis to update the work of Cavanaugh and her colleagues; the eight experimental and quasi-experimental studies included all targeted K-12 student achievement and met similarly high standards for experimental validity. Findings supported the conclusions of the earlier meta-analysis. In 2006, Tallent-Runnels and her colleagues reviewed achievement in online courses across a wide span of ages and subjects and similarly concluded that "... learning outcomes appeared to be the same as in traditional courses."²⁷

A final meta-analysis was conducted by SRI International and staff at the Center for Technology in Learning, U.S. Department of Education. This is the most recent review. Its approach was comprehensive, including primarily studies of higher education; as noted below, only five studies concerned K-12 education. The meta-analysis examined some 51 independent effect size measures drawn from comparative studies published between 1996 and 2008. The most general conclusion in the abstract and the executive summary of this report reads as follows: "The meta-analysis found that, on average, students in online learning conditions performed better than those receiving face-to-face instruction."²⁸ One can expect this conclusion to be widely quoted by proponents and vendors of online courses. However, several caveats, some of which appear in the USDOE report itself, will likely be ignored:

- Several of the studies integrated in the meta-analysis compared face-to-face instruction with a combination of online and face-to-face instruction (the latter often referred to as "blended" or "hybrid" instruction); hence, these results cannot be extrapolated to situations where 100% online instruction is advocated as a replacement for face-to-face instruction.

- The USDOE analysts also noted that many of these hybrid situations gave more instructional time and added instructional elements than the face-to-face condition with which they were compared. Therefore, the comparison might be between students studying in a hybrid situation for 100 hours versus students in face-to-face instruction for 75 hours. In point of fact, only five studies included in the meta-analysis were conducted at the K-12 level, and all of these involved comparisons of blended online plus face-to-face instruction versus only face-to-face instruction. Moreover, of the seven effect sizes from these five studies, two actually favored face-to-face instruction over blended instruction.
- As noted above, most of the data synthesized in the meta-analysis were from experiments performed on medical training or in a post-secondary setting. The study authors concluded, “The positive effects associated with blended learning should not be attributed to the media, per se. An unexpected finding was the small number of rigorous published studies contrasting online and face-to-face learning conditions for K–12 students. In light of this small corpus, caution is required in generalizing to the K–12 population....” (p. ix, emphasis added).

It is worth repeating here the three limitations mentioned at the outset of this section: no study examined test performance over an extended period of time, none attempted to compare outcomes for virtual and traditional *full-time* schooling, and none looked at a complete curriculum. Concerning this last point, the vast majority of research in this area has examined achievement in highly structured curricular areas such as science, math, and technical knowledge. Missing from all this research are studies that investigate less easily codified subjects, for example, art, music, interpretation of literature, and the like.²⁹

Accordingly, the question whether virtual education can substitute *in toto* for traditional face-to-face education is substantively different from the questions addressed in these studies. No reasonable person doubts that learning can take place “over a computer network.” Perhaps no reasonable person likewise believes that *everything* students learn in a traditional education can be acquired working alone on a computer. Surely there are things to be learned at a deeper level that cannot survive the translation to cable, processor, and LCD screen.³⁰ While many students in a virtual school who express an interest in a particular foreign language or a laboratory science course might be able to supplement their education with offerings from a local community college, these are questions and approaches that should be considered by policymakers. Those policymakers should also have concerns in addition to academics. For instance, intergroup contact is likely to lead to improved intergroup relations,³¹ and we do not know whether or how this can be accomplished through virtual schooling. Nor do we know much about how full-time virtual school can or should serve special needs students.³²

In sum, beyond the narrow evidence focused on short-term results on standardized tests, focused overwhelmingly on reading and math, and focused exclusively on *supplemental* online education, the research in this area is extremely limited. Those making policy should be clear on this key point: there exists no evidence from research that *full-time* virtual schooling at the K-12 level is an adequate replacement for traditional face-to-face teaching and learning. Yet to

date, this lack of support appears to have exerted little or no influence on the proliferation of virtual K-12 schools. While existing research does not document harm, this evidentiary void raises cautions that should favor pilot programs and careful evaluations rather than large-scale expansion of the sector.

Expenditures for K-12 Virtual Schooling

Although profit-making providers of online courses often began business as small companies developing Advanced Placement (AP) or credit recovery courses, they are now rapidly moving into the market of full-time virtual schooling funded by states under charter school programs. Virtual charter schools have sought to be funded exactly as if they were “brick-and-mortar” charter schools. Although legislatures often supported the creation of virtual schools as a way to reduce costs, virtual education providers insist that expenses for virtual schools are comparable to those for conventional schools.³³ Providers lobby legislators vigorously for equal funding, often citing a cost analysis by the firm of Augenblick, Palaich and Associates as the basis for the claim that “...the operating costs of online programs are about the same as the costs of operating brick-and-mortar schools.” The following key proviso in that report is seldom mentioned: “It is important to note, however, that APA did not look at costs related to building facilities or transportation in this study.”³⁴ Size differences in virtual classes will also create economies of large-scale that greatly affect the bottom line.

State reimbursement policies vary widely. K12 Inc. claims that “On average, public virtual schools receive approximately 30% less funding than traditional schools.”³⁵ It is not clear if this is a weighted average, nor is it clear whether the traditional schools referenced are traditional (brick-and-mortar) charters or other public schools. However, the various state laws do tend to fund virtual schools at (or close to) the normal charter school amount for that state.³⁶

Equity and Virtual Schooling

Most changes in the way schools operate can be thought of as tools. Used well, such tools can be beneficial; used poorly, they can be harmful. In short, the specifics matter. Online schooling, as a tool at the disposal of education policymakers, can likely be used to enhance the opportunities of less-advantaged students. It can also represent opportunities denied to such students, or it could provide opportunities but in a way that is inferior or inadequate. Each of these possibilities is considered briefly below.

In its initial incarnation as distance education, online schooling emerged as a way to provide learning opportunities to rural, inaccessible students.³⁷ Similarly, supplemental online courses today can provide advanced and diverse courses to students whose local schools are small, with limited offerings. These are clear instances of online education being used as a tool to expand and enhance education equity.

However, in a situation where online education provides new and superior opportunities, yet the policy does not ensure equal access to all students, the development of this sector can represent opportunities denied to less advantaged students. In this past, this concern has been spoken of in terms of the so-called “digital divide.”³⁸ But in many ways it is just a high-tech version of the stratified access issues that have long played out in American schooling. Advantages worth having will generally be taken disproportionately by influential parents, unless the policy is deliberately designed to ensure equitable access.³⁹

But the most salient virtual-education equity issue now facing policymakers is not the denial of higher-quality opportunities—it is the imposition of lower-quality ones. Particularly in a time of shrinking budgets and a focus on so-called turnarounds of urban schools,⁴⁰ the temptation will be great for states and districts to substitute lower-cost, full-time virtual schools. We can foresee a scenario where narrow test-score measures are used to claim that these virtual schools are just as good (or even better) than the brick-and-mortar schools that formerly served the communities—even while middle-class and wealthier parents would never accept this substitution in their own neighborhoods.

Should policymakers be concerned about the possibility of virtual schooling being a cheap form of education for the “have-nots”? Should they be concerned about it being denied to those same disadvantaged students? Should they be looking for ways to enhance the quality, accountability, and usefulness of this new tool? We believe that, because online education is merely a tool and can take on a variety of forms and quality, all of these are important concerns.

This suggests an evolving dynamic between government officials on the one hand and, on the other, a coalition of virtual school companies, home schoolers, and charter school advocates. At the beginning of K-12 virtual schooling movement, few rules were in place, reflecting very little knowledge about the nature or cost of virtual schooling. Legislators and other policymakers are now taking a closer look at what is actually taking place in these arrangements and adjusting funding and rules accordingly. But the knowledge base is still incomplete and developing.

Quality of Virtual Schooling

Quality issues concerning virtual K-12 schooling reach far beyond what paper-and-pencil achievement tests might show. In addition to obvious features such as course quality and curriculum (evaluations of which are almost entirely lacking), there are concerns specific to virtual schools regarding elements such as teacher certification, authenticity of student work, and accreditation. These three issues are discussed briefly below.

Teacher certification

The matter of certification of teachers in virtual schools is complex. In addition to questions about the quality of programs designed to prepare teachers for online instruction,⁴¹ and subsequently about what it might mean for a virtual school to say it

employs only “certified” teachers, questions have arisen about who actually does the teaching in a virtual school. In Arizona, K12 Inc. actually “outsourced” instructional functions of the Arizona Virtual Academy, a virtual school, to low-paid workers in India.⁴² After the outsourcing gained national attention, the company stopped the practice. In Wisconsin, issues of teacher certification were implicated in litigation resulting in a 2007 Court of Appeals decision finding, among other things, that the Wisconsin Virtual Academy put parents in the position of teachers, in violation of the state’s teacher certification law.⁴³ The legislature subsequently amended the law to provide greater regulation of virtual schools.⁴⁴

Authenticity of student work

Whenever teacher and student are not in a face-to-face relationship, suspicions are increased that all or much of the work being assessed may not be that of the students themselves. Thinking back to our own schooling days, we can recall how teachers organized and supervised the classroom environment to minimize the possibility of cheating. But in a virtual classroom, how does one—the teacher, the superintendent, the college admissions officer, the employer—know that the student who signed up for the course actually did the assignments and took the tests?

The obvious answer for conferring legitimacy on students’ work in a virtual environment is relatively simple. A trusted organization must administer the most important examinations in person to the individual receiving credit. This issue is so important that it has, for example, found its way into the enabling legislation for the South Carolina Virtual School Program: “Students enrolled in an online course for a unit of credit must be administered final exams and appropriate state assessments in a proctored environment.”⁴⁵ Kaplan K12 Learning Services, a subsidiary of The Washington Post Company, and Pearson VUE, a private company that administers tests in testing centers around the country, are sometimes used as proctors for various online courses and schools. But this practice is still relatively rare. The problems that can thus arise are illustrated by the following two recent examples, one from Colorado and one from Ohio.

Students at North High School in Denver, Colorado, engaged in a credit recovery online program provided by Apex Learning Inc. They were found to have devised a number of strategies for passing exams without actually having acquired the skills or knowledge being taught. Smart phones could be logged into web sites like www.answers.com, www.calculateme.com, and www.myalgebra.com. North High School’s graduation rate jumped from 46% in 2008, before the online credit recovery program started, to 64% in 2010. Cheryl Vedoe, CEO of Apex Learning is quoted as saying, “... there is a relatively limited amount that Apex can do to prevent students from utilizing the web to go look up answers.”⁴⁶

Further, the lack of face-to-face relationships between students and teachers can lead to abuses that threaten the legitimacy of the entire institution of cyber-schooling. In Ohio, roughly half of the students in an online K-12 school were found not even to own a

computer; only 3% of the African American students enrolled in this school ever graduated.⁴⁷ These are circumstances that would be difficult to ignore in traditional brick-and-mortar schools.

Accreditation

Several private groups have offered accreditation services to virtual schools: the Commission on International and Trans-Regional Accreditation, the Northwest Association of Accredited Schools,⁴⁸ the Southern Association of Colleges and Schools Council on Accreditation and School Improvement, and the Western Association of Schools and Colleges, to name only a few. These agencies, in part because of their rapid proliferation, have yet to acquire the legitimacy of more established agencies approved by the U. S. Department of Education, such as the Middle States Association of Colleges and Schools, the New England Association of Schools and Colleges, North Central Association of Colleges and Schools, the Southern Association of Colleges and Schools, and the Western Association of Schools and Colleges. Such traditional accrediting agencies have sought to bring virtual schools under their purview, but few of the virtual schools have requested their services.

The challenge of ensuring reliable accreditation has been demonstrated by higher education, which has long struggled with the problem of dubious accrediting agencies. The Council for Higher Education Accreditation, a private organization of 3,000 colleges and universities, lists more than two dozen accrediting agencies that it identifies as questionable. Some of these accredit several online colleges and schools.⁴⁹ There is no doubt that fraud exists, with diploma mills selling diplomas and claiming accreditation from at least one of more than 30 accrediting agencies not recognized by the Council on Higher Education Accreditation or the U.S. Department of Education.⁵⁰

Given such concerns, it is perhaps not surprising that the public remains somewhat skeptical about online schooling. The annual Phi Delta Kappa/Gallup education survey has asked parents of public school children “Would you be willing to have your child earn most high school credits online?”⁵¹ In the 2007 survey, 73% of parents said they would *not* be so willing, an increase from the 49% of parents who replied “Not willing” in the 2001 survey (the only two years when this question was asked). What exactly has caused this remarkable rise in skepticism is unclear, but it is reasonable to assume that parents in 2007 understood the nature and meaning of online education more than their counterparts did six years earlier.

Recent Developments

States continue to implement online schooling, with big legislative pushes in 2010 and 2011 seeing virtual schools laws passed in Michigan, Vermont and Montana, among others. A 2011 Florida law even requires all students to take at least one online course as a condition for earning a high-school diploma.⁵² Along with this expansion, states are currently adopting laws and regulations that touch on issues such as teacher certification

and funding as discussed above, as well as a host of related issues, including standards for online courses and professional development for online teachers.

A relatively small number of providers dominate the online schooling market. The following six large companies account for much of the content and services sold to full-time virtual schools: K12 Inc., which entered the business originally as a provider of courses for home-schooled students; Educational Options Inc., which started as a provider of courses for credit recovery; Apex Learning, originally an online course provider for Advanced Placement courses; PLATO; A+LS, originally a provider of courses for accelerated learning and credit recovery; and Connections Education, which was recently acquired by Pearson PLC for \$400 Million.⁵³ These companies are now actively marketing a full range of courses and services to full-time virtual schools.

Some companies and school districts, in their search for greater profits and funding, have been exploiting the lack of well-conceived legislation. For instance, K12 Inc. established a virtual charter school in Carroll County, Virginia, that enrolls approximately 400 students, only 5 of whom in 2011 were residents of the county. Since Carroll County is one of the poorest in the state, the state's per-pupil expenditure for many students there is more than \$3,500 above the state average. State Senator George Baker was quoted as saying, "It's a really screwed up system. Here's something that is clearly cheaper. You have a larger number of kids per teacher. There's very little overhead. And yet, we're paying more."⁵⁴

Public school districts have also become entrepreneurial. On the prairie in southeastern Colorado, a third of a mile north of the New Mexico border, sits the tiny town of Branson, Colorado. It has no grocery store and no gas station; in 2000, it had a population of 77 persons in 43 domiciles.⁵⁵ Branson is a most unlikely place to have received over \$15

Private corporations, most of which are for-profit, have recognized a huge potential market in virtual schooling.

million in state support for its 1,000 "virtual students" from around the state who attended Branson School Online in its first four years (2001-2005). Yet a 2005 *New York Times* story about Branson reported:

"Cyberschools are the 800-pound gorilla of the choice movement, although vouchers and charter schools get a lot more attention," said William Moloney, education commissioner in Colorado, where state financing for online schools has increased almost 20-fold in five years—to \$20.2 million for 3,585 students today from \$1.1 million for 166 full-time students in 2000.⁵⁶

Similarly, tiny rural Vilas School District in Colorado ran "Hope Co-Op Online Learning Academy," with just 17 online teachers hired to serve 3,800 students enrolled from around the state.⁵⁷ The Colorado state auditor in 2006 documented major problems with oversight and accreditation in these and other cyber schools, including proof that one virtual school sent enrolled children to religious academies.⁵⁸

Commercial Interests and Corporate Relationships

The rapid expansion of virtual schools operating under state charters raises several concerns meriting additional discussion and analysis. Because the K-12 virtual schooling sector is dominated by private corporations, some of these concerns arise out of the relationship that now must exist between these private businesses and government in the area of public education. Two of these concerns were discussed earlier: the function of traditional accreditation agencies in the oversight of virtual schooling, and the potential of financial incentives to distort decision making. An additional concern is discussed here: the role of private companies in the provision of K-12 public education as well as the cooperation of government and business in the creation and oversight of virtual schools.

Private corporations, most of which are for-profit,⁵⁹ have recognized a huge potential market in virtual schooling. One of the largest of these is K12 Inc., co-founded in 1999 by William J. Bennett, former Secretary of Education in the Reagan Administration.⁶⁰ Ronald Packard, CEO of K12 Inc., received annual compensation in 2010 of more than \$2.6 million dollars.⁶¹ While Bennett was still on the board of K12 Inc., the state of Arkansas was awarded a \$4 million grant from the U.S. Department of Education to establish a virtual charter school, the Arkansas Virtual Academy. The curriculum for the Academy was supplied by K12 Inc., leading to the appearance that Bennett's political influence helped bring the grant about.⁶²

Government and corporations have engaged in relationships to benefit profit-making companies for decades, if not centuries. In "crony capitalism," as these relationships are sometimes called, business uses lobbyists to cultivate close relationships with government officials. These relationships result in government favoritism in such areas as the distribution of permits, government grants, special tax breaks, and the like. When government adopts regulations or sets up regulatory agencies for a particular industry, current industry representatives may be appointed to positions that allow them to use their regulatory authority against their competitors or to minimize regulatory protection of consumers and taxpayers—a situation often referred to as "regulatory capture."

What is relatively new on the cronyism scene is the move to privatize traditional state functions and services such as prisons, parks, and public schools. The privatization of prisons is well advanced in the U.S., with lobbyists successfully prodding legislators into contracting out these "services" and even passing stiffer sentencing laws ("three strikes and you're out") and so increasing the flow of prisoners into for-profit incarceration.⁶³ The privatization of K-12 public education is a new field on which the machinations of crony capitalism can be played out, and the prize is a portion of the half-trillion dollars spent annually on public K-12 education. As Rupert Murdoch said when NewsCorp announced it had hired former New York City Chancellor Joel Klein to run its online education division and then acquired the company Wireless Generation, "When it comes to K through 12 education, we see a \$500 billion sector in the U.S. alone that is waiting desperately to be transformed by big breakthroughs that extend the reach of great teaching."⁶⁴

The case of the Arizona Virtual Academy, mentioned briefly above with regard to outsourcing to India, may become all too typical of the relationships between government, corporations, and advocacy in the area of public K-12 education. This large charter school currently enrolls approximately 5,000 full-time online students. The State of Arizona pays the school approximately \$6,000 per student, the typical rate for a charter school student (even though the Academy maintained only an office in downtown Phoenix and no other physical site). The Academy last year collected approximately \$30 million in state funding, approximately 90% of the total state funding for virtual schools. The Director of the Arizona Virtual Academy was formerly an employee of the Goldwater Institute in Phoenix—a conservative think-tank championing vouchers, charter schools, and other

For-profit virtual education businesses have started to exercise influence over elected positions that could provide them with later payoffs.

privatization proposals—and currently serves on the Arizona Charter School Board, which she once chaired. She also is employed as a Senior Vice-President of the above-mentioned K12 Inc., and approximately two-thirds of the state money going to the Arizona Virtual Academy is passed through to K12 Inc. These conflicts of interest would quickly lead to resignations—if not indictments—in most traditional public school settings.⁶⁵ But in the private realm they are apparently seen, and even valued, as mere interlocking connections.

The Arizona Virtual Academy outsourcing story is also relevant in this context. The Academy listed some of these East Indian cyber tutors as “secondary teachers” on courses. In fact, Terry Moe and John Chubb in their recent book *Liberating Learning: Technology Politics and the Future of Education* cite with approbation the outsourcing of instruction to low-paid “cyber tutors” in India. But when questioned by a local reporter, the Academy’s director insisted that they were actually only “outside scorers.”⁶⁶ In any case, in pursuit of commercial interests, these sorts of corporate efficiencies are attractive and will very likely be pursued in the absence of regulation.

In Arizona and most other states, charters to run public schools are only issued to non-profit entities. Consequently, for-profit corporations set up non-profit foundations and other organizations to obtain a charter, and then the charter school purchases a full range of services from the profit-making corporation. These services are not limited to the provision of courses on a network—increasingly via the Internet because of its much lower cost than private networks. They also extend to human resources services, student record keeping (maintaining test scores, attendance, and discipline records), and even teacher training.

Again, the Arizona Virtual Academy provides an instructive example. The charter under which the Academy operates was issued to Portable Practical Educational Preparation, Inc. (PPEP) in 2003. PPEP is listed as a non-profit organization, and yet while the company also is a long-standing provider of other services, its virtual charter operations seem indistinguishable from a subdivision of K12 Inc. Of the staff listed under PPEP, 90% of the email addresses are to someone@k12.com.⁶⁷ Even the website for the AVA is maintained on the K12 Inc. servers: <http://www.k12.com/azva/>

However egregious this Arizona example may seem, it is not unique. For example, in much the same way that other business interests have long influenced political races, for-profit virtual education businesses have started to exercise influence over elected positions that could eventually provide them with payoffs. Idaho Superintendent of Public Instruction Tom Luna, for instance, has been a vigorous proponent of K-12 virtual schooling since assuming that office in 2007. Luna served as a senior adviser to U.S. Secretary of Education Rod Paige from 2003 to 2005, and he currently serves as President-Elect of the Council of Chief State School Officers. He has proposed a plan called Students Come First. This plan would require that a certain number of online courses be completed by high school students and would also require laptop computers be made available to all students. Among the many accomplishments of his administration as listed on his website is the following: "Created the Division of Innovation and Choice to spur innovation and expand choices in public education through public charter schools, magnet schools, open enrollment, virtual education, dual credit and other opportunities."⁶⁸ In October 2009, Luna held a re-election fundraiser in the offices of a major Washington D. C. lobbying firm. Among the sponsors and contributors were ex-Secretaries of Education William Bennett and Rod Paige. K12 Inc., which at that time was operating the Idaho Virtual Academy, spent approximately \$44,000 in support of Luna's campaign.⁶⁹ "Altogether," according to an *Idaho Statesman* article, "Luna received 19 percent of his funds from the for-profit education sector."

Recommendations

The relatively unregulated operation of virtual schools by private or public entities has caused many professionals to approach the subject of virtual schooling with caution. Increased regulation and oversight seem likely as well as valuable. The substantial variation in how states currently regulate virtual K-12 schooling speaks less to the differing circumstances across the country than it does to the alacrity with which various states have (or have not) confronted the problems posed.⁷⁰

Virtual schools operating under charters issued by states are growing at accelerating rates. In fact, it seems that regulation and oversight of these entities are lacking in precisely those locations where growth is fastest. Legislators must address a full agenda of issues if the public trust in public education is to be maintained. Accordingly, it is recommended that state legislatures turn their attention to the following four crucial areas:

Authentication of the Source of Students' Work. Teachers are well-acquainted with the parents who actually create their middle school student's science fair project. Virtual schools offer much greater opportunity for students to obtain credit for work they did not do themselves. Since an online instructor does not generally know who actually completes all those online assignments and takes the tests, sensible precautions are in order. For example, a trusted organization might administer in-person exams, as is currently the practice at some virtual schools.

Fiscal and Instructional Regulations. K-12 virtual schooling is complex; its proper regulation will also be complex. Legislators will have to address, at a minimum, four issues

concerning the costs and effectiveness of virtual schools: the level and extent of teacher involvement in the instructional process; the certification status of teachers employed by virtual schools; the role of tests in earning online credits; and reciprocity of teacher certification across state lines. They will also need to determine whether and how traditional accounting practices used to fund conventional schools, such as 100-day enrollments or average daily membership, apply to funding for virtual schooling.

Audits. States should conduct audits of private providers, to determine actual costs incurred by such companies providing courses and services to virtual schools. Pegging reimbursements at some arbitrary level (e.g., 75% of the state's average contribution), ignores the reality of actual cost savings afforded by online instruction. The funding system adopted should also deliberately include incentives to provide a high-quality as well as an efficient education; audits will inform such decision-making. Virtual education costs will depend on such things as the subject being taught, who serves as teachers, and how many students are being taught. While private companies must be allowed reasonable operating funding, audits can help determine this reasonable amount.

Accreditation. Currently, there are few agencies to turn to for help in evaluating providers of online schooling. States or other public bodies should create and maintain a list of legitimate agencies that accredit providers of K-12 online education. To avoid abuses such as those encountered with proprietary schools (truck driving, cosmetology, and the like) and online diploma mills, the traditional high school accrediting agencies or some state or federal governmental agencies must address more vigorously the accreditation of commercial online providers of both courses and full-time K-12 programs.

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Individual state experiences illustrate differences. Florida funded two virtual pilot schools in 2003, both operated by national corporations based outside the state. It paid \$4,800 per student, only some \$700 less than the state's standard per-pupil expenditure. In 2004, the Pennsylvania Auditor General audited each of the state's virtual charter schools and lowered the per-pupil reimbursement to \$7,200, about three-quarters of the conventional per-pupil expenditure. Also in 2004, the Idaho Legislature funded the Idaho Virtual Academy, a public virtual school run by K12 Inc., at approximately half the per-pupil expenditure of conventional public schools in the state. However, principals for the K12 Inc. corporation have accused the Idaho legislature of deliberately underfunding the Academy due to "...opposition from the establishment." See Gartner, John. (April 4, 2004). Virtual-school costs under siege. *Wired*. Retrieved February 16, 2009, from <http://www.wired.com/politics/law/news/2004/04/62890>.

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In Arizona, reimbursement is much higher. The state originally had a cap on the number of virtual charter schools and on the number of students in such schools, but the state removed the cap in return for reducing the funding level to \$5,800, which is 95% of the funding level for conventional charters. The number of virtual charter schools in the state quickly jumped from 7 to 14 (Reed, David E. Personal communication. February 15, 2011). Arizona's governor is currently seeking to reduce funding for virtual charter school students to \$4,900 (or some 84% of conventional charter school funding).

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60 Bennett resigned his position on the board of K12 Inc. in 2005 after having made some controversial remarks about abortion and African Americans on his radio program, although he continues to hold stock in the company, which became publicly traded on the New York Stock Exchange in December 2007 (symbol = LRN). See Shin, Annys. (2005, October 4). Bennett quits K12 board after remarks. *Washington Post*, D04.

LRN debuted on the NYSE at \$25/share and was trading at \$15/share when the Dow Jones Industrial Average had lost more than 50% of its value in March 2009. As of July 9, 2011, it was trading at \$34.87/share.

61 Forbes.com (undated). Ronald J. Packard profile. Retrieved July 9, 2011, from <http://people.forbes.com/profile/ronald-j-packard/46766>.

62 eSchool News Staff. (2004, August 16). Grants to Bennett's K12 Inc. challenged. *eSchool News*. Retrieved January 20, 2009, from <http://www.eschoolnews.com/news/topnews/index.cfm?i=35921&CFID=6027970&CFTOKEN=85708358>.

Sixty percent of the students attending the Arkansas Virtual Academy had previously been home schooled. The Arkansas proposal did not receive the highest ranking in the Department of Education's review. Although Department officials denied that politics played any role in their decision, one DOE employee offered the opinion that anything with Bennett's name on it was going to be funded. See eSchool News Staff. (2004, August 16). Grants to Bennett's K12 Inc. challenged. *eSchool News*. Retrieved September 24, 2008, from <http://tinyurl.com/cwth7>.

63 Ashton, P. & Petteruti, A. (2011). *Gaming the System*. Washington DC: Justice Policy Institute. Retrieved July 9, 2011, from http://www.justicepolicy.org/uploads/justicepolicy/documents/gaming_the_system.pdf.

64 NewsCorp Press Release (2010, November 22). *News Corporation to Acquire Education Technology Company Wireless Generation*. Retrieved July 9, 2011, from http://www.newscorp.com/news/news_464.html.

65 Reed, David E. Personal communication. February 15, 2011.

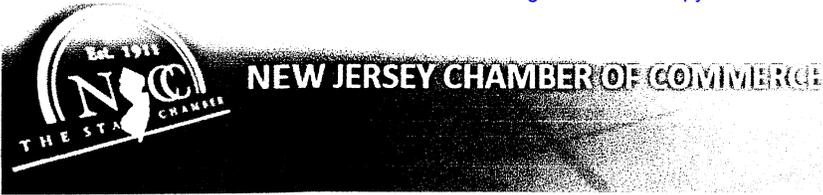
66 Trotter, A. (2008, September 10) K12 Inc. scraps India outsourcing. *Education Week*. Retrieved October 18, 2010, from <http://www.edweek.org/ew/articles/2008/09/10/03outsourc.h28.html>.

67 See <http://www.ade.az.gov/edd/NewDetails.asp?EntityID=87405&RefTypeID=1999&SchoolType=CS>, retrieved July 9, 2011.

68 Idaho Superintendent of Public Instruction Tom Luna (undated). Idaho State Department of Public Instruction. Retrieved February 13, 2011, from <http://www.sde.idaho.gov/site/luna/>.

69 Popkey, D. (2011, February 20). Tom Luna's education reform plan was a long time in the making. *Idaho Statesman*. Retrieved March 1, 2011, from <http://tinyurl.com/4323d9g>.

70 Ash, Katie. (2009). Virtual approaches vary: State policies and programs for online-only education differ. *Education Week*. 28(26), 26-27.



Good morning.

My name is Dana Egreczky and I am the senior vice president, workforce development, at the New Jersey Chamber of Commerce and president and CEO of the New Jersey Chamber of Commerce Foundation, an organization dedicated to producing the high quality workforce our member companies need.

I am here today to lend my voice in support of increased use of computer technology in schools. My diverse background includes 16 years as a middle and high school science teacher, three years as a corporate computer trainer, and many more years serving the business community in a succession of three chambers of commerce.

I know many question the use of computers in schools. Many wonder if we fully equip schools with appropriate technologies, would students play games and surf the web all day long rather than learn what they need to learn. But I wonder why those things would need to be considered mutually exclusive. So I would share a view from the business world – where almost all students in schools today will seek employment tomorrow.

Business knows that there a technology that is advancing faster than almost any technology ever invented, and that is the technology of gaming. This has been made possible by the advances made in manufacturing faster and faster computer chips.

In fact, if other technologies had advanced as rapidly as computer processors, a car that could go 88 miles per hour and get 12 miles per gallon in 1973 would today be able to speed along at 180,224 miles per hour and get 24,575 miles per gallon; and an airplane would take only 8.8 seconds to fly from California to New York (over 3,000 miles)!

Of course, sooner or later, transportation technologies – and computer processors – bow to the laws of physics and we hit the limits of the natural world. But I can tell you that business is gearing up to utilize gaming technologies in every aspect of its operations.

IBM has established a division that is developing gaming software that business will be able to use as training tools. One of their first projects is the development of a game that will be used as by sales professionals who need to learn the techniques that lead to 'closing the deal.' In short, business is preparing to embrace the gaming generation, and use their interest in games to further our own objectives.

In business, our computers – one on every desk and then some – serve us as well as our human assistants used to. Once, managers dictated letters to secretaries. Now we all type – or dictate – our own letters to our computers, and those machines magically correct spelling and grammar at least as well as most secretaries used to do. Managers don't need to wait for a piece of critical information – it's in the cloud, instantly accessible to us. Our work follows us home and as a result, employee productivity is at an all-time high.

Imaging what we could do if computer technologies were embedded in schools as deeply as they are embedded in business.

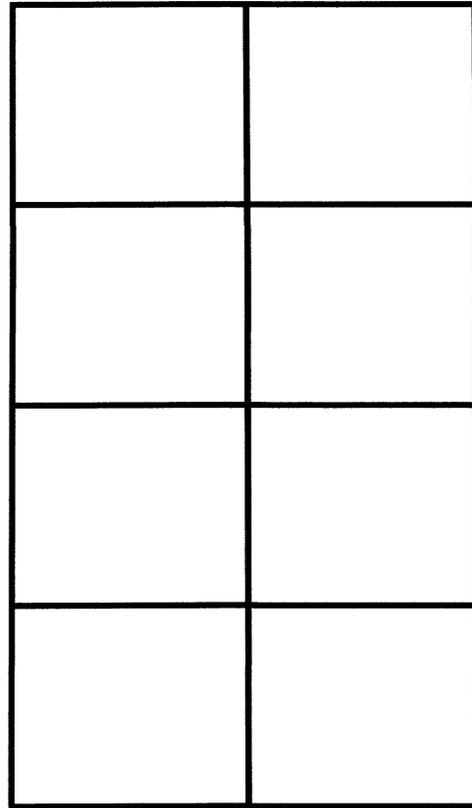
- Learning opportunities could follow students home – creating classrooms without walls that could be accessed 24/7.
- Course offerings made to students could be greatly expanded. For example, to meet graduation requirements in world languages, most schools offer Spanish or French. But in-demand languages in the business world are Mandarin Chinese, Japanese, German, Russian, Hindi, Arabic, Persian, Syrian, Turkish, Swahili, Urdu, Farsi, and Bahasa Indonesian. Individuals who know these languages can expect a 25% increase in lifetime income. These languages could all be offered using over-the-counter language training programs and greatly increase a student's potential to earn income.
- Teachers could better manage classrooms and provide students with a variety of environments that suited their individual learning styles. Students who had gained proficiency in the topic of the day could use computers to access advance subject matter while the teacher could focus on the students who had not gained proficiency – or vice versa. There is some emerging data that suggests that learners of all abilities learn more in certain circumstances using computers than with human teachers because they don't mind revealing what they don't know to the computer.
- Professional development opportunities for teachers could be greatly enhanced if the same learning opportunities were given to teachers to increase their subject matter knowledge or their pedagogical skills.

There is one final part of the computer equation that must be considered. New Jersey has adopted the Common Core Standards and will be deploying the PARCC tests over the course of the next several years. The PARCC testing system will include a series of diagnostic quizzes that students will take that will provide teachers with instant feedback – teachers will know what every student has learned and where learning gaps are for individual students. This resembles the way business trains its employees – constant analysis of who knows what and what else they have to learn.

So schools will need an ever increasing base of computer technologies and a growing acceptance of their various capabilities.

And to tie it all together, I would like to present to you one of the questions from the PARCC test in third grade math.

A farmer planted $\frac{3}{4}$ of her field with soybeans.
The chart on the right represents the farmer's field. Drag the icon of the leaf into the chart as often as necessary to represent three fourths of the field.



So as you can see, the techniques and underlying programming used in gaming software have even permeated into our testing systems. In my opinion, making learning and testing more interesting and more fun – by allowing students to access the world through the cloud can only lead to better outcomes for students.

Thank you for your attention.

COMMITTEE MEETING
ON THE
JOINT COMMITTEE OF THE PUBLIC SCHOOLS
WEDNESDAY, DECEMBER 5, 2012

DID YOU KNOW?



- ✓ Founded in 2002
- ✓ Vetted by the NJEA in 2004 and 2005
 - MOESA (local union chapter) approved two salary guides for New Jersey Virtual School teachers over a seven year period.
- ✓ All courses taught by:
 - NJ certified teachers
 - highly qualified in their subject area
 - Criminal History Check
 - Evaluated on a regular basis
- ✓ To date has served more than 15,000 students in over 100 public schools
- ✓ Provides opportunities for
 - Credit recovery
 - AP Courses
 - Courses to resolve schedule conflicts
 - Homebound students
- ✓ Approved by the NCAA and the College Board
- ✓ Provided education to students in Juvenile Justice System 2007-9. Instituted by then Sheriff Kim Guadano
- ✓ Provides education to Monmouth County Correctional Institution since 2008 under direction of Sheriff Kim Guadano
 - Over 115 persons received GED
- ✓ Contracted with State Juvenile Justice System to provide educational component to students through the state in state institutions.
 - Security issues remain a challenge.



- ✓ Initial approval July 2011
 - Planning year 2012
 - Originally scheduled to open in September 2012
 - Requested additional year to recruit students
 - Need cooperation of schools and advertisement to “get the message out to the targeted population.”
- ✓ Target areas:
 - Paterson
 - Perth Amboy
 - Neptune
 - Camden

“The world doesn’t change one person at a time. It changes when networks of relationships form among people who share a common vision of what’s possible. This is good news for those of us intent on creating positive future. Rather than worry about critical mass, our work is to foster critical connections.”

Margaret Wheatley

The mission of the **New Jersey Virtual Charter**

School is to increase high school completion rates, postsecondary enrollment, and career opportunities among New Jersey high school dropouts ages 17 -19 by providing state-of-the-art , technology-based, online courses, and personalized support services.

“New Jersey Virtual Charter School” (NJVCS) is a “Blended Model” Charter School. NJVCS is founded on the principle that the blended learning model of face-to-face learning and online instruction will serve as a catalyst for the academic, career and social success of students who previously were in danger of or who dropped out of high school. The population includes students ages 16 -19 who wish to

complete the work necessary to receive a state issued diploma. The program will nurture a desire for learning and collaboration for students who might not otherwise have an opportunity to complete high school, develop 21st century skills and secure a job in the global economy.

NJVCS will provide an educational option for up to 150 students in Camden, Neptune, Paterson, and Perth Amboy, each of which has limited quality options for students to return to high school but experience increasing challenges with drug use, violence and gang involvement among its youth. The NJVCS focus is on student achievement with the care of well-trained and caring adults. With those principles in mind, the school identified two primary objectives:

- To demonstrate how a tailored instructional program, combining the best elements of online and traditional instruction infused in a college setting give students the knowledge, critical thinking skills, and confidence to compete in the 21st century global marketplace.
- To provide an alternative to dropping out of school. NJVCS Students will have the opportunity to intern in part time jobs under the direction of job coaches.

NJVCS supports the purposes of the Charter School Program by:

- enabling a high quality charter school of this type offer an effective individualized public school education choice to a specific population; and
- Providing opportunity to evaluate the effects of this charter school model on students and academic achievement.

Aaron Decker Elementary School
 Ability School Inc.
 Abraham Clark High School
 Absegami High School
 Academy Allied Health and Science
 Academy Charter High School
 Academy for Information Technology
 Academy High School
 Academy of Holy Angel's
 Academy of Saint Elizabeth
 Academy of Science Tech.Voc. School
 Accredited Neptune Evening High School
 Alder Avenue Middle School
 Alif Muhammad's Nia School
 Allentown High School
 Arthur L. Johnson High School
 Asbury Park High School
 Atlantic City High School
 Atlantic County Institute of
 Technology
 Baptist Regional School
 Barnegat High School
 Barringer High School
 Bayonne High School
 Belvidere High School
 Benedictine Academy
 Bergen Blvd School
 Bergen County Technical School
 Teterboro
 Bergenfield High School
 Bernards High School
 Bishop George Ahr High School
 Bloomfield High School
 Bogota High School
 Boonton High School
 Bound Brook High School
 Brick Township High School
 Brick Township Memorial High School
 Bridgeton High School
 Bridgewater-Raritan Regional High School
 Brimm Medical Arts High School
 Calvary Academy
 Camden High School
 Career Academy
 Carl W. Goetz Middle School
 Cardinal McCarrick High School
 Carteret High School
 Cedar Creek High School
 Cedar Drive Middle School
 Cedar Grove High School
 Central Jersey College Prep
 Central Regional High School
 Central Regional Middle School
 Charter Technical High School for the
 Performing Arts
 Chatham High School
 Christian Brothers Academy
 Churchhill Junior High School
 Clarkstown High School South
 Clearview Regional High School
 Clifton High School
 Collier High School
 Collis Neck High School
 Columbia High School
 Communications High School

Create Charter School
 Creative Arts High School
 Cumberland Regional High School
 Cunningham High School
 David Breatley High School
 De Paul Catholic High School
 Delaware Valley Regional High School
 Delran High School
 Deptford High School
 Dickinson High School
 Don Bosco High School
 Dover High School
 Dwight Morrow High School
 Dwyer Technical Academy
 East Brunswick High School
 East Brunswick Vocational School
 East Orange High School
 Eastern Christian Academy
 Eastern High School
 Eastern Intermediate Senior High School
 Eastside High School
 Edison High School
 Edison C&T Academy
 Egg Harbor Township High School
 Eisenhower Middle School
 Elmwood Park Elementary School
 Estelle Manor Elementary School
 Ewing High School
 Fair Lawn High School
 Fernwood Avenue Middle School
 Ferris High School
 Fisher Middle School
 Florence High School
 Florence Township Memorial High School
 Fort Lee High School
 Foundation Collegiate Academy
 Franklin High School
 Freehold Borough High School
 Freehold Township High School
 G. Harold Antrim Elementary School
 Garfield High School
 Gateway Regional High School
 Glen Ridge High School
 Gloucester Catholic High School
 Hackensack High School
 Hackettstown High School
 Haddonfield High School
 Haddonfield Memorial High School
 Hamilton East-Steinert High School
 Hamilton Township Schools
 Hamilton West-Watson High School
 Hammononton High School
 Hanover Park High School
 Hasbrouck Heights High School
 Hasbrouck Heights Middle School
 Hawthorne Christian Academy
 HCST Jersey City Center
 Henry Hudson Regional High School
 Henry P. Becton Regional High School
 Herbert Hoover Middle School
 High Point Regional High School
 High Technology High School
 Hightstown High School
 Hillcrest Academy
 Hillel High School
 Hillsborough High School

Hillside High School
 Hoboken High School
 Holly Family Academy
 Holmdel High School
 Holy Spirit High School
 Honiss Elementary School
 Hopatcong High School
 Hopewell Valley Central High School
 Hopewell Valley Regional High School
 Howell High School
 Howell Township Middle School North
 Hudson Academy
 Hudson Catholic Regional High School
 Hudson County Voc. H.S.
 Hunterdon Central High School
 Indian Hills High School
 International High School
 Irvington Adult High School
 Irvington High School
 Jackson Liberty High School
 Jackson Memorial High School
 James Caldwell High School
 Jefferson Arts Academy
 Jefferson Township High School
 Jefferson Township Middle School
 Jersey City Adult Day High School
 Jersey City Adult Evening High School
 John Adams Middle School
 John F. Kennedy High School
 John F. Kennedy Elementary School
 Jonathan Dayton High School
 JP Stevens High School
 KAS Prep.
 Kawameeh Middle School
 Kearny High School
 Keyport High School
 Kinnelon High School
 Kittatiny Regional High School
 Lacey Township High School
 Lacey Township Middle School
 Lake Riviera Middle School
 Lakeland Regional High School
 Lakewood High School
 Lawrence High School
 Leap Academy
 Lenape High School
 Lenape Valley Regional High School
 Leonia High School
 Lewis F. Cole Middle School
 Lincoln High School
 Linden High School
 Lindenwood School District
 Linwood Middle School
 Livingston Senior High School
 Long Branch High School
 Lumberton Middle School
 Madison High School
 Mahwah High School
 Malcolm X Shabazz
 Manalapan-Englishtown Middle School
 Manalapan High School
 Manasquan Elementary School
 Manasquan High School
 Manasquan High School
 Manchester Township High School
 Manville High School
 Ma'or Yeshiva High School

Maple Place Elementary School
 Maple Shade High School
 Marlboro High School
 Mary Help of Christians Academy
 Matawan Regional High School
 Mater Dei High School
 Marine Academy of Technology &
 Environmental Science
 Memorial Senior High School
 Mendham Township Middle School
 Monmouth County Vocational School
 Melville Senior High School
 Memorial Middle School
 Memorial Senior High School
 Met East High School
 Middle Township High School
 Middlesex County Academy
 Middlesex High School
 Middletown High School North
 Middletown High School South
 Millburn Senior High School
 Millstone Middle School
 Monmouth Co. Acad. Allied Hth. Sci.
 Monmouth Regional High School
 Monroeville Regional High School
 Monsignor Donovan High School
 Montclair High School
 Montclair Kimberly Academy
 Montville High School
 Moorestown High School
 Morris Catholic High School
 Morris County School of Technology
 Morris Hills High School
 Morris Knolls High School
 Morrissett High School
 Moshe Aaron Yeshiva High School
 Mother Seton High School
 Mount Olive High School
 Mountain Lakes High School
 Mt Hope High School
 New Jersey United Christian Academy
 Neeta Elementary School
 Neptune High School
 Neptune Middle School
 New Brunswick Adult High School
 New Brunswick High School
 New Egypt High School
 Newark Vocational School
 Newton High School
 North Arlington High School
 North Bergen High School
 North Brunswick Township High School
 North Hunterdon High School
 North Plainfield Adult High School
 North Plainfield High School
 North Warren Regional High School
 Northern Burlington County Regional
 High School
 Northern Highlands Regional High School
 Northern Valley High School – Old Tappan
 Northern Valley Reg. Demarest H.S.
 Notre Dame High School
 Nutley High School
 Oakcrest High School
 Ocean City High School
 Ocean County Vocational Technical School

Ocean Township High School
 Ocean Township Middle School
 Ocean County Voc.-Navy Lakehurst Center
 Orange High School
 Our Lady of Good Counsel High School
 Parker School
 Parsippany High School
 Parsippany Troy Hills High School
 Pascack Hills High School
 Pascack Valley High School
 Passaic County Technical Institute
 Passaic High School
 Passaic Valley Regional High School
 Patterson Charter School
 Pemberton Township High School
 Penns Grove Carney Point
 Pennsauken High School
 Pennsville High School
 Performing Arts Academy
 Perth Amboy High School
 Phillipsburg High School
 Pinelands Regional High School
 Pinelands Regional Jr. High School
 Pioneer Academy of Science
 Piscataway Township High School
 Pitman High School
 Plainfield High School
 Pleasantville High School
 Point Pleasant Beach High School
 Point Pleasant Borough High School
 Pompton Lakes High School
 Pope John XXIII High School
 Princeton High School
 Rahway High School
 Ramapo High School
 Ramapo Middle School
 Ramsey High School
 Raritan High School
 Red Bank Catholic High School
 Red Bank Regional High School
 Renaissance Academy
 Ridge High School
 Ridgely Memorial High School
 Ridgewood High School
 Roselle Catholic Regional High School
 Roxbury High School
 Rumson-Fair Haven Regional High School
 Russell O'Brackman Middle School
 Rutgers Preparatory School
 RVAS
 Saint Ann's School
 Saint Bernard's School
 Saint John Vianney High School
 Saint Joseph High School - Hammonont
 Saint Joseph High School - Metuchen
 Saint Mary High School - Rutherford
 Saint Peter's Preparatory High School
 Saint Rose High School
 Salem County Career and Technical High School
 Samuel E. Shull Middle School
 School of the Holy Child
 Scotch Plains Fanwood High School
 Secaucus High School
 Seton Hall Prep High School

Shore Regional High School
 Somerset Alternative High School
 Somerset County Vocational Technical High School
 Somerville Elementary School
 South Amboy High School
 South Brunswick High School
 South Plainfield High School
 Southern Regional High School
 Southern Regional Middle School
 Sparta High School
 Spotswood High School
 Spring Lake Heights Elementary School
 Stafford Intermediate
 Swamscott High School
 TCHS-Chambers
 Tenafly High School
 The Calais School
 The New Grange School
 Theodore Schor Middle School
 Thomas Jefferson Middle School
 Thorne Middle School
 Timothy Christian School
 Toms River Center Vocational School
 Toms River High School East
 Toms River High School North
 Toms River High School South
 Trenton Central High School
 Triton High School
 Union Catholic Regional High School
 Union City High School
 Union County Vocational Technical High School
 Union High School
 Union Senior High School
 Union Township Elementary School
 Union Township High School
 University Academy Charter High School
 Verona High School
 Veterans Memorial Middle School
 Villa Victoria Academy
 Villa Walsh Academy
 Vineland High School
 Voorhees High School
 Waldwick High School
 Wall Township High School
 Walkill Valley Regional High School
 Warren County Vocational Technical Institute VS
 Warren Hills Middle School
 Warren Hills Regional High School
 Warwick Valley High School
 Watchung Hills Regional High School
 Wayne Public Schools
 Wayne Valley High School
 Weehawken High School
 Weequatic High School
 West Morris Mendham High School
 West Orange High School
 West Side High School
 West Windsor-Plainsboro High School North
 West Windsor-Plainsboro H.S South
 Westhampton Township Middle School
 WestTech High School
 Whippany Park High School

William Annin Middle School
 William R. Satz Intermediate School
 Willingboro High School
 Woodrow Wilson Middle School
 WWHS-Camden
 Xavier High School
 Y.A.L.E.
 York Prep School

AGENCIES

Manna House
 Monmouth County Correctional Institute
 New Hope Foundation Marlboro
 Youth Detention Center, 2007-09, Freehold
 Ranch Hope

This listing includes AHSA remediation
 Summer 2010

THE MONMOUTH COUNTY JAIL BECOMES THE FIRST CORRECTIONAL INSTITUTION IN THE STATE TO HAVE INMATES RECEIVE THEIR GED ONLINE

Freehold, New Jersey Five inmates from the Monmouth County Correctional Institution are proud of their recent accomplishments. They earned their GED (high school equivalency diplomas) online. The inmates are the first in the state to successfully complete the 20 week pilot program which started in October of 2007.



Photo Caption: Top R to L: Timothy Nogueira, Superintendent-Mon/Ocean Educational Services Commission, Sister Elizabeth Dalessio, Asst. Superintendent, Marie Penzimer, Principal, NJ Virtual School, Capt. Thomas Philburn, MCCI- Bottom R to L: Rozlyn White, MCCI inmate, Vincent Noviello, Teacher N.J. Virtual School, Ralph Rohena, MCCI inmate, Sheriff Kim Guadagno

MCCI has offered inmates the opportunity to obtain a GED for several years but this is the first time they're doing it high tech. "I'd like to think that you will someday go on to further your education," said Sheriff Kim Guadagno, who addressed the inmates. "If not, this achievement will help out in the future and I applaud you for these efforts."

The program is run by the Monmouth-Ocean Educational Services Commission. The next round of online classes are set to begin in the summer.

For more information contact Undersheriff Cynthia Scott at (732) 577-6613

Five Star Accreditation



NJVS Courses

HIGH SCHOOL COURSES

Art / Visual Arts

- Orientation to Art 2-D

Business Technology

- Computing for College and Careers

English

- English I, II, III & IV

Foreign Language

- Chinese I
- Latin I, II, III & IV
- Spanish I and II

Health / Physical Education

- Adaptive Physical Education IEP or 504 Plan
- Life Management Skills –Health 9,10,11, 12
- Personal Fitness

Mathematics

- Algebra I and II
- Geometry
- Pre-Calculus
- Calculus
- Liberal Arts Math

Research and Critical Thinking

- SAT Preparation

Science

- Biology I
- Earth Space Science
- Physics I
- Chemistry I
- Marine Science

Social Studies

- American Government
- U.S. History I and II
- World History

21st Century Skills

- Personal Financial Literacy

Advanced Placement Courses

- AP Calculus AB
- AP Calculus BC
- AP Computer Science A
- AP English Literature
- AP Macroeconomics
- AP Microeconomics

Middle and Junior High Courses

Language Arts*

- MJ Language Arts I, II & III

Mathematics*

- MJ Mathematics I, II & III

Science*

- MJ Comprehensive Science I, II, & III
- * I is for Grade 6 II is for Grade 7 III is for Grade 8

Social Studies

- MJ World Cultures, grade 6
- MJ Geography, grade 7
- MJ U S History, grade 8

Foreign Language

- MJ Spanish I

Online Learning for Middle/High School Students

*Log on
to Learn!*



You're viewing an archived copy from the New Jersey State Library.

New Jersey Virtual School

For more information contact us at:

Tel: 866-966-NJVS (6587)

Fax: 732-493-4515

www.NJVS.org

Monmouth-Ocean Educational Services Commission / NJVS
900 Hope Road, Tinton Falls, NJ 07712

New Jersey
VirtualSchool
Log on to Learn!

900 Hope Road
Tinton Falls, NJ 07712

Alternative Education Options

NJVS provides opportunities for alternative schools and programs. Students can be enrolled in credit recovery or new credit courses for promotion or graduation requirements. The **NJVS** teacher will provide the student with a positive, individualized learning plan and interact with the student and school for academic progress.

The New Jersey Virtual School (NJVS) delivers quality, online instruction to high school and middle school students in grades 6-12 for remediation, promotion, or to earn additional credits for graduation. Since 2002, NJVS has provided affordable courses to more than 450 school districts, agencies, alternative programs, and residential facilities in New Jersey. NJVS is the only virtual course provider in New Jersey operated by a public, educational services school district.

NJVS employs highly qualified New Jersey State certified teachers. Our courses are aligned to the New Jersey Common Core State Standards. Every **NJVS** student is taught by a NJ certified teacher who interacts with the student providing extra help and encouragement to assist the student to successfully complete the course.



Most courses are available at standard, remedial or honors levels. Instructional pace levels can also be modified by the teacher to accommodate differentiated learning. Advanced Placement courses are also available.

Advantages of Online Learning

- Online registration is easy and fast! Go to www.NJVS.org and "Create an Account".
- Every student interacts 1-to-1 with a New Jersey certified teacher.
- NJVS works with your school's Guidance Counselor or Principal.
- Teachers are in regular contact with students, parents/guardians regarding academic progress.
- Students are given every opportunity to succeed, including extra tutoring.
- Most courses are easily customized for standard, remedial, or honors levels.
- Core courses are approved by the NCAA-Eligibility Center.
- AP courses are approved annually by the CollegeBoard.



Online courses are an ideal solution for homebound academic instruction. Students can be enrolled in courses within 48 hours. **NJVS** can adapt our courses to your school's curriculum for a seamless transition from homebound to returning to school. Each student is taught by a NJ highly qualified teacher who will provide daily instruction.

Home Instruction

Summer School

NJVS runs a successful summer school each year with over 2000 enrollments.

- Credit recovery courses and new credit courses are offered for grades 6 to 12.
- Exams and coursework are all online.
- All courses are taught by a NJ highly qualified teacher.
- Each **NJVS** teacher regularly contacts and communicates with the student and/or parent/guardian for academic progress during the summer program.

Blended Learning

Blended Learning is an effective learning model that can assist schools and districts address the challenges of budget reductions, time constraints, and limited resources. **NJVS** can help your school set up blended learning classrooms by combining both teaching methods, face-to-face instruction and online learning, while offering students with new learning opportunities for student achievement, and the expectations of 21st Century learners. **NJVS** can provide a variety of courses for any number of students within a classroom environment. Each student can access his/her course, taught by a **NJVS** highly qualified teacher and work at his /her individual pace.



Testimony of Save Our Schools New Jersey for the Joint Committee on Public Schools,
Wednesday, December 5, 2012

Submitted by Deborah Cornavaca, Organizer with Save Our Schools NJ

I am here today speaking on behalf of Save Our Schools NJ, a grassroots, non-partisan organization of over 9,500 parents and other concerned citizens who believe that all New Jersey children should have access to a high quality public education. We very much appreciate the opportunity to present the views of our organization on the topic of online learning to the Joint Committee today. In the rapidly changing worlds of education and technology it is timely and important that this committee is devoting such careful attention to this topic.

Technology and education is not a new collaboration. Public schools strive to introduce, keep pace with, take advantage of all sorts of technologies to enhance everything from communication with parents to instruction of students. Districts have technology policies and programs to integrate technology into their administration and curriculum within their own district's visions and means. The varied uses of technology in schools are as varied as the technologies themselves.

A high school freshman signs onto Moodle to access study guides, lecture notes, and participate in a forum where students work collaboratively on a project or study together for a test. A 5th grader watches his teacher guide the class through a microscope lesson by projecting a slide on the Promethean Board for all to analyze together. A 5 year old in kindergarten uses an IPAD for an interactive reading lesson advancing both her reading and comprehension skills. These are all examples of technology seamlessly woven into curriculum advancing both content and use of technology for our leaders of tomorrow.

So we must give careful consideration to who and what is behind the current national push for online learning that has made its way to New Jersey. In a state with one of the best public school systems in the nation, that uses technology in instruction, that has successful online programs for credit recovery and high school drop outs¹, why are we feeling the pressure for an entirely new direction of online learning – its rapid expansion, most especially the push for virtual charter schools?

The answer to these questions raises issues in education about which Save Our Schools NJ advocates strongly – in particular our opposition to for-profit companies in education, our position that local communities must have a real voice in the creation of charter schools – in this instance virtual charters, that the DOE should not be allowed to circumvent both the letter and intent of the law to impose virtual charter schools in this state, schools that would receive the same 90% per pupil funding as brick and mortar charter schools, and that we cannot continue to divert scarce public education dollars to unproven experiments while the state continues to fail to meet its obligations to school districts in funding the SFRA.

Here I will briefly address Save Our Schools NJ most pressing concerns regarding online learning in the context of policymaking. We want to begin with a very clear statement that we support the incorporation of online learning at the district level. We believe school districts are best able to discern the needs of their student body, the capacity of the district to integrate technology and use external online curriculum, - perhaps to supplement course offerings, offer advance placements classes which the district cannot, provide opportunities for students to recover lost time and credits and provide alternative learning environments for students who have not been able to thrive in the traditional classroom.

¹ For example the programs offered by Monmouth-Ocean Educational Services

These examples of district level uses of online learning are entirely different from the movement that is spreading across the country to promote schools that rely primarily or even exclusively on computer based learning whether the computers be located in private homes (as virtual schools do) or in centralized locations (referred to most frequently as hybrid schools). The push for these schools is inextricably linked to business models of for-profit companies pushing their product, and cannot be, based on empirical evidence from such schools around the country, justified on the basis of academic outcomes of the students.²

We would like to highlight the need to be aware of the enormous sums of money being used to promote these schools. For example, in the first eight months of 2012, the largest provider of online content and school management, K-12 Inc. spent \$21.5 million on advertising and since 2007 the estimated total spent on advertising alone by the top 10 for-profit providers of online services is \$94.4 million.³ Some portion of this money, and very possibly a large portion of this money is taxpayer money received in payment by states that contract these companies for online schools.

Aggressive marketing is only one facet of these companies' strategies. Even more troubling to our members is the acknowledgement of K-12 Inc CEO Ronald Packard to investors, that "we understand the politics of education." Their understanding is reflected in their actions - they employ a strategy that includes hiring lobbyists - as we know they have done in New Jersey - and donating large sums of money to state level politicians.⁴ They promote model legislation written in conjunction with ALEC - the American Legal Exchange Council - to open markets to virtual charter schools.⁵ These expensive political maneuvers to buy influence in the world of education policy do not preclude Ronald Packard from earning \$5 million in 2011.⁶ A recent in depth report from Maine on K12 Inc.'s predatory practices of creating markets and influencing both legislators and legislation should serve as a cautionary tale for New Jersey as we consider the future of these companies and their schools in our state.⁷

Save Our Schools is frankly outraged by the money invested in marketing, lobbying, influence peddling and compensation packages - money that stems largely from taxpayer contributions towards public education. We do not want New Jersey students, taxpayers, elected officials, or public schools to be drawn into this expensive scheme to bring virtual schools to New Jersey. In New Jersey we have effective and successful programs of online learning that we cannot allow to be hijacked by companies interested more in their Wall Street rating than their academic success.

As previously mentioned, academic success is something that these forms of schools cannot claim to accomplish. In Florida we have examples of these schools not using certified teachers and teacher student

² see for example the National Education Policy Center study 2011, "Online K-12 Schooling in the U.S.: Uncertain Private Ventures in Need of Public Regulation" and the New York Times, December 12, 2011 "Profits and Questions at Online Charter Schools"

³ Greg Toppo, USA Today, November 28, 2012 "Online Schools Spend Millions to Attract Students"

⁴ Layton and Brown, Washington Post, November 26th, 2011, "Virtual Schools are Multiplying, but Some Question their Educational Value"

⁵ Colin Woodward, Maine Today, September 2, 2012, "Special Report: The Profit Motive Behind Virtual Schools In Maine"

⁶ Emma Brown, Washington Post Local Online, December 9th, 2011, "K12 Inc. chief executive Ron Packard paid \$5 million compensation package in 2011"

⁷ Colin Woodward, Maine Today, September 2, 2012, "Special Report: The Profit Motive Behind Virtual Schools In Maine"

7 ratios of 275 to 1.⁸ In Colorado we see a virtual charter school with graduation rates of 22%.⁹ In Ohio we see on time graduation rates at 30%. Across the country we have teacher accounts of attendance problems, burdensome workloads, sacrificed curriculum to compensate for unreasonable teacher student ratios, high student drop out rates, and more.

It is clear that critical to any potential of academic progress in these virtual environments is substantial parental involvement – a factor well known to be important to all student success. But as K12 and other companies target low income areas for placement of their schools, since the per pupil amount the company will receive is generally higher in urban poor areas, there is no attention paid to whether this virtual environment is appropriate to the students they recruit.¹⁰ As a New York Times author says, “A portrait emerges of a company [K12] that tries to squeeze profits from public school dollars by raising enrollment, increasing teacher workload and lowering standards.”¹¹ This can best be explained in the words of Ronald Packard himself when he says in a Wall Street interview, “We are now that much closer to our manifest destiny of making K12 Inc. education available to every child.”¹²

And therein lies the fundamental divide between Save Our Schools NJ and those promoting online charter schools in New Jersey. Our goal – the goal of over 9500 members of our organization is to ensure that every child in New Jersey has access to an *excellent* public schools. These companies simply want to make their product available to every child – regardless of appropriateness, academic standards or outcomes. Save Our Schools NJ strongly opposes virtual charter schools in this state, the presence of for-profit companies hiding behind the screen of a non-profit board, the use of taxpayer money to create a market and then advertise their product, influence policymakers, and ultimately experiment on our children’s education for the purpose of profits.

Save Our Schools NJ knows the importance of technology and the potential that online learning can offer students across the states. We strongly urge our legislators to ensure that the Department of Education not create regulation contrary to the law or in violation of its intent with respect to virtual charter schools. We urge you to act in your capacity to create legislation that will create an appropriate framework to encourage innovation and the use of technology in our schools, recognizing that school districts should be allowed to develop their own strategies and plans for the roles of online learning in their schools. We ask you to reaffirm that under the 1995 Charter Act there is no allowance for virtual charter schools and that the primary motivation of accessing 90% per pupil funding is not justified nor reason to allow these schools to open in a state with one of the best public school systems in the country. Our increasingly scarce resources for public education must be focused on improving and supporting public schools and integrating online opportunities in those schools rather than diverting precious resources away from these schools for profiteering.

We thank the committee for your time and consideration of the position of Save Our Schools NJ with respect to online learning and I am happy to answer any questions you may have.

⁸ O’Connor and Aaronson, Miami Herald, October 7, 2012, “Plan to Expand Online Classes in Florida Meets Resistance”

⁹ Grace Hood, KUNC, November 29th, 2012, “K12 Inc. Defends Colorado Virtual Academy After Hit on Wall Street”

¹⁰ Stephanie Saul, New York Times, December 12, 2011 “Profits and Questions at Online Charter Schools”

¹¹ *ibid*

¹² Layton and Brown, Washington Post, November 26th, 2011, “Virtual Schools are Multiplying, but Some Question their Educational Value”

GARDEN STATE COALITION OF SCHOOLS/GSCS

Joint Committee on the Public Schools Hearing: Blended/On-Line Learning

December 5, 2012 Statehouse Annex, Committee Room 16, 11 a.m.

The GSCS thanks the Joint Committee on Public Schools for the opportunity to present its thoughts on blended/on-line learning today. In terms of the growth of learning approaches and styles regarding online education, implementation of these methods are well beyond 'being on the cusp' of just beginning in most schools.

Today schools are into the actuality of online instruction and the how-to's and what's of best practices in this regard are under full discussion and analyses, as they need to be.

Virtual on-line charter schools remain an issue for GSCS members and require in depth, focused discussion. Issues loom large such as funding and the quality of education for students who connect via the internet yet are for the most part disconnected tangibly from their instructors and from one another. How to deal, or not, with home school students is controversial as well, especially since no home school students, by choice, attend public schools and thus are presently not funded via any state or local revenue.

The GSCS Board of Trustees believes that:

1. It is important to recognize that there are clear differences between programs that are delivered in a blended learning environment, where the student is mainly housed in the school building for instruction, compared to virtual schools where the student does not have to attend school in a certain location with other students at all.
2. We need to ensure that the public understands that blended learning is, and has been for quite some time, available in the overwhelming majority of New Jersey school districts already.
3. When policy decisions are made for the overall good of the public interest, albeit at the local level or that state level, then student learning will be well served.

However, GSCS recognizes and supports the fact that blended learning is here to stay and to grow. Sharing information about our blended learning experiences with one another is important and will clearly help and improve the quality of student learning. Below are some specifics to consider.

As always, we thank you for your time and thoughtfulness.

A good example of how one district has been handling blended learning to enhance student instruction is taking place in Glen Ridge, as follows:

Excerpt: Glen Ridge Board of Education take on blended learning in its schools

We interpret "blended learning" to mean incorporating online content/experiences into the mainstream educational process. At the elementary level blended learning offers new instructional dimensions; allows for differentiated instruction, especially in the form of more reinforcement for students who need it and gives the teacher greater opportunities for creativity. We feel that blended learning, especially at the elementary level, should be guided by well-trained teachers, who make the "blend" work.

Here are some examples:

Elementary (K-6):

- This year we purchased the latest iteration of "Chicago Math" ("Everyday Math"). An integral component in this iteration is online skills drills for students that can be done in-class or at home. We also use a program called "Rocket Math" which has more exercises and drills that adjust to the students' individual levels. We got in a consultant to do teacher training so that the teachers could optimize the Everyday Math (and understand all the components) and had a parents' night so that parents could understand both the in-class and online components.
- Assisted by the Home & School Associations, we purchased SmartBoards (interactive white boards) for every classroom at the elementary (K-6) level. Teachers use them to incorporate things like Google Earth into geography/social studies lessons, do video chats with classes in other countries, etc. Every teacher has had SmartBoard training.
- We use a grammar program called "Comma Chameleon" on the SmartBoards. Kids participate in interactive grammar exercises.

Middle and High School (7-12)

- Many classrooms have SmartBoards so that teachers can incorporate online tools in classroom lessons. The High School building also has wi-fi so students can use their own devices.
- Virtual High School: This accredited program allows students to take course offerings that aren't offered by our school. They can also take classes offered by us but unavailable to them because of scheduling conflicts. (This enables a smaller school to behave like a bigger school). Our own teachers can also teach Virtual High School classes. (One has done this so far). VHS is accredited and students are assigned to classes that top out at a specified number of students. The classes are not taken in real time, but there are assignments that must be handed in and opportunities for conferencing with the teacher. In the second year of the program, VHS is

oversubscribed. We have found that our students taking AP tests at the conclusion of VHS courses have scores comparable to those who have received standard classroom instruction. I believe that VHS costs about \$300 per seat. So far our VHS program is funded by our educational foundation, but eventually we will find a place for it in the budget.

Blended learning is also a topic of discussion and debate in Newark's Race to the Top Application to the federal government, as noted by NJ Spotlight in its December 3, 2012 article on the subject:

Excerpts from NJ Spotlight article 12-3-12 re: Newark Race to the Top application proposal

Strand 3 -- Blended learning pilot: Among the more tangible -- and most expensive -- results if the district wins the grant will be the launch of a pilot in nearly a dozen elementary schools and high schools using "blended learning" models that mix face-to-face instruction with online tools. For the elementary schools, it will start in grades three to five and move up a grade a year. The high school program will focus on at-risk ninth graders who are reading below proficiency levels.

Not small stuff: If successful, the blended learning could grow to include as much as a third of the district's schools. "We believe that the target we have set for 20-25 schools to adopt one of the blended learning models by the end of the grant is ambitious yet achievable," the application reads.

Not cheap, either: Overall, the cost of this third strand -- including hardware, software, and other technology infrastructure -- as well as extensive staffing -- is nearly \$14 million, or close to half of the overall proposal over four years.

GSCS Board of Trustees educator example of what his school district is currently reviewing:

The keys to successful blended-learning programs...Experts advise school districts that there are a few keys to successful implementation of blended-learning programs. To begin, teachers should fully understand what blended learning is and what its goals are. Successful programs also have included a focus on professional development and training for teachers, integrating high-quality resources and ensuring school networks can properly handle the traffic, they suggest.

ADDITIONAL APPENDIX MATERIALS
SUBMITTED TO THE
JOINT COMMITTEE ON PUBLIC SCHOOLS
for the
DECEMBER 5, 2012 MEETING
Committee Room 16

Submitted by Timothy P. Nogueira, Superintendent of Schools, Monmouth-Ocean Education Services Commission; and **Sister Elizabeth Dalessio, Ed.D.**, Assistant Superintendent of Schools, Monmouth-Ocean Education Services Commission: Sheriff Shaun Golden, “Monmouth County Jail GED Program Achieves 100th Graduate,” *Sheriff Magazine*, March/April 2012, © 2012 National Sheriffs’ Association.