



Oregon Connections Academy Parent Association (ORCAPA) represents a group comprised of Connections Academy's online schooling families and friends.

3 April 2013

Members of the Senate Committee on Education and Workforce Development,

As the Oregon Connections Academy Parents Association (ORCAPA), we represent the roughly 3400 students and their families enrolled in Oregon Connections Academy (ORCA). We are supporters of school choice and innovation. However, we oppose SB 666, which would institute a new method of funding individual online courses offered through only one course provider.

Several years ago the Oregon Virtual School District (ORVSD) was established by the Oregon Department of Education to provide online learning resources to educators throughout the state. As online learning has matured and grown, so has ORVSD, which now administers Oregon Virtual Education (ORVED) in offering individual online courses to students via cooperative partnerships with their home districts. Districts can choose from, and pay for, online classes offered through ORVED. The vast majority of students served by ORVED, more than 90%¹, remain enrolled in their local schools. By working on a partnership basis with districts, ORVED operates as an "online course clearinghouse," as opposed to a SCHOOL with the complete array of electives, counselors, clubs, etc. To the extent that ORVED is filling a need for certain students, schools, and districts, we applaud their growth and success in bringing another online education choice to students and families.

Senate Bill 508² proposes to create a new criteria for establishing an online public charter school. The requirements fit only one potential chartering entity in the state: ORVSD. Should ORVSD be allowed to charter a virtual public charter school using these new and special provisions, they would also be uniquely situated to take advantage of the proposals within SB 666.

This proposal would allow the Oregon Department of Education to spend millions of dollars each fiscal year to deliver online courses.³ According to the revenue impact report, this expenditure would directly reduce the amount available for dispersal to all districts and education service districts, an "off-the-top" expense outside of the normal education funding channels. Current virtual public charter schools do not reduce funding from the State School Fund (SSF) in this manner, because they receive SSF monies in direct support of students according to the established enrollment-based funding formula. Establishing this separate funding source would in fact reduce overall education money available to both traditional and online students.

The legislation goes further in proposing a new fiscal partnership with districts. After receiving their appropriation from the SSF, districts currently may choose to enter a partnership with ORVED and pay for for delivery of online courses. Under SB 666, that fee paid by districts becomes **FULLY REFUNDABLE** upon completion of the course, paid out of the special fund. Thus the district receives two separate allocations for the same course: once from the regular SSF, and again from the SB 666 special fund. This is a clear case of "double dipping" for districts who contract with an online education provider under this scenario.

¹ <http://www.orved.org/?p=612>

² <http://www.leg.state.or.us/13reg/measpdf/sb0500.dir/sb0508.intro.pdf>

³ <https://olis.leg.state.or.us/liz/2013R1/Downloads/MeasureAnalysisDocument/17736>

Proponents of SB 666 argue that this bill would somehow not create a “double dipping” situation because the financial risk is shared between the district and online course provider. The proposal makes the course fee refundable only upon completion of the course, which the proponents suggest will create an incentive for the purchasing district to work with the student to ensure course completion. It is unclear how the presence (or absence) of perceived risk or fiscal incentive changes the reality that separate reimbursement for a completed course is anything other than “double dipping.”

Under current agreements with ORVED there is zero reimbursement for courses whether completed or not. 100% of the risk is already assumed by the purchasing district, who has significant financial incentive to work with students to ensure their success. Under the proposed legislation, even if a course is not completed the district will receive a partial reimbursement, up to 50% of the original cost. That reimbursement burden is to be borne by the online course provider.

That new risk to the course provider will likely make the current virtual public charter schools very leery of entering into such an agreement. Why would they choose to enter a so-called “partnership” with a local district to provide a single course to a student they don’t know, must train on their proprietary software, perhaps provide computer hardware (as they often do for their full-time enrolled students), and have little-to-no opportunity to provide counseling services (as they do for ALL of their full-time enrolled students)? Yet if the student does not complete the course then they still must reimburse the purchasing district? The only virtual public charter school provider who might even consider such an agreement is one that would not held accountable for these sorts of fiscally-irresponsible actions. Such a school can not exist without passage of SB 508 and SB 666.

Until Oregon creates an equitable method for splitting state funding between multiple districts, the current cooperative agreements are at least a transparent, above-board method for delivering individual courses through currently-established providers. Again, we believe ORVED is filling a need and applaud their efforts. We are not surprised that their course catalog is expanding (albeit slowly), and that online programs are flourishing in many parts of the state. There is a need for quality core and elective courses that can be personalized to students’ individual needs, and online education options can often fill that need. The full-time virtual public charter schools, along with ORVED and many other part-time programs, all offer proof that virtual education is REAL education when done correctly.

If ORVSD were to charter a full-time, full-featured online program, governed by the same rules under which all other public charter schools are created and scrutinized, we would fully support their efforts. If they could create a high-quality, accredited, intellectually rich and stimulating full-time service sought after by students and families (that would compete with current full-time virtual public charter schools), that effort would and should garner praise and accolades. Is it too much to ask that all be expected to play by the same rules? Why should any public education entity be given special legislation and funding to establish their charter school to the detriment of other public education providers?

We do not support the creation of an exclusive charter school with tailor-made enrollment criteria, funded by a separate and special funding source, expressly created to unfairly benefit only one provider, that reduces state funds by millions of dollars to all districts, and which sets up an environment which will foster the practice of “double dipping” for funding. We urge you to vote against this proposed “sweetheart” legislation.

Sincerely,

ORCAPA Board Members:

Anne Marie Gurney, Jessica Cousineau, Preston Baxter, Mark Scarborough, Paula Foster, Lori Conklin