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# Joint Interim Task Force on Virtual School Governance Report

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The Task Force approved this Report on \_\_\_\_\_.

## **Executive Summary**

Senate Bill 994 (2011) established the Joint Interim Task Force on Virtual School Governance (Task Force) to develop a statewide governance structure for virtual education in Oregon. Senate Bill 994 required the Task Force to base its recommendations on the findings of the 2010 Board of Education report to the Legislature and to present a report and recommendations for legislation no later than Oct 1, 2011.

Senate Bill 994 passed the Oregon House and the Senate on June 30<sup>th</sup>, 2011, and was signed into law by Governor Kitzhaber on August 2, 2011. The Task Force is composed of two members from the Senate, two members from the House, one member from the Department of Education, and two members appointed by the Governor to represent virtual education. The Governor's appointments were made on September 29, 2011, and released on October 6, 2011. The Task Force was unable to meet and complete its report prior to the Oct 1, 2011, deadline.

The Task Force held its initial meeting on November 3<sup>rd</sup>, 2011. A chair was elected and rules were adopted. The chair, members of the Task Force, and panelists from the Board of Education discussed the state of online education and how it had changed since the 2010 Board of Education Report. At the conclusion of the meeting, the Task Force agreed that the issue of online governance was one of importance to Oregon and deserved a high quality, in-depth analysis before developing a governance structure.

The legislation recommended by the Joint Interim Task Force on Virtual School Governance is meant to give the Task Force the opportunity to fully investigate the nuances of online education and the time to develop recommendations regarding an appropriate governance model for the many forms of online schooling.

## **Recommended Legislation**

The Task Force recommends the Legislature reestablish the Task Force on Virtual School Governance for the 2012-2013 Interim Session. The Task Force recommends the scope of the Task Force charge include all public virtual education in Oregon, including blended learning programs.

### **Reestablish Task Force**

At its initial meeting on November 3<sup>rd</sup>, 2011, the Task Force discussed legislation that might impact school districts that host virtual charter schools and the schools themselves. The consensus among members and representatives of the Board of Education was that several immediate issues involving virtual schools were addressed in the 2011 Legislative Session and that remaining issues should be dealt with in a forward looking manner, not in a reactionary manner. No legislation was proposed for the 2012 session to address the governance of virtual schools. The Task Force, however, concluded that with its late start in appointing members and meeting, there would be little chance to develop a fully informed governance model before the 2012 session.

As such, the Task Force recognizes that virtual school governance is a broad issue that deserves a carefully crafted, forward-looking plan to address the changes in public education delivery. The Task Force recommends the 2012 Legislature reestablish the Joint Interim Task Force on Virtual School Governance for the 2012-2013 interim and require the Task Force to issue a report to the appropriate education committees no later than October 1, 2012.

### **Scope of Task Force**

The Task Force is charged with recommending a governance structure for virtual education based on the findings of the State Board of Education's 2010 report. The Board's 2010 report addressed legislative concerns over online charter schools that delivered all, or nearly all, of their curriculum online. But virtual education changes as quickly as technology and innovation allow. The Task Force heard testimony from representatives of the State Board of Education at its November 3<sup>rd</sup> hearing that indicated many education providers are embracing "blended" education, which is the delivery of educational materials through a mix of traditional avenues and online resources. For example, a student may take one or more courses through an online program in the evenings while attending traditional "brick and mortar" school for the rest of the week. Blended learning is not at the heart of the Task Force's charge, but is plainly a developing and increasingly important part of virtual education. Current Board member and former Board Chair Duncan Wyse advised the Task Force that given these changes, the Board would likely make different recommendations today, and he urged the Task Force to take a comprehensive approach to the matter. The Task Force agrees that a governance model that does not address the emergence of blended learning and other virtual education models will not address the entire sphere of virtual education.

With that in mind, the Task Force recommends that the 2012 Legislature extend the scope of the Task Force's work to include a governance model for all virtual education, including single course offerings, school district initiatives, and full and part time virtual public charter schools.

### **Prior Legislation on Virtual Education**

Students in Oregon's public schools have a variety of means for accessing online education. With the growth of high-speed internet connections and a variety of learning software, students can supplement their traditional classroom learning with online and electronic instruction. Online education can be obtained through a school district, an educational service district (ESD), or a virtual charter school.

In 2005, Senate Bill 1071 formed the Oregon Virtual School District (OVSD). The OVSD was envisioned to be a clearinghouse for online instructional materials. In August of 2005, Oregon Connections Academy (ORCA) opened its doors as a charter school sponsored by the Scio School District. It is now the largest virtual charter school in Oregon. With the arrival of ORCA and other subsequent full-time online charter schools, new educational opportunities arose for Oregon's students. (See Table 1). The opportunity brought by full-time online schools also brought associated challenges, such as declining enrollment in rural districts, potential funding

losses to districts, quality control of online programs, teacher certification, funding, and achievement reporting.

To address the potential effects on districts whose students might leave to attend a full-time online charter school, a 50/50 statute was put in place in 2005 through Senate Bill 1071. Under the 50/50 statute, 50 percent or more of all students enrolled in an online charter school had to reside in the district in which the charter school was located. On the flip side, no more than 50 percent of an online charter school's students could come from the school district in which the charter was located. Online charter schools were allowed to apply to the State Board of Education for a waiver of the 50/50 statute, and several schools were granted temporary waivers. Their status remained contingent on State Board waiver approval, however, and thus uncertain. Advocates for online charter schools and their vendors urged an end to the 50/50 statute, while opponents argued that it was necessary to assure Oregon's ongoing support of local control for K-12 education.

In 2009, Senate Bill 767 defined a "virtual public charter school" and laid out several new terms and rules for online schools. A virtual public charter school is a public charter school that provides online courses but does not include schools that primarily serve students in a physical location. Senate Bill 767 also established the Online Learning Task Force, which subsequently recommended that the Legislature require the State Board of Education to propose a governance model for virtual charter schools (House Bill 2660, 2010). The Board returned a report in 2010 that included 11 recommendations for governance of virtual schools. (See Table 2). A number of these measures have been addressed or have otherwise been resolved, yet a number remain outstanding.

With the passage of House Bill 2301 (2011), the 50/50 statute was discarded and replaced by a 3 percent cap on students enrolled in virtual public charter schools. Current law allows up to 3 percent of a school district's resident students to enroll in a virtual public charter school that is sponsored by the district without the resident school district's permission, but must give the school district proper notification of the intended transfer. If the transferring student is over the 3 percent threshold, the resident school district may choose to deny or grant the transfer. If denied, the student may appeal the decision to the State Board of Education.

House Bill 2301 (2011) also addressed the qualification requirements of online charter school teachers and the relationship between a charter school board and the educational curriculum provider. Under House Bill 2301, at least 95 percent of teachers in an online charter school must be licensed by the Teacher Standards and Practices Commission and must be "highly qualified" as described by the Federal No Child Left Behind Act of 2001.

Existing definitions and administrative rules were updated to clarify that virtual charter schools must be organized as a nonprofit and have a board of directors. House Bill 2301 clarified that the board of directors of a nonprofit must be independent of the commercial educational content provider of that school.

The Department of Education's figures for 2010 show that 4,364 students attended one of eight virtual charter schools in the state. With 561,698 students in K-12 public education, virtual

charter school students make up less than 1 percent of the students in the public school system. A major area of growth, however, is school district and ESD developing and offering blended learning programs. Such programs offer a wide range of flexibility to students, are taught by school district or ESD teachers, and do not require students to leave their resident district in order to attend.

### **Senate Bill 994**

Senate Bill 994 is the bill that created the Task Force. It was introduced to the Senate on June 21<sup>st</sup> and passed both the House and Senate on June 30<sup>th</sup>. The bill was intended to fix conflicts that arose in other education bills and to create the Task Force. The bill directed the Task Force to “recommend a governance structure for virtual education that is provided statewide. The recommended governance structure must be based on the findings made by the State Board of Education, as provided by chapter 72, Oregon Laws 2010.” The Task Force consisted of seven members, two from the Senate, two from the House of Representatives, one from the Department of Education, and two appointed by the Governor to represent virtual education. Senate Bill 994 directs the members to submit a report and any recommendations for legislation, to the interim legislative committees on education, no later than October 1, 2011, and repeals the Task Force on the convening of the 2012 session.

### **Conclusion**

Virtual education in Oregon is changing quickly and becoming a growing part of students’ education. Because of the developing technological capabilities of education providers, nearly all of Oregon’s students have access to remedial courses, advanced placements courses, dual credit courses, blended learning, and full time online instruction. However, Oregon has never created a holistic, comprehensive strategy for online learning; to date, it has dealt with issues and problems related to online learning in a piecemeal, ad hoc manner. The Task Force recommends reestablishing the Task Force for the 2012-2013 interim to fully develop a strong governance structure on which to base all online education.

Table 1: Fulltime Virtual Charter Schools in Oregon and Students Attending, 2010.

| Fulltime Virtual Charter Schools in Oregon | Number of Students, 2010 |
|--|--------------------------|
| Oregon Connections Academy                 | 2,529                    |
| Oregon Virtual Academy                     | 563                      |
| Silvies River Web Academy                  | 43                       |
| Estacada Web Academy                       | 305                      |
| Baker Web Academy                          | 256                      |
| Clackamas Web Academy                      | 456                      |
| Gresham-Barlow Web Academy                 | 143                      |
| Sheridan AllPrep Web Academy               | 69                       |
| Total: 8 Virtual Charter Schools           | 4,364                    |

Table 2: State Board of Education 2010 Recommendations and Current Status of Recommendations

| OBE Recommendation   | Status   |
|--|--|
| Remove virtual school law from charter school law. Create a new section of law. Transfer old virtual charter schools to new governance models within 2 years of new statutes.            | Not enacted  |
| Require online schools that want to draw students from other districts to get board approval.  | Not enacted  |
| State approval of entities limited to school districts and ESD.  | Not enacted  |
| Charter schools and nonprofit boards apply through school district or ESD.   | Not enacted  |
| Exempt online schools that only serve the school district or ESD own students, or contracts between districts, from state approval process.  | Current law has this structure, but may need to clarify in new statutes if virtual school law has its own section of law.  |
| Require parents or guardians to contact resident school district of intent to enroll in online school and give a copy of the contact to the virtual school before enrolling the student. | Enacted by SB 994 (2011)   |
| Up to 3% of district's students may go to approved out of district virtual schools. State board may increase to 5%. Districts may release more at their option.                          | Enacted by SB 994 (2011) but may need clarification on state board's discretion to increase to 5%  |
| Report student performance with virtual school report cards, not host district report card.  | Already current law, but may need clarification in new statutes.   |
| Require virtual schools to have nonprofit status and an oversight board with majority independent of provider/owner.   | All charter schools are required to have nonprofit status. May need clarification in new statutes. HB 2301 (2011) separates nonprofit board from provider interests. |
| Encourage full-time online charter schools to offer single courses to school district students.  | Not enacted  |
| Encourage development of comprehensive online education within each school district, preferably from state-approved pool.  | Not enacted, but further development of Oregon Virtual School District underway.   |