

## MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on March 10, 2008, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Sharon Wenger, Kansas Legislative Research Department  
Theresa Kiernan, Revisor of Statutes Office  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Scott Frank, Legislative Division of Post Audit  
Senator John Vratil  
Mark Desetti, Kansas National Education Association  
Val DeFever, Schools for Quality Education

Scott Frank, Legislative Division of Post Audit, reviewed the findings of a 2007 Post Audit study on issues related to virtual schools. He summarized the answers to the following questions addressed in the study: "How prevalent are virtual schools in Kansas, what do they cost, and how have their students performed?" and "Do the laws and regulations that govern virtual schools in Kansas provide sufficient oversight, and how do they compare to those adopted by other states?". He also outlined the topics which Post Audit recommended be included in an interim study of virtual education. (Attachment 1) He noted that the 2007 interim committee did not have enough time to complete its study; however, a Senate Education Committee subcommittee recently completed a study on virtual schools and recommended the introduction of a bill. Subsequently, **SB 669** was introduced by the Senate Education Committee.

#### **SB 669 – School districts; relating to virtual schools**

Senator John Vratil, Chairman of the Senate Education Committee subcommittee on virtual schools, noted that the subcommittee recommended that a definition of "virtual schools" be adopted in state statute. In addition, the subcommittee felt it is important to have adequate, if not exemplary, teacher training in virtual schools because not all teachers have the "knack" to teach over the Internet, and **SB 669** addresses this issue. He commented that one of the cornerstones of the bill is the funding for virtual schools. He pointed out that the Legislative Post Audit study on virtual schools indicated that, currently, virtual schools are probably over funded because it costs less to operate and administer a virtual school than it does for a bricks and mortar school. Thus, the subcommittee recommended the elimination of all of the various weighting factors for virtual schools and the establishment of a single weighted factor of 14 percent so that, for a full time equivalent (FTE) virtual school student, the virtual school would just get 114 percent of base state aid. He noted that 114 percent is approximately what is being provided to virtual schools at this time. The subcommittee also recommended that virtual schools be required to count its students on one day prior to September 20 of each year and on one day subsequent to September 20 but prior to October 4 and that the two enrollment figures be averaged. He noted that the count is a FTE enrollment count, not a head count enrollment. He went on to explain that the bill would give authority to the State Board of Education to adopt rules and regulations to administer virtual schools and, specifically, to enforce the statutes that relate to virtual schools.

Mark Desetti, Kansas National Education Association, testified as a neutral conferee on **SB 669**. He noted that growth of virtual schools in Kansas has been rapid and strong, yet there are a number of unanswered questions. Although **SB 669** addresses the issue of the appropriate level of funding and the definition of a virtual school, KNEA believes that it is imperative that, as virtual schooling grows, accountability of student learning should be kept in mind. In this regard, he distributed copies of a publication entitled "Guide to Online High School Courses," which was developed by KNEA in collaboration with other organizations related to education and CNA, IBM, and Verizon. He noted that the publication focuses on high school courses, but the content is applicable to any discussion of online or virtual schooling. He called attention to the pages in the publication which list a series of questions for policy makers and a series of rubrics for the evaluation of online offerings in the areas of curriculum, instructional design, teacher quality, the student role, assessment, management and support systems, and the technical infrastructure. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE Senate Education Committee at 1:35 p.m. on March 10, 2008, in Room 123-S of the Capitol.

Val DeFever, Schools for Quality Education, testified a neutral conferee on **SB 669**. She expressed her concerns about rural communities' access to the technology required by a virtual school. She noted that rural districts are more likely to have fewer dollars to invest in technology, yet their need is more immediate since their students may have fewer offerings available in house. Therefore, she felt that it would be appropriate to build a higher level of "start up" funding into the first year or two that a virtual school is being established. She also noted that, as virtual schools expand, it is very likely that there will be an increase in the number of at-risk students who need more assistance from staff members. Noting that this increase may require higher levels of training of staff members or the addition of staff members, she suggested that the State Board Education and the Legislative Division of Post Audit look at the population being served by Kansas virtual schools and advise the Legislature on whether base state aid per pupil plus 14 percent is adequately funding these schools. (Attachment 3)

There being no others wishing to testify, the hearing on **SB 669** was closed.

Senator Vratil moved to recommend SB 669 favorably for passage, seconded by Senator Pine. The motion carried.

Senator Schodorf called the Committee's attention to the minutes of the March 6 meeting.

Senator Teichman moved to approve the minutes of the March 6 meeting, seconded by Senator Lee. The motion carried.

The meeting was adjourned at 2:10 p.m.

The next meeting is scheduled for March 12, 2008.



## K-12 Education: Reviewing Issues Related to Virtual Schools

### Summary of Findings

#### Question 1: How Prevalent Are Virtual Schools in Kansas, What Do They Cost, and How Have Their Students Performed?

1. **Kansas currently has 28 virtual schools providing a variety of services.** [page 3]
  - There are 7 district-run charter schools, 15 district-run programs, and 6 service center programs.
  - Virtual schools offer several types of services, including: (1) general education, (2) advanced courses, (3) credit recovery, and (4) diploma completion.
  - Virtual schools offer most subjects, with the most common being language arts, social sciences, and math.
2. **In Kansas, virtual school students are a very small, but rapidly growing student population.** [page 6]
  - Virtual school enrollment has increased from 63.0 FTE in 1998-99 to 2056.2 FTE in 2006-07.
  - Most virtual schools draw their students locally, but a few draw students from all over the State.
3. **Virtual schools are funded in much the same way as traditional schools, but cost less to operate.** [page 10]
  - In 2005-06, eight of nine virtual schools run by school districts with at least 20 FTE reported having operating costs per student that were less than the cost per student for traditional schools.
  - Service centers generally charged an amount equal to the BSAPP for virtual students in 2005-06.
4. **Although the data are limited, virtual school students scored lower on State assessments than traditional students in 2005-06.** [page 12]

#### Question 2: Do the Laws and Regulations That Govern Virtual Schools in Kansas Provide Sufficient Oversight, and How Do They Compare to Those Adopted by Other States?

1. **The Department of Education has established good policies for general oversight of virtual schools, but often doesn't follow them.** [page 15]
  - In order to receive State funding, virtual schools have to (1) register with the Department, (2) have an on-site visit, and (3) submit annual reports on enrollment and assessment results.
  - In 2005-06, one national report recognized these policies as some of the strongest in the country.
  - The actual oversight of virtual schools is weak because the Department often hasn't carried out the policies. [listed on page 17 of the report]
2. **Many of the specific risks inherent in virtual schools aren't adequately addressed, especially at the State level.** [page 18]
  - In 2006-07, the Department relaxed or eliminated several requirements that used to give virtual schools good guidance on addressing risk areas. (For example, teachers may not know how to teach on line.)
  - Most of these risk areas do appear to have been addressed at the local level.
  - The Department hasn't directly addressed the risk that districts could manipulate virtual schools for financial gain.

**3. Mullinville's practice of "giving" its virtual students to nearby districts isn't allowed by law and the highlights the need for better oversight of virtual schools. [page 22]**

- Over the last five years, the Mullinville district has "given" a total of 130 of its virtual students to three nearby districts for funding purposes. This isn't allowable under current State law.
- Allowing districts to decide where virtual students are counted creates the risk that districts could manipulate State funding and assessment results.
  - a. *Manipulate low enrollment weighting*
  - b. *Manipulate declining enrollment provisions*
  - c. *Manipulate adequate yearly progress (AYP)*

**RECOMMENDATIONS FOR THE LEGISLATURE**

**We've recommended that the Legislative Post Audit Committee ask for an interim study of virtual education.** Such a study should address the following issues [page 30]:

- Whether the State should control the growth of virtual schools by limiting the number of virtual schools that can receive State funding.
- Whether the current funding system ensures virtual schools are funded adequately without being overcompensated. Options include:
  - *limiting virtual school funding to the Base State Aid Per Pupil*
  - *changing the process for counting virtual students to use the average attendance in the month of September to minimize the risk that part-time students are overcounted*
  - *removing virtual schools from the school finance formula and funding them through a separate grant program*
- Whether allowing virtual schools to operate as programs within existing accredited schools sufficiently ensures their quality, or whether all virtual schools should be required to become separately accredited as charter schools.
- Whether the current system holds districts sufficiently accountable for the quality of education they provide to adult students who don't take Statewide reading and math assessments.
- Whether the requirements for school attendance, currently laid out in K.S.A. 72-1113, are applicable to virtual students, or should be adjusted.



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**Mark Desetti, Testimony  
Senate Education Committee  
March 10, 2008**

**Senate Bill 669**

Madame Chair, members of the committee, thank you for the opportunity to appear before you on **Senate Bill 669**.

The Legislative Post Audit reports on virtual schools have given this committee much food for thought. Growth of virtual schools in Kansas has been rapid and strong yet we see that there are a number of unanswered questions.

Two questions are dealt with in this bill. One is the issue of the appropriate level of funding. This bill establishes a consistent level of funding for all virtual school students who are residents of Kansas. It sets rules on calculating the FTE number for virtual schools and prohibits non-residents of Kansas from generating state aid.

The second issue is the definition of a virtual school. The definition is an expansion of the current definition and now includes three additional items that ensure that students in virtual schools are making the same kind of progress expected of students in traditional "brick and mortar" schools. We applaud this expansion.

In our view, it is imperative that as virtual schooling grows, we keep in mind accountability for student learning. SB 669 takes a step in this direction.

I would like to call your attention to the publication [Guide to Online High School Courses](http://www.nea.org/technology/images/02onlinecourses.pdf). This guide was developed by the National Education Association in collaboration with the American Association of School Administrators, the National Association of School Boards, the National Association of State Boards of Education, CNA Corporation, IBM Corporation, and Verizon Communications. The publication can be found online at <http://www.nea.org/technology/images/02onlinecourses.pdf>.

While the guide focuses on high school courses, its content is applicable to any discussion of online or virtual schooling.

I would call your attention to pages 5 through 7. Listed here are a series of questions for policy makers regarding online learning. These questions could certainly form the basis of future legislative and State Board of Education discussions on virtual schools and virtual school accountability.

Beginning on page 13 you will find a series of rubrics for the evaluation of online offerings in the areas of curriculum, instructional design, teacher quality, the student role, assessment, management and support systems, and the technical infrastructure. These rubrics could certainly assist in the evaluation of virtual schools and online learning.

Finally, I would point out that Blake West, a Blue Valley School District Mathematics and Technology instructor who now serves as KNEA President was a member of the task force that put this document together. Blake would be an excellent resource to you in future discussions of virtual schools and online learning.

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SB 669- Virtual Schools Legislation  
March 10, 2008  
Val DeFever

Chairman Schodorf and Senate Education Committee members, thank you for allowing me to speak to you today regarding SB669. The subcommittee did a good job of defining what a virtual school is and setting up guidelines for these on-line education links. Our small rural schools have a great need to access learning opportunities for their children in remote areas of our state. Virtual schools will continue to provide a be viable option for them.

I do have a few concerns I would like to present for your consideration. The key component of a virtual school is access to required technology. Establishing and then maintaining technology to adequately provide the needed learning setting is costly. Post Audit noted a wide variance in expenses for virtual schools from district to district. To some extent higher costs might be tied to "start up" costs. This legislation is intended to more specifically define what a virtual school is but also to insure the delivery of a quality education opportunity.

Rural Kansas districts want to be sure they can provide high quality options to their virtual school students. They are more likely to have fewer dollars to invest in technology, yet their need is more immediate since their students may have fewer offerings available in house. For these reasons it seem appropriate to build a higher level of "start up" funding into the first year or two while a virtual school is getting up and running.

As the virtual school movement has emerged on the education scene, more of the students engaging in this form of education have been students wishing to access advanced course work or home school students taking courses their home school instructor may not have been prepared to teach. As virtual school clients expand it is very likely there will be an increase in the number at-risk student who will need more assistance from staff members. This may require higher levels of training of these staff members or the addition of staff members. The cost of delivering the quality of on-line education expected may need to be monitored. It would seem appropriate to have the State Board of Education or Post Audit look at the population being served by our virtual schools and advise the legislature on whether base state aid per pupil plus 14% is adequately funding these schools.

*Senate Education Committee  
3-10-08  
Attachment 3*