

Development of a Formula for North Carolina Virtual Public School

Legislation Requiring the Development of a Funding Formula

Section 7.9.(g) of Session Law 2009-451

The State Board of Education shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2009, on its implementation of this section. If the State Board of Education fails to report a new allotment formula for NCVPS to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2009, the State Treasurer, the Office of State Budget and Management, and the Office of State Controller shall prevent the expenditure of funds related to the operation of the State Board of Education.

Section 7.4 of Session Law 2008-107

The State Board of Education shall implement an allotment formula developed pursuant to Section 7.16(d) of S.L. 2006-66, for funding e-learning, effective in the 2009-2010 fiscal year. NCVPS shall be available at no cost to all students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs. The Department of Public Instruction shall communicate to local school administrative units all applicable guidelines regarding the enrollment of nonpublic school students in these courses. The State Board of Education shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 15, 2008, on its implementation of this section.

Section 7.16(d) of Session Law 2006-66

The State Board of Education shall develop an allotment formula for funding e-learning, effective in the 2007-2008 fiscal year. In developing the formula, the Board shall consider, at a minimum, the following:

- (1) The number of students in average daily membership (ADM) projected to enroll in e-learning,
- (2) The projected cost of fees for e-learning courses,
- (3) The extent to which projected enrollment in learning courses affects funding required for other allotments that are based on ADM.

Possible Options for a Funding Formula - The first 2 formulas listed were discussed several times last year with the State Board. The 3rd formula is new. We will be presenting detailed impact analyses for formulas 1 and 3 at the Committee meeting.

- 1 - Develop a formula where NCVPS is treated like an LEA with its own ADM (by capturing the 25% cost savings by delivering a course via NCVPS).
Would sustain the program from current appropriations. Would adjust ADM (discounted) based on projected participation. Adjustment would be based on actual savings from on-line course.
- 2 - Charge a fee per course. Could allow LEAs the flexibility to convert teacher positions to dollars to cover the cost of courses (allowing the LEAs to utilize the savings from not having to employ a teacher).
Would require funding to be transferred to cover operational costs.
- 3 - Develop a formula based on the formula utilized to support Florida's Virtual School. This model is similar to the ADM formula outlined above.
The "per pupil" funding is based upon 1 FTE = 6 credits of courses per year (One semester course successfully completed by one student is equivalent to 1/12th of an FTE). The dollar value of the FTE varies from district to district within the state. Funding is based on projected course participation.