

[Click to Print](#)

---

July 20th, 2011 NIGEL JAQUISS | News

---

## Virtual Combat

Oregon's teachers union hates online charter schools. But its alternative has little to show for millions of taxpayer dollars.

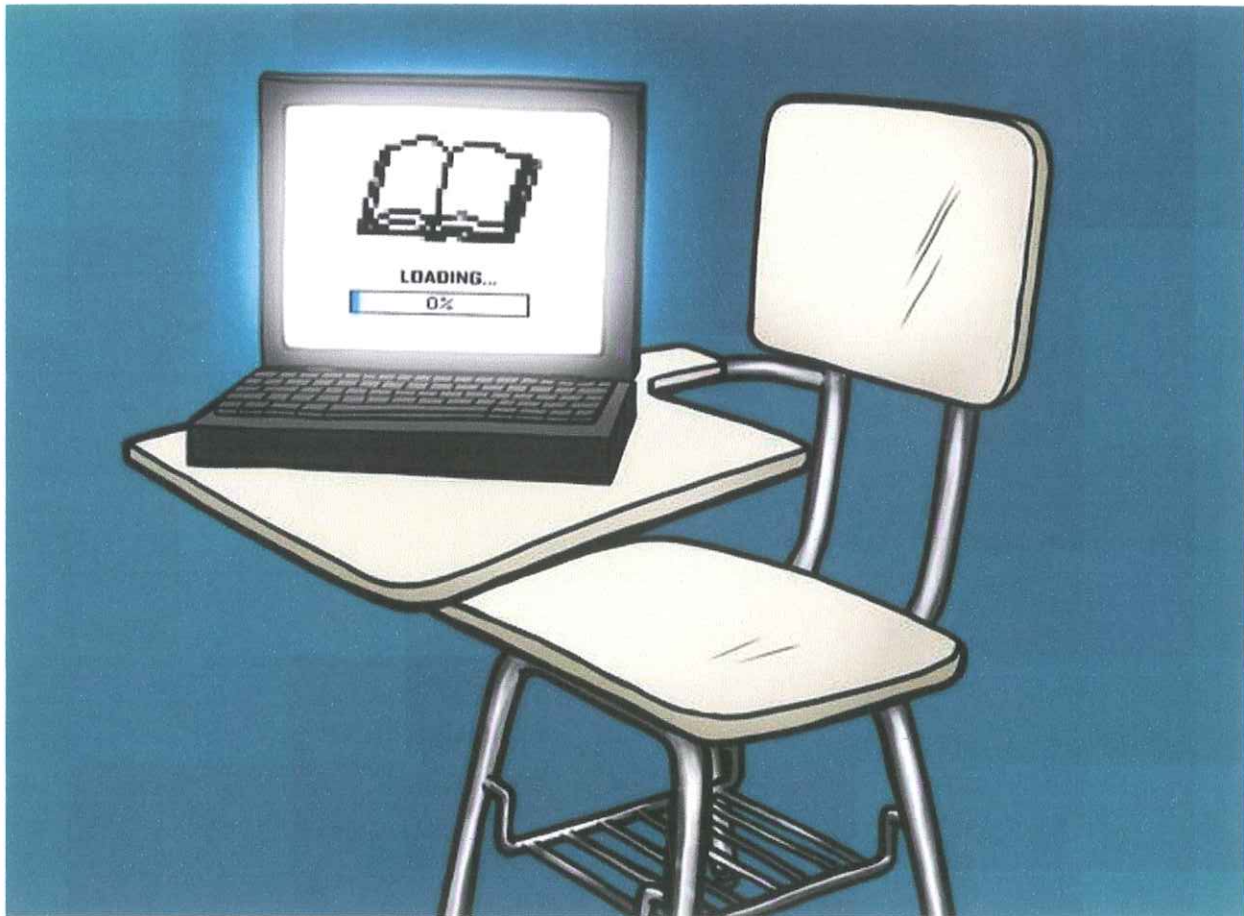


IMAGE: manbaby.com

In the next 10 days, Gov. John Kitzhaber is likely to sign a controversial online charter school bill that infuriates his largest financial backer, the 48,000-member Oregon Education Association.

The bill would allow up to 3 percent of the students in any district to attend online charter schools. Currently, fewer than 1 percent of Oregon's 550,000 public school students do so.

OEA President Gail Rasmussen and her members have plastered the issue across op-eds and

blogs and showered Kitzhaber—who took \$1.1 million of the teachers union’s money in his narrow 2010 victory over Republican Chris Dudley—with letters and emails urging his veto.

“Bottom line, we want a quality education for every kid,” Rasmussen says.

Online charter schools are public but are typically run by private companies paid by school districts to provide distance learning for students. OEA has fought the expansion of these schools for years and lost its battle to kill the most recent bill in the Legislature.

But few people know that six years ago OEA pushed for a state-run online entity that would compete with online charters.

The OEA-backed plan has cost the state more than \$5 million.

It has yet to teach a single student.

That failure neither pleases nor surprises Rep. Betty Komp (D-Woodburn).

A former public schoolteacher and administrator in the Woodburn district, Komp says she knew in her first session in 2005 that the K-12 system needed to create an alternative for students not served by conventional seat-based learning—that is, the state paying for kids based on the number of children filling chairs in Oregon classrooms.

“I’ve been saying that since January 2005 when I entered the Legislature,” says Komp.

Her research and her own experience in schools convinced Komp there’s a small but significant group of students for whom online learning is the best option. She says she pushed for the state to help provide it.

“I sat down with the OEA lobbyist multiple times in 2005,” Komp says. “All I was ever told was, ‘OEA has a plan.’”

That plan, Komp says, turned out to be the Oregon Virtual School District.

In 2005, the Legislature approved the virtual school and directed the Oregon Department of Education to provide a state-run alternative to charter schools, which are public but often affiliated with for-profit corporations. As state law puts it: “The Oregon Virtual School District shall provide online courses.”

But after six years and the appropriation of \$7.1 million, including another \$1.5 million lawmakers just approved for the current biennium, the Oregon Virtual School District has yet to provide a single “course.”

Steve Nelson, the Oregon Department of Education manager who oversees the virtual school,

contends the effort has been successful. In the past year, he notes, about one in five Oregon public school students accessed the virtual district's offerings, which include academic materials vetted by the Education Department and training for teachers. Where an online charter school provides a student with a teacher and course credit, all the taxpayer-funded school provides is content.

Despite the 2005 law's intent, Nelson acknowledges the state's efforts are not an alternative to online charter school offerings. "We are not set up to compete with them from a financial point of view," Nelson says.

The OEA's Rasmussen says there are three reasons online charter schools—and the bill Kitzhaber is poised to sign—won't provide the high-quality education all Oregon kids deserve.

First, allowing up to 3 percent of students (about 16,500) to migrate to online charters could transfer \$90 million annually from cash-strapped schools to the online, for-profit corporations that run the charter schools. Second, OEA worries online charters are insufficiently unaccountable. And third, Rasmussen says, the closed-door deal-making that guaranteed passage of the bill, HB 2301, cut parents and teachers out of the conversation.

For Komp, her frustration with the state's inability to come up with a meaningful solution led her to be one of five House Democrats to vote yes on the online charter schools bill now on Kitzhaber's desk.

Komp says she shares OEA's concerns that current online charter schools may not be sufficiently accountable. But she also says the demand parents are expressing—as evidenced by the rapid growth of online charters—shows they care more about the availability of online courses than who is providing them.

If the K-12 system does not provide better online options, Komp says, parents will continue to flee public schools.

"There is a group of students that is highly likely to drop out if we don't provide them other options," Komp says. "That is a big cost to society."

---

**FACT:** The state has placed \$600 million of Oregon Public Employees Retirement funds with Apollo Management, the parent of Oregon Connections Academy, the state's largest online charter school.



*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%<sup>1</sup>, 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 508<sup>2</sup> 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.<sup>3</sup> 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.

<sup>1</sup> <http://www.orved.org/?p=612>

<sup>2</sup> <http://www.leg.state.or.us/l3/reg/measpdf/sb0500.djr/sb0508.intro.pdf>

<sup>3</sup> <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*

[Cascade Policy Institute](#) Oregon's Premier Free Market Research Organization

Enter search keywords 

- [ISSUES](#)
- [PROJECTS](#)
- [ANALYSTS](#)
- [MORE ▼](#)

## Which Oregon School District Teaches No Students?

[Steve Buckstein](#) | July 26, 2011

 [Email](#)

 [Facebook](#)

[Tweet](#)

[Like](#)

Be the first of your friends to like this.

[Share](#) |

Oregon's major teachers union, The Oregon Education Association (OEA), is seen by many observers as the big loser coming out of the recent legislative session in Salem. Why? Because it failed to convince enough legislators to stop some modest school choice bills from passing. It also couldn't stop Governor John Kitzhaber, whom it endorsed and financially supported, from agreeing to sign these bills as part of a larger education reform package.

The highest profile bill in question was House Bill 2301, known as the virtual public charter school bill. The union has been trying to shut down online public charter schools ever since they started making inroads several years ago. This year it had hoped to cripple these schools, which it sees as competition to the brick-and-mortar schools in which its members teach. Instead, the legislature agreed to let these online schools expand from teaching about one percent of the state's K-12 students now up to at least three percent of students in any and all school districts around the state.

In 2005 the union backed a bill to create a state-run competitor to these innovative online schools. Known as the Oregon Virtual School District, it has since been funded to the tune of more than seven million dollars. Legislators appropriated the funds with the intention that the district would "provide online courses." But as Nigel Jaquiss reported in his [recent Willamette Week exposé](#), "...after six years and the appropriation of \$7.1 million, including another \$1.5 million lawmakers just approved for the current biennium, the Oregon Virtual School District has yet to provide a single 'course.'"\*

This revelation calls into question which online schools are real and which may appear to be real, but are not. Schools like Oregon Connections Academy and Oregon Virtual Academy are real schools with hundreds of real teachers educating thousands of real students across the state.

The state-run Oregon Virtual School District, on the other hand, is truly a virtual district in the not real sense of the term. It has no teachers and no students. The only real part is that it has spent millions of real taxpayer dollars. And for what? It has a nice [website](#) and offers some helpful content and tools for teachers. But that's about it. Somewhere along the line, its mission morphed from providing real online courses to hosting some "academic materials vetted by the Education Department and training for teachers."

The Oregon Department of Education manager who oversees the Virtual District says that it is not an alternative to online charter school offerings. "We are not set up to compete with them from a financial point of view," he says.\* Real online charter schools, paying real teachers to teach real students, receive on average less than 5,700 public dollars a year for each enrolled student.\*\* A simple calculation tells us that the \$7 million allocated to the Virtual District so far could have been used to teach at least 1,200 students for one school year, or 200 students over the six years it has received state funding. But, again, so far the district has taught zero real students.

The teachers union keeps calling for more accountability from Oregon's real online public charter schools, the ones with real teachers educating real students. It seems far past time for state legislators and taxpayers to call for accountability on the part of the Oregon Virtual School District. What have we gotten for \$7 million in this "district"? If the answer is "not much," then we should close it down and refocus our energy and resources on real schools with real students.

Oregon's online public charter schools are not virtual; they are real schools where real learning occurs. Just because their teachers may not wear the union label shouldn't give OEA the right to stop them from competing with the brick-and-mortar schools its members occupy.

Parents and students hold real online public charter schools accountable every day as they freely enroll and disenroll. More school choice will give more parents and students that power over brick-and-mortar schools as well. If OEA wants to keep students in classes taught by its members, it should figure out how to do that without holding the kids hostage. All students and their families deserve the right to choose where they get their education. Anything less is a disservice to them and to the taxpayers.

\* "Virtual Combat: Oregon's teachers union hates online charter schools. But its alternative has little to show for millions of taxpayer dollars," Nigel Jaquiss, *Willamette Week*, July 20, 2011, [www.wweek.com/portland/article-17755-virtual-combat.html](http://www.wweek.com/portland/article-17755-virtual-combat.html).

\*\* "Unintended Consequences: an analysis of charter school funding in Oregon", Vanessa Wilkins, Northwest Center for Educational Options, April 21, 2010 [http://www.nwceo.org/pdf/NWCEO\\_Charter\\_School\\_Funding\\_Study\\_May\\_2010.pdf](http://www.nwceo.org/pdf/NWCEO_Charter_School_Funding_Study_May_2010.pdf).

The average Oregon public charter school received slightly over \$5,700 per student in 2008/2009 according to the Oregon Department of Education Financial Database, depending on the district that charters them. Current online charter schools are chartered in districts that pay less than this amount; but if the Oregon Virtual School District were to accept students statewide, it likely would receive closer to the average charter payment per student. Note that the \$5,700 average per student charter school funding is approximately half the total public funding of brick-and-mortar public schools in Oregon.

Tweet

Like

Be the first of your friends to like this.

Share 1

### 3 Responses to "Which Oregon School District Teaches No Students?"

1.



Some Guy Named Bob August 1, 2011 at 9:49 pm #