

An Evaluation

Virtual Charter Schools

Department of Public Instruction

2009-2010 Joint Legislative Audit Committee Members

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CONTENTS

Letter of Transmittal	1
Report Highlights	3
Introduction	9
Virtual Charter School Enrollment	12
Enrollment Process	15
Legal Challenges	16
Virtual Charter School Operations	19
Attendance Requirements	19
Social Interaction	22
Special Education	23
Revenue and Expenditures	27
Revenue Sources	27
Expenditures	31
Per Pupil Expenditures	36
Cost Comparisons with Other Public Schools	39
Fiscal Effects of Open Enrollment	41
Teaching in Virtual Charter Schools	45
Teacher Licensing	45
Frequency of Pupil-Teacher Interaction	49
Academic Achievement	53
Pupil Test Scores	53
Test Scores of Pupils Continuing in Virtual Charter Schools	57
Other Academic Measures	59
Individual Online Classes	63
Part-Time Online Options	63

Future Considerations	67
Open Enrollment Limit	67
Satisfaction with Virtual Charter Schools	69
Expansion of Online Learning	70

Appendices

Appendix 1—Descriptions of Virtual Charter Schools
Appendix 2—Virtual Charter School Pupils
Appendix 3—Virtual Charter Schools’ Estimated Other Revenue
Appendix 4—Estimated Virtual Charter School Expenditures
Appendix 5—Supplemental Online Programs
Appendix 6—Satisfaction with Virtual Charter Schools

Response

From the Department of Public Instruction



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Janice Mueller
State Auditor

February 9, 2010

Senator Kathleen Vinehout and
Representative Peter Barca, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Vinehout and Representative Barca:

As required by 2007 Wisconsin Act 222, we have completed an evaluation of virtual charter schools. Pupils enrolled in these nonsectarian public schools typically attend from their homes and take a majority of their classes online. In the 2007-08 school year, 15 virtual charter schools enrolled 2,951 full-time pupils. We found that 7.6 percent of pupils attended virtual schools that were chartered by their school district of residence, while 91.1 percent attended through open enrollment, which requires payment from the district of residence (the "sending district") to the district chartering the virtual school (the "receiving district").

Virtual charter schools spent an estimated \$17.8 million in the 2007-08 school year. They were funded by a mix of federal charter school grants; fees; general district revenue, including property tax revenue; and \$14.2 million in state aid, which represented 79.0 percent of their total revenue. The availability of state aid affects both sending and receiving districts, and receiving districts have a financial incentive to attract additional virtual charter school pupils through open enrollment. We found that in the 2007-08 school year, 8 of the 15 virtual charter schools' per pupil expenditures were less than the \$6,007 payment per full-time open enrollment pupil.

2007 Wisconsin Act 222 established a virtual charter school open enrollment limit of 5,250. This limit will likely be reached within the next few years, which will prompt continued legislative debate. We make a number of recommendations for the Department of Public Instruction (DPI) to provide information that can inform this debate and enhance compliance with program rules.

We appreciate the courtesy and cooperation extended to us by DPI; the teachers, high school pupils, and parents and guardians who spoke with us and responded to our surveys; and the virtual charter school administrators who responded to our requests for information. A response from DPI follows the appendices.

Respectfully submitted,

Janice Mueller
State Auditor

JM/PS/ss

Report Highlights ■

Enrollment in virtual charter schools has increased in every school year since 2002-03.

Virtual charter schools spent an estimated \$17.8 million in the 2007-08 school year.

In the 2007-08 school year, 161 virtual charter school teachers were licensed in Wisconsin.

On statewide assessment exams, virtual charter school pupils typically scored higher than other public school pupils in reading and lower in mathematics.

The 5,250 pupil statutory limit on open enrollment in virtual charter schools will likely be reached within the next few years.

Virtual charter schools are publicly funded nonsectarian schools that are exempt from many regulations that apply to traditional public schools and that offer the majority of their classes online. They began operating in Wisconsin during the 2002-03 school year. Pupils typically attend from their homes and communicate with teachers using e-mail, by telephone, or in online discussions. During the 2007-08 school year, 15 virtual charter schools enrolled 2,951 pupils. Most were high schools.

A Wisconsin Court of Appeals ruling in December 2007 prevented the Department of Public Instruction (DPI) from providing state aid payments to a virtual charter school through the open enrollment program, which allows pupils to attend public schools outside of their school districts of residence. 2007 Wisconsin Act 222, which was enacted to address concerns raised in the lawsuit, also required us to address a number of topics related to virtual charter schools. Therefore, we evaluated:

- enrollment trends, including the potential effects of a limit on open enrollment in virtual charter schools that was enacted in 2007 Wisconsin Act 222;
- virtual charter school operations, including attendance requirements, opportunities for social development and interaction, and the provision of special education and related services;

- funding and expenditures, including the fiscal effects of open enrollment on “sending” and “receiving” districts;
- teaching in virtual charter schools, including teacher licensing and pupil-teacher interaction; and
- academic achievement, including test scores and other measures, as well as pupils’, parents’, and teachers’ satisfaction with virtual charter schools.

Full-time Enrollment

As shown in Table 1, the number of virtual charter schools in Wisconsin increased from 4 schools operating in 3 school districts during the 2002-03 school year to 15 schools operating in 11 school districts during the 2007-08 school year.

Table 1

Growth in Virtual Charter Schools

School Year	Virtual Charter Schools	Chartering Districts
2002-03	4	3
2003-04	5	4
2004-05	7	6
2005-06	9	8
2006-07	11	9
2007-08	15	11

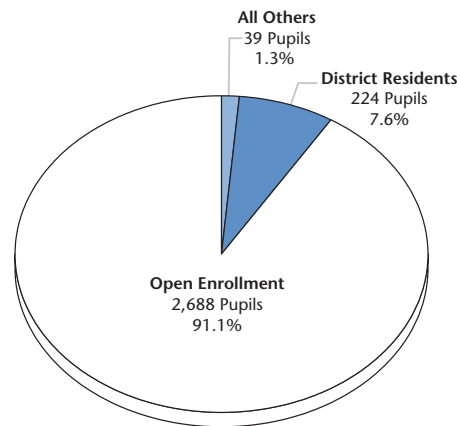
Full-time enrollment in virtual charter schools increased from 265 pupils in the 2002-03 school year to 2,951 pupils in the 2007-08 school year. In the five largest schools, which enrolled 92.2 percent of all pupils in 2007-08, total enrollment ranged from 245 to 865 pupils. The smallest school enrolled two full-time pupils.

In the 2007-08 school year, 7.6 percent of virtual charter school pupils attended schools that were chartered by the districts in which they resided, as shown in Figure 1. In contrast, 91.1 percent attended

through open enrollment, which requires payment from the district of residence (the sending district) to the district that chartered the virtual school (the receiving district). For the 2007-08 school year, the required payment was \$6,007 per full-time pupil.

Figure 1

**Enrollment in Virtual Charter Schools
2007-08 School Year**



Revenue and Expenditures

Virtual charter schools are funded by a mix of federal charter school grants; fees; general district revenue, including property tax revenue; and state aid, which represented 79.0 percent of their total revenue in the 2007-08 school year. State aid payments were \$14.2 million. Revenue from all sources totaled \$18.0 million.

Virtual charter schools spent an estimated \$17.8 million in the 2007-08 school year, primarily for online curriculum materials and staffing. Reported advertising expenditures increased from \$4,500 in the 2002-03 school year to \$714,900 in the 2007-08 school year. Five large virtual charter schools engaged four principal contractors to provide online curriculum materials, computers and Internet subsidies for pupils, and assistance with administrative operations. Their payments to these contractors totaled \$8.6 million in 2007-08.

Chartering districts have a financial incentive to attract additional pupils through open enrollment. For example, in the 2007-08 school year, 8 of the 15 virtual charter schools' per pupil expenditures were less than the \$6,007 payment per full-time open enrollment pupil. In

contrast, most sending districts experience negative financial effects when resident pupils attend virtual charter schools in other districts, because the loss of enrollment is not sufficient to reduce their fixed costs to operate traditional schools.

Teaching in Virtual Charter Schools

We reviewed licensing data to ensure that all virtual charter school teachers were properly licensed to teach in the 2007-08 school year. We found that all 161 virtual charter school teachers were licensed in Wisconsin and taught subjects and grade levels that were appropriately authorized by their professional Wisconsin teaching licenses: 112 of the licensed teachers were employed by chartering school districts, and 49 were employed by contractors. Eleven virtual charter schools also reported using teaching assistants employed by contractors.

Since July 1, 2009, virtual charter school teachers have been required by 2007 Wisconsin Act 222 to be licensed for the subject area and grade level at which they are teaching, regardless of whether they hold a charter school instructional staff license. Teachers in the Monroe School District who hold charter school instructional staff licenses do not meet the new requirement.

Academic Achievement

The Wisconsin Knowledge and Concepts Examination is administered each year in public schools, including virtual charter schools, to pupils in grades 3 through 8 and grade 10.

We analyzed test scores for the three-year period from 2005-06 through 2007-08. We found that virtual charter school pupils had higher median reading scores than other public school pupils, but their mathematics scores were generally lower. Only a small number of pupils were continuously enrolled in virtual charter schools for the past several years, and performance varied.

Future Considerations

2007 Wisconsin Act 222 limits the number of full-time pupils who may attend virtual charter schools through open enrollment to 5,250 per year, beginning in the 2009-10 school year. The open enrollment limit will likely be reached in the near future.

In response to our survey, parents and guardians, teachers, and high school pupils reported widespread satisfaction with their virtual charter schools.

Our report includes a number of recommendations for DPI to provide information that can inform continued legislative debate about the program's size and scope, and enhance compliance with program rules.

Recommendations

We include recommendations for DPI to:

- ☑ compile statutorily required attendance and pupil participation information and report it annually to the Joint Legislative Audit Committee and the relevant standing committees of the Legislature ([p. 21](#));
- ☑ continue to facilitate the exchange of information on the provision of special education services among virtual charter school districts ([p. 25](#));
- ☑ verify that all virtual charter school and online program teachers teach subjects and grade levels that are appropriately authorized by their professional teaching licenses ([p. 48](#) and [p. 66](#));
- ☑ analyze the academic performance of virtual charter school pupils relative to other public school pupils and annually report the results of its analysis to the Joint Legislative Audit Committee and the relevant standing committees of the Legislature ([p. 61](#));
- ☑ complete the annual open enrollment report that is required by s. 118.51(15)(c), Wis. Stats., including the number of open enrollment applications, the number of denials, and the reasons for the denials ([p. 69](#)); and
- ☑ report to the Joint Legislative Audit Committee and the relevant standing committees of the Legislature by July 1, 2010, on its efforts to form an advisory group to review online education issues and counsel the State Superintendent of Public Instruction and other policymakers ([p. 72](#)).

Introduction ■

Virtual charter schools provide an educational option for pupils in grades K-12.

Virtual charter schools are designed to expand learning options for pupils in kindergarten through high school (K-12), as well as to provide alternatives for pupils who may not be performing well in traditional public schools. School districts have opened virtual charter schools in order to attract new pupils, discourage pupils from transferring to other districts, and help address overcrowding in classrooms. Pupils enrolled in virtual charter schools typically attend school from their homes and can “attend” classes at any time of day from anywhere they have a computer and an Internet connection.

In Wisconsin, virtual charter schools are required by statute to:

- adopt academic standards for pupils in mathematics, science, reading and writing, geography, and history;
- develop policies for promotion from grade to grade and for high school graduation;
- measure pupil achievement by administering a standardized test—the Wisconsin Knowledge and Concepts Examination—to all pupils in grades 3-8 and grade 10;
- ensure that all teachers are licensed by DPI; and
- comply with state and federal audit requirements.

Most of the 15 virtual charter schools that operated in Wisconsin during the 2007-08 school year were high schools, but three served pupils in grades K-8. Appendix 1 provides descriptions of each school, identifies each school’s contractors, and provides 2007-08 school year enrollment information. The schools’ locations are shown in Figure 2.

Figure 2

**Virtual Charter Schools and Chartering Districts
2007-08 School Year**



Virtual charter schools have been established by charters, or contracts, between local “sponsoring” school districts and other entities, including multi-district consortia, Cooperative Educational Service Agencies (CESAs), and a for-profit business. Table 2 lists the chartering school district, years of operation, and grades served by

the 15 virtual charter schools that operated during the 2007-08 school year. The chartering school districts employed all school staff and administered 12 of those virtual charter schools. Contractors employed staff and administered the three remaining schools:

- Insight Schools, Inc., a for-profit company based in Portland, Oregon, administered Insight School of Wisconsin;
- JEDI (Jefferson-Eastern Dane Interactive) Network Consortium, a consortium formed by nine school districts within the boundaries of CESA 2, administered JEDI Virtual High School; and
- CESA 7 administered Northeast Wisconsin Online Charter School for participating school districts within its boundaries.

Table 2

**Virtual Charter Schools Operating
in the 2007-08 School Year**

Virtual Charter School	Chartering School District	Years of Operation	Grades Served
Appleton eSchool	Appleton Area	2002-03—present	9-12
Grantsburg Virtual School	Grantsburg	2005-06—2007-08	9-12
Honors High Online of Wisconsin	Northern Ozaukee	2007-08—2008-09	9-11
Insight School of Wisconsin	Grantsburg	2007-08—present	9-12
iQ Academy Wisconsin	Waukesha	2004-05—present	9-12
Janesville Virtual Academy	Janesville	2007-08—present	9-12
JEDI Virtual High School	Cambridge	2006-07—present	9-12
Kenosha eSchool	Kenosha Unified #1	2007-08—present	9-12
Kiel eSchool	Kiel Area	2002-03—present	7-12
Monroe Virtual High School	Monroe	2002-03—present	9-12
Monroe Virtual Middle School	Monroe	2006-07—present	6-8
Northeast Wisconsin Online Charter School	Kohler	2004-05—present	7-12
Rural Virtual Academy	Medford Area	2005-06—present	K-8
Wisconsin Connections Academy	Appleton Area	2002-03—present	K-8
Wisconsin Virtual Academy	Northern Ozaukee	2003-04—2008-09	K-8

Grantsburg Virtual School closed after the 2007-08 school year, but Insight School of Wisconsin, which began operating in the 2007-08 school year, was chartered by the same school district to serve the same grades. Additional changes occurred in the 2009-10 school year:

- the Northern Ozaukee School District ended the contract with its contractor and closed Honors High Online of Wisconsin and the Wisconsin Virtual Academy. It instead began operating the Wisconsin Virtual Learning Academy to serve pupils in grades K-12;
- the McFarland School District began operating the Wisconsin Virtual Academy, utilizing the same contractor previously used by the Northern Ozaukee School District, to serve pupils in grades K-12; and
- the Waukesha School District’s iQ Academy Wisconsin expanded to serve middle school pupils.

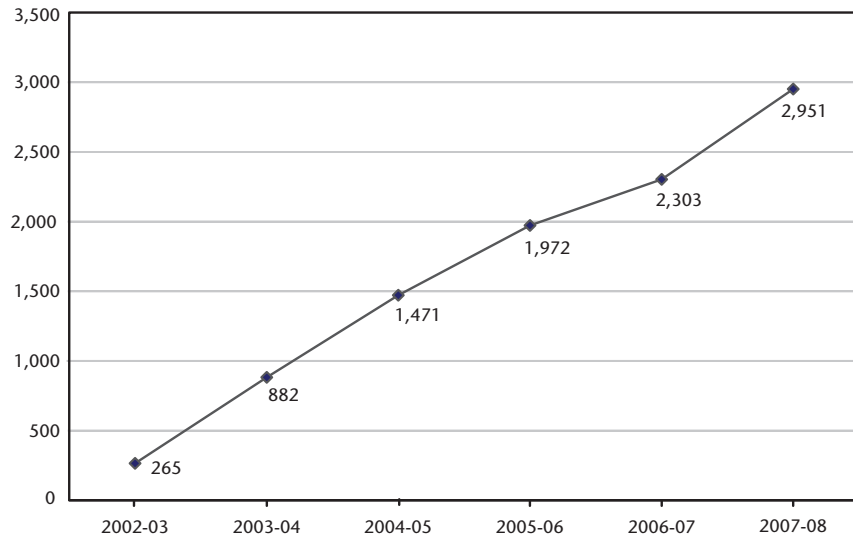
Virtual Charter School Enrollment

Enrollment in virtual charter schools has increased every school year since 2002-03.

DPI reports the number of full-time pupils enrolled on the third Friday in September in each public school in Wisconsin. As shown in Figure 3, enrollment in virtual charter schools has increased every school year since 2002-03, when they began operating in Wisconsin.

Figure 3

**Enrollment in Virtual Charter Schools¹
By School Year**



¹ Full-time pupils on the third Friday of September, as reported by DPI.

Five virtual charter schools accounted for 92.2 percent of the 2,951 full-time K-12 pupils enrolled in virtual charter schools on the third Friday of September 2007. As shown in Table 3, enrollment ranged from 2 full-time pupils at Kiel eSchool to 865 full-time pupils at Wisconsin Virtual Academy.

Table 3
Enrollment in Virtual Charter Schools¹
 By School Year

Virtual Charter School	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Appleton eSchool	9	24	33	13	13	12
Kiel eSchool	8	4	2	4	5	2
Monroe Virtual High School	10	29	63	147	270	337
Wisconsin Connections Academy	238	375	468	432	451	432
Wisconsin Virtual Academy		450	684	759	764	865
iQ Academy Wisconsin			211	589	739	841
Northeast Wisconsin Online Charter School			10	15	14	8
Grantsburg Virtual School				3	6	4
Rural Virtual Academy				10	9	11
JEDI Virtual High School					6	14
Monroe Virtual Middle School					26	37
Honors High Online of Wisconsin						86
Insight School of Wisconsin						245
Janesville Virtual Academy						31
Kenosha eSchool						26
Total	265	882	1,471	1,972	2,303	2,951

¹ Full-time pupils on the third Friday of September, as reported by DPI.

Virtual charter school pupils are predominantly female, white, and in high school.

Larger percentages of female and white pupils attended virtual charter schools than public schools statewide, and as shown in Table 4, more than one-half of all virtual charter school pupils were in high school. Despite its growth, virtual charter school enrollment represented less than 1.0 percent of the 873,690 public school pupils statewide in the 2007-08 school year. Appendix 2 provides additional enrollment data for all school years from 2002-03 through 2007-08.

Table 4
Pupil Profiles
 2007-08 School Year

	Virtual Charter Schools		Statewide Public Schools	
	Enrollment ¹	Percentage	Enrollment ¹	Percentage
Gender				
Female	1,559	52.8%	424,122	48.5%
Male	1,392	47.2	449,568	51.5
Total	2,951	100.0%	873,690	100.0%
Race/Ethnicity				
African-American	156	5.3%	90,953	10.4%
American Indian	53	1.8	12,717	1.5
Asian/Pacific Islander	49	1.7	31,618	3.6
Hispanic/Latino	93	3.1	66,560	7.6
White	2,600	88.1	671,842	76.9
Total	2,951	100.0%	873,690	100.0%
Grade				
Pre-Kindergarten	0	0.0%	37,773	4.3%
Kindergarten	111	3.7	59,590	6.8
1	121	4.1	60,474	6.9
2	130	4.4	60,806	7.0
3	137	4.6	59,998	6.9
4	179	6.1	59,995	6.9
5	154	5.2	59,578	6.8
6	159	5.4	60,826	7.0
7	176	6.0	62,025	7.1
8	179	6.1	64,102	7.3
9	451	15.3	73,673	8.4
10	335	11.4	70,660	8.1
11	470	15.9	72,356	8.3
12	349	11.8	71,834	8.2
Total	2,951	100.0%	873,690	100.0%

¹ Full-time pupils on the third Friday of September, as reported by DPI.

The number of home-schooled pupils has declined since virtual charter schools were established.

Although pupils typically have access to virtual charter school classes at home, pupils are not enrolled in home-based private education programs, which are more commonly known as home schools. Section 115.001(3g), Wis. Stats., defines a home-based private education program as educational instruction provided to a child by the child's parent or guardian or by a person designated by the parent or guardian. Based on data reported by DPI, the number of home-schooled pupils increased each school year from 1984-85 through 2002-03, which was the first year virtual charter schools were in operation. Since then, the number of home-schooled pupils has decreased every year, from 21,288 pupils in the 2002-03 school year to 19,358 pupils in the 2008-09 school year. This 9.1 percent decline is likely due, in part, to the availability of the virtual charter school option.

Enrollment Process

Growth in virtual charter schools was facilitated by 1997 Wisconsin Act 27, the 1997-1999 Biennial Budget Act, which allows interdistrict public school open enrollment. Because they may attend any public school located outside of their school districts of residence, pupils may enroll in virtual charter schools operated by the school districts in which they reside, enroll in virtual charter schools outside of their school districts of residence through open enrollment, or request an interdistrict cooperative agreement, authorized by s. 66.0301, Wis. Stats., between their school districts of residence and districts that have chartered virtual charter schools. Virtual charter school pupils who are not Wisconsin residents, who are adults returning to school for a high school diploma, or who miss the annual open enrollment application deadline must pay tuition to the chartering school district.

In the 2007-08 school year, 91.1 percent of pupils attended virtual charter schools outside their school districts of residence.

As shown in Table 5, we found that 7.6 percent of full-time pupils in the 2007-08 school year were enrolled in the virtual charter schools chartered by their districts of residence. In contrast, 91.1 percent attended virtual charter schools through the open enrollment option. Of the 24 pupils who paid tuition, 19 did not reside in Wisconsin and 5 were Wisconsin residents who had either missed the open enrollment deadline or were adults returning to earn a degree.

Table 5
Type of Enrollment in Virtual Charter Schools¹
 2007-08 School Year

Virtual Charter School	District Resident	Open Enrollment	Interdistrict Cooperative Agreement	Other ²	Total Enrollment
Appleton eSchool	6	4	2	0	12
Grantsburg Virtual School	0	4	0	0	4
Honors High Online of Wisconsin	2	84	0	0	86
Insight School of Wisconsin	0	245	0	0	245
iQ Academy Wisconsin	49	787	0	5	841
Janesville Virtual Academy	30	1	0	0	31
JEDI Virtual High School	14	0	0	0	14
Kenosha eSchool	26	0	0	0	26
Kiel eSchool	1	1	0	0	2
Monroe Virtual High School	42	280	2	13	337
Monroe Virtual Middle School	2	31	0	4	37
Northeast Wisconsin Online Charter School	8	0	0	0	8
Rural Virtual Academy	11	0	0	0	11
Wisconsin Connections Academy	28	392	11	1	432
Wisconsin Virtual Academy	5	859	0	1	865
Total	224	2,688	15	24	2,951

¹ Estimated, based on data provided by school administrators and DPI.

² Includes tuition-paying pupils who did not reside in Wisconsin, those who missed the open enrollment deadline, and adults.

Legal Challenges

In January 2004, the Wisconsin Education Association Council (WEAC), which represents teachers and other educators, filed a lawsuit arguing that Wisconsin's charter school and open enrollment laws had been violated by the Northern Ozaukee School District; its Board of Education; and its contractor, K12, Inc., which provided curriculum materials and other services. WEAC's complaint argued that because the Northern Ozaukee School District's virtual charter school, Wisconsin Virtual Academy, was not located inside the district's boundaries, pupils were not attending school within the district. The complaint also stated that teacher certification laws had been violated because the school

allowed parents who were not licensed teachers to assume primary education duties.

In July 2006, the Ozaukee County Circuit Court ruled in favor of the defendants. WEAC appealed, and in December 2007 the Wisconsin Court of Appeals for District II reversed the Circuit Court's decision and prevented DPI from providing open enrollment payments to Wisconsin Virtual Academy.

In April 2008, 2007 Wisconsin Act 222 defined virtual charter schools for the first time.

In April 2008, 2007 Wisconsin Act 222 was enacted to address concerns raised in the lawsuit and allow existing virtual charter schools to continue operating as public schools in Wisconsin. The Act:

- defines a virtual charter school as a charter school under contract with a school board in which all or a portion of the instruction is provided through means of the Internet, and the pupils enrolled in and instructional staff employed by the school are geographically remote from each other;
- determined that virtual charter schools exist within the boundaries of the chartering school district or of a CESA that has an agreement with a school district;
- clarifies that Wisconsin pupils may enroll in any public school, including all charter schools, through open enrollment; and
- limits the number of full-time pupils who may attend virtual charter schools through open enrollment to 5,250 beginning in the 2009-10 school year. Current pupils who attend virtual charter schools through open enrollment are guaranteed places the following school year if they choose to enroll, and their siblings may also attend virtual charter schools regardless of the enrollment limit. Enrollment in virtual charter schools by district residents has not been limited.

2007 Wisconsin Act 222 also required this evaluation of virtual charter schools. To complete the evaluation, we interviewed staff from DPI and administrators at all 15 virtual charter schools in operation in the 2007-08 school year, visited 9 virtual charter schools and observed teachers working with pupils at 3 schools, reviewed virtual school policies in other states, and interviewed groups interested in virtual charter schools. In addition, we surveyed

virtual charter school teachers, high school pupils, and parents or guardians of pupils who attended virtual charter schools in the 2007-08 school year based on lists obtained from school administrators. Our survey response rates were 74.0 percent for teachers, 21.3 percent for high school pupils, and 45.8 percent for parents or guardians.



Virtual Charter School Operations ■

As public schools, all virtual charter schools must meet both state and federal requirements, including requirements for providing special education services, but each has the flexibility to develop its own attendance criteria and social activity offerings. We reviewed:

- how virtual charter schools ensure that pupils are attending and progressing through their classes;
- opportunities for social interaction; and
- available information on the extent to which special education services are provided.

Attendance Requirements

Pupils may spend as much time as needed during the school day to work through specific lessons.

Virtual charter school pupils may focus on one or many subjects during the school day and may spend as much time as needed to work through specific lessons. Some class work is recorded for broadcast over the Internet at any time, while other scheduled class periods provide opportunities for pupils to interact with teachers. Younger pupils often receive a packet of textbooks and other materials at the beginning of the school year and submit paper assignments by mail for their teachers' review. They are also likely to receive assistance from a parent or guardian. Pupils attending virtual high schools do a larger percentage of school work at their computers and are more likely to work with greater independence.

Many virtual charter schools require classes to be completed by the end of a typical semester, although some allow pupils who have not completed a class to continue it during the next semester and throughout the summer. In addition, pupils who finish a class early may be allowed to begin a new one before the start of the next semester. For example, Kenosha eSchool administrators reported that their high school pupils take three or four classes at a time and may add new classes mid-semester if they finish early. In contrast, iQ Academy Wisconsin administrators reported that their high school pupils follow the school year calendar and enroll in five to seven classes that they must finish by the end of a semester, and that they typically may not add classes mid-semester.

2007 Wisconsin Act 222 gives virtual charter schools the authority to address any pupils who fail to attend school regularly.

2007 Wisconsin Act 222 clarified that the compulsory school attendance requirement in s. 118.15(1)(a), Wis. Stats., does not apply to pupils enrolled in virtual charter schools. The Act also gives virtual charter school administrators authority to address any pupils who fail to attend school regularly.

Each of the 15 virtual charter schools included in our evaluation had established attendance criteria, which are summarized in Table 6. If a pupil fails to respond appropriately to an assignment or a directive from a teacher within five school days, 2007 Wisconsin Act 222 requires the virtual charter school's governing body to notify the pupil's parent or guardian. If a pupil fails to respond appropriately for the third time in the same semester, the governing body must notify the pupil's parent or guardian, the school board that chartered the virtual charter school, the school board of the pupil's district of residence if the pupil attends through open enrollment, and DPI, and the pupil may be assigned or transferred to another school or program within the school district of residence. The pupil's parent or guardian may, however, appeal the transfer to DPI.

Virtual charter school administrators indicated to us that few pupils fail to participate in classes for long periods of time, in part because they attempt to meet with families to assess potential problems before pupils fall behind or fail to attend. We could not quantify compliance with attendance criteria because readily available data do not exist for the number of pupils who have failed to respond to virtual charter school directives or for the number of pupils who have been assigned or transferred to another school or program.

Table 6

Attendance Criteria Established by Virtual Charter Schools

Virtual Charter School	Attendance Criteria
Appleton eSchool	Pupils must submit at least one assignment per class per week.
Grantsburg Virtual School	Pupils must show activity in online classes at least three times per week.
Honors High Online of Wisconsin	The time signed in to the school’s Web site is recorded.
Insight School of Wisconsin	Pupils must sign in to the school’s Web site and/or communicate with a teacher at least once every three days.
iQ Academy Wisconsin	Pupils must show activity in every class online at least twice each week and average at least one hour of work per day per class.
Janesville Virtual Academy	Pupils must submit three assignments per week.
JEDI Virtual High School	Pupils must submit at least one assignment per week.
Kenosha eSchool	Pupils must submit at least one assignment per class per week and progress in their classes according to each pupil’s predetermined pace.
Kiel eSchool	Pupils must progress in their classes according to each pupil’s predetermined pace.
Monroe Virtual High School	Pupils must progress in their classes according to each pupil’s predetermined pace.
Monroe Virtual Middle School	Pupils must progress in their classes according to each pupil’s predetermined pace.
Northeast Wisconsin Online Charter School	Pupils must sign in to each class at least three times per week and e-mail or telephone teachers at least once per week.
Rural Virtual Academy	Pupils must “communicate frequently” with teachers.
Wisconsin Connections Academy	Pupils must complete daily assignments, and parents or other adults must submit a daily notice of attendance.
Wisconsin Virtual Academy	Sign-in times to the school’s Web site are recorded and parents are asked to report the amount of time that pupils spend on other activities.

Recommendation

We recommend the Department of Public Instruction:

- *compile statutorily required information submitted by virtual charter schools on the number of pupils who do not respond appropriately to school assignments or directives from teachers and the number of pupils who have been transferred to a school or program within their school districts of residence as a result of their failure to participate; and*
- *annually report its findings on virtual charter school attendance and participation to the Joint Legislative Audit Committee and relevant standing committees of the Legislature.*

Social Interaction

Most virtual charter schools offer some extracurricular activities.

To address the absence of opportunities for their pupils to interact and develop socially, the virtual charter schools that enroll pupils primarily from their chartering districts or from a consortium of districts allow those pupils to participate in school clubs and extracurricular activities through traditional schools in the districts. Seven schools do so: Appleton eSchool, Janesville Virtual Academy, JEDI Virtual High School, Kenosha eSchool, Kiel eSchool, Northeast Wisconsin Online Charter School, and Rural Virtual Academy. All except for Rural Virtual Academy teach high school pupils and have held social events such as bowling nights and field trips to local businesses. Kenosha eSchool has a mascot and school colors, elects a pupil president, and has a graduation ceremony. Rural Virtual Academy has established times for pupils to meet one another and recently began offering virtual field trips to events such as the Iditarod sled race in Alaska and locations such as a zoo in Australia.

The larger virtual charter schools, which enroll most of their pupils through open enrollment, vary in the extent to which they offer their own extracurricular activities, and pupils' districts of residence are under no obligation to provide activities to pupils who attend school outside their districts through open enrollment. Monroe Virtual High School and Monroe Virtual Middle School do not organize any clubs for their pupils, while Wisconsin Connections Academy reported having reading, poetry, yearbook, and chess clubs and planning field trips throughout Wisconsin during the 2007-08 school year. Wisconsin Virtual Academy, the largest virtual charter school serving elementary and middle school pupils in the 2007-08 school year, reported similar activities that included community service days; spelling bees; and trips to museums, parks, and zoos.

Most parents and pupils reported being satisfied with the services and activities offered by virtual charter schools.

Some level of satisfaction with the services and activities offered by virtual charter schools was reported by 96.9 percent of the 569 parents and guardians who responded to our survey question. They cited examples of activities such as online book club discussions and in-person tours of cranberry bogs and state parks. In addition, 93.9 percent of 243 responding high school pupils were satisfied with the services and activities offered by their virtual charter schools, which included trips to museums, the Wisconsin Dells, and Milwaukee Brewers games; pizza parties and dances; and yearbook, photography, and science clubs. However, 6.1 percent of high school pupils reported some level of dissatisfaction with the services and activities provided, in part because they were either unable to attend or were not interested in attending the activities provided.

Special Education

School districts are required by federal and state law to provide special education services, as needed, for all pupils enrolled in their districts. When pupils attend virtual charter schools through open enrollment, the districts that chartered the schools are responsible for providing special education services, but the pupils’ districts of residence are responsible for open enrollment payments as well as any additional costs incurred to provide special education services, regardless of whether receiving districts provide the services directly or arrange with the sending districts, CESAs, or private entities to provide them.

In the 2007-08 school year, approximately 3.3 percent of virtual charter school pupils received special education services.

School districts report the number of pupils in every school who receive special education services to DPI on the third Friday in September. As shown in Table 7, 3.3 percent of virtual charter school pupils and 14.2 percent of all public school pupils received special education services in the 2007-08 school year, and the percentage of pupils who received special education services at virtual charter schools was consistently lower in every school year shown. The number of virtual charter school pupils receiving special education services may be slightly understated based on efforts to prevent the disclosure of confidential information related to pupils at five virtual charter schools with small enrollments.

Table 7

Special Education Services¹

School Year	Virtual Charter Schools			All Wisconsin Public Schools		
	Total Enrollment	Pupils Receiving Special Education Services	Percentage of Total Enrollment	Total Enrollment	Pupils Receiving Special Education Services	Percentage of Total Enrollment
2002-03	257	8	3.1%	879,225	123,991	14.1%
2003-04	878	12	1.4	878,217	125,210	14.3
2004-05	1,459	35	2.4	863,495	116,661	13.5
2005-06	1,940	86	4.4	874,098	122,385	14.0
2006-07	2,263	78	3.4	875,543	122,612	14.0
2007-08	2,912	97	3.3	873,690	124,122	14.2

¹ Information was not included for Grantsburg Virtual School, JEDI Virtual High School, Kiel eSchool, Northeast Wisconsin Online Charter School, and Rural Virtual Academy to prevent the disclosure of confidential information related to individual pupils enrolled in these schools.

DPI reported that 26 of the 97 virtual charter school pupils who received special education services in the 2007-08 school year had a “specific learning disability,” which is a learning disorder that manifests itself in school as an impaired ability to listen, reason, speak, read, write, spell, or do mathematical calculations. The second most commonly reported disability was “emotional behavioral disability,” which is social, emotional, or behavioral functioning that so departs from generally accepted, age-appropriate ethnic or cultural norms that it adversely affects a child’s academic progress, social relationships, personal adjustment, classroom adjustment, self-care, or vocational skills. In the 2007-08 school year, 23 virtual charter school pupils were reported to have had an emotional behavioral disability.

All virtual charter school administrators indicated they are able to provide special education services, although the cost of providing the services specifically to virtual charter school pupils is not well documented. Services also differ based on the types and severity of pupils’ disabilities. However, they have included class content modifications, allowing slower progression through classes, having teachers read exams aloud, and providing assistive technology such as books on tape and computer screen readers.

Administrators at six virtual charter schools—Honors High Online of Wisconsin, Insight School of Wisconsin, iQ Academy Wisconsin, Monroe Virtual High School, Monroe Virtual Middle School, and Wisconsin Virtual Academy—reported employing special education teachers in the 2007-08 school year. Other virtual charter schools use special education teachers who serve multiple schools within their school districts. Each of the school districts involved in the consortia that administer the JEDI Virtual High School, Northeast Wisconsin Online Charter School, and Rural Virtual Academy provide services to the virtual charter school pupils who are district residents.

Most parents and guardians expressed satisfaction with the special education services their children received.

Fifty-three of the 577 parents and guardians who responded to our survey question, or 9.2 percent, reported that their children received special education services in the 2007-08 school year, and 47 indicated some level of satisfaction with the special education services their children received. The remaining six indicated they were dissatisfied because teachers did not contact their children as often as expected.

Thirty of the 39 parents who indicated in our survey that their child had previously received special education services through traditional public schools, or 76.9 percent, were more satisfied with the special education services provided through virtual charter schools, while 8, or 20.5 percent, were equally satisfied with the special education services provided by virtual charter schools and

by traditional public schools. One responding parent reported greater satisfaction with the special education services provided through traditional public schools.

It is important for school districts to identify the most effective and least costly means of providing special education services. As a means to convey and share information, DPI indicated that it conducts an annual workshop for virtual charter school administrators.

Recommendation

We recommend the Department of Public Instruction continue to facilitate the exchange of information on the provision of special education services among school districts chartering, or considering chartering, virtual schools.

■ ■ ■ ■

Revenue and Expenditures ■

Questions have been raised about the revenue used to support virtual charter schools, how open enrollment aid financially affects districts that send and districts that receive pupils, and how the costs of educating pupils in virtual charter schools compare to those of other public schools. We used the best available information on virtual charter schools' revenue and expenditures to address these questions.

Revenue Sources

In Wisconsin, public school districts derive their revenue from a combination of state aid, property taxes, federal aid, and other miscellaneous revenue, such as pupil fees and interest earnings. State aid to school districts includes:

- general aid provided through a formula known as either the "equalization aid formula" or the "general school aid formula," which distributes aid based on a district's per pupil value of taxable property; and
- categorical aid, which funds specific program costs such as special education.

School districts may lose or gain state aid based on pupil transfers through open enrollment.

When pupils attend schools outside of their districts of residence through open enrollment, the amount of general aid that school districts receive is affected. A school district receives additional aid if it has a net gain in the number of pupils who attend through open

enrollment, and it loses aid if it has a net loss in the number of pupils who transfer to other districts through open enrollment.

When district revenue is distributed to individual schools, its sources typically cannot be identified.

Revenue received by a school district is typically aggregated and then allocated among district accounts. Each school district then determines how it will distribute funds to each of its schools, including virtual charter schools. Once most funds are distributed to individual schools, their sources cannot be specifically identified.

DPI likewise collects and reports revenue received by each school district, but not revenue information for individual schools. We therefore contacted virtual charter school administrators to obtain more specific information about district revenue used to support virtual charter schools. The available data they provided were sometimes incomplete or based on estimates because of limitations in district accounting systems. When a specific revenue source could not be identified to support a virtual charter school’s expenditures, we categorized the funding source as general district revenue.

Virtual charter schools received \$18.0 million in revenue in the 2007-08 school year.

As shown in Table 8, virtual charter schools received an estimated \$18.0 million in revenue in the 2007-08 school year, of which 79.0 percent was the result of state aid received through open enrollment. Federal charter school grants that provided 4.4 percent of total revenue are competitively awarded to assist in planning and operating charter schools. Other revenue sources include pupil fees and tuition; school consortium membership fees; and general district revenue, which could include property tax revenue.

Table 8

**Estimated Virtual Charter School Revenue
2007-08 School Year**

Revenue	Amount	Percentage of Total
Open Enrollment Aid	\$14,186,200	79.0%
Federal Charter School Grants	794,400	4.4
Other Revenue	2,970,800	16.6
Total	\$17,951,400	100.0%

The second largest virtual charter school in the 2007-08 school year—iQ Academy Wisconsin—received the most revenue. As shown in Table 9, \$4.3 million of its total revenue was derived from open enrollment aid. Grantsburg Virtual School, which served only

four pupils during the 2007-08 school year, operated with the least revenue.

Seven of the 15 virtual charter schools operating in the 2007-08 school year received more than 80.0 percent of their revenue from open enrollment aid. The open enrollment per pupil aid amount is the same for all public schools, including virtual charter schools, and was \$6,007 for the 2007-08 school year. When pupils attend a school through open enrollment for less than a full school term, DPI prorates aid payments after the school year has ended.

Table 9

**Estimated Virtual Charter School Revenue
2007-08 School Year**

Virtual Charter School	Open Enrollment Aid	Federal Charter School Grants	Other Revenue ¹	Total
iQ Academy Wisconsin	\$ 4,301,700	\$ 0	\$ 915,700	\$ 5,217,400
Wisconsin Virtual Academy and Honors High Online of Wisconsin ²	5,189,400	0	27,600	5,217,000
Wisconsin Connections Academy	2,414,900	0	315,800	2,730,700
Insight School of Wisconsin	1,203,200	0	250,600	1,453,800
Monroe Virtual High School and Monroe Virtual Middle School ²	992,900	0	117,400	1,110,300
Kenosha eSchool	0	234,400	427,200	661,600
Appleton eSchool	48,100	150,000	191,800	389,900
Kiel eSchool ³	6,000	150,000	178,400	334,400
Janesville Virtual Academy ³	6,000	175,900	134,000	315,900
Northeast Wisconsin Online Charter School	0	0	157,500	157,500
JEDI Virtual High School	0	84,100	56,300	140,400
Rural Virtual Academy	0	0	137,400	137,400
Grantsburg Virtual School ³	24,000	0	61,100	85,100
Total	\$14,186,200	\$794,400	\$2,970,800	\$17,951,400

¹ Other revenue includes pupil fees and tuition, school consortium membership fees, and general district revenue, which may include property tax revenue. At Insight School of Wisconsin, general revenue was provided by its contractor, Insight Schools, Inc., not the Grantsburg School District.

² These schools are combined because of their district's accounting practices.

³ Open enrollment aid amounts are Audit Bureau estimates because districts' financial records did not identify these schools' open enrollment aid revenue.

DPI administers federal charter school grants, which provide supplemental funding to groups that are planning new charter schools and to operators of existing charter schools. Grant amounts differ depending on grant type and the number of years a charter school has been operating. Grant types include:

- planning grants that provide \$10,000 initially and up to an additional \$40,000 in supplemental funds for planning, chartering, and opening a charter school;
- initial implementation grants and implementation renewal grants that each provide \$150,000 per project and up to an additional \$200,000 in supplemental funds for assistance in achieving the school’s educational goals and the provision of instructional services; and
- dissemination grants and dissemination renewal grants that each provide \$150,000 per year during a two-year grant duration period for assisting other schools in adapting the charter school’s program or for disseminating best practices about the charter school.

Five virtual charter schools received \$794,400 in federal charter school grants in the 2007-08 school year.

From the 2001-02 school year, when Appleton eSchool and Kiel eSchool were preparing to open, through the 2007-08 school year, DPI awarded a total of \$3.7 million in federal charter school grant funds to nine virtual charter schools. During the 2007-08 school year, five schools—Appleton eSchool, Janesville Virtual Academy, JEDI Virtual High School, Kenosha eSchool, and Kiel eSchool—received \$794,400 in federal charter school grants. Six virtual charter schools have never received any federal charter school grants: Honors High Online of Wisconsin, iQ Academy Wisconsin, Insight School of Wisconsin, Monroe Virtual Middle School, Wisconsin Connections Academy, and Wisconsin Virtual Academy.

All 15 virtual charter schools also support their operations with other revenue, such as pupil fees and school consortium membership fees. Pupil fees are charged in accordance with district policies for supplies or administrative costs. A few full-time pupils paid tuition in the 2007-08 school year only because they missed the open enrollment application deadline, enrolled from out of state, or were adults returning to obtain high school diplomas. Appendix 3 provides additional detail on each school’s sources of other revenue in the 2007-08 school year.

Expenditures

School districts do not typically track all expenditures at the school level.

DPI reports expenditures for each school district, but it does not collect expenditure information for individual schools. We requested school-level information from virtual charter school administrators, but complete information was unavailable because districts do not typically track all expenditures at the school level or maintain cost accounting data needed to determine all administrative and operational expenditures of the schools that incur them. In addition, school districts often provide virtual charter schools with a variety of services that, in most instances, are not reflected in the schools' operating budgets. For example:

- The Janesville Virtual Academy principal in the 2007-08 school year was also the Janesville School District's coordinator of professional development and its curriculum director, as well as the principal of another charter school, and the district did not allocate a specific portion of her salary to the Janesville Virtual Academy.
- Rural Virtual Academy is housed within the Medford Area Public School District's administration building, but no expenditures for rent, utilities, or custodial costs were charged to the school.
- Guidance counseling at Appleton eSchool is provided and paid for by the Appleton School District, which also provides working space for the virtual charter school staff.

Available data indicate that virtual charter schools spent \$17.8 million in the 2007-08 school year.

Despite these limitations, we compiled all available data on those virtual charter school expenditures that could be identified. As shown in Table 10, identified expenditures increased from \$64,200 in the 2001-02 school year, when the Appleton eSchool began planning its operations, to \$17.8 million in the 2007-08 school year. Appendix 4 provides staffing, curriculum, and other available expenditure information for each virtual charter school since it began operating.

Table 10

Estimated Virtual Charter School Expenditures¹
By School Year

Virtual Charter School	2001-02 ²	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Appleton eSchool	\$64,200	\$ 338,700	\$ 285,600	\$ 282,600	\$ 232,300	\$ 444,100	\$ 389,900
Grantsburg Virtual School	–	–	40,100	242,700	337,300	135,200	85,100
Insight School of Wisconsin	–	–	–	–	–	–	1,453,800
iQ Academy Wisconsin	–	–	208,600	1,493,000	3,699,800	4,450,300	5,217,400
Janesville Virtual Academy	–	–	–	–	–	25,300	315,900
JEDI Virtual High School	–	–	–	–	158,300	252,500	140,300
Kenosha eSchool	–	–	–	–	–	280,100	661,600
Kiel eSchool	–	113,900	218,900	440,900	406,100	307,700	334,400
Monroe Virtual High School and Monroe Virtual Middle School ³	–	59,100	163,900	538,900	626,900	894,800	1,110,300
Northeast Wisconsin Online Charter School	–	–	7,100	150,100	119,000	135,700	157,500
Rural Virtual Academy	–	–	–	27,200	100,200	198,100	137,400
Wisconsin Connections Academy	–	1,240,900	1,906,900	2,321,600	2,468,500	2,416,600	2,730,700
Wisconsin Virtual Academy and Honors High Online of Wisconsin ³	–	–	2,259,800	3,264,400	3,469,400	3,835,700	5,061,600
Total	\$64,200	\$1,752,600	\$5,090,900	\$8,761,400	\$11,617,800	\$13,376,100	\$17,795,900

¹ Based on available expenditure information. Not all school districts were able to allocate all administrative and operating expenditures to their respective schools.

² No virtual charter schools were operating in the 2001-02 school year, but Appleton eSchool incurred expenditures in that year to prepare for opening the following year.

³ These schools are combined because of their district's accounting practices.

Increasing expenditures generally reflect increases in enrollment over time. In some cases, however, expenditures have fluctuated because schools incur large periodic expenses in one year but not annually, such as:

- purchasing office equipment and computers for staff and pupils;
- upgrading Web sites and networks to broadcast classes over the Internet;
- purchasing curriculum material from contractors; and
- advertising to attract new pupils.

For example, Appleton eSchool's expenditures almost doubled from the 2005-06 school year to the 2006-07 school year, when they reached \$444,100, largely because of costs associated with the purchase of new curricula, computer equipment, and Web site development. Grantsburg Virtual School's expenditures were highest in the 2004-05 and 2005-06 school years, when it spent \$67,600 on advertising and \$34,200 to create a computer lab within the Grantsburg High School building.

We grouped virtual charter school expenditures into three broad categories:

- curriculum-related costs;
- staffing costs; and
- other expenditures, which consist largely of advertising expenses, computer equipment and maintenance, and office supplies.

Curriculum-related costs were 47.5 percent of virtual charter schools' total expenditures in the 2007-08 school year.

In the 2007-08 school year, virtual charter schools spent an estimated \$8.4 million for curriculum-related costs, which accounted for 47.5 percent of total expenditures, as shown in Table 11. Most virtual charter schools purchase at least a portion of their online class curricula from contractors. They can purchase individual online classes or a license to own and modify a class for use from year to year. Curriculum-related expenditures at six schools—Honors High Online of Wisconsin, Insight School of Wisconsin, iQ Academy Wisconsin, Rural Virtual Academy, Wisconsin Connections Academy, and Wisconsin Virtual Academy—also included the cost of providing pupils with their own computers and Internet subsidies, which totaled \$1.8 million in the 2007-08 school year.

Staffing costs were 45.8 percent of virtual charter schools' total expenditures in the 2007-08 school year.

Staffing expenditures were an estimated \$8.2 million, which was 45.8 percent of total expenditures. These expenditures included staff salaries and fringe benefits; travel to meet with pupils in or near their homes, to conduct pupil orientation sessions around the state, and to attend training events; and staff professional development, training, and dues and fees related to memberships in professional associations.

Virtual charter schools spent an estimated \$714,900 on advertising in the 2007-08 school year.

Concerns have been raised about public school funds being used for newspaper, radio, billboard, and television advertisements rather than for school costs such as class materials or staffing. In general, neither statutes nor administrative code restrict the use of public school funds for such advertising. Reported advertising expenditures increased from \$4,500 in the 2002-03 school year, when 4 virtual charter schools were in operation, to \$714,900 in the 2007-08 school year, when the number of virtual charter schools was 15.

Table 11

Estimated Virtual Charter School Expenditures
2007-08 School Year

Expenditures	Amount	Percentage of Total
Curriculum-related Costs		
Purchased Curriculum	\$ 6,490,800	36.5%
Computers, Printers, and Internet Subsidies for Pupils	1,764,700	9.9
Supplemental Class Materials and Teacher Guides	46,400	0.3
Web Site Design, Maintenance, and Internal Curriculum Development	138,100	0.8
Subtotal	8,440,000	47.5
Staffing Costs		
Teacher Salaries	4,249,500	23.9
Administrative and Support Staff Salaries	1,486,300	8.4
Fringe Benefits	2,087,100	11.7
Employee Travel	223,000	1.2
Professional Development and Staff Dues and Fees	111,200	0.6
Subtotal	8,157,100	45.8
Other Expenditures		
Advertising	714,900	4.0
Office Supplies	202,400	1.1
Computer Equipment and Maintenance	197,000	1.1
Rent, Utilities, and Insurance	67,500	0.4
Pupil Field Trips and Events	17,000	0.1
Subtotal	1,198,800	6.7
Total	\$17,795,900	100.0%

Amounts paid to contractors at five large virtual charter schools ranged from \$1.2 million to \$3.3 million in the 2007-08 school year.

In the 2007-08 school year, five large virtual charter schools—Honors High Online of Wisconsin, Insight School of Wisconsin, iQ Academy Wisconsin, Wisconsin Connections Academy, and Wisconsin Virtual Academy—contracted with four principal contractors for online curriculum materials, pupil computers and Internet subsidies, and assistance with administrative operations. As shown in Table 12, those schools' payments to contractors ranged from \$1.2 million to \$3.3 million and accounted for one-half or more of each school's total expenditures in the 2007-08 school year.

Table 12

Payments to Principal Contractors at Five Virtual Charter Schools
2007-08 School Year

Virtual Charter School	Contractor	Total Expenditures	Amount Paid to Contractor	Percentage of Total Expenditures
Insight School of Wisconsin	Insight Schools, Inc.	\$1,453,800	\$1,162,000	79.9%
iQ Academy Wisconsin	KC Distance Learning, Inc.	5,217,400	3,327,600	63.8
Wisconsin Connections Academy	Connections Academy, LLC	2,730,700	1,590,100	58.2
Honors High Online of Wisconsin and Wisconsin Virtual Academy	K12, Inc.	5,061,600	2,482,900	49.1
Total		\$14,463,500	\$8,562,600	59.2%

In our review of the contracts executed between virtual charter schools and their principal contractors, we found that payment amounts depended on factors such as the number of pupils served and the type and amount of equipment and other services provided. For example, the Appleton Area School District paid \$1.6 million to its contractor, Connections Academy, LLC, to serve 432 pupils attending the Wisconsin Connections Academy in the 2007-08 school year. Its payments covered Internet subsidies, computers, printers, textbooks, and science and art supplies for pupils, and support services such as development and maintenance of a Web site to make instructional material available to pupils. The Waukesha School District paid its contractor, KC Distance Learning, Inc., \$3.3 million to serve 841 pupils attending iQ Academy Wisconsin and to provide similar supplies and support services. KC Distance Learning, Inc., is also responsible for providing promotional advertising services, for which iQ Academy Wisconsin reported spending \$424,700 in the 2007-08 school year, and technical support. Teachers for both schools are employed directly by their respective school districts and are not provided through the private contractors. Among the five large schools, only Insight School of Wisconsin's teachers are employed by a contractor.

As shown in Table 13, 85.6 percent of contractor payments for large virtual charter schools were for curriculum-related costs, including pupil computers, printers, and Internet subsidies.

Table 13

Payments to Principal Contractors at Five Virtual Charter Schools, by Purpose
2007-08 School Year

Expenditure Type	Total	Percentage of Total
Curriculum-related		
Purchased Curriculum	\$5,551,500	64.8%
Computers, Printers, and Internet Subsidies for Pupils	1,723,500	20.1
Web Site Design, Maintenance, and Internal Curriculum Development	55,100	0.7
Subtotal	7,330,100	85.6
Staffing		
Teacher Salaries	312,100	3.6
Administrative and Support Staff Salaries	342,300	4.0
Subtotal	654,400	7.6
Other		
Advertising	578,100	6.8
Subtotal	578,100	6.8
Total	\$8,562,600	100.0%

Per Pupil Expenditures

In order to compare per pupil expenditures among similar types of virtual charter schools, we grouped schools into three categories:

- large single-district schools, which enrolled most pupils through open enrollment;
- small single-district schools, which may have had open enrollment pupils but focused on pupils who were district residents; and
- small multi-district schools, which enrolled only pupils who were district residents.

We estimated the number of full-time equivalent (FTE) pupils, which includes full-time and part-time pupils, at each virtual charter school based on data provided to us by the schools. Our FTE pupil estimates may be higher than the pupil enrollments reported by DPI, which include only full-time pupils in attendance on the third Friday in September, because they include part-time pupils as well as pupils enrolled at any point of the school year. In contrast, the

FTE pupil estimates may also be lower because some full-time pupils may have transferred to other schools or dropped out mid-year. Finally, some of the variance may be the result of data entry or other errors in information provided to us by the schools.

Per pupil expenditures for the 2007-08 school year ranged from \$3,687 to \$28,581.

We calculated average per pupil virtual charter school expenditures. Table 14 shows per pupil expenditures at virtual charter schools for the 2007-08 school year based on FTE enrollments. Expenditures ranged from \$3,687 per pupil at Monroe Virtual High School and Monroe Virtual Middle School to \$28,581 per pupil at Kiel eSchool, which enrolled only 11.7 FTE pupils.

Table 14
Per Pupil Expenditures at Virtual Charter Schools
2007-08 School Year

Virtual Charter School	FTE Enrollment ¹	Total Expenditures	Per Pupil Expenditures
Large Single-District Schools			
Insight School of Wisconsin	251.0	\$1,453,800	\$ 5,792
iQ Academy Wisconsin	938.7	5,217,400	5,558
Monroe Virtual High School and Monroe Virtual Middle School ²	301.1	1,110,300	3,687
Wisconsin Connections Academy	460.0	2,730,700	5,936
Wisconsin Virtual Academy and Honors High Online of Wisconsin ²	926.0	5,061,600	5,466
Small Single-District Schools			
Appleton eSchool	53.5	389,900	7,288
Grantsburg Virtual School	4.0	85,100	21,275
Janesville Virtual Academy	18.1	315,900	17,453
Kenosha eSchool	49.9	661,600	13,259
Kiel eSchool	11.7	334,400	28,581
Small Multi-District Schools			
JEDI Virtual High School	14.5	140,300	9,676
Northeast Wisconsin Online Charter School	36.7	157,500	4,292
Rural Virtual Academy	14.3	137,400	9,608
Total	3,079.5	\$17,795,900	\$ 5,779

¹ Includes full-time and part-time pupils.

² These schools are combined because of their districts' accounting practices.

Per pupil expenditures were lower at the large single-district virtual charter schools than at small single-district virtual charter schools and all but one small multi-district school, largely because of differences in enrollment. The Monroe virtual charter schools, which had the lowest per pupil expenditures, also purchased individual classes only as needed, using several contractors, and did not provide computers or Internet subsidies to pupils.

Small single-district schools had average per pupil expenditures of \$17,571.

Per pupil expenditures were highest at the small single-district virtual charter schools, where they averaged \$17,571. These schools each enrolled between one and four pupils through open enrollment, while Kenosha eSchool did not enroll any pupils through open enrollment in the 2007-08 school year. A combination of factors likely explains why these schools had relatively high per pupil expenditures, including:

- the relatively few pupils they enrolled;
- large start-up costs at two schools—Janesville Virtual Academy and Kenosha eSchool—that began operating in the 2007-08 school year; and
- substantial administrative staff costs at Kiel eSchool. Its principal reported that the school district has since implemented measures to reduce school expenditures, including reducing the principal position to part-time.

Except for Grantsburg Virtual School, all of the small single-district schools are members of the Wisconsin eSchool Network, which enables them to share online resources and the costs of online curriculum materials. Appleton eSchool, which had a larger enrollment and used curriculum and other materials purchased through the Wisconsin eSchool Network before the 2007-08 school year, spent less per pupil than the other small single-district virtual charter schools.

None of the small single-district virtual charter schools provided Internet subsidies or computers for their pupils to use at home. However, Janesville Virtual Academy and Kenosha eSchool created computer labs within a traditional school building for pupils to use as needed. These schools incurred higher computer and maintenance expenditures in the 2007-08 school year than the others.

Variation in per pupil expenditures among the small multi-district schools results primarily from differences in enrollment levels. Northeast Wisconsin Online Charter School had substantially lower per pupil expenditures because it had a larger enrollment. In addition, CESA 7 did not charge the school for any administrative services in the 2007-08 school year. All three of the small multi-district schools are partially supported by consortium membership fees and pupil enrollment fees paid by each pupil's district of residence. Both Northeast Wisconsin Online Charter School and JEDI Virtual High School purchased individual online classes from several contractors as needed, while Rural Virtual Academy used one principal contractor. Rural Virtual Academy also purchased a laptop computer and headphones for each of its pupils.

Cost Comparisons with Other Public Schools

To compare the cost of educating pupils in virtual charter schools to the cost of educating pupils in other public schools, we compared virtual charter schools' 2007-08 school year per pupil expenditures with their chartering school districts' 2007-08 per pupil education costs, as reported by DPI. Per pupil education costs averaged \$10,155 statewide in the 2007-08 school year and ranged from \$7,984 in the Brillion School District to \$18,987 in the Lac du Flambeau Number 1 School District. Per pupil education costs include only instructional and instructional support service costs, such as the costs of administration and operations and pupil and staff services. Transportation, facilities, debt service principal and interest, and food and community services costs are not included in per pupil education costs.

Ten virtual charter schools spent less per pupil than was spent for similar services at other schools within their districts.

As shown in Table 15, ten virtual charter schools' per pupil expenditures were less than their chartering school districts' per pupil education costs. In other words, those virtual charter schools spent less per pupil than what was spent for similar services, on average, at other schools within their districts. The five virtual charter schools whose per pupil expenditures exceeded their chartering districts' per pupil education costs were all small schools with enrollments that averaged only 19.6 FTE pupils in the 2007-08 school year. It should be noted that not all administrative and operational expenditures of individual schools or chartering school districts may be included, because districts do not typically maintain the data required for allocating those expenditures to individual schools.

Table 15

Per Pupil Expenditures and District Education Costs
2007-08 School Year

Virtual Charter School	Chartering School District	Per Pupil Expenditures	School District Per Pupil Education Cost ¹
Virtual Charter School Expenditures Below District Education Costs			
Monroe Virtual High School and Monroe Virtual Middle School ²	Monroe	\$3,687	\$ 9,588
Northeast Wisconsin Online Charter School	Kohler	4,292	10,428
Wisconsin Virtual Academy and Honors High Online of Wisconsin ²	Northern Ozaukee	5,466	10,017
iQ Academy Wisconsin	Waukesha	5,558	9,836
Insight School of Wisconsin	Grantsburg	5,792	9,117
Wisconsin Connections Academy	Appleton Area	5,936	9,920
Appleton eSchool	Appleton Area	7,288	9,920
JEDI Virtual High School	Cambridge	9,676	10,117
Virtual Charter School Expenditures Exceeding District Education Costs			
Rural Virtual Academy	Medford Area	\$ 9,608	\$ 9,375
Kenosha eSchool	Kenosha Unified Number 1	13,259	10,385
Janesville Virtual Academy	Janesville	17,453	9,665
Grantsburg Virtual School	Grantsburg	21,275	9,117
Kiel eSchool	Kiel Area	28,581	9,151

¹ Transportation, facilities, debt service principal and interest, and food and community services costs are not included.

² These schools are combined because of their districts' accounting practices.

Virtual charter schools are generally less expensive to operate than traditional public schools.

Only limited conclusions can be drawn from data for only one school year. However, we found that virtual charter schools are generally less expensive to operate than traditional schools. Lower costs may occur because instructional costs and administrative and operations costs are often shared by virtual charter schools and other schools in their districts, and because virtual charter school administrators can often work part-time. For example, the Monroe Virtual High School and Middle School share a principal who is also the Monroe School District's director of curriculum and instruction. In addition, one person served as principal for both Honors High Online of Wisconsin and Wisconsin Virtual Academy.

Fiscal Effects of Open Enrollment

Beginning in the 2009-10 school year, DPI must track the number of pupils attending virtual charter schools through open enrollment.

DPI collects information on the number of pupil transfers to and from school districts under the open enrollment program, but not the specific schools that pupils attend. 2007 Wisconsin Act 222 requires DPI to track the number of pupils attending virtual charter schools through open enrollment, beginning in the 2009-10 school year, in order to determine whether the total exceeds the open enrollment limit of 5,250 pupils. During the open enrollment application period in February 2009, applicants indicated whether they wanted to attend a virtual charter school. In addition, they were directed to provide information to allow DPI to track their school districts of residence and whether they had previously attended public, private, or home schools.

For school district funding purposes, pupils who attend public schools through open enrollment are counted as members of the school districts in which they reside (the sending districts), rather than in their school districts of attendance (the receiving districts). As noted, when a pupil attends a virtual charter school through open enrollment, the sending district pays the virtual charter school district a flat amount, which is determined annually by DPI. In the 2007-08 school year it was \$6,007, and it is estimated to be \$6,443 in the 2009-10 school year. Receipt of this payment does not affect the receiving district's revenue limit, which is based on the number of pupils who are district residents and restricts the annual amount of revenue the school district may raise from a combination of general aid provided by the State and local property taxes. The fiscal effect on the sending district is also mitigated in part because a pupil who enrolls in a virtual charter school outside the district may still be counted as a member of the sending district for funding purposes.

The financial consequences for sending districts depend in part on the amount of general aid from the State and local property tax revenue they receive on a per pupil basis. For example, if a Wisconsin Rapids School District pupil transferred to a virtual charter school district through open enrollment in the 2007-08 school year:

- The Wisconsin Rapids School District would have counted the pupil as a member of the district, allowing it to collect general aid and local property taxes for that pupil. In the 2007-08 school year, the Wisconsin Rapids School District received \$9,144 per pupil in general aid and local property taxes.

- At the same time, the Wisconsin Rapids School District would have “paid” \$6,007 to the virtual charter school district, through a reduction in its state aid payment, but retained \$3,137 in general aid and property tax revenue.

The difference between the amount a school district retains in general aid and property tax revenue and the amount it pays to a virtual charter school district is only one factor in determining how virtual charter schools affect school district finances. In the 2007-08 school year, all districts received more general aid and local property tax revenue per pupil than the \$6,007 open enrollment aid amount. However, the financial effects on both the sending district and the receiving district depend on the actual costs of educating open enrollment pupils.

The financial effect on a virtual charter school district depends on the marginal costs of educating a pupil.

Most districts are negatively affected financially if previously enrolled pupils attend virtual charter schools through open enrollment because few, if any, districts lose a sufficient number of pupils to reduce their fixed costs, such as the number of teachers and other staff needed to operate their schools. Similarly, the financial effect on receiving districts depends on their marginal costs of educating the pupils who attend through open enrollment. For example, if the marginal costs of educating a pupil at a virtual charter school were less than \$6,007 in the 2007-08 school year, the virtual charter school district would experience a net increase in revenue that it could use for other purposes. However, if the marginal costs were greater than \$6,007, the virtual charter school district would have to supplement the cost of educating the pupil with other funds.

To better understand the fiscal effect of open enrollment on the receiving districts, we analyzed average per pupil expenditures. As shown in Table 16, at least 8 of the 15 virtual charter schools would have benefited financially from accepting open enrollment transfers when 2007-08 school year per pupil expenditures are used as a basis of comparison. Each of these eight schools would have had a clear financial incentive to enroll pupils from outside their districts, because their per pupil expenditures were less than the \$6,007 payment per full-time open enrollment pupil.

Table 16

**Per Pupil Expenditures Compared to \$6,007 in Open Enrollment Aid
2007-08 School Year**

Virtual Charter School	Per Pupil Expenditures	Per Pupil Difference
Monroe Virtual High School and Monroe Virtual Middle School ¹	\$ 3,687	\$ 2,320
Northeast Wisconsin Online Charter School	4,292	1,715
Wisconsin Virtual Academy and Honors High Online of Wisconsin ¹	5,466	541
iQ Academy Wisconsin	5,558	449
Insight School of Wisconsin	5,792	215
Wisconsin Connections Academy	5,936	71
Appleton eSchool	7,288	(1,281)
Rural Virtual Academy	9,608	(3,601)
JEDI Virtual High School	9,676	(3,669)
Kenosha eSchool	13,259	(7,252)
Janesville Virtual Academy	17,453	(11,446)
Grantsburg Virtual School	21,275	(15,268)
Kiel eSchool	28,581	(22,574)

¹ These schools are combined because of their district's accounting practices.

Moreover, it is likely that all schools, including the seven virtual charter schools whose per pupil expenditures exceeded the open enrollment aid amount, benefit financially from accepting open enrollment pupils because:

- the marginal cost of educating additional pupils is likely to be significantly less than average per pupil expenditures, as well as significantly less than the \$6,007 in open enrollment aid; and
- school districts are not required to accept pupils through open enrollment beyond their existing capacity to educate them. Therefore, districts would likely not accept pupils through open enrollment if it were economically disadvantageous to do so.

■ ■ ■ ■

Teaching in Virtual Charter Schools ■

Public school teachers, including those in virtual charter schools, are responsible for planning instruction, prescribing class activities and assignments, assessing performance, and reporting grades and other outcomes to parents, guardians, and administrators. Section 118.19(1), Wis. Stats., requires any person who teaches in a public school, including a virtual charter school, to hold a teaching license issued by DPI. We reviewed teacher licensing data to ensure that all virtual charter school teachers were properly licensed to teach in the 2007-08 school year. To assess interaction between virtual charter school pupils and their teachers, we also measured frequency of contact, ratios of pupils to teachers, and average class sizes.

Teacher Licensing

Teachers may hold multiple licenses and be qualified to teach multiple grades or subjects.

Applications for licensure are reviewed by DPI to determine whether all standards have been met, including that individuals have valid bachelor's degrees. Teaching licenses specify the grade level and subject areas for which a license is valid, and individual teachers may hold multiple licenses and be qualified to teach multiple grades or subjects. Before June 2008, teachers were able to obtain charter school instructional staff licenses, which were not required for teaching in charter schools but licensed them to teach subjects or grade levels for which they were not otherwise licensed.

In the 2007-08 school year, all virtual charter school teachers were properly licensed.

All 93 of the virtual charter school teachers who responded to our survey question indicated they were licensed to teach in Wisconsin, and virtual charter school administrators also provided information on 161 teachers employed by their schools and the subjects they taught during the 2007-08 school year. When we compared the reported teacher information with DPI's teacher licensing information, we found that all 161 virtual charter school teachers were licensed in Wisconsin and taught subjects and grade levels that were appropriately authorized by their professional Wisconsin teaching licenses. As shown in Table 17, 112 of these licensed teachers were employed by the school districts chartering virtual charter schools and 49 were employed by contractors.

Table 17

Licensed Teachers Employed by Virtual Charter Schools¹
2007-08 School Year

Virtual Charter School	Employed by School District	Employed by Contractor	Total
Appleton eSchool	9	–	9
Grantsburg Virtual School	2	–	2
Honors High Online of Wisconsin	5	–	5
Insight School of Wisconsin	–	27	27
iQ Academy Wisconsin	39	–	39
Janesville Virtual Academy	1	–	1
JEDI Virtual High School	–	17	17
Kenosha eSchool	12	–	12
Kiel eSchool	7	–	7
Monroe Virtual High School	5	–	5
Monroe Virtual Middle School	1	–	1
Northeast Wisconsin Online Charter School	–	5	5
Rural Virtual Academy	1	–	1
Wisconsin Connections Academy	10	–	10
Wisconsin Virtual Academy	20	–	20
Total	112	49	161

¹ Includes full- and part-time teachers. Data provided by virtual charter school administrators.

The teachers employed by contractors worked at three virtual charter schools:

- Insight School of Wisconsin, where 27 licensed teachers were employed by Insight Schools, Inc., a private company that administers the school;
- JEDI Virtual High School, where 17 licensed teachers were employed under contracts with the JEDI Network Consortium; and
- Northeast Wisconsin Online Charter School, where 5 licensed teachers were employed under contracts with CESA 7.

Eleven virtual charter schools reported using teaching assistants employed by contractors.

In addition to licensed teachers, ten of the smaller virtual charter schools and one of the larger schools reported using teaching assistants employed by contractors. Those schools were Appleton eSchool, Grantsburg Virtual School, Honors High Online of Wisconsin, Janesville Virtual Academy, JEDI Virtual High School, Kenosha eSchool, Kiel eSchool, Monroe Virtual Middle School, Northeast Wisconsin Online Charter School, Rural Virtual Academy, and Monroe Virtual High School. Because teaching assistants do not engage in the primary duties of licensed teachers, which include planning instruction, assessing performance, and reporting grades, they are not statutorily required to be licensed as teachers in Wisconsin.

Since July 1, 2009, 2007 Wisconsin Act 222 has:

- required virtual charter school teachers to hold a teaching license in the subject area and grade level in which they are teaching, regardless of whether they held a charter school instructional staff license; and
- required the governing body of a virtual charter school to assign an appropriately licensed teacher for each online class offered by the virtual charter school.

Not all Monroe Virtual High School and Monroe Virtual Middle School teachers are appropriately licensed for the 2009-10 school year.

All of the virtual charter school teachers whose licenses we reviewed were in compliance with the new requirements, except for teachers at the two Monroe schools. These teachers travel throughout the state to meet with their assigned pupils, no matter what subjects the pupils are studying, and their pupils may be taking classes in subjects in which Monroe teachers are not licensed. During the 2007-08 school year, these teachers held charter school instructional staff licenses, which allowed them to teach all subjects. The schools' administrators told us they did this by consulting with

other teachers within the Monroe School District for guidance and to determine grades for subjects in which they did not hold an educator license. However, administrators of the Monroe School District indicated that teachers continue to teach virtual charter school classes using only their charter school licenses and consulting with other teachers in the district, which is not permitted by 2007 Wisconsin Act 222. DPI concurs that this is not permitted and will be working with the Monroe School District to address these issues.

It is a chartering school district's responsibility to ensure its virtual charter school teachers are appropriately licensed. However, DPI could take additional steps to verify licensure among these teachers.

Recommendation

We recommend the Department of Public Instruction take steps to verify that all virtual charter school teachers teach subjects and grade levels that are appropriately authorized by their professional teaching licenses.

Unlike teachers in traditional classrooms, virtual charter school teachers may work within their school's chartering school district buildings, while others work from homes or offices that may be outside the school district. For example, teachers at Wisconsin Connections Academy work out of two rooms in an Appleton Area School District building, from which they administer classes and respond to telephone calls and e-mails, while teachers at both Wisconsin Virtual Academy and Honors High Online of Wisconsin worked out of their homes located throughout the state. Some teachers at Insight School of Wisconsin, who are all employed by a contractor, live outside of Wisconsin.

Among the virtual charter school teachers who responded to our survey, 91.4 percent indicated they lived in Wisconsin during the 2007-08 school year, and 87.2 percent indicated they were members of a Wisconsin teachers union during the 2007-08 school year. Seven of the 12 teachers who said they were not members of a Wisconsin teachers union did not reside in Wisconsin.

By July 1, 2010, all teachers of online classes must complete at least 30 hours of training in online teaching.

2007 Wisconsin Act 222 requires that by July 1, 2010, any person teaching an online class in a public school, including any charter school, must complete at least 30 hours of professional development designed as preparation for online teaching. Such training can help teachers adapt their teaching style, learn new technology, create online classes, and modify curriculum materials purchased from contractors to best suit their pupils' needs. Ninety of 94 virtual charter school teachers who responded to our survey question indicated that they had received at least some training specific to

teaching online classes, including graduate-level classes, software training, and training provided at conferences.

Approximately one-half of virtual charter school teachers indicated they were employed full-time by their schools.

Virtual charter schools employ both full- and part-time teachers, and 48.4 percent of those who responded to our survey question indicated they were employed full-time at a virtual charter school during the 2007-08 school year. The virtual charter school administrators we spoke with indicated that a typical full-time teaching contract is for 190 days from September to June.

Of the 15 virtual charter schools in operation during the 2007-08 school year, 12 required that a local education guide be assigned to each pupil to supervise coursework and foster communication between pupils and teachers. Three virtual charter schools did not require pupils to have local guides or mentors, including the two largest—iQ Academy Wisconsin and Wisconsin Virtual Academy—and Honors High Online of Wisconsin. Depending on a school's policies, the local education guide may be a parent, a teacher in the pupil's school district of residence, another teacher from the virtual charter school, or another adult. Six schools require the local education guide to be someone other than the pupil's parent or guardian, including another adult, teacher, or retired teacher or administrator.

Frequency of Pupil-Teacher Interaction

Section 121.02(1)(f), Wis. Stats., requires that all school districts must annually provide:

- at least 437 hours of direct pupil instruction to kindergarten pupils;
- at least 1,050 hours of direct pupil instruction to pupils in grades 1 through 6; and
- at least 1,137 hours of direct pupil instruction to pupils in grades 7 through 12.

Although virtual charter schools are exempt from these provisions, 2007 Wisconsin Act 222 required virtual charter schools, beginning in the 2008-09 school year, to ensure their teachers are available to provide direct pupil instruction for at least the minimum number of hours specified by grade level, and that no more than 10 hours in any 24-hour period are spent toward meeting the instruction requirements. In addition, teachers must respond to inquiries from pupils and their parents or guardians by the end of the first school day following the day on which the inquiry was received.

Approximately one-half of teachers indicated they contacted pupils two to four times per week or more, typically by e-mail and telephone.

Teachers who responded to our survey indicated that e-mail messages and telephone calls were the most frequent ways they contacted pupils and their parents or guardians. As shown in Table 18, 49.5 percent of teachers who responded to our survey indicated they contacted their pupils an average of two to four times per week, while 4.3 percent said they contacted their pupils approximately once per month.

Table 18

Frequency of Teacher Contact with Pupils
Responses from Virtual Charter School Teacher Survey

Frequency of Contact	Number of Teachers	Percentage of Total
At least once per day	2	2.1%
2 to 4 times per week	46	49.5
Once per week	26	28.0
2 to 3 times per month	15	16.1
Once per month	4	4.3
Total	93	100.0%

No data are routinely collected for measuring pupil-teacher interaction at public schools.

2007 Wisconsin Act 222 directed us to determine the amount of pupil-teacher contact and one-on-one pupil-teacher interaction, categorized by grade level, occurring in virtual charter schools as compared to other public schools. Because there is no standard measure for evaluating or quantifying pupil-teacher interaction, and DPI does not collect any information of this type, we instead used a proxy measure for potential frequency of pupil-teacher interaction during the 2007-08 school year: the number of FTE pupils enrolled in a school for each FTE teacher employed by the school. To determine this ratio of pupils to teachers at virtual charter schools, we relied on school administrators to provide us with the number of FTE teachers employed by their schools. JEDI Virtual High School did not provide an estimate of FTE teachers.

In the 2007-08 school year, the number of pupils per teacher ranged from an estimated 4.4 to 61.2.

As shown in Table 19, the ratio of virtual charter school pupils to teachers for the 2007-08 school year ranged from an estimated 4.4 pupils per teacher at Grantsburg Virtual School to 61.2 pupils per teacher at Northeast Wisconsin Online Charter School. There are no prescribed state or national guidelines for pupil-to-teacher ratios in

public schools, including virtual charter schools, and the wide divergence among schools is likely the result of differences such as grade levels served at each school and school district policies.

Table 19

**Estimated FTE Pupils per FTE Teacher in Virtual Charter Schools
2007-08 School Year**

Virtual Charter School	Number of Pupils per Teacher
Appleton eSchool	21.4
Grantsburg Virtual School	4.4
Honors High Online of Wisconsin	25.1
Insight School of Wisconsin	27.0
iQ Academy Wisconsin	49.4
Janesville Virtual Academy	18.1
JEDI Virtual High School ¹	–
Kenosha eSchool	8.5
Kiel eSchool	6.2
Monroe Virtual High School	53.0
Monroe Virtual Middle School	36.2
Northeast Wisconsin Online Charter School	61.2
Rural Virtual Academy ²	47.7
Wisconsin Connections Academy	46.0
Wisconsin Virtual Academy	43.0
All Virtual Charter Schools	38.3

¹ JEDI Virtual High School did not provide an estimate of FTE teachers.

² Rural Virtual Academy's FTE teacher count represents one individual who divides his time among teaching and administrative positions, resulting in a higher pupils per teacher ratio.

58.7 percent of virtual charter school teachers who responded to our survey question reported they taught more than 30 pupils in each class.

A second tool for evaluating pupil-teacher contact is class size, which is a measurement of the number of pupils in a classroom regardless of the number of teachers leading the class. DPI does not report class size data or recommend class sizes in Wisconsin public schools, including virtual charter schools. Therefore, we asked teachers who taught at virtual charter schools in the 2007-08 school year how many pupils, on average, were enrolled in each of their classes. As shown in Table 20, 41.3 percent of teachers who responded to our survey question reported having 30 or fewer pupils in each class they taught, while 58.7 percent indicated they

taught more than 30 pupils in each class. Three teachers reportedly taught more than 100 pupils in a class, but survey respondents may have considered multiple class sections to be a single class. For example, a high school teacher in a traditional public school may teach the same chemistry class three times per day to different groups of pupils.

Table 20

Average Class Size
Responses from Virtual Charter School Teacher Survey

Number of Pupils per Class	Number of Teacher Responses	Percentage of Total
1 to 10	7	7.6%
11 to 20	20	21.7
21 to 30	11	12.0
31 to 40	13	14.1
41 to 50	18	19.6
51 to 60	8	8.7
61 to 70	5	5.4
71 to 80	5	5.4
81 to 90	1	1.1
91 to 100	1	1.1
More than 100	3	3.3
Total	92	100.0%

Of the 249 high school pupils who responded to our survey question, 94.8 percent reported some level of satisfaction with the availability of their teachers, and 97.2 percent reported some level of satisfaction with the amount of contact they had with their teachers. Additionally, more than 97.0 percent of pupils, parents, and guardians who responded to our survey reported some level of satisfaction with the teachers at their virtual charter schools.



Academic Achievement ■

The Wisconsin Knowledge and Concepts Examination is administered each fall to public school pupils, including virtual charter school pupils, in grades 3 through 8 and grade 10. We analyzed test scores of all pupils who took the test in a recent three-year period and compared them to test scores of pupils in other public schools. We focused on scores on the reading and mathematics sections of the Wisconsin Knowledge and Concepts Examination.

Pupil Test Scores

The Wisconsin Knowledge and Concepts Examination evaluates pupils' understanding of core academic areas.

The Wisconsin Knowledge and Concepts Examination measures pupil academic achievement in reading and mathematics at each tested grade level, and in science, language arts, and social studies at the fourth-, eighth-, and tenth-grade levels. Pupils' performance on each section is scored separately and compared to a minimum standard.

2007 Wisconsin Act 222 required the Legislative Audit Bureau to compare the academic achievement of virtual charter school pupils to that of pupils from similar backgrounds who are enrolled in other public schools. Family income is widely considered an important factor in educational attainment, but information on family income is not collected by public schools, and eligibility for free or reduced-price school meals, which is often used to determine low-income status, could not be used as a proxy measure because virtual charter

school pupils do not eat school meals. Consequently, we were unable to compare the academic achievement of virtual charter school pupils to that of pupils with similar backgrounds. However, we did compare their median scores on the Wisconsin Knowledge and Concepts Examination to statewide medians. We used median scores, rather than means or averages, because of the significant variability in the scores of virtual charter school pupils and the relatively small number of these pupils in each grade.

Confidentiality concerns prevented us from collecting and reporting information about the performance of individual schools.

We are unable to provide legislators and other policymakers with information about academic performance specific to each virtual charter school because some schools' small enrollments raise concerns about the potential for disclosing confidential information about individual pupils, and federal law generally requires written permission from parents or guardians before test score information about individual pupils may be released. As noted, 9 virtual charter schools enrolled pupils during the 2005-06 school year, 11 enrolled pupils in the 2006-07 school year, and 15 enrolled pupils in the 2007-08 school year. DPI indicated that Grantsburg Virtual School did not have any test scores available for the 2005-06 school year, and Kiel eSchool and Janesville Virtual School did not have test scores available for the 2007-08 school year, possibly because they did not enroll pupils in tenth grade, the only high school grade tested, during the testing period.

Table 21 shows the number of pupils enrolled in virtual charter schools in each grade level and the number who completed the reading section of the Wisconsin Knowledge and Concepts Examination. Approximately 90.0 percent of pupils in tested grades had reading scores for the 2006-07 and 2007-08 school years, while 80.0 percent had reading scores for the 2005-06 school year.

Virtual charter school pupils in all grades had higher median scores on the reading exam than statewide medians.

As shown in Table 22, in all three years virtual charter school pupils in all grade levels had higher median scores on the reading section of the Wisconsin Knowledge and Concepts Examination than the statewide median. It is important to note that this analysis reflects academic achievement at one point in time, rather than a change in performance while enrolled in a virtual charter school. Additionally, the available data do not allow for a determination of how similar the academic achievement of virtual charter school pupils was to other public school pupils when they began their virtual charter school education. For example, virtual charter school pupils could have been academically outperforming their traditional public school counterparts before attending a virtual charter school.

Table 21

**Pupils Enrolled in Virtual Charter Schools with Scores on the
Wisconsin Knowledge and Concepts Examination: Reading**

Grade	2005-06 School Year		2006-07 School Year		2007-08 School Year	
	Number of Pupils ¹	Pupils with Test Scores	Number of Pupils ¹	Pupils with Test Scores	Number of Pupils ¹	Pupils with Test Scores
3	134	113	152	140	137	125
4	121	104	149	132	179	159
5	135	117	136	125	154	142
6	149	130	148	134	159	145
7	144	115	156	143	176	162
8	149	125	154	136	179	163
10	208	128	211	189	335	302
Total	1,040	832	1,106	999	1,319	1,198

¹ Full-time pupils on the third Friday of September, as reported by DPI.

Table 22

**Median Pupil Scores on the
Wisconsin Knowledge and Concepts Examination: Reading**

Grade	2005-06 School Year		2006-07 School Year		2007-08 School Year	
	Virtual Charter School	Statewide	Virtual Charter School	Statewide	Virtual Charter School	Statewide
3	464	460	466	462	472	461
4	503	481	487	481	502	480
5	505	490	502	489	504	489
6	516	506	522	508	522	508
7	530	515	532	517	536	518
8	547	530	550	531	543	532
10	554	546	548	545	552	544

Note: Scores in bold indicate the performance of virtual charter school pupils exceeded the statewide median.

Table 23 shows the number of pupils enrolled in virtual charter schools at each grade level and the number who completed the mathematics section of the Wisconsin Knowledge and Concepts Examination. Approximately 90.0 percent of pupils in tested grades had mathematics scores for the 2006-07 and 2007-08 school years, while 80.0 percent had mathematics scores for the 2005-06 school year.

Table 23

Pupils Enrolled in Virtual Charter Schools with Scores on the Wisconsin Knowledge and Concepts Examination: Mathematics

Grade	2005-06 School Year		2006-07 School Year		2007-08 School Year	
	Number of Pupils ¹	Pupils with Test Scores	Number of Pupils ¹	Pupils with Test Scores	Number of Pupils ¹	Pupils with Test Scores
3	134	113	152	140	137	124
4	121	104	149	132	179	158
5	135	117	136	125	154	142
6	149	130	148	134	159	145
7	144	115	156	143	176	162
8	149	125	154	136	179	164
10	208	128	211	190	335	301
Total	1,040	832	1,106	1,000	1,319	1,196

¹ Full-time pupils on the third Friday of September, as reported by DPI.

Virtual charter school pupils' scores on the mathematics exam were generally lower than statewide medians.

As shown in Table 24, virtual charter school pupils' median scores on the mathematics section of the Wisconsin Knowledge and Concepts Examination were almost always lower than statewide medians during the 2005-06 and 2006-07 school years. However, in the 2007-08 school year, virtual charter school pupils in grades 4 through 7 had higher median scores.

Table 24

**Median Pupil Scores on the
Wisconsin Knowledge and Concepts Examination: Mathematics**

Grade	2005-06 School Year		2006-07 School Year		2007-08 School Year	
	Virtual Charter School	Statewide	Virtual Charter School	Statewide	Virtual Charter School	Statewide
3	421	433	428	436	430	433
4	468	464	466	469	473	468
5	489	487	499	491	500	495
6	505	511	512	514	518	517
7	530	532	532	537	536	535
8	526	544	540	546	543	546
10	555	569	553	567	552	565

Note: Scores in bold indicate the performance of virtual charter school pupils exceeded the statewide median.

Test Scores of Pupils Continuing in Virtual Charter Schools

Only a small number of pupils with test scores were continuously enrolled in virtual charter schools for the past several years.

We analyzed the available Wisconsin Knowledge and Concepts Examination test scores of all 184 pupils who were continuously enrolled in virtual charter schools from the 2005-06 through 2007-08 school years. However, because only a small number of pupils have attended virtual charter schools consistently, calculating long-term effects is difficult.

As all pupils progress to higher grades, their test scores may increase regardless of performance because the ranges of minimum and maximum scores on the reading and mathematics sections of the Wisconsin Knowledge and Concepts Examination increase at every grade. Therefore, in order to compare test scores for virtual charter school pupils across years, we used DPI's data to determine percentile ranks for virtual charter school pupils' test scores, which could be compared with those of all pupils taking the Wisconsin Knowledge and Concepts Examination. By definition, percentiles are established so that a percentile rank of 50 means that half of the pupils scored higher and half scored lower. Therefore, the median percentile rank of pupils statewide is always 50.

Pupils' performance varied while they attended virtual charter schools.

Table 25 shows the percentile ranks of the 184 pupils enrolled in virtual charter schools in grades 3 through 6 during the 2005-06 school year who all continued attending virtual charter schools in each of the subsequent two school years. The number of pupils enrolled in each grade ranged from 41 to 54. We compared these pupils' median scores in the 2007-08 school year to the 2005-06 school year and found that pupil performance varied. For example, the 54 pupils who were in third grade in the 2005-06 school year and progressed through fifth grade at a virtual charter school showed an increase in performance. In contrast, the percentile ranks of virtual charter school pupils in fourth grade who continued through sixth grade decreased for both reading and mathematics.

Table 25

**Percentile Rank of Median Wisconsin Knowledge and Concepts Examination Scores
Pupils Enrolled in a Virtual Charter School during the 2005-06 through 2007-08 School Years**

Grade Level of Pupils in 2005-06 School Year	Percentile Rank for 2005-06 School Year	Percentile Rank for 2006-07 School Year	Percentile Rank for 2007-08 School Year	Change in Percentile Rank from 2005-06 to 2007-08
Grade 3				
Reading	62	64	67	5
Mathematics	51	67	62	11
Grade 4				
Reading	81	74	78	(3)
Mathematics	65	69	63	(2)
Grade 5				
Reading	77	73	87	10
Mathematics	65	62	65	0
Grade 6				
Reading	76	78	78	2
Mathematics	54	49	51	(3)

Three years of data for pupils who were in eighth grade in the 2005-06 school year are not available because, as noted, the Wisconsin Knowledge and Concepts Examination is not administered in ninth grade. Therefore, we analyzed change for

these pupils using test data from grades 8 and 10. Of the 149 eighth-grade pupils enrolled in a virtual charter school during the 2005-06 school year, 33, or 22.1 percent, were enrolled in tenth grade at a virtual charter school during the 2007-08 school year. As shown in Table 26, the percentile ranks for the test scores of these 33 pupils increased on all sections of the Wisconsin Knowledge and Concepts Examination except the science section, for which scores declined by three percentiles from the 2005-06 school year to the 2007-08 school year. In addition, in both years pupils' median scores on the mathematics section were below the 50th percentile, which is the statewide median.

Table 26

Percentile Rank of Median Wisconsin Knowledge and Concepts Examination Scores
Pupils Enrolled in a Virtual Charter School during the 2005-06 through 2007-08 School Years

Wisconsin Knowledge and Concepts Examination Section	Percentile Rank for Eighth Grade Pupils, 2005-06 School Year	Percentile Rank for Tenth Grade Pupils, 2007-08 School Year	Change in Percentile Rank
Reading	68	76	8
Mathematics	36	42	6
Language Arts	62	67	5
Science	59	56	(3)
Social Studies	63	65	2

Other Academic Measures

To help analyze pupil performance on each section of the Wisconsin Knowledge and Concepts Examination, DPI annually determines the percentages of pupils in each grade who score in four proficiency categories:

- advanced, which indicates a pupil has an in-depth understanding of the academic knowledge and skills that were tested;
- proficient, which indicates a pupil has competency in the academic knowledge and skills that were tested;
- basic, which indicates a pupil has some understanding of the academic knowledge and skills that were tested; and

- minimal performance, which indicates a pupil has very limited understanding of the academic knowledge and skills that were tested.

According to DPI, the advanced and proficient levels are the long-term educational goals for all pupils. Therefore, we used DPI's data to determine the percentage of virtual charter school pupils who scored in those two levels on the reading and mathematics sections of the Wisconsin Knowledge and Concepts Examination in the 2007-08 school year.

Larger percentages of pupils scored in the proficient or advanced categories in reading than in mathematics in the 2007-08 school year.

As shown in Table 27, larger percentages of all virtual charter school pupils who were tested scored in the proficient or advanced categories on the reading section of the Wisconsin Knowledge and Concepts Examination than on the mathematics section. Moreover, the percentage of virtual charter school pupils who scored in the proficient or advanced categories on the reading section is greater than the statewide percentage in all but third grade. The percentage of pupils who scored in the proficient or advanced categories on the mathematics section is similar to the statewide percentages, but it varies by grade.

Table 27

**Percentage of Pupils Scoring at the Proficient or Advanced Levels on the Wisconsin Knowledge and Concepts Examination
2007-08 School Year**

Grade	Reading		Mathematics	
	Virtual Charter Schools	Statewide	Virtual Charter Schools	Statewide
3	77.6 %	80.4%	66.9 %	74.1%
4	87.4	82.2	76.6	76.9
5	94.4	85.1	79.6	76.4
6	93.8	85.9	77.9	76.2
7	92.0	85.7	77.2	77.2
8	92.0	85.4	70.7	75.9
10	78.1	76.1	61.5	70.5

Note: Percentages in bold indicate the percentages of virtual charter school pupils who scored at the proficient or advanced levels and exceeded the statewide percentages.

In accordance with the requirements of the federal No Child Left Behind Act of 2001, DPI has identified yearly progress objectives related to the Wisconsin Knowledge and Concepts Examination. In each public school, including virtual charter schools:

- 95.0 percent of enrolled pupils must take the Wisconsin Knowledge and Concepts Examination;
- 74.0 percent of pupils must score at a proficient or advanced level on the reading section of the Wisconsin Knowledge and Concepts Examination; and
- 58.0 percent of pupils must score at a proficient or advanced level on the mathematics section of the Wisconsin Knowledge and Concepts Examination.

All 15 virtual charter schools reported to DPI that they met yearly testing requirements for the 2007-08 school year. However, districts are allowed to determine whether their schools meet testing requirements using their own standards, rather than Wisconsin Knowledge and Concepts Examination scores, if fewer than six pupils in each grade continue in the school from the previous school year. Ten of the 15 virtual charter schools used their own standards for evidence of meeting the requirements. As noted, DPI cited pupil privacy concerns and declined to provide us with test score data that identified the virtual charter schools. Therefore, we were not able to independently verify that virtual charter schools met the test score requirements of the No Child Left Behind Act.

Because of the relative newness of virtual charter schools and their substantial growth since inception, readily available information on the performance of virtual charter school pupils would be of value to parents, school districts, legislators, and other policymakers.

Recommendation

We recommend the Department of Public Instruction annually:

- *analyze the academic performance of virtual charter school pupils relative to other public school pupils; and*
- *report the results of its analysis to the Joint Legislative Audit Committee and the relevant standing committees of the Legislature.*

Individual Online Classes ■

Some pupils supplement their coursework in traditional public schools with individual online classes. Currently no data exist on the number of Wisconsin school districts that offer online learning as a supplement to traditional public school attendance. However, supporters of virtual education encourage the use of online options for many reasons, including helping prepare pupils for post-secondary education and jobs that require extensive use of technology. We reviewed the information available for the online class options available to public school pupils, as well as efforts to expand these options throughout Wisconsin.

Part-Time Online Options

Any school district can offer individual online classes.

School districts can offer individual online classes to their pupils by:

- working with existing online programs or virtual charter schools;
- contracting directly with private curriculum providers; and
- creating online classes independently or in cooperation with their CESA.

Online programs offer online classes to supplement coursework in traditional public schools.

Online programs allow pupils to remain enrolled in their school district of residence and substitute an online class for one in their traditional school, or to take an online class in addition to their existing coursework. School districts typically use online programs to expand their curricula, and they remain responsible for granting credits, awarding diplomas, assessing pupil progress and achievement, and providing special education services if needed. Table 28 shows the four current supplemental programs that all school districts in Wisconsin can use to provide online classes. Additional information on each program, including program administrator information, class enrollment totals, and curriculum contractors, can be found in Appendix 5.

Table 28

**Supplemental Online Programs
2007-08 School Year**

Online Program	Year Program Started	Grades Served	Program Description
Wisconsin Virtual School	2000-01	6 through 12	The program is administered by CESA 9 and uses curriculum materials purchased from contractors. DPI-licensed teachers teach all classes in association with a local education guide, who is designated to monitor pupil progress. A variety of classes is offered to pupils statewide.
Wisconsin eSchool Network	2006-07	9 through 12	The program is administered by eight partner school districts and uses curriculum materials developed by Wisconsin teachers and purchased from contractors. DPI-licensed teachers teach all classes in association with a local education guide. A variety of classes is offered to pupils statewide.
District Cooperative Online Program	2001-02	5 through 8	The program is administered by the Wisconsin Center for Academically Talented Youth and uses curriculum materials developed by Wisconsin teachers. DPI-licensed teachers or teachers with advanced degrees teach classes. Advanced classes are offered to academically talented pupils statewide.
Digital Districts Online	2005-06	9 through 12	The program uses curriculum materials purchased from contractors. All classes must have a DPI-licensed local teacher. A variety of classes is offered to pupils within the program's member districts.

CESA 9 administers the statewide Wisconsin Web Academy through a memorandum of understanding with DPI.

In order to promote access to online classes for all pupils statewide, 2007 Wisconsin Act 222 required DPI to “make online courses available for a reasonable fee, through a statewide Web academy, to school districts, CESAs, charter schools, and private schools” in Wisconsin. In July 2008, DPI entered into a memorandum of understanding with CESA 9, which operates the Wisconsin Virtual School online program, to administer a new program, the Wisconsin Web Academy. The program provides more than 70 core curriculum, elective, and credit-recovery classes and more than 20 advanced placement classes year round to middle and high school pupils. All classes are taught by DPI-licensed teachers, and school districts must designate a local education guide—typically a teacher, guidance counselor, or other appropriate school staff person—who serves as a liaison between a pupil and teacher and monitors pupil progress. School districts pay a per pupil, per class fee of \$325 to CESA 9 for most classes. CESA 9 staff provide guidance and training to school districts on policy writing, mentor orientation, and other district needs related to online learning.

Seven virtual charter schools served as supplemental online programs by enrolling part-time pupils in the 2007-08 school year.

In addition to providing education to full-time pupils, 7 of the 15 virtual charter schools we reviewed enrolled part-time pupils in the 2007-08 school year. Part-time open enrollment allows pupils to take no more than two classes at any time in a school outside of their own district. As noted, Appleton eSchool, Janesville Virtual Academy, Kenosha eSchool, and Kiel eSchool are members of the Wisconsin eSchool Network online program and allow pupils from their own and other school districts to enroll in individual classes taught by virtual charter school teachers. School districts using these services contract with the chartering school districts, which in turn pay a portion of the funds received to the Wisconsin eSchool Network online program for operating costs, such as purchasing and updating online curriculum materials. The Wisconsin eSchool Network online program’s eight member districts, which also include the Baraboo, Kimberly, Madison Metropolitan, and Sheboygan school districts, are autonomous but share resources to purchase online curriculum materials and develop and teach their own online classes. School districts are also able to create online classes independently or in cooperation with their CESAs, but use of these online classes has been low.

Some concerns have been raised regarding the licensing of teaching staff associated with online programs offered by individual schools. For example, recent media accounts reported that the Oshkosh School District was unaware of the qualifications of teaching staff provided under contract with Kaplan, Inc., which provides services associated with its online program for grades 9 through 12. We contacted the Oshkosh School District’s interim superintendent and were told that all Kaplan, Inc., teachers serving district pupils have

subsequently become licensed in Wisconsin. However, the interim superintendent indicated that the licensing of Kaplan’s teachers was not required because they function as teaching assistants, and licensed teachers employed by the school district continue to teach each class as they have in the past.

Statutes now require virtual charter school teachers to hold a teaching license in the subject area and grade level in which they are teaching, and the governing body of a virtual charter school must assign an appropriately licensed teacher for each online class offered by a virtual charter school. Although these rules do not directly apply to online programs, any person who teaches in a public school must hold a teaching license issued by DPI. Therefore, school districts that use contracted teachers for online programs must ensure that those teachers are appropriately licensed by DPI for the grade and subject being taught, or the district must assign an appropriately licensed teacher to the classes.

Recommendation

We recommend the Department of Public Instruction annually request information from all school districts regarding the provision of supplemental online programs and verify that all teachers of online programs teach subjects and grade levels that are appropriately authorized by their professional teaching licenses.



Future Considerations ■

Beginning in the 2009-10 school year, the open enrollment limit is 5,250 pupils.

A study published by the North American Council for Online Learning in fall 2009 found that 45 states had implemented either full-time or supplemental online learning programs, and the number of pupils participating in online learning is expected to continue to increase nationwide. As noted, 2007 Wisconsin Act 222 limits the number of full-time pupils who may attend virtual charter schools in Wisconsin through open enrollment to 5,250 per year, starting in the 2009-10 school year. This open enrollment limit will likely be reached in the near future, which will prompt continued legislative debate about the program's size and scope.

Open Enrollment Limit

To manage the open enrollment limit, virtual charter schools are statutorily required to report to DPI each April on:

- the number of pupils who have been accepted in the school through open enrollment for the following school year;
- the number of continuing open enrollment pupils; and
- the number of newly accepted applicants who are siblings of continuing open enrollment pupils.

If DPI determines that the total number of open enrollment pupils will be less than the enrollment limit, it will inform the virtual charter schools that all accepted pupils may attend in the upcoming year. If the number of open enrollment pupils is greater than the enrollment limit, DPI will determine how many pupils are exempt from the limit because they are either continuing pupils or their siblings. If the number of continuing pupils and their siblings is also greater than the enrollment limit, DPI will inform virtual charter schools that only continuing pupils and their siblings may attend through open enrollment, but no other pupils may do so. However, if the number of continuing pupils and their siblings is less than the enrollment limit, DPI will determine the number of available spaces and select remaining open enrollment applicants at random until the limit is reached. DPI will then inform virtual charter schools that those selected pupils, as well as continuing pupils and their siblings, may attend through open enrollment. DPI must maintain a waiting list from which to randomly select pupils in the event that selected pupils decline to attend a virtual charter school through open enrollment.

It is difficult to predict future virtual charter school enrollment.

Enrollment growth in virtual charter schools is difficult to predict. As shown in Table 29, it increased significantly from the 2004-05 school year to the 2008-09 school year, but the rate of growth has fluctuated over time, ranging from a low of 6.0 percent in 2008-09 to a high of 34.1 percent in 2005-06. The average annual percentage increase in enrollment since the 2004-05 school year has been 21.3 percent.

Table 29

Annual Enrollment Increase in Virtual Charter Schools

School Year	Total Enrollment ¹	Enrollment Increase from Previous Year	Percentage Increase from Previous Year
2004-05	1,471	–	–
2005-06	1,972	501	34.1%
2006-07	2,303	331	16.8
2007-08	2,951	648	28.1
2008-09	3,127	176	6.0

¹ Full-time pupils on the third Friday of September, as reported by DPI.

3,635 pupils chose to attend virtual charter schools through open enrollment in the 2009-10 school year.

Before the start of the 2009-10 school year, DPI reported that 5,074 pupils had notified virtual charter schools of their intention to attend through open enrollment. This large increase was the result of the option to apply for open enrollment online; the expansion of one of the largest virtual charter schools—iQ Academy Wisconsin—to include middle school grades; the addition of a new virtual charter school in the 2009-10 school year; and statewide television, print, and radio advertising by some virtual charter schools. However, not all pupils who apply actually enroll, and DPI reported that as of the third Friday in September 2009, 3,635 pupils had chosen to attend virtual charter schools through open enrollment.

It should be noted that an unknown number of pupils may have been denied open enrollment at virtual charter schools by either the virtual charter school districts or their districts of residence for reasons that are allowed by statute, such as prior expulsion, a lack of regular or special education services at the receiving virtual charter school district, or a determination of undue financial burden for the sending district because of required special education services. However, DPI has not consistently completed annual reports on the reasons open enrollment applications are denied, as required by s. 118.51(15)(c), Wis. Stats. DPI's last report, which included information on the 2003-04 and 2004-05 school years, was issued in February 2007. DPI indicated that past reports included only district-level information, but future reports will include data specific to virtual charter schools starting in the 2009-10 school year.

Recommendation

We recommend the Department of Public Instruction complete the annual open enrollment report that is required by s. 118.51(15)(c), Wis. Stats., in order to provide additional information to the Legislature and the public regarding the number of open enrollment applications, the number of denials, and the reasons for the denials.

Satisfaction with Virtual Charter Schools

More than 90.0 percent of the parents, guardians, teachers, and high school pupils who responded to our survey were satisfied with their virtual charter schools.

One reason for virtual charter school enrollment growth is the satisfaction of parents, guardians, teachers, and high school pupils. For example, more than 90.0 percent of parents and guardians who responded to our survey indicated that they had some level of satisfaction with the teachers, the range and content of classes, and the services and activities offered by their children's virtual charter schools, and more than 90.0 percent of the teachers and high school pupils who responded to our survey reported being satisfied with their virtual charter schools. In addition, 78.1 percent of parents and guardians indicated that their children who attended virtual charter schools in the 2007-08 school year had also attended virtual charter schools in the 2008-09 school year, as shown in

Table 30. Appendix 6 provides additional information on parent, pupil, and teacher satisfaction with virtual charter schools, including a sample of responses that note what they liked the most, what they liked the least, and what they would most like to see changed with virtual charter schools.

Table 30

**2008-09 Enrollments of Pupils Who Attended
Virtual Charter Schools in the 2007-08 School Year**
Survey Responses from Parents and Guardians

	Number Responding	Percentage of Total
Virtual Charter School	445	78.1%
Traditional Public School	57	10.0
Graduated in 2007-08 School Year	20	3.5
Different Charter or Private School	16	2.8
Other ¹	32	5.6
Total	570	100.0%

¹ Includes pupils who were home schooled or enrolled in General Education Development (GED) classes and other unspecified enrollment options.

Expansion of Online Learning

Another reason for growth in virtual charter school enrollment is that pupils are becoming increasingly comfortable with virtual learning as the availability of part-time online classes increases. For example:

- All high school pupils in the West Bend School District, starting with pupils in the class of 2014-15, must complete at least one-half credit online in order to graduate.
- Milwaukee Public Schools approved a policy in December 2008 that requires all high school pupils, starting with pupils in the class of 2014-15, to complete one-half credit through either an online class or a community service project in order to graduate.

- The Menomonie Area School District partnered with two supplemental online programs—CESA 9’s Wisconsin Virtual School and WiscNet’s Digital Districts Online—in the 2009-10 school year to offer individual online classes to its pupils in grades 6 through 12.

Virtual charter school administrators and interest groups indicated to us that full-time enrollment in virtual charter schools is not ideal for all pupils. They noted that online learning works best for self-motivated, independent learners. The ability of families to choose online learning is also limited because typically an adult supervises younger pupils who attend school at home. Of the 578 parents and guardians who responded to our survey question, 479, or 82.9 percent, said one or more parents or guardians stayed home, worked from home, or rearranged their work schedules in order to supervise their children’s online education.

In addition, some organizations have expressed concern about the potential effects of extensive time on a computer on children’s brain development. This includes concerns regarding multi-tasking, which some believe is common among pupils who have access to television or music while attending online classes. A 2006 study by the University of California Los Angeles has found that multi-tasking while trying to learn something new adversely affects the ability to remember new material.

However, virtual charter school proponents argue that full-time enrollment in virtual charter schools works well for many students, but both uncertainty about the future of virtual charter schools and the open enrollment limit are serving to limit education options in Wisconsin, and the open enrollment limit should be removed. We note that in June 2009, Senate Bill 220 and Assembly Bill 306 were introduced to eliminate the open enrollment limit on virtual charter schools beginning in the 2010-11 school year.

As the merits of virtual charter schools are deliberated nationally, some states have created online education councils to help inform debate. For example, Colorado created an online education advisory board in 2007 to advise the Colorado State Board of Education on policies and statutory requirements. In 2008, Kansas created a 25-member virtual school advisory council that reviews and provides online education information to the Kansas State Department of Education. The council meets quarterly and includes school superintendents, administrators, and staff; parents; post-secondary education professors; and staff of the Kansas State Department of Education.

An online education advisory group could assist DPI and policymakers in addressing online education.

Wisconsin has no comparable online education advisory group, but DPI could consider forming one to advise the State Superintendent and policymakers on issues related to online education, such as the open enrollment limit and compliance with program rules.

Recommendation

We recommend that the Department of Public Instruction report to the Joint Legislative Audit Committee and the relevant standing committees of the Legislature by July 1, 2010, on its efforts to form an advisory group to review online education issues and counsel the State Superintendent of Public Instruction and other policymakers.

■ ■ ■ ■

Appendix 1

Descriptions of Virtual Charter Schools

Grades Served: 9—12

Years of Operation: 2002-03—present

Full-time Enrollment:

September 2007	12
September 2008	26

Chartering District: Appleton Area School District

Staff Employed by: Appleton Area School District

Appleton eSchool enrolls full- and part-time high school pupils with varying interests whose needs have not been met or are not currently being met in a traditional school environment. Teachers have created some online classes; others are purchased from contractors. Appleton eSchool is a co-founder and member of the Wisconsin eSchool Network, an organization supported by eight school districts as a means to share online resources and contribute to the costs of online curriculum materials.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	5	41.7%
Male	7	58.3
Total	12	100.0%
Race/Ethnicity		
African-American	0	0.0%
American Indian	0	0.0
Asian/Pacific Islander	0	0.0
Hispanic/Latino	1	8.3
White	11	91.7
Total	12	100.0%
Grade		
9	4	33.3%
10	2	16.7
11	4	33.3
12	2	16.7
Total	12	100.0%

Contractors:

Apex Learning, Inc.
 Wisconsin eSchool Network (Florida Virtual School and Virtual High School, Inc.)

Grantsburg Virtual School

480 East James Avenue
Grantsburg, Wisconsin 54840

Grades Served: 9—12

Years of Operation: 2005-06—2007-08

Full-time Enrollment:

September 2007 4

Chartering District: Grantsburg School District

Staff Employed by: Grantsburg School District

Grantsburg Virtual School closed because the Grantsburg School District partnered with Insight Schools, Inc., to operate a new online charter school, Insight School of Wisconsin, in the 2007-08 school year. While in operation, Grantsburg Virtual School enrolled full- and part-time high school pupils who could create individualized education programs. Teachers created some online classes; others were purchased from contractors.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	1	25.0%
Male	3	75.0
Total	4	100.0%
Race/Ethnicity		
African-American	0	0.0%
American Indian	0	0.0
Asian/Pacific Islander	0	0.0
Hispanic/Latino	0	0.0
White	4	100.0
Total	4	100.0%
Grade		
9	2	50.0%
10	1	25.0
11	0	0.0
12	1	25.0
Total	4	100.0%

Contractors:

Apex Learning, Inc.
Florida Virtual School
Keystone National High School
University of Wisconsin Colleges Online
Virtual High School, Inc.

Honors High Online of Wisconsin

401 Highland Drive
Fredonia, Wisconsin 53021

Grades Served: 9—11

Years of Operation: 2007-08—2008-09

Full-time Enrollment:

September 2007	86
September 2008	162

Chartering District: Northern Ozaukee School District

Staff Employed by: Northern Ozaukee School District

Honors High Online of Wisconsin enrolled full-time high school pupils and was originally envisioned as an option for gifted pupils, but most pupils were credit-deficient or considered at risk of not graduating. Most classes were purchased from K12, Inc., a company that provides resources to schools in several states. In the 2009-10 school year, the Northern Ozaukee School District began operating the Wisconsin Virtual Learning Academy (<http://www.wisconsinvla.net>) for pupils in kindergarten through grade 12.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	48	55.8%
Male	38	44.2
Total	86	100.0%
Race/Ethnicity		
African-American	6	7.0%
American Indian	1	1.2
Asian/Pacific Islander	2	2.3
Hispanic/Latino	3	3.5
White	74	86.0
Total	86	100.0%
Grade		
9	64	74.4%
10	22	25.6
11	0	0.0
Total	86	100.0%

Contractors:

K12, Inc.
University of Nebraska-Lincoln Independent Study High School

Insight School of Wisconsin

445 East State Road 70
Grantsburg, Wisconsin 54840
<http://www.insightwi.net/>

Grades Served: 9—12

Years of Operation: 2007-08—present

Full-time Enrollment:

September 2007 245

September 2008 407

Chartering District: Grantsburg School District

Staff Employed by: Insight Schools, Inc.

Insight School of Wisconsin, which replaced the Grantsburg Virtual School, enrolls full- and part-time high school pupils with varying interests and needs. Classes are purchased from several contractors. Insight Schools, Inc., operates schools in several states.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	136	55.5%
Male	109	44.5
Total	245	100.0%
Race/Ethnicity		
African-American	22	9.0%
American Indian	9	3.7
Asian/Pacific Islander	2	0.8
Hispanic/Latino	4	1.6
White	208	84.9
Total	245	100.0%
Grade		
9	95	38.8%
10	50	20.4
11	73	29.8
12	27	11.0
Total	245	100.0%

Contractors:

Apex Learning, Inc.
Aventa Learning, Inc.
Carone Fitness, Inc.
Class.com, Inc.
Colorado Online Learning
eCollege
Florida Virtual School
Giant Campus, Inc.

Insight Schools, Inc.
Online Latin School
PowerSchool
Redcomet.org
Salesforce
The Learning Springs
Thinkwell, Inc.
Virtual Sage, LLC

iQ Academy Wisconsin

222 Maple Avenue
Waukesha, Wisconsin 53186
<http://www.iqacademywi.com/>

Grades Served: 9—12

Years of Operation: 2004-05—present

Full-time Enrollment:

September 2007	841
September 2008	736

Chartering District: Waukesha School District

Staff Employed by: Waukesha School District

iQ Academy Wisconsin enrolls full- and part-time high school pupils with varying interests and needs. In the 2009-10 school year, the school expanded to serve middle school pupils. Classes are purchased from a company that provides resources to iQ Academies in several states.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	487	57.9%
Male	354	42.1
Total	841	100.0%
Race/Ethnicity		
African-American	39	4.6%
American Indian	31	3.7
Asian/Pacific Islander	10	1.2
Hispanic/Latino	29	3.5
White	732	87.0
Total	841	100.0%
Grade		
9	167	19.9%
10	203	24.1
11	266	31.6
12	205	24.4
Total	841	100.0%

Contractor:

KC Distance Learning, Inc.

Janesville Virtual Academy

1831 Mount Zion Avenue
Janesville, Wisconsin 53545
<http://www.janesville.k12.wi.us/jva/>

Grades Served: 9—12

Years of Operation: 2007-08—present

Full-time Enrollment:

September 2007	31
September 2008	32

Chartering District: Janesville School District

Staff Employed by: Janesville School District

Janesville Virtual Academy enrolls full- and part-time pupils, including a number of pupils who are credit-deficient or considered at risk of not graduating. Teachers serve as mentors for all pupils and coordinate pupil enrollment in classes purchased from contractors. Janesville Virtual Academy is a member of the Wisconsin eSchool Network, an organization supported by eight school districts as a means to share online resources and contribute to the costs of online curriculum materials.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	13	41.9%
Male	18	58.1
Total	31	100.0%
Race/Ethnicity		
African-American	1	3.2%
American Indian	0	0.0
Asian/Pacific Islander	1	3.2
Hispanic/Latino	5	16.1
White	24	77.5
Total	31	100.0%
Grade		
9	4	12.9%
10	7	22.6
11	17	54.8
12	3	9.7
Total	31	100.0%

Contractors:

Wisconsin eSchool Network (Florida Virtual School and Virtual High School, Inc.)
Wisconsin Virtual School

JEDI Virtual High School

44 East High Street
Milton, Wisconsin 53563
<http://www.jedivirtual.org/>

Grades Served: 9—12

Years of Operation: 2006-07—present

Chartering District: Cambridge School District

Staff Employed or Contracted by: JEDI Network Consortium

Full-time Enrollment:

September 2007	14
September 2008	13

JEDI Virtual High School enrolls full-time pupils with varying interests and needs. It is administered through an intergovernmental cooperation agreement among nine school districts and CESA 2. Teachers develop most of the curriculum materials; other classes are purchased from contractors.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	11	78.6%
Male	3	21.4
Total	14	100.0%
Race/Ethnicity		
African-American	1	7.1%
American Indian	0	0.0
Asian/Pacific Islander	0	0.0
Hispanic/Latino	1	7.1
White	12	85.8
Total	14	100.0%
Grade		
9	2	14.2%
10	4	28.6
11	4	28.6
12	4	28.6
Total	14	100.0%

Contractors:

Brigham Young University Independent Study
Florida Virtual School
JEDI Network Consortium
Wisconsin eSchool Network
Wisconsin Virtual School

Grades Served: 9—12

Years of Operation: 2007-08—present

Full-time Enrollment:

September 2007	26
September 2008	56

Chartering District: Kenosha Unified School District No. 1

Staff Employed by: Kenosha Unified School District No. 1

Kenosha eSchool enrolls full- and part-time high school pupils with varying interests and needs and enrolls a number of pupils at risk of not graduating. Classes are purchased through the Wisconsin eSchool Network, an organization supported by Kenosha Unified School District No. 1 and seven other school districts as a means to share online resources and contribute to the costs of online curriculum materials.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	16	61.5%
Male	10	38.5
Total	26	100.0%
Race/Ethnicity		
African-American	1	3.8%
American Indian	0	0.0
Asian/Pacific Islander	0	0.0
Hispanic/Latino	2	7.7
White	23	88.5
Total	26	100.0%
Grade		
9	7	26.9%
10	6	23.1
11	6	23.1
12	7	26.9
Total	26	100.0%

Contractor:

Wisconsin eSchool Network (Florida Virtual School and Virtual High School, Inc.)

Grades Served: 7—12

Years of Operation: 2002-03—present

Full-time Enrollment:

September 2007	2
September 2008	4

Chartering District: Kiel Area School District

Staff Employed by: Kiel Area School District

Kiel eSchool enrolls full- and part-time middle and high school pupils with varying interests and needs. Classes are purchased through the Wisconsin eSchool Network. Kiel eSchool is a co-founder and member of the Wisconsin eSchool Network, an organization supported by eight school districts as a means to share online resources and contribute to the costs of online curriculum materials.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	2	100.0%
Male	0	0.0
Total	2	100.0%
Race/Ethnicity		
African-American	0	0.0%
American Indian	0	0.0
Asian/Pacific Islander	0	0.0
Hispanic/Latino	0	0.0
White	2	100.0
Total	2	100.0%
Grade		
7	0	0.0%
8	0	0.0
9	0	0.0
10	0	0.0
11	1	50.0
12	1	50.0
Total	2	100.0%

Contractor:

Wisconsin eSchool Network (Florida Virtual School and Virtual High School, Inc.)

Monroe Virtual High School

801 32nd Avenue
Monroe, Wisconsin 53556
<http://www.virtualdiploma.net/>

Grades Served: 9—12

Years of Operation: 2002-03—present

Full-time Enrollment:

September 2007 337

September 2008 340

Chartering District: Monroe School District

Staff Employed by: Monroe School District

Monroe Virtual High School enrolls full- and part-time high school pupils with varying interests and needs, including pupils at risk of not graduating and adult pupils returning to earn high school diplomas. Teachers have created some online classes; others are purchased from contractors.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	153	45.4%
Male	184	54.6
Total	337	100.0%
Race/Ethnicity		
African-American	13	3.9%
American Indian	4	1.1
Asian/Pacific Islander	3	0.9
Hispanic/Latino	13	3.9
White	304	90.2
Total	337	100.0%
Grade		
9	106	31.4%
10	38	11.3
11	96	28.5
12	97	28.8
Total	337	100.0%

Contractors:

Brigham Young University Independent Study
University of Missouri Center for Distance and Independent Study
University of Nebraska-Lincoln Independent Study High School

Monroe Virtual Middle School

801 32nd Avenue
 Monroe, Wisconsin 53556
<http://www.monroevirtualmiddleschool.com/>

Grades Served: 6—8
Years of Operation: 2006-07—present
Full-time Enrollment:

September 2007	37
September 2008	39

Chartering District: Monroe School District
Staff Employed by: Monroe School District

Monroe Virtual Middle School enrolls full- and part-time middle school pupils with varying interests and needs, including pupils at risk of not graduating. Teachers have created some online classes; others are purchased from contractors.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	9	24.3%
Male	28	75.7
Total	37	100.0%
Race/Ethnicity		
African-American	2	5.4%
American Indian	0	0.0
Asian/Pacific Islander	1	2.7
Hispanic/Latino	1	2.7
White	33	89.2
Total	37	100.0%
Grade		
6	6	16.2%
7	15	40.5
8	16	43.3
Total	37	100.0%

Contractors:

Brigham Young University Independent Study
 University of Missouri Center for Distance and Independent Study

Northeast Wisconsin Online Charter School

595 Baeten Road
Green Bay, Wisconsin 54304
<http://www.cesa7.k12.wi.us/content/charter/index.asp>

Grades Served: 7—12

Years of Operation: 2004-05—present

Full-time Enrollment:

September 2007	8
September 2008	3

Chartering District: Kohler School District

Staff Employed or Contracted by: CESA 7

Northeast Wisconsin Online Charter School enrolls full- and part-time middle and high school pupils with varying interests and needs. Teachers have created some online classes, but most are purchased from contractors. The Kohler School District and CESA 7 created the school in order to expand course options for school districts within CESA 7 that wish to use it. Membership declined from 36 districts in the 2007-08 school year to 24 districts in the 2008-09 school year.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	5	62.5%
Male	3	37.5
Total	8	100.0%
Race/Ethnicity		
African-American	0	0.0%
American Indian	1	12.5
Asian/Pacific Islander	0	0.0
Hispanic/Latino	0	0.0
White	7	87.5
Total	8	100.0%
Grade		
7	0	0.0%
8	1	12.5
9	0	0.0
10	2	25.0
11	3	37.5
12	2	25.0
Total	8	100.0%

Contractors:

Apex Learning, Inc.
Northeast Wisconsin Technical College
Wisconsin eSchool Network (Florida Virtual School, Virtual High School, Inc.)
Wisconsin Virtual School

Rural Virtual Academy

124 West State Street
Medford, Wisconsin 54451
<http://ruralvirtual.org/>

Grades Served: Kindergarten—8
Years of Operation: 2005-06—present
Full-time Enrollment:

September 2007	11
September 2008	21

Chartering District: Medford Area School District
Staff Employed by: Medford Area School District

Rural Virtual Academy enrolls full- and part-time elementary and middle school pupils with varying interests and needs. Classes are purchased from a private company that provides resources to schools in several states. Rural Virtual Academy is supported by a consortium of five public school districts—Abbotsford, Colby, Medford Area, Prentice, and Rib Lake—through an intergovernmental cooperation agreement.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	6	54.5%
Male	5	45.5
Total	11	100.0%
Race/Ethnicity		
African-American	0	0.0%
American Indian	0	0.0
Asian/Pacific Islander	0	0.0
Hispanic/Latino	0	0.0
White	11	100.0
Total	11	100.0%
Grade		
Kindergarten	0	0.0%
1	1	9.1
2	1	9.1
3	2	18.2
4	2	18.2
5	0	0.0
6	0	0.0
7	2	18.2
8	3	27.2
Total	11	100.0%

Contractor:

Calvert School Education Services

Wisconsin Connections Academy

120 East Harris Street
Appleton, Wisconsin 54915
<http://www.aasd.k12.wi.us/wca/>

Grades Served: Kindergarten—8
Years of Operation: 2002-03—present
Full-time Enrollment:

September 2007	432
September 2008	410

Chartering District: Appleton Area School District
Staff Employed by: Appleton Area School District

Wisconsin Connections Academy enrolls full-time elementary and middle school pupils with varying interests and needs. Classes are purchased from a company that provides resources to Connections Academies in several states.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	219	50.7%
Male	213	49.3
Total	432	100.0%
Race/Ethnicity		
African-American	23	5.3%
American Indian	5	1.2
Asian/Pacific Islander	9	2.1
Hispanic/Latino	12	2.8
White	383	88.6
Total	432	100.0%
Grade		
Kindergarten	41	9.5%
1	35	8.1
2	44	10.2
3	49	11.3
4	61	14.1
5	43	10.0
6	53	12.3
7	56	13.0
8	50	11.5
Total	432	100.0%

Contractor:

Connections Academy, LLC

Grades Served: Kindergarten—8
Years of Operation: 2003-04—2008-09
Full-time Enrollment:

September 2007	865
September 2008	878

Chartering District: Northern Ozaukee School District
Staff Employed by: Northern Ozaukee School District

Wisconsin Virtual Academy enrolled full-time elementary and middle school pupils with varying interests and needs. Classes were purchased from a company that provides resources to schools in several states. Beginning in the 2009-10 school year, the McFarland School District contracted with K12, Inc., to operate Wisconsin Virtual Academy (www.k12.com/wiva). That same year, the Northern Ozaukee School District began operating the Wisconsin Virtual Learning Academy (www.wisconsinvla.net) for pupils in kindergarten through grade 12.

Pupil Profile 2007-08 School Year

	Enrollment	Percentage
Gender		
Female	448	51.8%
Male	417	48.2
Total	865	100.0%
Race/Ethnicity		
African-American	48	5.6%
American Indian	2	0.2
Asian/Pacific Islander	21	2.4
Hispanic/Latino	22	2.6
White	772	89.2
Total	865	100.0%
Grade		
Kindergarten	70	8.1%
1	85	9.8
2	85	9.8
3	86	10.0
4	116	13.4
5	111	12.8
6	100	11.6
7	103	11.9
8	109	12.6
Total	865	100.0%

Contractor:

K12, Inc.

Appendix 2

Virtual Charter School Pupils¹
2002-03—2007-08 School Years

	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08	
	Enrollment	Percentage	Enrollment	Percentage	Enrollment	Percentage	Enrollment	Percentage	Enrollment	Percentage	Enrollment	Percentage
Gender												
Female	125	47.2%	437	49.5%	729	49.6%	996	50.5%	1,213	52.7%	1,559	52.8%
Male	140	52.8	445	50.5	742	50.4	976	49.5	1,090	47.3	1,392	47.2
Total	265	100.0%	882	100.0%	1,471	100.0%	1,972	100.0%	2,303	100.0%	2,951	100.0%
Race/Ethnicity												
African-American	14	5.3%	8	0.9%	28	1.9%	60	3.0%	100	4.3%	156	5.3%
American Indian	2	0.8	7	0.8	25	1.7	19	1.0	28	1.2	53	1.8
Asian/Pacific Islander	0	0.0	6	0.7	14	1.0	24	1.2	28	1.2	49	1.7
Hispanic/Latino	7	2.6	9	1.0	31	2.1	61	3.1	68	3.0	93	3.1
White	242	91.3	852	96.6	1,373	93.3	1,808	91.7	2,079	90.3	2,600	88.1
Total	265	100.0%	882	100.0%	1,471	100.0%	1,972	100.0%	2,303	100.0%	2,951	100.0%
Grade												
Kindergarten	19	7.1%	85	9.6%	110	7.5%	109	5.5%	108	4.7%	111	3.7%
1	22	8.3	104	11.8	115	7.8	126	6.4	120	5.2	121	4.1
2	23	8.7	89	10.1	131	8.9	127	6.4	126	5.5	130	4.4
3	35	13.2	103	11.7	124	8.4	134	6.8	152	6.6	137	4.6
4	21	7.9	88	10.0	139	9.5	121	6.1	149	6.5	179	6.1
5	28	10.6	95	10.8	130	8.8	135	6.8	136	5.9	154	5.2
6	37	14.0	114	12.9	143	9.7	149	7.6	148	6.4	159	5.4

continued on following page

	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08	
Grade	Enrollment	Percentage	Enrollment	Percentage	Enrollment	Percentage	Enrollment	Percentage	Enrollment	Percentage	Enrollment	Percentage
7	32	12.1%	94	10.6%	149	10.1%	144	7.3%	156	6.8%	176	6.0%
8	25	9.4	53	6.0	112	7.6	149	7.6	154	6.7	179	6.1
9	5	1.9	15	1.7	93	6.3	240	12.2	343	14.9	451	15.3
10	3	1.1	8	0.9	86	5.9	208	10.5	211	9.1	335	11.4
11	4	1.5	14	1.6	88	6.0	185	9.4	321	13.9	470	15.9
12	11	4.2	20	2.3	51	3.5	145	7.4	179	7.8	349	11.8
Total	265	100.0%	882	100.0%	1,471	100.0%	1,972	100.0%	2,303	100.0%	2,951	100.0%

¹ Full-time pupils on the third Friday of September, as reported by DPI.

Appendix 3

Virtual Charter Schools' Estimated Other Revenue¹

2007-08 School Year

Virtual Charter School	District and Materials Fees ²	Consortium Membership Fees ³	Consortium Pupil Enrollment Fees ⁴	Pupil Tuition ⁵	General District Revenue ⁶	Total
Appleton eSchool	\$ 0	\$ 0	\$ 0	\$ 20,100	\$ 171,700	\$ 191,800
Grantsburg Virtual School	0	0	0	0	61,100	61,100
Insight School of Wisconsin	0	0	0	7,100	243,500	250,600
iQ Academy Wisconsin	55,100	0	0	139,000	721,600	915,700
Janesville Virtual Academy	200	0	0	0	133,800	134,000
JEDI Virtual High School	0	0	56,300	0	0	56,300
Kenosha eSchool	0	0	0	0	427,200	427,200
Kiel eSchool	0	0	0	46,300	132,100	178,400
Monroe Virtual High School and Monroe Virtual Middle School ⁷	3,600	0	0	28,000	85,800	117,400
Northeast Wisconsin Online Charter School	0	63,000	89,400	0	5,100	157,500
Rural Virtual Academy	0	15,000	46,000	0	76,400	137,400
Wisconsin Connections Academy	0	0	0	0	315,800	315,800
Wisconsin Virtual Academy and Honors High Online of Wisconsin ⁷	9,400	0	0	0	18,200	27,600
Total	\$68,300	\$78,000	\$191,700	\$240,500	\$2,392,300	\$2,970,800

¹ Excludes revenue from open enrollment aid and federal charter school grants.

² Fees for books, materials, and certain administrative costs.

³ Fees charged to school districts for membership in the consortium that operates the virtual charter school.

⁴ Pupil enrollment fees charged to school districts participating in the virtual charter school consortium.

⁵ Tuition paid by full-time pupils who missed the open enrollment application deadline, pupils who live out of state, and part-time pupils who enrolled in individual online classes. Some schools were unable to provide tuition revenue because of their district's accounting practices.

⁶ Revenue from virtual charter school events such as field trips, services provided to other school districts, and general district revenue allocated by districts to cover expenditures. At Insight School of Wisconsin, general revenue was provided by Insight Schools, Inc., not the Grantsburg School District.

⁷ These schools are combined because of their district's accounting practices.

Appendix 4

Estimated Virtual Charter School Expenditures

The following tables provide all available expenditure data for each virtual charter school in every year of its operation. Some expenditure information is not available because districts do not typically track all expenditures at the school level, few school districts maintain the cost accounting data needed for allocating all administrative and operational expenditures to the schools that incur these costs, and school districts often provide virtual charter schools with a variety of services that in many instances are not reflected in expenditure data.

Appleton eSchool Expenditures¹

Expenditures	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Curriculum-related Costs							
Purchased Curriculum	\$ 0	\$100,634	\$ 22,186	\$ 77,956	\$ 0	\$ 44,236	\$ 21,115
Computers, Printers, and Internet Subsidies for Pupils	0	0	0	0	0	0	0
Supplemental Class Materials and Teacher Guides	0	0	40	0	1,342	1,158	0
Web Site Design, Maintenance, and Internal Curriculum Development	0	0	0	0	15,399	62,914	33,613
Subtotal	0	100,634	22,226	77,956	16,741	108,308	54,728
Staffing Costs							
Teacher Salaries	0	66,724	48,244	81,849	96,307	113,902	116,642
Administrative and Support Staff Salaries	41,280	72,884	68,645	70,123	67,689	84,450	75,278
Fringe Benefits	14,103	48,900	36,963	43,956	47,971	71,525	73,558
Employee Travel	7,621	10,013	5,621	4,511	2,276	11,896	8,479
Professional Development and Staff Dues and Fees	800	8,625	101,225	0	0	2,327	24,562
Subtotal	63,804	207,146	260,698	200,439	214,243	284,100	298,519
Other Expenditures							
Advertising	0	0	0	0	0	0	0
Office Supplies	402	16,281	2,628	4,204	1,313	17,988	10,960
Computer Equipment and Maintenance	0	14,615	0	0	0	33,750	25,678
Rent, Utilities, and Insurance	0	0	0	0	0	0	0
Pupil Field Trips and Events	0	0	0	0	0	0	0
Subtotal	402	30,896	2,628	4,204	1,313	51,738	36,638
Total	\$64,206	\$338,676	\$285,552	\$282,599	\$232,297	\$444,146	\$389,885

¹ Includes expenditures paid for with federal charter school dissemination grants that were used for sharing best practices with other charter schools, and not for pupil instruction.

Grantsburg Virtual School Expenditures

Expenditures	2003-04	2004-05	2005-06	2006-07	2007-08
Curriculum-related Costs					
Purchased Curriculum	\$ 0	\$ 0	\$ 30,745	\$ 32,504	\$ 7,370
Computers, Printers, and Internet Subsidies for Pupils	0	0	0	0	0
Supplemental Class Materials and Teacher Guides	0	179	16,893	984	0
Web Site Design, Maintenance, and Internal Curriculum Development	0	5,369	0	0	0
Subtotal	0	5,548	47,638	33,488	7,370
Staffing Costs					
Teacher Salaries ¹	15,069	47,092	56,888	60,764	49,545
Administrative and Support Staff Salaries ¹	22,119	24,649	26,101	25,886	28,218
Fringe Benefits	0	0	0	0	0
Employee Travel	66	101	101	46	0
Professional Development and Staff Dues and Fees	823	19,636	4,266	0	0
Subtotal	38,077	91,478	87,356	86,696	77,763
Other Expenditures					
Advertising	0	0	67,591	0	0
Office Supplies	2,044	5,722	10,511	3,066	0
Computer Equipment and Maintenance ²	0	139,967	124,242	11,961	0
Rent, Utilities, and Insurance	0	0	0	0	0
Pupil Field Trips and Events	0	0	0	0	0
Subtotal	2,044	145,689	202,344	15,027	0
Total	\$40,121	\$242,715	\$337,338	\$135,211	\$85,133

¹ Includes estimate of fringe benefits.

² Includes expenditures to develop a computer lab.

Insight School of Wisconsin Expenditures

Expenditures	2007-08
Curriculum-related Costs	
Purchased Curriculum	\$ 201,838
Computers, Printers, and Internet Subsidies for Pupils	158,058
Supplemental Class Materials and Teacher Guides	0
Web Site Design, Maintenance, and Internal Curriculum Development	68,858
Subtotal	428,754
Staffing Costs¹	
Teacher Salaries	390,457
Administrative and Support Staff Salaries	428,298
Fringe Benefits	N/A
Employee Travel	N/A
Professional Development and Staff Dues and Fees	N/A
Subtotal	818,755
Other Expenditures	
Advertising	206,225
Office Supplies	0
Computer Equipment and Maintenance	0
Rent, Utilities, and Insurance	0
Pupil Field Trips and Events	0
Subtotal	206,225
Total	\$1,453,734

¹ Insight School of Wisconsin did not separately identify staff fringe benefits and other expenditures.

iQ Academy Wisconsin Expenditures

Expenditures	2003-04	2004-05	2005-06	2006-07	2007-08
Curriculum-related Costs					
Purchased Curriculum	\$ 0	\$ 329,433	\$1,433,950	\$1,796,914	\$1,936,012
Computers, Printers, and Internet Subsidies for Pupils	0	99,706	374,658	719,414	978,369
Supplemental Class Materials and Teacher Guides	0	3,685	5,700	0	0
Web Site Design, Maintenance, and Internal Curriculum Development	0	0	0	0	0
Subtotal	0	432,824	1,814,308	2,516,328	2,914,381
Staffing Costs					
Teacher Salaries	8,313	472,827	964,926	897,992	1,104,284
Administrative and Support Staff Salaries	0	49,094	131,854	188,928	179,597
Fringe Benefits	0	170,955	433,435	492,431	550,226
Employee Travel	0	1,483	9,695	8,222	20,620
Professional Development and Staff Dues and Fees	0	0	0	0	0
Subtotal	8,313	694,359	1,539,910	1,587,573	1,854,727
Other Expenditures					
Advertising	200,290	204,627	327,244	324,921	424,712
Office Supplies	0	161,206	18,314	16,296	14,890
Computer Equipment and Maintenance	0	0	0	0	0
Rent, Utilities, and Insurance	0	0	0	0	0
Pupil Field Trips and Events	0	0	0	5,137	8,656
Subtotal	200,290	365,833	345,558	346,354	448,258
Total	\$208,603	\$1,493,016	\$3,699,776	\$4,450,255	\$5,217,366

Janesville Virtual Academy Expenditures

Expenditures	2006-07	2007-08
Curriculum-related Costs		
Purchased Curriculum	\$ 0	\$131,570
Computers, Printers, and Internet Subsidies for Pupils	0	0
Supplemental Class Materials and Teacher Guides	0	2,602
Web Site Design, Maintenance, and Internal Curriculum Development	1,800	0
Subtotal	1,800	134,172
Staffing Costs		
Teacher Salaries	206	61,475
Administrative and Support Staff Salaries	2,177	6,151
Fringe Benefits	389	25,880
Employee Travel	0	0
Professional Development and Staff Dues and Fees	11,405	14,302
Subtotal	14,177	107,808
Other Expenditures		
Advertising	760	0
Office Supplies	1,626	24,128
Computer Equipment and Maintenance ¹	6,980	49,747
Rent, Utilities, and Insurance	0	0
Pupil Field Trips and Events	0	0
Subtotal	9,366	73,875
Total	\$25,343	\$315,855

¹ Includes expenditures to develop a computer lab.

JEDI Virtual High School Expenditures

Expenditures	2005-06	2006-07	2007-08
Curriculum-related Costs			
Purchased Curriculum	\$ 83,991	\$ 54,889	\$ 71,528
Computers, Printers, and Internet Subsidies for Pupils	0	0	0
Supplemental Class Materials and Teacher Guides	0	2,745	49
Web Site Design, Maintenance, and Internal Curriculum Development ¹	0	6,224	18,132
Subtotal	83,991	63,858	89,709
Staffing Costs			
Teacher Salaries ²	0	0	0
Administrative and Support Staff Salaries	39,092	55,574	36,705
Fringe Benefits	5,340	1,235	6,684
Employee Travel	0	2,819	1,915
Professional Development and Staff Dues and Fees	4,400	10,348	0
Subtotal	48,832	69,976	45,304
Other Expenditures			
Advertising	12,354	61,521	0
Office Supplies	10,491	16,648	2,679
Computer Equipment and Maintenance	0	27,043	670
Rent, Utilities, and Insurance	2,620	13,470	1,957
Pupil Field Trips and Events	0	0	0
Subtotal	25,465	118,682	5,306
Total	\$158,288	\$252,516	\$140,319

¹ Includes expenditures for network upgrades to improve the school's ability to broadcast classes over the Internet.

² Teacher salary costs are reflected under Purchased Curriculum.

Kenosha eSchool Expenditures

Expenditures	2006-07	2007-08
Curriculum-related Costs		
Purchased Curriculum	\$203,250	\$153,004
Computers, Printers, and Internet Subsidies for Pupils	0	0
Supplemental Class Materials and Teacher Guides	0	10,497
Web Site Design, Maintenance, and Internal Curriculum Development	0	0
Subtotal	203,250	163,501
Staffing Costs		
Teacher Salaries	0	279,378
Administrative and Support Staff Salaries	0	0
Fringe Benefits	0	96,933
Employee Travel	244	1,473
Professional Development and Staff Dues and Fees	8,924	7,675
Subtotal	9,168	385,459
Other Expenditures		
Advertising	470	12,934
Office Supplies	8,334	20,597
Computer Equipment and Maintenance ¹	58,875	79,122
Rent, Utilities, and Insurance	0	0
Pupil Field Trips and Events	0	0
Subtotal	67,679	112,653
Total	\$280,097	\$661,613

¹ Includes expenditures to develop a computer lab.

Kiel eSchool Expenditures¹

Expenditures	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Curriculum-related Costs						
Purchased Curriculum	\$ 0	\$105,914	\$147,550	\$ 92,340	\$ 47,205	\$ 52,363
Computers, Printers, and Internet Subsidies for Pupils	0	0	0	0	0	0
Supplemental Class Materials and Teacher Guides	0	0	6,769	3,133	1,652	1,259
Web Site Design, Maintenance, and Internal Curriculum Development	0	0	0	0	0	0
Subtotal	0	105,914	154,319	95,473	48,857	53,622
Staffing Costs						
Teacher Salaries	44,694	48,240	33,370	63,150	60,860	57,617
Administrative and Support Staff Salaries	5,755	490	110,400	118,626	132,341	146,705
Fringe Benefits	18,080	20,389	33,454	40,916	46,473	59,758
Employee Travel	100	0	2,568	2,954	418	122
Professional Development and Staff Dues and Fees	22,142	0	70,608	33,547	1,418	1,115
Subtotal	90,771	69,119	250,400	259,193	241,510	265,317
Other Expenditures						
Advertising	0	0	0	61	5,399	10,077
Office Supplies	3,794	30,527	17,623	6,141	9,427	4,825
Computer Equipment and Maintenance	19,288	13,358	18,517	44,435	723	515
Rent, Utilities, and Insurance	0	0	0	792	1,799	0
Pupil Field Trips and Events	0	0	0	0	0	0
Subtotal	23,082	43,885	36,140	51,429	17,348	15,417
Total	\$113,853	\$218,918	\$440,859	\$406,095	\$307,715	\$334,356

¹ Includes expenditures paid for with federal charter school dissemination grants that were used for sharing best practices with other charter schools, and not for pupil instruction.

Monroe Virtual High School and Monroe Virtual Middle School Expenditures¹

Expenditures	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Curriculum-related Costs						
Purchased Curriculum	\$18,416	\$ 49,351	\$167,527	\$154,477	\$277,000	\$ 277,500
Computers, Printers, and Internet Subsidies for Pupils	0	0	0	0	0	0
Supplemental Class Materials and Teacher Guides	0	1,276	403	29,144	1,936	4,095
Web Site Design, Maintenance, and Internal Curriculum Development	923	646	8,786	22,390	10,469	12,361
Subtotal	19,339	51,273	176,716	206,011	289,405	293,956
Staffing Costs						
Teacher Salaries	24,162	34,544	88,704	109,402	230,197	323,057
Administrative and Support Staff Salaries	27	3,995	14,633	82,903	121,358	118,837
Fringe Benefits	1,915	19,882	32,590	54,826	103,810	162,306
Employee Travel	1,300	8,762	11,954	28,579	34,703	39,007
Professional Development and Staff Dues and Fees	420	215	140	560	988	1,276
Subtotal	27,824	67,398	148,021	276,270	491,056	644,483
Other Expenditures						
Advertising	4,478	1,118	85,166	121,405	76,209	57,685
Office Supplies	4,786	20,868	22,261	5,490	25,006	28,760
Computer Equipment and Maintenance	2,715	21,806	55,257	16,534	9,583	34,878
Rent, Utilities, and Insurance	0	1,442	51,443	1,232	3,530	50,493
Pupil Field Trips and Events	0	0	0	0	0	0
Subtotal	11,979	45,234	214,127	144,661	114,328	171,816
Total	\$59,142	\$163,905	\$538,864	\$626,942	\$894,789	\$1,110,255

¹ Expenditures are combined because of school district accounting practices.

Northeast Wisconsin Online Charter School Expenditures

Expenditures	2003-04	2004-05	2005-06	2006-07	2007-08
Curriculum-related Costs					
Purchased Curriculum	\$ 205	\$ 94,664	\$ 5,833	\$126,999	\$148,528
Computers, Printers, and Internet Subsidies for Pupils	0	0	0	0	0
Supplemental Class Materials and Teacher Guides	0	8,625	5,800	5,799	4,000
Web Site Design, Maintenance, and Internal Curriculum Development	5,537	43,953	763	0	0
Subtotal	5,742	147,242	12,396	132,798	152,528
Staffing Costs¹					
Teacher Salaries	0	0	0	0	0
Administrative and Support Staff Salaries	0	0	0	268	277
Fringe Benefits	0	0	0	226	276
Employee Travel	218	135	0	0	0
Professional Development and Staff Dues and Fees	229	1300	106,320	2,200	4,207
Subtotal	447	1,435	106,320	2,694	4,760
Other Expenditures					
Advertising	0	0	0	0	0
Office Supplies	931	320	264	170	239
Computer Equipment and Maintenance	0	1,069	0	0	0
Rent, Utilities, and Insurance	0	0	0	0	0
Pupil Field Trips and Events	0	0	0	0	0
Subtotal	931	1,389	264	170	239
Total	\$7,120	\$150,066	\$118,980	\$135,662	\$157,527

¹ School administration was provided for a minimal charge by CESA 7. Teacher salary costs are reflected under Purchased Curriculum.

Rural Virtual Academy Expenditures

Expenditures	2004-05	2005-06	2006-07	2007-08
Curriculum-related Costs				
Purchased Curriculum	\$ 8,731	\$ 33,842	\$ 82,494	\$ 35,849
Computers, Printers, and Internet Subsidies for Pupils ¹	7,700	13,152	0	9,333
Supplemental Class Materials and Teacher Guides	4,697	22,067	38,166	23,575
Web Site Design, Maintenance, and Internal Curriculum Development	4,776	2,400	8,800	4,800
Subtotal	25,904	71,461	129,460	73,557
Staffing Costs				
Teacher Salaries	322	15,410	21,481	30,195
Administrative and Support Staff Salaries	0	0	12,100	14,049
Fringe Benefits	62	6,755	6,665	7,329
Employee Travel	0	48	816	896
Professional Development and Staff Dues and Fees	0	584	150	150
Subtotal	384	22,797	41,212	52,619
Other Expenditures				
Advertising	0	668	5,780	3,245
Office Supplies	871	1,105	6,316	4,795
Computer Equipment and Maintenance	0	4,177	15,294	1,594
Rent, Utilities, and Insurance	0	0	0	0
Pupil Field Trips and Events	0	0	7	1,569
Subtotal	871	5,950	27,397	11,203
Total	\$27,159	\$100,208	\$198,069	\$137,379

¹ Includes expenditures for laptop computers only. Pupil Internet subsidy expenditures were not separately identified.

Wisconsin Connections Academy Expenditures

Expenditures	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Curriculum-related Costs						
Purchased Curriculum	\$ 614,557	\$1,011,251	\$1,262,990	\$1,301,174	\$1,328,785	\$1,275,263
Computers, Printers, and Internet Subsidies for Pupils ¹	151,724	249,660	311,811	321,238	328,054	314,841
Supplemental Class Materials and Teacher Guides	0	0	52	0	5	294
Web Site Design, Maintenance, and Internal Curriculum Development	1,574	0	0	78	0	250
Subtotal	767,855	1,260,911	1,574,853	1,622,490	1,656,844	1,590,648
Staffing Costs						
Teacher Salaries	243,061	349,230	397,629	450,072	390,622	578,962
Administrative and Support Staff Salaries	69,219	77,577	95,183	102,066	111,434	175,753
Fringe Benefits	146,427	203,094	231,926	265,313	224,549	339,593
Employee Travel	2,272	5,825	8,153	7,875	11,639	12,642
Professional Development and Staff Dues and Fees	622	217	1,102	154	2,902	2,560
Subtotal	461,601	635,943	733,993	825,480	741,146	1,109,510
Other Expenditures						
Advertising	0	0	0	0	0	0
Office Supplies	7,998	9,672	12,787	16,978	14,763	20,238
Computer Equipment and Maintenance	3,329	0	0	0	0	4,758
Rent, Utilities, and Insurance	0	0	0	0	0	0
Pupil Field Trips and Events	131	340	0	3,579	3,853	5,496
Subtotal	11,458	10,012	12,787	20,557	18,616	30,492
Total	\$1,240,914	\$1,906,866	\$2,321,633	\$2,468,527	\$2,416,606	\$2,730,650

¹ Pupil computers and Internet expenditures are Audit Bureau estimates based on provisions in the school's contract with Connections Academy, LLC.

Wisconsin Virtual Academy and Honors High Online of Wisconsin Expenditures¹

Expenditures	2003-04	2004-05	2005-06	2006-07	2007-08
Curriculum-related Costs					
Purchased Curriculum	\$ 484,314	\$1,615,611	\$1,210,695	\$1,720,023	\$2,178,850
Computers, Printers, and Internet Subsidies for Pupils	243,852	291,123	723,705	230,850	304,030
Supplemental Class Materials and Teacher Guides	0	22,770	7,930	2,451	0
Web Site Design, Maintenance, and Internal Curriculum Development	521,494	0	0	0	0
Subtotal	1,249,660	1,929,504	1,942,330	1,953,324	2,482,880
Staffing Costs					
Teacher Salaries	434,570	557,467	683,737	882,246	1,257,851
Administrative and Support Staff Salaries	130,218	217,514	216,117	228,922	276,413
Fringe Benefits	295,096	398,741	466,186	579,001	764,546
Employee Travel	42,908	59,557	62,409	82,942	137,899
Professional Development and Staff Dues and Fees	52,525	40,683	42,947	57,412	55,365
Subtotal	955,317	1,273,962	1,471,396	1,830,523	2,492,074
Other Expenditures					
Advertising	0	0	0	0	0
Office Supplies	45,629	41,738	40,651	38,252	70,328
Computer Equipment and Maintenance	0	2,414	8,367	0	0
Rent, Utilities, and Insurance	9,185	9,748	5,826	13,224	15,066
Pupil Field Trips and Events	0	7,072	804	333	1,252
Subtotal	54,814	60,972	55,648	51,809	86,646
Total	\$2,259,791	\$3,264,438	\$3,469,374	\$3,835,656	\$5,061,600

¹ Expenditures are combined because of school district accounting practices.

Appendix 5

Supplemental Online Programs

Program	Operated By	Year Program Began	School Districts Served	Grades Served	Curriculum Contractors
<i>Wisconsin Virtual School</i>	CESA 9 ¹	2000-01	All school districts statewide	6-12	Aventa Learning, Inc.; Class.com, Inc.; Florida Virtual School
<i>Wisconsin eSchool Network</i>	Eight partner school districts, ² and Appleton Area School District as the fiscal agent	2006-07	All school districts statewide	9-12	Florida Virtual School; Virtual High School, Inc.; eSchool Network teacher-created classes
<i>District Cooperative Online Program</i>	Wisconsin Center for Academically Talented Youth ³ (WCATY)	2001-02	All school districts statewide	5-8	WCATY teacher-created classes
<i>Digital Districts Online</i>	WiscNet ⁴	2005-06	All CESA 10 and 12 school districts and additional 12 member districts	9-12, some middle school classes	AMDG, Inc.; APEX Learning, Inc.; Aventa Learning, Inc.; Florida Virtual School; UW Colleges Online; UW-River Falls; Virtual High School, Inc.; Wisconsin eSchool Network; Wisconsin Virtual School

2007-08 Teachers	Additional Teaching Resources	Number of Class Enrollments in 2007-08	Access to Classes	Other Services
27 teachers employed by CESA 9 through per class contracts, who are licensed in Wisconsin	Local education guide designated for each pupil	1,704	Classes may be purchased on a per pupil basis with no additional membership cost	Guidance and training to school districts on policy-writing, mentor orientation, and other district needs related to online learning
4 full-time and 46 part-time teachers employed by Wisconsin school districts, who are licensed in Wisconsin	Mentor/coach designated for each pupil	2,349 ⁵	Partner districts pay initial fees and then a specified amount per pupil enrolled; other districts may purchase classes on a per pupil basis	Access to the Virtual School Administrator and Ucompass Educator management systems; access to sample policy documents; pupil orientation mini-courses; training for administrators, teachers, and mentors
33 part-time teachers employed by WCATY, who are licensed in Wisconsin or have advanced degrees	Co-op program director monitors some meetings and online exchanges	1,262	Districts, parents, or both pay a set class fee. Co-op classes replace one hour of school each day as a supplemental resource in districts that partner with WCATY; pupils may enroll in one class per quarter for the last three quarters of the year	Teacher training; WCATY provides accelerated classes through pupil residential programs during summer months
Licensed teachers designated by member districts teach classes	Teaching assistants employed by curriculum contractors	150	Members pay an annual membership fee and additional per pupil fees for each class	Network access services, technical support, e-mail services, Web services, and other technological resource needs

¹ In July 2008, CESA 9 entered into a memorandum of understanding with DPI to administer the Wisconsin Web Academy.

² Partner school districts are Appleton Area (Appleton eSchool), Baraboo, Janesville (Janesville Virtual Academy), Kenosha Unified #1 (Kenosha eSchool), Kiel Area (Kiel eSchool), Kimberly, Madison Metropolitan, and Sheboygan.

³ Nonprofit organization that provides online classes during the school year and accelerated classes through residential programs during the summer months to academically talented pupils in Wisconsin.

⁴ Nonprofit association of public and private organizations that provides access to information technology services and serves as an online brokerage service to access online resources for its member institutions.

⁵ Includes virtual charter school class enrollments.

Appendix 6

Satisfaction with Virtual Charter Schools

Summary of Survey Responses

Parent Survey

	Number of Responses	Very Satisfied	Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Dissatisfied	Very Dissatisfied
How satisfied were you with your child's teacher(s) at the virtual charter school?	572	72.4%	21.2%	4.0%	1.4%	0.9%	0.1%
How satisfied were you with the range of classes offered by the virtual charter school?	570	69.8	25.6	4.0	0.4	0.2	0.0
How satisfied were you with the content of classes offered by the virtual charter school?	569	73.6	21.3	3.3	1.4	0.4	0.0
How satisfied were you with the services and activities offered by the virtual charter school?	569	65.7	25.8	5.4	1.2	1.6	0.3
Overall, how satisfied were you with the virtual charter school your child attended?	570	76.5	17.9	2.3	1.6	1.4	0.3
What aspects of the virtual charter school did you like the most?	<input checked="" type="checkbox"/> Flexible schedule and ability to work at own pace <input checked="" type="checkbox"/> High quality curriculum <input checked="" type="checkbox"/> Safe learning environment						
What aspects of the virtual charter school did you like the least?	<input checked="" type="checkbox"/> Distance from staff and traveling to testing areas <input checked="" type="checkbox"/> General misunderstanding of how virtual charter schools operate <input checked="" type="checkbox"/> Managing virtual classes and requirements among children in different grades or schools						
Do you have any suggestions for improving virtual charter schools and online education?	<input checked="" type="checkbox"/> Provide additional outreach staff and orientation sessions <input checked="" type="checkbox"/> Increase the availability of extracurricular activities through districts of residence <input checked="" type="checkbox"/> Provide additional teacher training						

High School Pupil Survey

	Number of Responses	Very Satisfied	Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Dissatisfied	Very Dissatisfied
How satisfied were you with the amount of contact you had with your teacher(s)?	249	49.8%	40.6%	6.8%	1.6%	0.8%	0.4%
How satisfied were you with the availability of your teacher(s) when you needed to contact them?	249	53.0	32.9	8.9	4.0	1.2	0.0
How satisfied were you with your teacher(s) at the virtual charter school?	244	50.8	39.8	7.0	2.0	0.4	0.0
How satisfied were you with the range of classes offered by the virtual charter school?	244	49.2	39.8	7.8	1.6	1.2	0.4
How satisfied were you with the content of classes offered by the virtual charter school?	244	43.1	45.1	9.0	1.2	1.2	0.4
How satisfied were you with the services and activities offered by the virtual charter school?	243	40.8	38.7	14.4	4.5	1.2	0.4
Overall, how satisfied were you with the virtual charter school?	244	53.7	36.9	6.2	1.2	1.2	0.8

What aspects of the virtual charter school did you like the most?

- Flexible schedule and ability to work at own pace
- Enthusiastic and helpful teachers
- Ability to do schoolwork wherever and whenever it is convenient

What aspects of the virtual charter school did you like the least?

- Technical problems with computers or Internet connection failures
- Lack of certain subjects, such as automotive technology, and difficulty of taking some subjects online, such as art
- Lack of opportunities for face-to-face contact with teachers and other pupils

Do you have any suggestions for improving virtual charter schools and online education?

- Expand curriculum options, such as additional art, human anatomy, and woodworking options
- Provide additional social opportunities
- Increase the number of teachers and amount of support staff

Teacher Survey

	Number of Responses	Very Satisfied	Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Dissatisfied	Very Dissatisfied
How satisfied were you with teaching online courses?	92	65.2%	28.3%	6.5%	0.0%	0.0%	0.0%
How satisfied were you with the content of courses offered by your virtual charter school?	92	62.0	25.0	7.6	4.3	0.0	1.1
How satisfied were you with the technical support you received from the virtual charter school?	92	52.2	38.0	7.6	2.2	0.0	0.0
What aspects of the virtual charter school did you like the most?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	Flexible schedule and ability to work at own pace	One-on-one contact with pupils and families	Professional challenge to provide engaging and interactive classes online				
What aspects of the virtual charter school did you like the least?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	Large number of pupils per teacher	Large number of hours worked per week	Technical problems with computers or Internet connection failures				
Do you have any suggestions for improving virtual charter schools and online education?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	Provide additional training for pupils and teachers on successfully utilizing online classes	Increase public awareness of virtual charter schools and how they operate	Decrease class sizes				

February 2, 2010

Janice Mueller
State Auditor
Legislative Audit Bureau
22 E. Mifflin Street, Suite 500
Madison, WI 53703

Dear Ms. Mueller:

The Department of Public Instruction (DPI) has reviewed the Legislative Audit Bureau's (LAB) evaluation of virtual charter schools as required under 2007 Wisconsin Act 222. We appreciate the effort of LAB to address a broad array of issues surrounding virtual charter schools (VCS). We also appreciate this opportunity to respond to the LAB report.

The department has several areas of both agreement and concern with the final LAB evaluation report and recommendations that I would like address. First, and most broadly, the department hoped the report would make recommendations not only to DPI but to the VCS themselves or to the districts that authorize them. All of the recommendations are for DPI, the implication being that VCS policies and educational practices require no alteration and/or do not have room for improvement. We believe some recommendations would have been helpful for the legislature to strengthen how VCS operate and how they and their teachers interact on a daily basis with both students and parents.

Secondly, the report recommends several new annual reporting and data collection requirements for DPI. Our department has limited staff resources, has absorbed continued budget reductions, and school and district personnel already face sometimes burdensome data collection requirements. As such, we respectfully request that if the legislature wishes these annual report recommendations to occur, that they make them statutory requirements on the department, VCS and districts.

DPI agrees with the first recommendation relating to the compilation and reporting of current statutorily-required data submitted by VCS related to students not responding to school assignments or directives and how many students have been transferred to their resident school districts as a result of such failure to respond. We would, however, want to review or sunset this annual reporting recommendation in the future depending on legislative interest in VCS.

The DPI agrees that VCS need to continue to address special education issues and will continue to work with the schools as indicated in the second recommendation. The DPI holds annual workshops specifically for VCS administrators (which also allow them to network and share information) as well as provides phone and email consultation when requested.

With respect to the licensing of VCS teachers, we will continue to monitor and follow up on any instances in which teachers are not properly licensed as well as constantly work to improve procedures to ensure accurate reporting.

The report recommends that DPI annually analyze the academic performance of VCS pupils and report the results to the legislature. It needs to be noted that this information is already readily available on the department's WINSS web site to any interested persons. However, if the legislature wishes this information to be included in an annual report, the department can do so. As with the first recommendation, we would want to review or sunset this annual reporting requirement in the future depending legislative interest in VCS.

The report also recommends that DPI request information from all districts regarding the provision of supplemental online programs and verify that all teachers of online programs teach subjects and grade levels that are appropriately authorized by their professional teaching licenses. The department will endeavor to obtain such information from school districts in a manner that recognizes the burden of reporting and responding to surveys experienced by school administrators statewide.

DPI will form a VCS advisory group to the state superintendent and other policymakers, as recommended by LAB. The department had formed an ad hoc online learning advisory committee in 2005, which no longer exists. DPI will report by July 1, 2010 on the progress of this effort.

Lastly, the report recommends that DPI complete the annual open enrollment report that is required by s. 118.51 (15) (c), Wis. Stats. The department acknowledges that these reports are behind schedule, but we also wish to note that none of those reports contain any information about VCS. The first year that data were required (by 2007 Wis. Act 222) to be reported on VCS is the 2009-10 school year.

In closing, let me again express the department's appreciation to LAB staff in their efforts to complete this evaluation. The DPI looks forward to working with the Joint Legislative Audit Committee to implement those recommendations of most interest to the legislature for VCS that will forward our collective goal of making every child in Wisconsin a graduate prepared for postsecondary education and the workforce.

Sincerely,



Tony Evers
State Superintendent