



INDIANA STATE BOARD OF EDUCATION

Resolution to Adopt Legislative Recommendations Regarding Virtual Education

Whereas, virtual education is an emerging learning environment that holds the potential to revolutionize educational opportunities for students across Indiana;

Whereas, an increasing number of Hoosier families depend on virtual education opportunities and have requested our leaders to continue to support this model through its formative years and design a policy framework within which virtual schools can be successful in educating Indiana students;

Whereas, IC 20-24-7-13 empowers the Indiana State Board of Education (“the Board”) to adopt rules that govern the operation of virtual charter schools;

Whereas, pursuant to IC 20-19-2-14(5) the Board shall “[m]ake recommendations to the governor and general assembly concerning the educational needs of the state, including financial needs”;

Whereas, during the Board’s May 2, 2018 business meeting, the Board voted to create a committee to consider best practices for virtual education schools to fulfill its responsibilities contained in IC 20-24-7-13 (“Committee”);

Resolved, as a result of the discussion, observation, and research presented to the Committee, the members of the Committee have determined that the following recommendations for Board consideration and approval are necessary before the Board moves forward with proposing legislative changes governing the operations of virtual education:

- **Revise the Applicable Authorizer Statutes to Ensure a Uniform Authorizer and Accountability System while Concurrently Eliminating Financial Incentives Associated with Increased Enrollment.**

Recommendations:

1. Amend IC 20-24-2.2-1.2(a) to ensure uniformity in regard to the type of entity that may authorize a virtual charter school. Currently, IC 20-24-2.2-1.2(a) contains what is commonly referred to as a “grandfather clause.” If this “grandfather clause” is amended to remove a reference to school corporations that register to authorize charter schools, then a conflict between IC 20-24-2.2-1.2 and IC 20-24-7-13 will be eliminated. Specifically, IC 20-24-2.2-1.2(a) currently permits some school corporations to authorize virtual charter schools, while IC 20-24-7-13 prohibits the vast majority of school corporations from authorizing virtual charter schools because school corporations are not designated as “statewide” authorizers. Amending subpart (a) would create uniformity in regard to the type of entity that may authorize a virtual charter school—specifically, only entities designated as “statewide” authorizers.

2. It is recommended that the General Assembly amend IC 20-24 to centralize virtual charter school authorizer authority in a single entity responsible for the authorization and supervision of all virtual charter schools. In order to achieve a one virtual charter school authorizer system, the sections of Title 20 governing authorizer activities would need to be revised to phase-out current authorizers. This can be accomplished by amending IC 20-24 to require that virtual charter agreements can only be renewed with the State designated authorizer. Furthermore, to account for recently renewed charter agreements, which may last for up to seven (7) years, the legislation should require an automatic renewal for all charters by the end of the school year subsequent to the enactment of the legislation.
3. With regards to administrative fees that an authorizer receives pursuant to IC 20-24-7-4, it is recommended that the General Assembly work to reduce the incentive associated with increasing the virtual charter school size to increase the amount of authorizing fees. Currently, authorizers may receive administrative fees equal to 3% (max) of the amount the charter school receives in basic tuition support. Accordingly, the General Assembly should reduce the percentage of basic tuition support that an authorizer may receive for its services relating to virtual charter schools. Specifically, it is recommended that the administrative fees for virtual charter school authorizers be limited to 1.25%. It is further recommended that such authorizers be permitted to submit an annual request to increase the administrative fee limit to 2%. Such requests would be required to include the submission of financial materials documenting the authorizer's actual costs and demonstrating the need for additional funds to fulfill its obligations. These materials would be submitted to the Indiana Department of Education's School Finance Division, which would evaluate and make a recommendation to the Board for a final determination.
4. Pursuant to IC 20-24-2.2-2, an authorizer is prohibited from renewing a charter agreement if the school is placed in the lowest category or designation of school improvement four (4) consecutive years, unless the school receives Board approval to renew the charter agreement. However, IC 20-24-4-1 permits charter agreements to be up to seven (7) years. This can create a great deal of confusion as a charter school may receive four (4) consecutive "Fs" but still have a number of years left in the charter agreement. Thus, it is recommended that IC 20-24-2.2 be restructured to permit the Board to implement consequences (adjust authorizer's administrative fee, implement a school improvement program, cancel the charter agreement, etc.) when and if a charter school receives four (4) consecutive "Fs" regardless of the status of the charter agreement. Further, this legislative change would have the benefit of aligning when consequences for both traditional public schools and charter schools are triggered. This recommendation would impact both brick-and-mortar charter schools and virtual charter schools.

➤ **Revise open enrollment laws to require mandatory onboarding/orientation for students who want to enroll in virtual education schools.**

Recommendation: Virtual education offers unique learning opportunities and options for students, but unique challenges also exist. According to the Committee’s research and discussion, there is a consensus that virtual education programs benefit from mandatory onboarding/orientation for students prior to enrollment. The benefits of an onboarding/orientation requirement include: (1) the ability to identify student educational goals; (2) the ability to identify any educational needs or support services (including technical assistance); and (3) ensuring that students and parents understand the unique nature of virtual education. However, pursuant to Indiana’s open enrollment laws, a virtual education program can require onboarding/orientation training, but the virtual program must still enroll the student regardless of whether the orientation/onboarding process is completed.

Therefore, it is recommended that IC 20-26-11 be amended to link a student’s ability to enroll in a virtual education program to the student’s completion of *mandatory* onboarding/orientation training.

➤ **Legislative Recommendations Pertaining to the General Administration of Virtual Education.**

Recommendations:

1. Under current law, the Board’s authority to regulate virtual education is limited to virtual charter schools, with no authority to regulate other virtual education programs. See IC 20-24-7-13. It is recommended that the General Assembly revise the Indiana Code to enable the Board to promulgate regulations that pertain to all virtual education programs. If the General Assembly adopts this recommendation, the Board could adopt regulations including, but not limited to:
 - (1) The minimum requirements for mandatory student onboarding/orientation;
 - (2) Requirements pertaining to tracking/monitoring student participation and attendance (monitor how many hours a student participates in virtual learning per day/week, whether students are submitting work/projects, a system that notifies the virtual school/teacher when a student hasn’t participated or logged in after a certain amount of time, etc.);
 - (3) Ongoing student engagement and counseling policies;
 - (4) Staff policies such as virtual education focused professional development for teachers; and
 - (5) Additional financial and data reporting requirements for authorizers.

2. Brick-and-mortar schools have physical limitations that virtual charter schools are not bound by when determining the number of students that are in a single class. To ensure an effective learning environment, it is recommended that all virtual education schools be subject to maximum student-teacher ratios. Specifically, for kindergarten to grade six (6), a maximum student-teacher ratio of 50:1, and a maximum student-teacher ratio of 100:1 for grades seven (7) thru twelve (12).
3. Currently, virtual charter schools receive a reduced amount of basic tuition support (90%) compared to traditional brick-and-mortar schools. It is recommended that the same funding formula should be utilized for any student participating in a virtual education school, regardless of whether the program is part of a charter school or a traditional public school.

Furthermore, it is recommended that at the General Assembly conduct a review of the funding formula currently utilized for students enrolled in virtual schools to ensure the formula reflects current data and research.

4. In addition to the growth of virtual charter schools in the State, the number of “in-house” virtual education programs operated within traditional public schools has expanded in recent years. To ensure consistent standards for students engaged in virtual education, it is recommended that school corporations be required to create a dedicated virtual school once a certain percentage of students within the corporation receive more than fifty percent (50%) of annual instruction provided in an interactive learning environment created through technology in which students are separated from their teacher by time or space, or both.
5. To ensure that the growth of a virtual education school does not exceed the infrastructure necessary to properly implement Indiana’s education standards, it is recommended that initial enrollment and growth caps be adopted by the General Assembly for both virtual charter schools and virtual schools created by traditional brick-and-mortar schools. Specifically, when a new virtual school is created, the maximum number of students that the school may enroll during the first year of operation is five-hundred (500). Additionally, new virtual education schools may only increase enrollment by 15% for each consecutive year of operation during the first four (4) years of operation. However, the 15% year-over-year enrollment increase will only be triggered if the school’s average daily membership (“ADM”) count exceeds two-hundred and fifty (250) during the preceding school year.

It is further recommended that a new virtual education school may obtain a waiver in regards to the enrollment increase limitation that is conditioned upon the successful achievement of performance-based goals linked to the school’s performance and growth accountability system.

6. To limit growth of academically low-performing virtual charter schools, it is recommended that if a virtual charter school is placed in the lowest category or designation under IC 20-31-8-3 for four (4) consecutive years, the school will be

prohibited from accepting new students until the school is placed in the middle (“C”) or higher category or designation.

Be it further resolved, Board staff is authorized to work with representatives from the Indiana General Assembly and the Governor’s Office to develop and implement the recommendations contained in this Resolution.

ADOPTED November 14, 2018

DRAFT