

oppaga Progress Report



March 2003

Report No. 03-23

Florida Virtual School Reaching More Students; Should Align Performance Measures and Mission

at a glance

The Florida Virtual School has strengthened its accountability system and developed goals for school and student performance. However, the school has not aligned the goals and accountability system with its mission statement or with priorities established by the Legislature.

The school is generally attaining its mission of reaching underserved students, including students in rural school districts and students in high minority schools.

As the school continues to grow, it will be important to change its funding mechanism from a line item in the General Appropriations Act to either a funding formula as part of the Florida Education Finance Program or a performance-funding model.

Scope -----

In accordance with state law, this progress report informs the Legislature of actions taken by the Florida Virtual School in response to a 2000 OPPAGA report.^{1,2} This report presents our assessment of the extent to which the school has addressed the findings and recommendations included in our report.

¹ Section 11.51(6), F.S.

² *Florida On-Line High School Should Improve Its Accountability and Access Processes*, [OPPAGA Report No. 00-08](#), September 2000.

*Office of Program Policy Analysis and Government Accountability
an office of the Florida Legislature*

Background -----

The Florida Virtual School officially began in August 1997 as a joint project between the Alachua and Orange County school boards. During the 1999-00 school year, the Florida Virtual School served 1,758 students. By the fall semester of 2002-03 the number of students taking courses had increased to 6,088.

The Florida Virtual School is funded through a line item in the General Appropriations Act. The appropriation for 2002-03 totals \$6,984,992 with \$1,200,000 specifically targeted to provide greater access to summer school for public school students. Florida law requires that the Florida Virtual School become self-sufficient through the Florida Education Finance Program (FEFP) by Fiscal Year 2003-04.

Previous Findings -----

In 2000, OPPAGA reviewed the Florida On-Line High School and found that the school (now called the Florida Virtual School) needed a strategic vision of what it was, what it wanted to accomplish, and how it might achieve these goals. The school needed to set strategic goals and, once established, develop an accountability system to hold itself responsible for achieving both school and student performance.

In addition, OPPAGA found that school administrators needed to improve access,

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including student enrollment among districts and for students lacking home computers.

Further, OPPAGA reported that the school's board of directors needed to calculate the unit cost of educating students and consider a future funding method for the program, including fees to be charged to out-of-state students.

Current Status -----

The Legislature and the Florida Virtual School have addressed the recommendations in our prior report, including establishing a mission statement, determining the school's target students, and developing an accountability system. However, the accountability system is not aligned with the mission established by the Legislature. The school has worked to provide technology to students who do not have access to it and is developing a plan to restructure its funding system. The school also has established a fee for out-of-state students that is sufficient to cover its cost and net some income above cost.

Mission statement and targeted students

The 2001 Legislature established the school's mission statement.

"The mission of the Florida Virtual School is to provide students with high quality technology-based educational opportunities to gain the knowledge and skills necessary to succeed. The school shall serve any student in the state who meets the profile for success in this educational delivery context and shall give priority to

- students who need expanded access to courses in order to meet their educational goals, such as home education students and students living in inner cities and rural high schools who do not have access to higher-level courses, and
- students seeking accelerated access in order to obtain a high school diploma at least one semester early."³

In addition, the Legislature established priority for enrolling students in the 2002-03 General Appropriations Act.⁴

³ Section 1002.37, F.S.

The first priority is increased availability of and access to advanced placement and college preparatory courses for students in D and F schools. Those students were given priority for courses offered by the school. From August 2001-November 2002 the school had 1,024 enrollments in advanced placement courses including 83 from D and F schools.⁵

The Florida Virtual High School is required to ensure that courses are offered on a year-round schedule and must be available to students who want to take summer school courses. First and second priorities for summer school courses shall be to serve students needing courses to meet graduation requirements and students needing courses for promotion, respectively.

In response to this legislation, the Virtual School has developed a priority registration period for all students attending D or F schools. The Florida Virtual School also gave priority to students who enrolled in summer school (2002) who needed credits for graduation. Eighty-seven percent of the students who registered for classes during the 2002 summer session were public school students, most of whom needed courses for graduation or promotion.

Accountability

The Florida Virtual School has developed an accountability system to assess its performance in achieving school goals and student performance goals (see Exhibit 1). However, while the accountability system provides good information, it does not directly relate to the mission of the school as designated by the Legislature.

The accountability system does not measure how well the school is fulfilling its mission of serving the groups of students that are to be given priority according to its statutory mission statement. For example, the accountability measures do not include information on whether there has been increased enrollment and completion of courses by inner city and rural high school students or whether the number of Florida Virtual School

⁴ Chapter 2002-394, *Laws of Florida*.

⁵ Enrollments are the total number of students registered for all advanced placement (AP) classes and counts students who took several AP courses several times.

students graduating from their home high schools at an accelerated pace has increased.

Exhibit 1
The Florida Virtual School Is Meeting Goals

Goal	Standard	Reported Performance
Courses are validated by a peer review process	100%	100%
Courses participate in an external review process	100%	100%
Students in each class obtain mastery of content and earn an "A" or "B"	80%	86%
Courses completion rate	70%	87%
Students, parents, and district-level contacts are satisfied with Florida Virtual School services as reflected by answers on satisfaction surveys. ¹	80%	86% - 96%
Teachers with current certification in the subjects they teach	100%	100%
Annual increase in student enrollment	15%	36%
Percentage of public state funding linked directly to student achievement. ²	100%	100%

¹ This goal was initially established as one measure but was collected as several to differentiate between the listed groups. All of the responses met the goal of 80%.

² The school considers all funding to be linked to student achievement since the purpose of the school is to provide an educational service.

Source: The Florida Virtual School.

Access

The Florida Virtual School is working to provide greater student access to technology and on-line classes. The school also has made strides in enrolling students that were identified by the Legislature as underserved populations.

Technology. The Florida Virtual School has implemented two strategies to address the issue of student access to technology.

- The home loan computer program allowed Florida's D and F schools to receive laptop computers that can be checked out to students enrolled in Florida Virtual School courses. The program was sponsored by IBM and no longer exists. Nineteen computers were loaned to rural, D, and F schools.

- The collaborative infrastructure development project between the Florida Learning Alliance and the Florida Virtual School works with 29 of Florida's small and rural school districts to provide the connectivity essential for online education.

School district participation. The Florida Virtual School has increased the number of districts with students enrolled from 59 in Fiscal Year 1999-00 to 65 districts this school year (2002-03). The Florida Virtual School currently has contractual agreements to provide classes to students in all 67 school districts.

Underserved populations. The Florida Virtual School has increased the enrollment of populations that were identified by the Legislature as underserved. The mission established by the Legislature for the school states that the school shall serve primarily as an option for students who need expanded access to courses in order to meet their educational goals, such as home education students and students living in inner cities and rural high schools who do not have access to higher-level courses. As seen in Exhibit 2, the Florida Virtual School has substantially increased enrollment of students in these categories.

Exhibit 2
Student Enrollment Has Increased Dramatically

	1999-2000	2000-2001	2001-2002	Percentage Increase
Total Students Enrolled	1,758	3,743	5,214	197%
Students in Low Performing Schools	61	158	253	315%
Students From Rural Schools	276	542	694	151%
Students From High Minority Schools	138	387	733	431%
Home School Students	1,056	2,011	2,222	110%

Source: OPPAGA.

Out-of-state students. In the 2001-02 school year, the Florida Virtual School enrolled 129 students from nine states and four foreign nations. In 2002-03 that number has increased to 157 out-of-state students enrolled.

School out-of-state student policies require fees to be competitive but established at a level that

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allows the Florida Virtual School to net some income above cost. School administrators said that the tuition for out-of-state students is based on the direct costs of providing instruction.

Students are charged \$650 for a one-credit course plus the cost of materials, shipping, and handling.⁶ The school uses part-time teachers paid \$550 per month for instructing a minimum of 30 out-of-state students. According to a school administrator, the school earns \$19,500 in tuition for 30 students and net income of \$12,900 above direct costs of \$6,600.

Funding

Florida law requires that the Florida Virtual School become self-sufficient through the Florida Education Finance Program (FEFP) by Fiscal Year 2003-04. School employees are developing two funding scenarios to transition to FEFP funding. The first is a performance-based model; the second would treat the Florida Virtual School as a school district when calculating FEFP funding allocations. The Legislature also required the school to determine the unit cost of educating a student enrolled in his or her school.

Performance-based funding. Performance-based funding would tie the funding of the school directly to its performance. In its report to the Legislature, the Florida Virtual School presented a draft proposal to receive 40% of the per-pupil funding when a student reaches the halfway point in a class, 40% when the student completes the class, and 20% if the student's grade is above a C. However, it is important to note that during the 2001-02 school year only 11% of Florida Virtual School students received a grade of C or below. While this system is strictly performance-based, without an independent and external check it could lead to grade inflation. Also, this performance funding system does not tie performance funding to serving the student population targeted by the Legislature.

Performance funding could be based on the number of students who complete courses much like the program currently used in the workforce development system. Course progression and

completion are key factors in developing a performance-based funding model. The Legislature also could consider performance funding for serving students targeted in the school mission statement (students from inner city or rural high schools without access to higher level courses and students who use the virtual classes to finish high school early).

Funding through the FEFP. The FEFP could be used to fund the Florida Virtual School by making the school a separate school district. In general, FEFP funding is determined based on the number of students served multiplied by program cost factors, the base student allocation, and district cost differentials. For example, exceptional education students are funded at a higher program cost factor based on the services that the school district provides to these students.

The district cost differential considers the difference in cost of living between districts. The same type of funding mechanism could be used for the Florida Virtual School. However, instead of looking at the cost of goods and service between cities, the cost differential in this case could compensate for the differences in the cost of teaching on-line instead of in a traditional classroom. Without this compensation the Florida Virtual School, using the current funding per full-time equivalent student in the FEFP formula, would receive less funding than it currently does.

Paying for class time twice. Another factor to consider when designing the funding structure for the Florida Virtual School is the fact that in some cases the state is paying twice for a student's class time. When students take on-line courses from the Florida Virtual School as part of their regular school day, for that class period they report to a computer lab or media center and work on their on-line assignments. In these cases, according to Florida Virtual School administrators, the state is paying for the student twice, once to the school district in the form of classroom hours and once in the form of a course taken via the Florida Virtual School. When designing the new funding system, this issue should be addressed.

However, if school districts are penalized financially for giving students the opportunity to take on-line courses, districts may not encourage

⁶ Effective June 2003, the out-of-state tuition will be \$800 for Advanced Placement (AP) courses and \$700 for non-AP courses.

students to take these courses during their normal school day. It is important that school districts continue to allow students this opportunity to participate in these on-line courses. On-line instruction may be the only way some students have access to the courses they need for graduation or more challenging Advanced Placement courses.

Unit cost. As directed by the Legislature, the Florida Virtual School determined the unit cost per full-time equivalent student (FTE).⁷ Based on full capacity, the 2001-02 unit cost per FTE was \$5,120. In 2000-01 the unit cost per FTE was \$8,981; school administrators attribute the decrease to reduced course development costs.

Conclusion-----

The Florida Virtual School is a national leader in distance learning for high school students over the Internet. The Legislature has developed a

strategic vision for the school and strategic goals for the school to follow. The school developed an accountability system to hold itself responsible for achieving school goals as well as student performance goals. However, goals and the accountability system are not aligned with the mission established by the Legislature or the priorities defined by the Legislature in the 2002 General Appropriations Act.

We recommend that the school update its strategic plan by developing measurable goals and objectives that more accurately reflect the mission and priorities as defined by the Legislature.

We recommend that the school continue to work with the Legislature to develop and implement the mandated funding shift to either a performance-based funding formula, funding through the FEFP, or a model that combines elements of both models.

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Project supervised by Jane Fletcher (850/487 -9255)
Project conducted by Pam Kaperak
John W. Turcotte, OPPAGA Director

Appendix A



445 West Amelia Street, Suite 301 . Orlando, FL 32801
407.317.3326 . Fax 407.317.3367 www.flvs.net

March 21, 2003

**Mr. John W. Turcotte
Director, Office of Program Policy Analysis and Government Accountability
111 West Madison Street, Room 312 Claude Pepper Building
Tallahassee, Fl. 32399-1475**

Dear Mr. Turcotte,

We appreciate the opportunity to respond to the preliminary analysis of the legislative review of Florida Virtual School.

The report's headline identifies the following area to be addressed:

***Florida Virtual School Reaching More Students:
Should Align Performance Measures and Mission***

Florida Virtual School (FLVS) will modify the accountability plan to ensure inclusion of all measures that relate directly to the mission and priorities as defined by the Legislature. Although the school track and report data that relates directly to the school's mission, we concur that the strategic plan does not specifically include all of such measures. The attached response will show that FLVS is performing very well with regard to its mission.

Sincerely,

**/s/
Julie E. Young
Executive Director**

Response to OPPAGA Progress Report-February 2003
from Florida Virtual School

Recommendation:

We recommend that the school update its strategic plan by developing measurable goals and objectives that more accurately reflect the mission and priorities as defined by the Legislature.

Response:

The Florida Virtual School (FLVS) will modify the accountability plan to ensure inclusion of all measures that relate directly the mission and priorities as defined by the Legislature. Although the school does track and report data that relates directly to the school's mission, we concur that the strategic plan does not specifically include all of such measures. The table below clearly indicates that the school is performing very well in regards to its mission:

- Minority student completions in 2001-2002 increased 66% from the previous year.
- In 2001-2002, 32% of FLVS Advanced Placement students were minority students.
- Florida Virtual School has collaborated with the Florida Learning Alliance (FLA) since the 1999-2000 school year to help improve student achievement in small and rural counties by maximizing the access and participation of students taking courses online that would otherwise not be available in their schools. The number of students taking FLVS courses in the small and rural counties has increased by 353% since 1998.

Priority Type	Completion Rates		
	1999-2000	2000-2001	2001-2002
Low Performing Schools	77.91%	79.31%	87.10%
Rural Schools	77.84%	81.44%	85.09%
High Minority Schools	77.50%	83.69%	88.47%

Advanced Placement Percentages by high priority schools						
	1999-2000		2000-2001		2001-2002	
	Completion percent	Completers	Completion percent	Completers	Completion percent	Completers
Low performing schools	75%	6	100%	22	77.0%	31
Rural	100%	9	77.78%	28	88%	60
High minority schools	100%	5	99%	66	94%	130

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Recommendation

We recommend that the school continue to work with the Legislature to develop and implement the mandated funding shift to either a performance-based funding formula, funding through the FEFP, or a model that combines elements of both models.

Response:

The FLVS has worked very closely with the Governor and Department of Education on a performance-based funding model funded through the FEFP. Both the Governor and the department have included FLVS as part of the FEFP in their respective budget recommendations. We will continue to work with the legislature to provide whatever is necessary to institute a FEFP performance-based model that will support the long-term growth and stability of FLVS.

Final thoughts

- ✓ **With the recent Class Size Amendment** limiting class size coming to fruition, FLVS will assist school districts in meeting the mandate of lower class sizes through a cost-effective course delivery system.
- ✓ Note that the OPPAGA report of February 2003 has the **previous mission of FLVS. Current FLVS mission:**
"The mission of Florida Virtual School is to provide students with high quality technology based educational opportunities to gain the knowledge and skills necessary to succeed in the 21st century."