



## Virtual Schools in Tennessee

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### **Key Points**

In 2011, the Tennessee General Assembly passed the “Virtual Public Schools Act,” giving school districts the authority to establish full-time virtual schools and providing them resources as any other public school in the state. Since 2011, nine school districts have established virtual schools: Bradley County, Bristol City, Hamilton County, Metro Nashville, Robertson County, Shelby County, Union County, Washington County, and Wilson County.

In the fall of 2015, the Comptroller’s Offices of Research and Education Accountability (OREA) surveyed the virtual school administrators and interviewed school and district officials to learn how the virtual schools operate and how the districts have allocated funding to them. This report describes the Virtual Public Schools Act, contains some analysis of the survey responses, and includes a profile of each district-established virtual school, including funding information.

- District-established virtual schools must comply with the same laws as traditional public schools concerning curriculum standards, class size, length of the school day and school year, regular student assessments, and teacher qualifications. School districts may manage their own virtual schools or may contract for services with nonprofit and for-profit entities. Virtual schools are required to provide students with instructional materials and ensure student access to necessary technology, such as computers, printers, and Internet connections, used for school work, either at home or through a physical computer lab.
- Funding for virtual schools is most affected by student enrollment, including the number of students served, whether students are full- or part-time, and whether students originate from other districts.
  - The district-established virtual schools are still fairly new, having opened in 2011, 2012, or 2013, with one opening in 2015. Most have small enrollments of full-time students compared to the majority of traditional “brick-and-mortar” public schools. (Union County’s Tennessee Virtual Academy is the exception: in 2014-15, virtual school students made up 33 percent of the district’s enrollment.) Collectively, the nine virtual schools served about 0.21 percent of the total statewide average daily membership in SY 2014-15.

- Seven of the nine virtual schools are serving full-time students from outside their districts in SY 2015-16. Five virtual schools also enroll part-time students, and in four of these schools the number of part-time students exceeds the number of full-time students. Full-time virtual students generate BEP funds as part of the districts in which they are enrolled; because part-time, out-of-district students do not generate BEP funds for the district in which the virtual school is operated, some virtual schools charge tuition for them, as permitted by law.
- Factors other than enrollment may also affect virtual school costs, including programs of study offered, how online content is acquired and maintained, administration of the school, and teacher salary structure (usually different for part-time teachers, who typically outnumber full-time teachers in virtual schools).
- Virtual schools receive funds in the same manner as all other public schools receive funding – at the district level. Some districts include a line item amount in the general school district budget for their virtual school, some contract with for-profit providers, and some provide their virtual school with its own annual budget.
- For the five schools with available TVAAS composite scores, the scores are generally lower than the scores of the districts that established the schools. The virtual schools' performance may be related to their high mobility and attrition rates, which may be associated with lower student achievement. Many of the schools serve students who are enrolled for short periods of time, for health or other reasons. Most of the schools also have small enrollments; changes in enrollment for only a few students, therefore, may affect academic outcomes for the school.
- Some researchers suggest that the cost of delivering an online education may be equivalent to or less than providing an education at a traditional, brick-and-mortar school. Others assert that although virtual schools do not need funding for costs such as transportation or building and facility maintenance, the schools may have additional cost considerations, such as content acquisition and technology, and that their funding should resemble that of traditional schools.

Information continues to be lacking, however, on what the actual cost differences are between virtual schools and traditional brick-and-mortar schools. It is difficult to draw conclusions about the costs of virtual schools relative to brick-and-mortar schools in Tennessee, in part, because of the variance in full- and part-time students – some virtual schools serve many part-time students and traditional schools do not. In addition, teachers for virtual schools are often employed on a part-time basis and are paid by the course, making comparisons for teacher compensation, one of the larger expenditure categories for all types of schools, difficult. These same barriers to comparing costs between virtual schools and brick-and-mortar schools make comparing costs between virtual schools difficult as well.

## Introduction

In 2011, the Tennessee General Assembly passed the “Virtual Public Schools Act,” giving school districts the authority to establish full-time virtual schools, which are to be provided resources as any other public school in the state. The act also permits districts to contract for services with nonprofit and for-profit entities in operating and managing virtual schools.<sup>1</sup> The General Assembly originally scheduled the Virtual Public Schools Act to expire on June 30, 2015, but, during the 2015 legislative session, decided to extend the act to June 30, 2019.<sup>2</sup>

Since 2011, nine school districts have established virtual schools: Bradley County, Bristol City, Hamilton County, Metro Nashville, Robertson County, Shelby County, Union County, Washington County, and Wilson County.<sup>3</sup> (Although Putnam County has received a school number for its virtual school – part of the administrative process required to establish a school – the district, to date, has not enrolled full-time students in the virtual school. The district’s virtual school program, Putnam County VITAL, serves all of its schools. Putnam County is not included in the list of virtual schools throughout the report’s analysis, but the program is described in this report.)

**In school year 2014-15, collectively, the district-established virtual schools in Tennessee served about 0.21 percent of all students enrolled in the state’s public K-12 schools.**

In the fall of 2015, the Comptroller’s Offices of Research and Education Accountability (OREA) surveyed the virtual school administrators and interviewed school and district officials to learn how the virtual schools operate and how the districts have allocated funding to them. This report describes the Virtual Public Schools Act, analyzes the survey responses, and profiles each district-established virtual school, including funding information. The brief also includes some information about other states’ funding methods for virtual schools.



1 Memphis Virtual School  
Memphis, TN

4 Tennessee Virtual Online School (TVOLS)  
Wilson County, TN

7 Tennessee Virtual Academy (TNVA)  
Union County, TN

2 Robertson County Virtual School  
Springfield, TN

5 Hamilton County Virtual School  
Chattanooga, TN

8 Washington County Virtual Learning Academy  
Johnson City, TN

3 MNPS Virtual School  
Nashville, TN

6 Bradley County Virtual School  
Cleveland, TN

9 Tennessee Online Public School (TOPS)  
Bristol, TN

## Virtual Education Law in Tennessee

State law concerning virtual education is in two parts at Title 49, Chapter 16. Part 1, derived from Public Chapter 1096 in 2008, concerns virtual education *programs*. Part 2, from Public Chapter 492 in 2011, concerns virtual education *schools*. Virtual education schools differ from programs in that they are separate entities, like all other public schools. If a virtual school serves high school grades, students may graduate from the virtual school. Virtual education programs, in contrast, may be used within traditional schools to supplement course offerings or for other purposes, such as providing classes for homebound students or for students assigned to an alternative setting. Virtual education schools are listed in the State Report Card within their districts with accountability information provided like any other public school. Virtual education programs are not listed in the State Report Card because they are contained within schools. (See “[Notable Virtual Education Programs](#).”)

The General Assembly first passed legislation concerning virtual education in 2008, authorizing school districts to use Basic Education Program (BEP) funds to implement and operate virtual education programs. The law also required the State Board of Education to develop rules, policies, and guidelines for the operation of virtual education programs.

In 2011, the General Assembly passed the “Virtual Public Schools Act,” authorizing school districts to establish virtual schools, which the law defines as “a public school in which the school uses technology in order to deliver a significant portion of instruction to its students via the Internet in a virtual or remote setting.”<sup>4</sup> The law requires that district-established virtual schools should be provided resources as any other public school in the state, but does not specify a particular funding plan for virtual schools.

Under Part 2, virtual schools must comply with the same laws as traditional public schools on curriculum standards, class size, length of the school day and school year, regular student assessments, and teacher qualifications. School districts may manage their own virtual schools or may contract for services with nonprofit and for-profit entities. Virtual schools are required to provide students with instructional materials and ensure student access to necessary technology, such as computers, printers, and Internet connections, used for school work, either at home or through a physical computer lab. The State Board of Education was also required to develop rules and regulations under Part 2.

Part 2 was scheduled to be effective until June 30, 2015. In April 2015, the General Assembly passed Public Chapter 142, extending the Virtual Public Schools Act to June 30, 2019.

## Methodology

The information contained within this brief was drawn primarily from a survey OREA conducted in September and October 2015 of the administrators for the nine district-established virtual schools. Survey questions were grouped into six categories: general school questions, facilities and technology, virtual school students, courses and content, virtual school staff, and funding and budget. If the administrator was unable to supply answers about funding, the survey asked administrators to identify another district contact for those questions.

See [Appendix A](#) for a copy of the survey questions.

### Notable Virtual Education Programs

This report does not describe the full landscape of virtual education opportunities provided to students by school districts across the state. Many districts across the state provide distance learning programs, which are not set up as virtual schools that students attend full-time or from which they may graduate, but which provide virtual learning opportunities. One example of a program is in **Knox County**, where 11 high schools have received distance learning technology through a grant from UT-Battelle. Among other uses, the program allows students at a high school that doesn't offer honors math and science to take those classes at another Knox County school through the use of technology without leaving their home school.<sup>5</sup>

**Putnam County VITAL (Virtual Instruction to Accentuate Learning)** is an online program that serves students in the Putnam County School System. Although the district is authorized to enroll students in a virtual school, district officials have concentrated efforts instead on the VITAL program, established in 2008. The program provides opportunities to all Putnam County students who need to complete a class, earn credits, catch up to their peers, or enroll in a class not offered at their zoned school.

The program includes online learning, credit recovery, and dual enrollment. The district offers advanced classes through distance learning, which also falls under VITAL. Distance learning allows students to interact with a full class at another high school in real time via an online connection.

Every student who graduates from Putnam County gains some online experience because they are required to take a personal finance course provided online by the district at no cost. The program generally serves Putnam County students, but VITAL sometimes partners with other districts whose students may need a teacher of a particular subject or a class they lack. In addition to teachers, the district employs onsite facilitators, also known as lab facilitators, who are located at different district schools. The facilitators are certified teachers who aid communication between the students and the online teachers.

There is not a specific budget for VITAL because it serves a broad range of students and maintains different functions.

**Memphis Virtual STEM Academy in Shelby County Schools** is an online program that emphasizes student awareness and understanding of science, technology, engineering, and mathematics. It serves Shelby County students in grades 9-12.<sup>6</sup> The courses offered are hybrid, allowing students to work with a virtual curriculum as well as in a hands-on lab environment. Students are required to complete the lab component at East High School an average of once per week.

To participate in the STEM Virtual Academy, a student must attend a high school in Shelby County Schools. While participating in the virtual program, the student remains enrolled at their school of origin. Students complete the STEM coursework as an elective course each of the four years in the program. Once all graduation requirements are completed, students graduate from their schools of origin with a STEM program concentration noted on their final transcript.<sup>7</sup>

In 2013, the school received a \$1.34 million grant from the National Science Foundation. The grant was issued to promote further partnership between Shelby County Schools and the University of Memphis.<sup>8</sup> The STEM Virtual Academy has a faculty consisting of six engineers with a range of specialties.<sup>9</sup>

**DB-EXCEL, or Dobyns-Bennett Excellence in a Creative Environment for Learning**, is part of **Kingsport City Schools** and operates as a virtual program. It provides services to students at Dobyns-Bennett High School. School officials indicate that DB-EXCEL will remain a program with future expansion plans, but there are no plans to convert it to a virtual school. The program is a combination of both online and blended learning, with blended learning making up about 95 percent of DB-EXCEL. Classes are taken at a brick-and-mortar facility where students and teachers collaborate in person. Students work in an online learning management system at their own pace, and spend the rest of their time working on projects and supplemental work in a traditional classroom. The program is made up of approximately 225 full-time students who use a blended learning model, in which the student spends some time learning online and some time learning in a classroom setting, and approximately 20 students who work online only. All students taking classes through DB-EXCEL will receive a grade that is factored into their GPA. The program provides credit recovery options as well as first-time credits.

The school district employs six full-time teachers for DB-EXCEL who are compensated in the same manner as other district teachers. Two additional teachers teach at DB-EXCEL as well as another district school, and they make an extra stipend on top of their salary. The program also pays stipends to teachers at Dobyns-Bennett High School to develop course content through a learning management system called Edvance360.

DB-EXCEL is funded based on how many students it educates and does not receive any grants or donations. Since the district has initiated a one-to-one initiative with the goal of providing every student a computer, every DB-EXCEL student has the option of receiving a laptop.



## Analysis

### ***Virtual School Student Enrollment***

The nine virtual schools that districts have established since the Virtual Schools Act passed in 2011 all operate differently. Funding for virtual schools is most affected by student enrollment, including the number of students served, whether students are full- or part-time, and whether students originate from other districts.

The tables below show enrollment trends for all years of operation for each of the virtual schools, as well as the numbers of full- and part-time students and the number of full-time, out-of-district students enrolled in the schools. (See pull-out box: “[Virtual school student enrollment and BEP funds.](#)”)

Enrollment Trends. The district-established virtual schools are still fairly new, having opened in 2011, 2012, or 2013, with one (Washington County) opening in 2015. Most have small enrollments of full-time students compared to the majority of traditional “brick-and-mortar” public schools. Collectively, the nine virtual schools served about 0.21 percent of the total statewide average daily membership in SY 2014-15. Even those virtual schools that have increased enrollment substantially from their first year of operation – MNPS Virtual School and Bristol City – are serving relatively modest numbers of students. The one exception to this trend is the Tennessee Virtual Academy in Union County. In 2014-15, Union County’s virtual school students made up 33 percent of the district’s enrollment (Average Daily Membership or ADM); in 2012-13, virtual school students were 51 percent of the district’s ADM. The Tennessee Virtual Academy has experienced a significant decrease in enrollment from a high of more than 3,000 students in SY 2012-13 to a low of 636 students in SY 2015-16.

See [Exhibit 1](#) for enrollment trends.

Full-time and part-time students. The virtual schools also vary in the grade levels offered and in whether they enroll both full- and part-time students. The number of part-time students exceeds the number of full-time students in four of the five virtual schools that enroll part-time students (Hamilton County Virtual School, Memphis Virtual School, MNPS Virtual School, and Tennessee Virtual Online School in Wilson County). Most part-time virtual school students are enrolled in the district where the virtual school is located. [Exhibit 2](#) compares the schools.

Out-of-district students. Seven of the nine virtual schools are serving full-time students from outside their districts in SY 2015-16: Bradley County Virtual School, Hamilton County Virtual School, Tennessee Online Public School (Bristol City), the MNPS Virtual School, the Memphis Virtual School (Shelby County), the Tennessee Virtual Academy (Union County), and the Washington County Virtual School. (The Tennessee Virtual Online School in Wilson County has served full-time, out-of-

district students in past years, but has none enrolled for SY 2015-16.) **Exhibit 3** displays the number of full-time, out-of-district students served by the seven schools in school year 2015-16, and the percentage of full-time, out-of-district students based on total full-time students.

Virtual schools that serve full-time, out-of-district students may incur additional expenses related to state testing. A State Board of Education rule requires that public virtual schools “administer all state tests required of public school students to students enrolled in a virtual school in a proctored environment consistent with state test administration guidelines.”<sup>10</sup> The MNPS Virtual School requires that all virtual school students, whether they live inside or outside the district, sit for state-mandated tests at its Nashville facility, but both the Tennessee Online Public School (Bristol City) and the Tennessee Virtual Academy (Union County) locate testing sites across the state for students enrolled in the school who reside in other districts. This practice may also require travel expenses for test proctors.

#### **Exhibit 1: Enrollment Trends in District-Established Virtual Schools**

School	District	Began enrolling students	Enrollment of Full-Time Students				
			SY 2011-12	SY 2012-13	SY 2013-14	SY 2014-15	SY 2015-16
<b>Bradley County Virtual School</b>	Bradley County	2012	N/A	34	69	85	71
<b>Hamilton County Virtual School</b>	Hamilton County	2013	N/A	22	26	19	31
<b>Memphis Virtual School</b>	Shelby County	2012	N/A	111	150	97	115
<b>MNPS Virtual School</b>	Metro Nashville	2011	16	85	89	140	140
<b>Robertson County Virtual School</b>	Robertson County	2012	N/A	19	19	25	37
<b>Tennessee Online Public School</b>	Bristol City	2012	N/A	58	138	222	217
<b>Tennessee Virtual Academy</b>	Union County	2011	1,749	3,014	2,676	1,379	636
<b>Tennessee Virtual On-Line School</b>	Wilson County	2012	N/A	18	29	31	34
<b>Washington County College Prep Virtual Learning Academy</b>	Washington County	2015	N/A	N/A	N/A	N/A	10
<b>Statewide Totals</b>			1,765	3,361	3,196	1,998	1,291

Note: (1) N/A means the school was not open in the year noted.

(2) The Memphis Virtual School also serves adult students, which are not reflected in the total for SY 2015-16. Adult students may be reflected in the totals for previous years.

(3) The 2015-16 enrollment figures were taken from a survey of the virtual schools during the school year. These numbers will likely not match the final enrollment figures that the Tennessee Department of Education will report.

Source: Tennessee Department of Education, *Virtual Education Report 2015*, <https://www.tn.gov/> (accessed Dec. 7, 2015); OREA Virtual Schools Survey, 2015; Hamilton County Virtual School, e-mail, Nov. 2, 2015; Memphis Virtual School, e-mail, Feb. 11, 2016.



**Exhibit 2: District-established virtual schools, by grades served and full- and part-time students enrolled, SY 2015-16**

School	District	Grades served, SY 2015-16	Full-time students enrolled, SY 2015-16	Part-time students enrolled, SY 2015-16
Bradley County Virtual School	Bradley County	3-12	71	0
Tennessee Online Public School (TOPS)	Bristol City	9-12	217	0
Hamilton County Virtual School	Hamilton County	K-12	31	50
MNPS Virtual School	Metro Nashville	5-12	140	1,326
Robertson County Virtual School	Robertson County	5-12	37	1
Memphis Virtual School	Shelby County	6-12	115	2,846
Tennessee Virtual Academy	Union County	1-8	636	0
Tennessee Virtual Online School	Wilson County	K-12	34	188
Washington County College Prep Virtual Learning Academy	Washington County	9-12	10	0

Note: The Memphis Virtual School also serves adult students, which are not reflected in the total of full-time students for SY 2015-16. Source: OREA survey of virtual schools, 2015; Hamilton County Virtual School, e-mail, Nov. 2, 2015; Memphis Virtual School, e-mail, Feb. 11, 2016.

**Exhibit 3: Virtual schools enrolling full-time, out-of-district students, SY 2015-16**

School	District	Full-time, out-of-district students, SY 2015-16	% of full-time, out-of-district students based on total full-time students
Bradley County Virtual School	Bradley County	3	4.3%
Hamilton County Virtual School	Hamilton County	2	6.5%
Tennessee Online Public School (TOPS)	Bristol City	202	93.1%
MNPS Virtual School	Metro Nashville	32	22.8%
Memphis Virtual School	Shelby County	6	4.2%
Tennessee Virtual Academy	Union County	629	98.9%
Washington County College Prep Virtual Learning Academy	Washington County	2	20.0%

Source: OREA survey of virtual schools, 2015; MNPS Virtual School, e-mail, Nov. 2, 2015; Bradley County Virtual School, e-mail, Nov. 6, 2015.

## ***Virtual School Profiles and Funding Narratives***

This section provides basic descriptions of each of the nine district-established virtual schools and provides information about how each district allocates funding to the schools. The Virtual Public Schools Act states that

Virtual schools may be established by an LEA. A virtual school shall be a public school and shall be provided resources as any other public school in the state.<sup>11</sup>

In Tennessee, public schools – including district-established virtual schools – receive funding based on a variety of factors determined by school districts. The Basic Education Program (BEP), the state’s education funding formula, calculates state funds to be allocated to individual districts, not to schools.<sup>12</sup> Districts determine how much funding each of their public schools receives based on a variety of factors, such as enrollment and special needs of the students. Districts retain some amount of operating funds for district-wide expenditures, such as central office staff, transportation, and facility maintenance. Districts may or may not create individual school budgets for each of their schools.

Funding for each virtual school may be affected by several factors, including enrollment (as described in the previous section), programs of study offered, how online content is acquired and maintained, administration of the school, and teacher salary structure (usually different for part-time teachers, who typically outnumber full-time teachers in virtual schools).

Six of the nine district-established virtual schools provided OREA with budgets or contracted amounts for their schools: districts

### **Virtual school student enrollment and BEP funds**

Virtual school students generate funds through the state funding formula (the BEP), as do all other public school students, by being included in the district ADM count, which is then used to calculate unit costs for the 45 components of the BEP.

When a student enrolls as a *full-time* virtual school student in a district other than where he or she resides, the student generates funds through the BEP for the receiving district just as a traditional student does. For example, a student residing in Warren County who enrolls full-time in the MNPS Virtual School generates BEP funding for Davidson County.

When a student enrolls as a *part-time* virtual school student in a district other than where they reside, he or she does *not* generate funds through the BEP for the receiving district. The Virtual Schools Act permits virtual schools to charge tuition; most charge only for part-time students because they receive no BEP funding for them. For example, a student residing in Warren County who enrolls in one or two classes as a part-time student in the MNPS Virtual School continues to generate BEP funding for Warren County, but none for Davidson County. The MNPS Virtual School would charge tuition for such a student because the district would receive no BEP funding for that student.

vary in the costs they include in their budgets for their virtual schools. Some districts fund their virtual schools with a line item amount in the general school district budget (such as Wilson County) and others account for their virtual school expenditures within the general school district budget without a specific line item amount for the school (such as Hamilton County). Two districts – Robertson and Union Counties – contract with a for-profit provider to operate their virtual schools. MNPS Virtual School in Davidson County funds its school similarly to its other schools, giving the school its own annual budget. Shelby County Schools also gives the Memphis Virtual School its own budget.

### *Bradley County Virtual School*

Bradley County Schools established the Bradley County Virtual School in 2012. The school serves grades 3-12. The school is currently serving 71 full-time students during the 2015-16 school year, and three are out-of-district.

The virtual school has 11 part-time teachers and a teaching principal. Nine of the 11 part-time teachers also work as full-time teachers in other Bradley County schools; they are paid \$20 an hour to teach part-time at the virtual school.

Virtual school students are required to provide their own technology, but the Bradley County Virtual School has an on-site computer lab if students need access. The school's catalog of courses includes core subjects, foreign languages, fine arts, wellness, and remediation (e.g., credit recovery). All courses are leased from a vendor.

The school leases a facility for its administrative offices, also with a computer lab, testing site, and tutoring space.

Funding: The Bradley County Virtual School does not have an annual budget or a specific funding amount that the school receives each year. The current Chief Financial Officer for the district plans to establish a school budget for the 2016-17 school year.<sup>13</sup>

### *Bristol City Schools: Tennessee Online Public School*

Bristol City Schools established the Tennessee Online Public School (TOPS) in 2012. In the 2015-16 school year, TOPS serves grades 9-12. TOPS has 217 full-time students enrolled for the 2015-16 school year; 202 of those students reside out-of-district. TOPS serves no part-time students and charges no tuition. The school's catalog of courses includes core subjects, career and technical education, foreign languages, fine arts, and wellness. The school requires students to use their own technology. All courses are accessed online and were developed locally. TOPS uses a district-owned facility for state testing purposes. During state testing periods, the school must find other places across the state to provide convenient testing locations to its out-of-district students.

TOPS has three full-time teachers and 17 part-time teachers. Some of the part-time teachers have full-time teaching positions in other school districts. Full-time teachers in the virtual school are paid according to the same salary schedule as other teachers in the district; part-time teachers are paid by course taught dependent on the number of students: \$2,000 for a course with 10 or fewer students; \$2,500 for a course with 11-20 students; and \$3,000 for a course with 21-35 students.

TOPS also has a principal, a counselor, a special education teacher, and an administrative assistant.

**Exhibit 4: Expenditures for Tennessee Online Public School, Bristol City Schools, SY 2015-16**

Principal	\$107,735
Administrative Assistant	\$13,920
Supplies/Materials	\$59
Teachers	\$208,490
Teachers Course Stipend	\$130,863
Technology/Misc.	\$6,421
Travel	\$2,073
<b>Total</b>	<b>\$469,561</b>

Source: Bristol City Schools.

Funding: There is an approved budget every year for the virtual school. The 2015-16 budget is \$485,000; [Exhibit 4](#) displays the categories of spending. The majority of the budget pays for teacher and administrative salaries. A small amount is spent on travel for testing around the state, since most of the school's students reside outside the district.

#### *Davidson County: MNPS Virtual School*

Metro Nashville Public Schools established its MNPS Virtual School in 2011. In school year 2015-16, the school serves grades 5-12 and has 140 full-time students (32 of whom originate from other districts) and 1,326 part-time students (most of whom reside in Davidson County). The school does not charge tuition for out-of-district, full-time students; it charges \$399 per half-credit for out of-district, part-time students. It also charges \$199 per half-credit for in-district, part-time students only in cases where students with a full course schedule choose to take an additional course; waivers for this cost are available to in-district students qualifying for free- and reduced-price meals. Students use their own technology to access online courses; however, if students lack technology, the virtual school will provide it. The school is housed in a district-owned building, which it uses for its administrative offices, as a testing site, as a computer lab, and also for tutoring, intervention, and student social and learning events.

The MNPS Virtual School employs five full-time and 32 part-time teachers. Full-time teachers are compensated in the same manner as all other district teachers; part-time teachers are paid on a separate salary schedule. Part-time teachers for the MNPS Virtual School are paid a base amount per class taught (not per sections taught): \$1,000 for a 0.5 credit course and \$1,500 for a 1.0 credit course. Teachers are additionally paid based on the total number of students enrolled and by class type: \$70 per student for End of Course (EOC), Tennessee Comprehensive Assessment Program

(TCAP), and Advanced Placement (AP) virtual classes and \$60 per student for all other classes. Salaries are paid in equally divisible amounts throughout the semester. Teachers can also qualify for an increased amount per pupil based on demonstrated student mastery and performance. For AP classes, this is dependent on students' grades on the associated College Board tests; for EOC and TCAP classes, the increased per-pupil amount is dependent on the amount of growth a student's test scores indicate, using scores from the Tennessee Value-Added Assessment System (TVAAS).

The school employs five additional staff members: one principal, two school counselors, one enrollment specialist, and one secretary.

The MNPS Virtual School course catalog includes courses in core subjects, accelerated options (e.g., Advanced Placement), career and technical education, foreign languages, and enrichment/extra-curricular options (e.g., physical education and arts). The school has acquired course content by developing some courses of its own, as well as purchasing and leasing courses from vendors.

Funding. Metro Nashville Public Schools funds its virtual school similarly to its other non-zoned schools (including pre-k centers, nontraditional/alternative schools, special education schools, and the adult school), with a direct resource allocation based on its unique model of service.<sup>14</sup> The MNPS Virtual School has its own annual budget. [Exhibit 5](#) shows the total annual budget for all years of operation, and [Exhibit 6](#) shows the budget categories and costs for school year 2015-16.

### *Hamilton County Virtual School*

The Hamilton County Virtual School (HCVS), established in 2012, serves grades K-12. In SY 2015-16, the school has 31 full-time students and 50 part-time students. Two of the full-time students originate from other districts. HCVS requires students to use their own technology, but staff indicate they would work with any student who has a need for technology. The school charges tuition of \$250 per ½ credit for part-time students, whether they originate within Hamilton County or from another

**Exhibit 5: MNPS Virtual School, Annual Budgets, FY2010-11 through FY2015-16**

Year	Final Budget Amount
<b>FY2010-11</b>	\$252,200
<b>FY2011-12</b>	\$471,000
<b>FY2012-13</b>	\$752,500
<b>FY2013-14</b>	\$873,900
<b>FY2014-15</b>	\$876,300
<b>FY2015-16</b>	\$1,169,700*

Note: \* Budget amount for FY2015-16 is the original budget amount and is not final. All other budget amounts are final.

Source: Metropolitan Nashville Public Schools, e-mail, Nov. 4, 2015.

**Exhibit 6: MNPS Virtual School, Budget, Fiscal Year 2015-16**

Budget category	Amount budgeted
<b>School Administration</b>	\$335,400
<b>Instruction</b>	\$401,500
<b>Pupil Support (Counselors)</b>	\$179,600
<b>Other Personnel and Non-Personnel (Adjunct Teacher Pay)</b>	\$394,300
<b>Total Budget</b>	\$1,310,800

Source: Metropolitan Nashville Public Schools, FY 2015-16 Budgets, p. 270; James Witty, Principal, MNPS Virtual School, e-mail, Nov. 4, 2015.

district; it charges no tuition for full-time students. HCVS employs 15 part-time teachers and no full-time teachers. All virtual school teachers work full-time at other Hamilton County schools and fulfill their virtual school responsibilities in addition to their regular workday. HCVS teachers are compensated at a rate of \$125, plus benefits, per pupil, per quarter, per course.<sup>15</sup> The school's administrative staff consists of one school administrator. The school's catalog of courses includes core subjects, career and technical education, foreign languages, and remediation (e.g., credit recovery), all of which are purchased from a vendor. All courses are provided online and some courses are blended (i.e., with a portion conducted online and a portion conducted in a classroom). The school uses a district-owned facility for its administrative offices and as a testing site.

Funding: The Hamilton County Virtual School does not have its own annual budget, but is accounted for in the Hamilton County Department of Education's general purpose fund. The district uses BEP revenue allocated on a per pupil basis to cover teacher compensation for the virtual school. Ongoing costs for the school are dependent on the number of students enrolling in a school year.<sup>16</sup>

*Robertson County Virtual School*

The Robertson County Virtual School (RCVS), established in 2012, serves grade 5 through 12. Robertson County Schools contracts with a for-profit vendor, Connections Learning by Pearson, to operate its virtual school. The vendor provides all teachers, the curriculum, and the online platform for the school. In SY 2015-16, RCVS has 37 full-time students and one part-time student, all of which originate from Robertson County. RCVS requires students to provide their own technology, but also maintains a computer lab that students can access as needed.<sup>17</sup> The school charges no tuition for full-time students; it charges \$750 per credit for part-time students, which reflects the amount the district pays Connections Learning for its courses. RCVS employs one administrative staff person, a principal. The school's catalog of courses includes core subjects, accelerated courses (e.g., Advanced Placement), career and technical education, foreign languages, and enrichment or extra-curricular courses (e.g., physical education and arts). The school uses a district-owned facility for its administrative offices, as a computer lab for students, and as a testing site.

**Exhibit 7: Robertson County Virtual School, contracted amount by year of operation**

School Year	Contracted Amount
2012-13	\$281,100
2013-14	\$336,380
2014-15	\$285,605
2015-16	\$376,115

Note: The contract does not reflect salary for the school principal, which is included in the district budget.  
Source: Robertson County Schools.

Funding: The district includes the contract amount paid to the vendor who operates RCVS as a line item in the Robertson County Schools budget. The contract requires the vendor to provide all teachers, the curriculum, and the online platform for the virtual school. As a district employee, the school principal's salary and benefits are included in the district budget.<sup>18</sup> The table below shows the amount paid by the district for each year of operation of the virtual school.



### *Shelby County: Memphis Virtual School*

Shelby County Schools established the Memphis Virtual School, which serves grade 6-12, in 2012.<sup>19</sup> In school year 2015-16, the school has enrolled 115 full-time students, six of whom are out-of-district, and 2,846 part-time students, all of whom originate in Shelby County. The school charges tuition only to part-time students who come from out-of-district at a rate of \$150 per half credit. If the school were to enroll a part-time, out-of-district student, the school district where the student resides would be expected to pay the tuition, rather than the student.

The school employs 46 part-time teachers, some of whom are employed by the district and some of whom are out-sourced, and no full-time teachers. The virtual school teachers are paid a stipend of \$5,000 per semester. Other virtual school staff are:

- Principal
- Vice Principal
- Learning Management Support Advisor
- Enrollment Support Assistant
- three Learning Support Specialists (one each for literacy, math, and science)
- nine part-time staff support employees
- four part-time clerical employees
- three part-time tutors
- 25 online monitors

The online monitors support students who enroll in online courses in addition to having a full schedule at another district school. Monitors oversee virtual learning labs, which open before and after normal school hours, for students who do not have access to computers and Internet.

Part-time staff support are paid \$5,000 per semester and part-time online monitors are paid \$3,000 per semester. Part-time clerical employees are compensated at \$12.51 per hour and part-time tutors at \$9.57 per hour.

The Memphis Virtual School's catalog of courses includes core subjects, acceleration courses (e.g., Advanced Placement), career and technical education, foreign languages, enrichment and extra-curricular courses (e.g., physical education, arts), and remediation courses (e.g., credit recovery). Courses come from a variety of sources; some have been developed by the district or school and others are either purchased or leased from a vendor. Courses are provided online; some courses are blended (i.e., some portion of the class is conducted online and some portion is conducted in a traditional classroom setting).

The school uses a district-owned facility as a computer lab and testing site for students, as well as a place to provide enrichment and remediation opportunities. The school provides student devices to

participate in the school at no cost, but students must have access to high speed Internet connectivity. Students may also use the computer lab as needed.

Funding: The Memphis Virtual School has an annual budget, which is displayed in Exhibit 8.

#### *Union County: Tennessee Virtual Academy*

Union County Schools established the Tennessee Virtual Academy in 2011. The district contracts with a for-profit company, K12, Inc., to operate the virtual school. In SY 2015-16, TNVA serves grades 1 through 8, with 636 full-time students enrolled, 629 of whom are from districts throughout Tennessee. It has no part-time students. The school charges no tuition and provides students qualifying for free- and reduced-price meals (about 75 percent of currently enrolled students) with computers, printers, and Internet fee reimbursement. The school also supplies additional technology and hardware as needed for special education services. TNVA employs 36 full-time teachers who are out-sourced as part of the contract with K12, Inc. The school has an administrative staff of 17: one principal, two academic administrators, two master teachers, two general education registrars, four parent engagement team members, and one each of these positions: special education manager, operations manager, testing coordinator, special education compliancy coordinator, special education registrar, and special programs manager.

The school maintains administrative offices in Maynardville at the Union County Schools facility. It also uses temporary space at various sites throughout the state during state-required testing dates because the majority of its students do not reside in Union County.

The TNVA course catalog includes courses in core subjects and enrichment/extra-curricular courses (e.g., physical education and arts).

Funding: The for-profit vendor, K12, Inc., that Union County Schools contracts with to operate the Tennessee Virtual Academy, receives 96 percent of the state BEP funds generated by the virtual school students, about \$5,460 per pupil in FY 2015. Union County Schools retains the remaining 4 percent of the funding.<sup>20</sup> The contract between the district and its for-profit operator, K12, Inc., specifies that program revenues payable to the vendor include state and local BEP funds, but an agreement between the district and K12, Inc. allows the district not to pay local BEP funds to K12, Inc. Union County Schools retains the local funds.

**Exhibit 8: Shelby County Schools, Memphis Virtual School, Operating Budget, 2015**

Expenditures	SY 2015-16
Salaries and Benefits (full-time employees, part-time teachers, and support staff)	\$1,856,446
Learning Management System	\$200,000
Professional Development for full- and part-time staff	\$20,000
Computer Equipment (purchases or repairs)	\$17,000
<b>Total</b>	<b>\$2,093,446</b>

Source: Dr. Cleon Franklin, Principal, Memphis Virtual School, e-mail, Feb. 22, 2016.

Salary and benefits for the TNVA principal are included as part of the Union County Schools budget; the other 16 administrative staff are paid by K12, Inc., as part of the contract.<sup>21</sup> Exhibit 9 shows the contracted amount paid to K12, Inc.

**Exhibit 9: Tennessee Virtual Academy (TNVA), Union County Schools – contracted amount paid to K12, Inc., by year of operation**

	SY 2012-13	SY 2013-14	SY 2014-15	SY 2015-16
<b>Contracted amount paid to K12, Inc.</b>	(a)\$7,152,000	\$12,326,998	\$14,097,629	(b)--

Notes: (a) In SY 2012-13, the first year of the virtual school's operation, K12, Inc., originally claimed \$11,486,671 in expenditures, which exceeded the amount of BEP funds the district received for the school. K12, Inc., subsequently issued a "debt forgiveness" credit memo for \$4,334,671, resulting in net expenditures of \$7,152,000. The contract was subsequently amended in 2013. Comptroller of the Treasury, Annual Financial Report, Union County, Tennessee, For the Year Ended June 30, 2012, pp. 51-52, and For the Year Ended June 30, 2014, pp. 57-58.

(b) – means these figures are not yet final.

Source: Josh Williams, Principal, Tennessee Virtual Academy (TNVA), Union County Schools, e-mail, Nov. 10, 2015; Comptroller of the Treasury, Annual Financial Reports, Union County, Tennessee, For the Year Ended June 30, 2012, For the Year Ended June, 30, 2013, and For the Year Ended June 30, 2014.

### *Washington County: College Prep Virtual Learning Academy*

Washington County School District established the College Prep Virtual Learning Academy in 2014 and began enrolling students in the 2015-16 school year. The school serves grades 9-12.

The school uses a facility in a district-owned building, which houses the county's Optional High School and Adult High School and the virtual school's administrative offices. Virtual school students attend the facility for blended instruction and one-on-one tutoring, and also to take course final exams and participate in state-mandated testing. Currently, all virtual students provide their own technology, but the school will provide assistance to those who lack access.

Still in its first year of operation, the school serves 10 full-time students, two of whom reside outside the district. The virtual school has two full-time teachers and five part-time teachers. The part-time teachers are retired teachers who are employed under a 120-day contract at the Optional/Adult High School; they receive no additional salary for working at the virtual school.

Funding: Washington County Schools does not include a specific budget or line item in the General Purpose fund allocated to the virtual school. The school uses an online computer program that was purchased by the district to assist with credit recovery and accrual for the last several years at no additional cost to the school. The staff members, including the principal, were already employees of the district when the school was established, therefore the school does not expend additional salary funds. School officials indicate that ongoing costs will be calculated by considering the cost of curriculum, staff, and facilities as the school grows.

### *Wilson County: Tennessee Virtual Online School*

The virtual school in Wilson County is known as the Tennessee Virtual Online School (TVOLS). The school, which began enrolling students in 2012, serves grades K-12. In SY 2015-16, the school has 34 full-time students, all from within Wilson County, and 188 part-time students. The school has three full-time teachers and 22 part-time teachers, who are all certified Wilson County Schools' educators. It has an administrative staff of two (a principal and a lead coordinator) who also oversee the district's teacher center.<sup>22</sup> TVOLS provides a laptop and printer to all full-time students at no cost. The school charges a tuition fee of \$100 per quarter (\$400 per school year) for full-time students. Part-time students are charged \$25 per course. Although TVOLS has no out-of-district students enrolled in the 2015-16 school year, it has served students from other districts in previous years.

The school provides a variety of courses, some of which the district/school created and some that are purchased from a vendor. The school's catalog of courses includes core subjects, accelerated courses (e.g., Advanced Placement), career and technical education, foreign languages, fine arts, physical education, remediation (e.g., credit recovery), and dual enrollment. All courses are provided online and some courses are blended (i.e., with a portion conducted online and a portion conducted in a classroom).

TVOLS uses a district-owned facility for its administrative offices, to provide a computer lab for students, for weekly face-to-face tutoring and intervention, and as a testing site.

**Funding:** TVOLS has a line item in the Wilson County Schools general purpose fund of \$75,000. In 2014-15, expenditures for part-time teacher pay, curriculum, professional development, and equipment and supplies totaled \$60,067.

Other expenses – full-time teacher pay, the learning management system, technology (hardware, computers, and printers), facilities, phones, and office supplies – are accounted for in the district's general purpose fund.

### **Student Achievement in Tennessee's District-established Virtual Schools**

As public schools created by school districts, virtual schools are subject to the same accountability laws, rules, and regulations as any other public school in Tennessee. The Virtual Public Schools Act states that virtual school students are subject to the

**Exhibit 10: Expenditures for Tennessee Online Virtual School by year of operation**

	SY 2012-13	SY 2013-14	SY 2014-15
<b>Part-Time Teacher Pay (fall, spring, and summer)</b>	\$17,339	\$39,238	\$30,975
<b>Curriculum</b>	\$49,850	\$34,323	\$18,358
<b>Professional Development (conferences and training)</b>	\$0	\$0	\$8,834
<b>Equipment/supplies</b>	\$2,364	\$1,000	\$1,900
<b>Totals</b>	\$69,553	\$74,561	\$60,067

Note: These figures do not reflect other expenses (full-time teacher pay; the learning management system; technology, including hardware, computers, and printers; facilities; phones; and office supplies) which are accounted for in the district's general purpose fund.

Source: Wilson County Schools.

regular assessments in language arts, math, science, and social studies. Like each traditional public school, virtual school accountability data is published as part of the state Report Card and available for public review.

The General Assembly amended the Virtual Public Schools Act in 2013, adopting additional accountability measures related to student achievement growth for virtual schools. If a virtual school demonstrates student achievement growth at a level of “significantly below expectations,” as represented by the Tennessee Value-Added Assessment System (TVAAS), for any three consecutive years of the school’s operation, the Commissioner of Education has the authority to enforce an enrollment cap or direct the district to close the school.<sup>23</sup> A lawsuit filed after the legislative change resulted in a June 2015 ruling in Davidson County Chancery Court that the three-year period of determination about a school’s achievement growth could not begin prior to the 2013-14 school year, the year the law was enacted.<sup>24</sup>

The Tennessee Value-Added Assessment System (TVAAS) measures the impact schools and teachers have on their students’ academic progress. TVAAS measures student growth, not whether the student is proficient on the state assessment. TVAAS composites are scores that assess growth at the school level, based on student performance across all available subjects and grades on state assessments. TVAAS composites are reported on a 1-5 scale and are one-year scores.

### **Tennessee’s former statewide virtual education initiative**

In 2006, the Tennessee Department of Education (TDOE) began the e4TN (“effective, engaging e-learning environment for Tennessee”) project to create and make online courses aligned to Tennessee standards available to students across the state. TDOE funded the initiative through a federal education technology grant (Enhancing Education Through Technology, Title II-D), awarding a five-year grant (about \$9.8 million total) to Hamilton County Schools to develop, evaluate, and implement online courses; the department also awarded \$100,000 each in the first year and \$50,000 each in the following four years to seven other school districts to test and deliver the online courses. Staff for e4TN included computer programmers, graphic designers, and education personnel who developed online courses aligned to Tennessee standards. Both houses of the Tennessee General Assembly concurred in Senate Joint Resolution 800 (2006), which declared legislative support for the development of a comprehensive K–12 e-learning program in Tennessee.

By 2009, the e4TN initiative had trained 220 teachers across Tennessee in online learning. All teachers trained were existing employees of Tennessee school districts. The teachers taught online courses part-time, in addition to their regular classroom work. The e4TN initiative also had created and produced 27 one-credit courses and two half-credit courses aligned with Tennessee standards, covering a wide range of subjects, including algebra, biology, chemistry, economics, English, foreign languages, history, government, and physics, as well as professional development courses for teachers.

In 2011, in a federal budget compromise, Congress eliminated Title II-D funding (the source Tennessee used to fund its program) from the federal budget. Tennessee’s e4TN project ceased operations shortly thereafter. Tennessee has not attempted another state-established virtual program.

Source: Offices of Research and Education Accountability, *K-12 Virtual Schools*, May 2012, <http://www.comptroller.tn.gov/> (accessed Jan. 28, 2015).

For the five schools with available TVAAS composite scores, the scores are generally lower than the scores of the districts that established the schools. The virtual schools' performance may be related to their high mobility and attrition rates, which may be associated with lower student achievement.<sup>25</sup> Many of the schools serve students who may be enrolled for short periods of time, for health or other reasons. Most of the schools also have small enrollments; changes in enrollment for only a few students, therefore, may affect academic outcomes for the school. [Exhibit 11](#) displays the TVAAS overall composite scores for the virtual schools in all years of operation, as well as the district overall composite scores for SY 2014-15.

**Exhibit 11: District-established Virtual Schools, TVAAS Composite Data, SY 2011-12 through SY 2014-15, and District TVAAS Composite Data for SY 2014-15**

TVAAS Composite						
School	District	Virtual School SY 2011-12	Virtual School SY 2012-13	Virtual School SY 2013-14	Virtual School SY 2014-15	Compared to LEA SY 2014-15
Bradley County Virtual School	Bradley County Schools	**	1	1	1	5
Hamilton County Virtual School	Hamilton County	*	*	*	*	1
Memphis Virtual School	Shelby County Schools	**	1	1	1	5
MNPS Virtual School	Metro Nashville Public Schools	1	2	2	2	5
Robertson County Virtual School	Robertson County	*	*	*	*	3
Tennessee Online Public School	Bristol City Schools	**	1	3	3	3
Tennessee Virtual Academy	Union County	1	1	1	1	5
Tennessee Virtual Online School	Wilson County	*	*	*	*	5

Note: (A) \* means that the school did not have sufficient data to generate TVAAS scores since enrollments in those schools are low.

(B) \*\* means school not open in this school year.

(C) Washington County Virtual School is not shown because SY 2015-16 is its first year of operation.

Source: Tennessee Department of Education, Virtual Education Report, 2015, pp. 13-14.

### Explanations of TVAAS Levels

Level 5: Significantly above expectations

Level 4: Above expectations

Level 3: At expectations

Level 2: Below expectations

Level 1: Significantly below expectations

Note: When an index falls exactly on the boundary between two numbers, the higher growth level is assigned.

Source: Tennessee Department of Education, Virtual Education Report, 2015, pp. 13-14.



## Virtual School Funding in Other States

The means of funding district-run virtual schools varies among states. Many states use similar funding mechanisms to fund both virtual and “brick-and-mortar” schools, with some applying reductions to funding for virtual schools.<sup>26</sup> In Pennsylvania, the reduction is meant to account for expenditures (such as transportation and capital outlay) not generally needed for virtual schools. In Colorado, the state school funding formula is designed to generate less per pupil funding for online students than for other students. Georgia also funds its virtual schools at a lower per-pupil rate than traditional schools.<sup>27</sup> A few states, including Florida, Texas, and Maine, base online school funding on students’ successful completion of online courses – this trend is partly driven by the fact that some students enrolling in virtual schools do not complete the courses they are enrolled in.<sup>28</sup>

Some researchers suggest that the cost of delivering an online education may be equivalent to or less than providing an education at a traditional, brick-and-mortar school.<sup>29</sup> Others assert that although virtual schools do not need funding for costs such as transportation or building and facility maintenance, the schools may have additional cost considerations, such as content acquisition and technology, and that their funding should resemble that of traditional schools.<sup>30</sup>

Information continues to be lacking, however, on what the actual cost differences are between virtual schools and traditional brick-and-mortar schools.<sup>31</sup> It is difficult to draw conclusions about the costs of virtual schools relative to brick-and-mortar schools in Tennessee, in part, because of the variance in full- and part-time students – some virtual schools serve many part-time students and traditional schools do not. In addition, teachers for virtual schools are often employed on a part-time basis and are paid by the course, making comparisons for teacher compensation, one of the larger expenditure categories for all types of schools, difficult. These same barriers to comparing costs between virtual schools and brick-and-mortar schools make comparing costs between virtual schools difficult as well.

## Endnotes

- <sup>1</sup> Public Chapter 492 (2011), codified as *Tennessee Code Annotated* 49-16-201, et seq.
- <sup>2</sup> Public Chapter 142 (2015).
- <sup>3</sup> Tennessee Department of Education, Public School Directory, Virtual Schools.
- <sup>4</sup> *Tennessee Code Annotated* 49-16-203.
- <sup>5</sup> Lydia X. McCoy, “Farragut, West high schools show off distance learning class,” *Knoxville News Sentinel*, Sept. 24, 2015, <http://www.knoxnews.com> (accessed Sept. 25, 2015).
- <sup>6</sup> STEM Learning and Research Center, “Memphis Virtual STEM Academy at East High School,” not dated, <http://stelar.edc.org/> (accessed Feb. 8, 2016).
- <sup>7</sup> Shelby County Schools, “Memphis Virtual STEM Academy Awarded \$1.34 Million Grant,” Oct. 8, 2013, [www.scsk12unified.tumblr.com/](http://www.scsk12unified.tumblr.com/) (accessed Jan. 27, 2016).
- <sup>8</sup> Ibid.
- <sup>9</sup> STEM Academy, East High School, [stemvirtualacademy.weebly.com/](http://stemvirtualacademy.weebly.com/) (accessed Jan. 27, 2016).
- <sup>10</sup> Rules of the Tennessee State Board of Education, Chapter 0520-1-3-.03(3), Minimum Requirements for the Approval of Public Schools, *Administration of Schools, Requirement B, (12) Public Virtual Schools*, November 2015 revised, pp. 8-9, <http://share.tn.gov/> (accessed Jan. 27, 2016).
- <sup>11</sup> *Tennessee Code Annotated* 49-16-204.
- <sup>12</sup> Local funding bodies (e.g., county commissions or city councils) are required to generate additional local funds for education, commonly referred to as the “required local match.” Local governments may, and often do, provide additional funding for education above the required BEP local match.
- <sup>13</sup> Laura Bauer, Chief Financial Officer, Bradley County Schools, e-mail, Dec. 1, 2015.
- <sup>14</sup> Metropolitan Nashville Public Schools, *Fiscal Year 2015-16 Budget*, p. 137, <http://www.mnps.org/> (accessed Jan. 25, 2016).
- <sup>15</sup> Lee McDade, Assistant Superintendent, Hamilton County Department of Education, e-mail, Nov. 6, 2015.
- <sup>16</sup> Ibid.
- <sup>17</sup> Wenda Hallum, Robertson County Schools, e-mail, Dec. 14, 2015.
- <sup>18</sup> Stacie Batson, Principal, Robertson County Virtual School, e-mail, Feb. 5, 2016.
- <sup>19</sup> The Memphis Virtual School also serves 29 adult students in school year 2015-16, which this report did not include in the total for the school.
- <sup>20</sup> Tennessee Department of Education, *Virtual Education Report, 2015*, p. 17, <https://www.tn.gov/> (accessed Jan. 28, 2016). Educational Products and Services Agreement between Union County, Tennessee, Board of Education and K12 Virtual Schools, LLC, 2011. Amendment to Educational Products and Services Agreement between Union County, Tennessee, Board of Education and K12 Virtual Schools, LLC, 2013.
- <sup>21</sup> Josh Williams, Principal, Tennessee Virtual Academy, Union County Schools, e-mail, Feb. 11, 2016.
- <sup>22</sup> Mickey Hall, Deputy Director and Chief Financial Officer, Wilson County Schools, telephone interview, Sept. 9, 2015.
- <sup>23</sup> *Tennessee Code Annotated* 49-16-213(b).
- <sup>24</sup> Taylor vs. Tenn. Dept. of Ed., Davidson County Chancery Court, No: 15-307-I(III), June 19, 2015.
- <sup>25</sup> Russell W. Rumberger, *Student Mobility and Academic Achievement*, ERIC Digest., 2003, <http://www.ericdigests.org/>

- (accessed Jan. 27, 2016). For virtual schools' mobility and attrition rates, see Tennessee Department of Education, *Virtual Education Report, 2015*, p. 10, <https://www.tn.gov/> (accessed Jan. 28, 2016).
- <sup>26</sup> John Watson, Amy Mursin, Lauren Vashaw, Butch Gemin, and Chris Rapp, *Keeping Pace with K-12 Online Learning*, Evergreen Education Group, 2011, p. 34.
- <sup>27</sup> Patte Barth, Jim Hull, and Rebecca St. Andrie, *Searching for the Reality of Virtual Schools*, The Center for Public Education, May 2012, p. 11, [www.centerforpubliceducation.org/](http://www.centerforpubliceducation.org/) (accessed Jan 28, 2016). Michael Griffith, *What State Policymakers Need to Know About Funding Virtual Charter Schools*, Education Commission of the States, Feb. 2014, p. 5, <http://www.ecs.org/> (accessed Jan. 28, 2016).
- <sup>28</sup> John Watson, Amy Mursin, Lauren Vashaw, Butch Gemin, and Chris Rapp, *Keeping Pace with K-12 Online Learning*, Evergreen Education Group, 2011, p. 34. Michael Griffith, *What State Policymakers Need to Know About Funding Virtual Charter Schools*, Education Commission of the States, Feb. 2014, p. 4, <http://www.ecs.org/> (accessed Jan. 28, 2016).
- <sup>29</sup> Amy Herk Anderson, John Augenblick, Dale DeCesere, and Jill Conrad, *Costs and Funding of Virtual Schools*, Oct. 2, 2006, p. 11, [www.charterschooltools.org/](http://www.charterschooltools.org/) (accessed Jan. 29, 2016). Bruce D. Baker and Justin Bathon, *Funding Online Education and Virtual Schooling*, National Education Policy Center, Oct. 2013, p. 22, <http://nepc.colorado.edu/> (accessed Jan. 29, 2016).
- <sup>30</sup> Priya Abraham and Nathan Benefield, *The Learning Revolution: How Cyber Schools and Blended Learning Transform Students' Lives*, Commonwealth Foundation for Public Policy Alternatives, Oct. 2011, p. 3, [www.commonwealthfoundation.org/](http://www.commonwealthfoundation.org/) (accessed Jan. 29, 2016).
- <sup>31</sup> Patte Barth, Jim Hull, and Rebecca St. Andrie, *Searching for the Reality of Virtual Schools*, The Center for Public Education, May 2012, p. 14, [www.centerforpubliceducation.org/](http://www.centerforpubliceducation.org/) (accessed Jan 28, 2016). Lisa Huerta and Jennifer King Rice, "Section II – Key Policy Issues in Virtual Schools: Finance and Governance, Instructional Quality, and Teacher Quality," *Virtual Schools in the U.S. 2013: Politics, Performance, Policy, and Research Evidence*, National Education Policy Center, May 2013, p. 39, <http://nepc.colorado.edu/> (accessed Dec. 21, 2015).

## Appendix A: Virtual Schools Survey Questions, September 2015

The Comptroller's Offices of Research and Education Accountability (OREA) is conducting a survey of the district-established virtual schools on behalf of the General Assembly. This survey is being sent to the principal or administrator of the virtual schools that have received school authorization from the Tennessee Department of Education.

In addition to answering the survey questions, we would like to receive the following, if they are available:

- A student/parent handbook for your virtual school
- The district policy concerning the virtual school
- Course catalog or a listing of the courses offered by the virtual school
- Virtual school budget for each year

Please send these to [Paige.Donaldson@cot.tn.gov](mailto:Paige.Donaldson@cot.tn.gov).

The survey is divided into the following sections:

- General School Questions
- Facilities and Technology
- Virtual School Students
- Courses and Content
- Virtual School Staff
- Funding and Budget

Please note that if you are not the correct person to answer the funding and budget questions, the survey provides you with space to give us the contact information for the appropriate person.

OREA provides information to the General Assembly about various issues related to education. Survey results will be described in a legislative brief that will be distributed to members of the General Assembly and posted on our website.

We appreciate your assistance in providing accurate information to the General Assembly about your school. We would like to have your completed survey by Friday, October 9, 2015.

If you have any questions, please contact Kim Potts at 615-401-7875 ([Kim.Potts@cot.tn.gov](mailto:Kim.Potts@cot.tn.gov)) or Paige Donaldson at 615-736-6063 ([Paige.Donaldson@cot.tn.gov](mailto:Paige.Donaldson@cot.tn.gov)).

### General School Questions

1. Please enter the following information.
  - Name
  - District
  - Title
  - School Name
2. When was the school established? (Date the school received an authorization number from TDOE.)
3. When did the school begin enrolling students?
4. What grade levels did the school serve for the following school years?  
SY 2015-16, SY 2014-15, SY 2013-14, SY 2012-13, SY 2011-12

5. Are there plans to add additional grade levels? Yes/No/Brief explanation
6. Does the school provide classes year-round? Yes/No
7. Do you have, or are you seeking, accreditation for the school? Yes/No/Brief explanation
8. Does the district have a written policy about virtual schools? Yes/No/If so, please e-mail a copy to Paige.Donaldson@cot.tn.gov.
9. How is student attendance defined?
10. Does the virtual school have a student/parent handbook? Yes/No/If so, please e-mail a copy to Paige.Donaldson@cot.tn.gov.

### **Facilities and Technology**

11. Where are the administrative offices for the virtual school?
12. Does your virtual school require the use of a brick-and-mortar facility? Yes/No/Additional Comments.
13. If you answered yes to the previous question, is the facility housed in a district-owned building? Yes/No/Additional Comments.
14. If your virtual school does require the use of a brick-and mortar facility, for what purposes is the facility used? Select all that apply: Computer Lab, Administrative Offices, Testing Site, Other (please list all other uses).
15. How do students access technology (e.g., hardware, software, modems, Internet access)? Check all that apply: Our school gives students technology to use while enrolled in our program; Our school requires students to use their own technology in order to participate in our program; Our school provides some technology for student use but also requires them to supply additional items at their own expense; Additional Comments.
16. If your school does provide technology to students, please explain any associated costs to the student or school.
17. How do staff members (e.g., administrators, teachers, other staff) access technology (e.g., hardware, software, modems, Internet access)? Select all that apply: Our school gives its staff members technology to use; Our school requires staff members to use their own technology; Our school provides some technology for staff to use but also requires them to supply additional items at their own expense; Additional Comments.

### **Virtual School Students**

18. What requirements must students meet to be eligible for the virtual school? Choose all that apply: GPA (specify); TCAP score (specify); Attendance history; Other (explain).
19. How do you recruit students?
20. In SY 2015-16, does the school serve full-time students? Yes/No/If yes, how many?
21. In SY 2015-16, are any full-time students out-of-district? Yes/No/If yes, how many?
22. In SY 2015-16, does the school serve part-time students? Yes/No/If yes, how many?
23. Are any part-time students out-of-district? Yes/No/If yes, how many?
24. Does the school charge tuition? For out-of-district full-time students? Amount? For out-of-district part-time students? Amount? For in-district part-time students? Amount? Other? Amount?
25. If tuition is charged, how was the amount of tuition determined?
26. If tuition is charged, is there a waiver for students qualifying for free and reduced price lunch? Yes/No/Briefly explain.
27. If tuition is charged, who is responsible for payment? Sending district? Student/family? Additional comments.
28. Please provide enrollment numbers by the following demographics for SY 2015-16: English Language Learners; Free and Reduced Price Lunch; Special Education; Other.
29. Please provide enrollment numbers by the following demographics for SY 2015-16: African American; Caucasian; Hispanic; Other.

## **Courses and Content**

30. What programs does your virtual school offer? Check all that apply. Core courses; Academic acceleration courses (e.g., Advanced Placement); Career Technical Education courses; Foreign Languages; Enrichment/Extra-curricular courses (e.g., P.E., Arts); Remediation courses (e.g., credit recovery); Other (briefly describe / additional comments).
31. How did your school develop or acquire its online content? Check all that apply: Courses developed by the district or school; Courses purchased from vendor; Courses leased from vendor; Other (briefly describe / additional comments).
32. How does the district ensure that the online course content supports Tennessee academic standards?
33. Are all courses online or are there some blended courses?
34. Are all instructional materials available online, including textbooks? Yes/No/Additional Comments.

## **Virtual School Staff**

35. In SY 2015-16, how many full-time teachers does your school employ?
36. In SY 2015-16, how many part-time teachers does your school employ?
37. Indicate whether your virtual school teachers are (check all that apply): Employed by the district; Out-sourced; Other (briefly describe / additional comments).
38. Please list all staff positions other than teachers and provide number of employees for each position.
39. How do teachers interact with virtual school students?
40. How does your virtual school prepare and train your teachers to run a virtual classroom? Check all that apply. Online professional development training provided by your school; Face-to-face professional development courses provided by your school; Online professional development provided by an external entity; Face-to-face professional development provided by an external entity; Other (briefly describe).
41. Are teachers for the virtual school compensated in the same manner as are teachers in the district's other schools? Yes/No/If no, please explain.
42. Where do virtual school teachers work from? Check all that apply. Home; Anywhere; District facility; Other (briefly describe).

## **Funding and Budget**

The following portion of the survey contains questions about how your virtual school is funded. If you are not the correct person to respond to these questions, please provide contact information for the appropriate person.

43. Contact for finance questions: Name; Title; Email Address; Phone Number.
44. Rate the following categories in terms of which your virtual school spends the most on (starting with 1 being the highest cost). Administrative (staff salaries, office supplies, etc.); Curriculum Development; Facilities; Teacher Salaries and Benefits; Technology Maintenance, Support, and Upgrades; Other.
45. If you answered "Other" to the previous question, please explain further.
46. Is your virtual school funded at comparable levels, based on the number of students enrolled, as a traditional school within your district? Yes/No/If no, how is your school funded?
47. Is there an approved budget every year specifically for the virtual school? Yes/No/Additional Comments. If yes, please send copies for each year available to [Paige.Donaldson@cot.tn.gov](mailto:Paige.Donaldson@cot.tn.gov).
48. How does the district determine the funding allocation for the virtual school?
49. How did the district determine startup costs for the virtual school?
50. How did the district determine ongoing costs for the virtual school?
51. Does the virtual school receive any grants or donations? Briefly explain.
52. Does the virtual school receive any federal funding? Yes/No/Briefly explain.
53. Please provide any additional information you would like us to know about your virtual school.





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