

EDUCATION SUBCOMMITTEE

Senate Finance Committee

Virtual Education School Funding Issues

January 27, 2011

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Virtual Education in Virginia Schools

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- The landscape in Virginia schools includes such programs as:
 - The state-run Virtual Virginia program that offers online Advanced Placement, world language, core academic, and elective courses.
 - Regional programs, such as Blue Ridge Virtual Governor’s School and the A. Linwood Holton Governor’s School in Southwest Virginia.
 - Locally-developed and administered programs, such as the Virtual High School @ PWCS in Prince William, which charges \$425 per course for PWCS students and \$570 per course for non-PWCS students.
 - Locally-based full-time programs fully administered by a third party vendor that enroll students from across the state, such as Carroll County’s Virtual Virginia Academy for grades K through 8 operated by a company called K12, Inc.
 - **It is likely that there are other variations and hybrid programs in existence or in development.**

Virtual Education and ADM/Composite Index

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Background:

- State per pupil (average daily membership) funding varies by locality based primarily on the Composite Index of Local Ability-to-Pay.
 - The statewide average SOQ per pupil funding is currently about \$4,100, and ranges from a low of \$1,300 to a high of \$6,700.
 - The Composite Index is a measure of each locality's available base to pay for the education of its students in order to equalize the distribution of state funding and to determine required local shares.

Virtual Education and ADM/Composite Index (continued)

- **The ability through technology to enroll a student in a school division that may be hundreds of miles from the students' place of residence raises funding questions not previously contemplated by state funding formulas.**
 - ***Example:** The program in Carroll County currently has enrolled 4 Carroll County students and 353 students from across the state (122 were previously home schooled and 31 were previously enrolled in private school) according to the provider. This is just under 10 percent of the division's total ADM.*
 - *Included in the "technical" amendments to the introduced budget was an additional \$2.1 million in FY 11 and \$2.4 million in FY 12 for Carroll County, which has a Composite Index of 0.2573, due to the increase in projected enrollment.*
 - **It is not known what costs could materialize for FY 12 and beyond from potential additional students in such programs next school year unless the General Assembly clarifies its intention regarding:**
 - What per pupil amount should be recognized for virtually schooling?
 - How should state/local shares be determined?

Possible Funding Models

- Possible funding models include:
 - State per pupil funding for students enrolled in a virtual program would be based on the funding for the school division in which the student resides, similar to the current basis for the regional Governor’s Schools.
 - Development of some statewide per pupil amount.
 - Based on a staffing model approach, such as is currently the basis for regional Alternative Education programs based on a fixed number of student slots (i.e. capped).
 - Some fixed or prorated per pupil amount based on costs of a virtual program as compared to “bricks and mortar” programs.
 - Some other basis.
 - Models used in other states.

2011 Session Member Budget Amendments on Virtual Education

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- Freeze enrollment and study appropriate funding options going forward (**Senator Barker**).
 - "f. For the second year, no state funds shall be provided for additional students enrolled in a local virtual school program or in a charter school virtual program except for the program operating throughout the first year. For the second year, the number of students enrolled in the virtual school program that operated throughout the first year shall be no greater than the number of students enrolled in that program as of January 12, 2011."
 - "The Joint Subcommittee shall study options for funding virtual school education in Virginia and report its findings and recommendations to the chairmen of the House Appropriations and Senate Finance Committees by October 1, 2011."
- Add \$2.0 million for the state-run Virtual Virginia program to expand the number of courses that can be offered in order to provide access to more students (**Senator Colgan**).