

On Costs and Funding for Full-Time Online Public Schools

Prepared by K12, Inc.

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According to multiple studies and testimony from industry experts, the average per pupil costs for full-time online schools is around \$6,500 per student, and in some cases higher depending on a number of variables. Below are some of those reports and studies.

Parthenon Group: "The Costs of Online Learning" (2012)

Average per student costs:

Full time online school: \$6,400

Blended school: \$8,900

Traditional school: \$10,000

Augenblick, Palaich & Associates: "20/20: Costs and Funding of Virtual Schools" (2006)

The report concludes that "costs range from about \$7200 to about \$8300 per FTE" for a full-time online school program.

Keeping Pace with K-12 Online Learning Report (2011)

PAGE 34: International Association for K-12 Online Learning reports that the average costs for full-time online schools is approx. \$6,500. (The report gives a breakdown of typical cost categories).

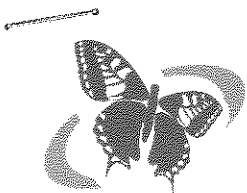
Alliance for Excellent Education (2010): reported that the state-run virtual school in Wisconsin (operated through a consortium of school districts) "calculates that the average per-pupil cost is \$6,500 in the virtual system" compared with the "national average of almost \$10,000 per pupil in a traditional system."

Ohio's Legislative Committee on Education Oversight: In 2005, it conducted a study on its statewide full-time online schools and found that they spent approx. \$5382 per student, compared to \$7452 for students in brick and mortar charter schools, and \$8437 for students in traditional, non-charter schools. The report concluded that these costs are "reasonable."

SEE PAGE 7: National Primer on K-12 Online Learning

Florida Virtual School, a large state-run virtual school operated by a nonprofit organization, says it spent about \$5,200 per student in 2010-11. (NOTE: FLVS serves mostly as a supplemental course program, which costs less to operate than a full-time, full-service online school)

U.S Census: Latest figures show that average total revenues per student in the U.S. exceeds \$12,000 and the average spending per student exceeds \$10,000.



OREGON VIRTUAL ACADEMYSM

powered by K¹²

March 19, 2013

Chairman Barnhart and members of the House Revenue Committee,

Good morning, my name is Jim Moyer and I am the Head of School for the Oregon Virtual Academy. We are a virtual public charter school located in North Bend. I am here to oppose HB 2457.

This legislation would reduce funding for Oregon Virtual Academy (ORVA) and other virtual charter schools in Oregon and negatively affect the public education we offer our students and put them at risk for meeting state standards.

Oregon Virtual Academy provides our students with a fully online, rigorous curriculum that is designed to meet the state standards. We use only highly qualified, Oregon certified teachers to provide instruction to our students. We only employ Oregon certified administrators, counselor, and principals. Our operations manager and office staff are well trained to support the families and to prepare all state reports. Students receive textbooks and curriculum materials and if needed, computers, necessary to complete their online courses successfully. Teachers provide online instructions to both large and small groups, including intervention sessions. Additionally, we provide specially designed instruction to students with IEP's and accommodations to students with 504 plans.

The school also provides a large number of outing and field trips for the school's students and families. Students may participate in clubs both sponsored locally by the school and nationally by K12. The school has hired a mathematics intervention teacher to work with struggling high school students to help them be successful academically.

Our current enrollment is 1766 students grades K-11. Currently 64% of students qualify for Free and Reduced Lunch, 17.5% have IEP's or 504 plans and 4% are identified as talented and gifted. The number of students that qualify for Free and Reduced Lunch and special education are above the state average. A significant number of our students come to us below grade level or credit deficient at the high school level and require additional support and interventions to be successful academically.

Our charter school surveys from 2009-10, 2010-11 & 2011-12 were very positive with 98% of the parents stating that they were satisfied or very satisfied with the school's instructional program and with their child's academic achievement. On the 2011-12 charter school survey the students rated the school above 4 on a 5 point scale on all measures except two. Seventy percent of our students continued with us last fall.

Under the current formula we receive \$5506 per student from the sponsoring district. At the end of 8 months, our instructional staff personnel expenses, curriculum costs, and technology services are currently 77.5% of school's received revenue. This does not include the administrative or office staff and other personnel expenses. Based on the Oregon Department of Education March estimate, at the proposed rate of 70%, we would receive \$4144 from the sponsoring district. Based on this estimate and

our admw the revenue would be less than our direct instructional costs. This proposed reduction would dramatically reduce ORVA's ability to serve the school's students and would be a significant impediment to meeting the 40-40-20 goal. This legislation suggests to our students and their families that their educational choice should be funded less than a comparable Oregon student, for choosing to attend a public online charter school.

Current research and reports from multiple sources continue to state that a quality public online school costs are similar to other public schools. According to the International Association for K-12 Online Learning, the typical per pupil expenditure for public online schools is \$6500. The Thomas B. Fordham Institute pegs the average amount at \$6400. A Bell South study says, to run a high quality public online program costs are between \$6,800-\$7,300 per student. The 2009 COSA report to the State Board of Education estimated the cost per student to be \$5989 per elementary student to \$6543 per high school student.

In conclusion, we support full funding for Oregon's virtual schools. ORVA is a great educational opportunity for a small percentage of the overall population. Full funding will allow us to continue to offer our students a wonderful and fulfilling online curriculum. We urge your opposition to HB 2457.

Thank you.