

FISCAL NOTE
Requested by Legislative Council
01/13/2015

Bill/Resolution No.: HB 1263

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$115,000	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This measure requires the state superintendent to conduct a study of the expansion of online learning opportunities for kindergarten, elementary, and high school students through the development and implementation of a state operated online school.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

To conduct a comprehensive study the Department will require an appropriation of \$115,000. The major components/tasks include:

A. To provide an online study committee to research, review data, prepare report regarding online learning opportunities for k-12 with recommendations.

To conduct a survey to assess attitude and acceptance, assess what applicable resources exist at school and other sites, assess satisfaction with current services, provide scenarios of different solutions to gauge reactions. Create, deliver, analyze surveys, determine trends/conclusions, publish results.

Review state systems models, identify gaps between desired and current systems, provide models to fill gaps and prepare recommendations. Travel to three states to review existing models, create and report on three consistent models.

Establish the appropriate placement of the virtual school in state government's hierarchy. Brainstorm the logistics of placement and administrative structure.

Complete a final report according to specifications of the interim committee and/or Legislative Council.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The measure provides/generates zero revenue.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$51,000 - To provide an online study committee to research, review data, prepare report regarding online learning opportunities for k-12 with recommendations; 25-3 members, four meetings, lodging, travel, meal stipend.

\$35,000 - To conduct a survey to assess attitude and acceptance, assess what applicable resources exist at school and other sites, assess satisfaction with current services, provide scenarios of different solutions to gauge reactions. Create, deliver, analyze surveys, determine trends/conclusions, publish results. Labor, software, publish reports.

\$20,000 - Review state systems models, identify gaps between desired and current systems, provide models to fill gaps and prepare recommendations. Travel to three states to review existing models, create and report on three consistent models. Travel, meal stipend, labor, software, publishing.

\$8,600 - Establish the appropriate placement of the virtual school in state government's hierarchy. Brainstorm the logistics of placement and administrative structure. Lodging, travel and meal stipend.

\$400 - Complete a final report according to specifications of the interim committee and/or Legislative Council.

Total Cost \$115,000

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

To conduct a comprehensive study the Department will require an appropriation of \$115,000.

Name: Sherry Houdek

Agency: Department of Public Instruction

Telephone: 328-2755

Date Prepared: 01/16/2015

2015 HOUSE EDUCATION

HB 1263

2015 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Pioneer Room, State Capitol

HB 1263
1/19/2015
22160

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Donna Whetnam

Explanation or reason for introduction of bill/resolution:

Relating to a study of virtual public schools by the superintendent of public instruction.

Attachment # 1-4

Minutes:

Chairman Nathe: Opened the hearing on HB 1263. The bill is creating a virtual school district

Representative Muscha: District 24, In support and introduced HB1263. (See Attachment #1).

Chairman Nathe: Is this your desire with the study we are looking at having a virtual school district?

Representative Muscha: Yes down the road once they figure out all the connections out.

Chairman Nathe: Anyone else in support of HB 1263.

Senator Rust: District 2, in support of HB 1263. (See attachment #2).

Rep Hunsakor: I am sure there were rules drawn up, but if I was a student that didn't like you as a principal I could stay home and not attend school.

Senator Rust: This is not a new concept, it is not much different than Independent study program we have.

Vice Chairman Schatz: Don't we already have Independent study for schools?

Senator Rust: Yes there is. We need to get into the new century and get online. Why wouldn't you want to explore the options for education.

Rep Kelsh: I am not understanding how this works, would they leave their school district and be a member of a virtual school?

Senator Rust: I don't see why you would have to drop out of your school to participate, when this study will be done we will look at places it is already in place to help iron out the particulars.

Amanda Muscha: Current Wisconsin High School student attending online. In support of HB 1263 (See Attachment #3, 4).

Nick Archoletta: President of ND United, I represent some 10,000 classroom teachers. I am in support of HB 1263. It is responsible, forward thinking piece of legislation and it is very student centered. As for work groups are being formed I would hope all the stakeholders would be present at the table so we get a feel for the legislation itself and the people for whom it is designed to serve.

Chairman Nathe: Any other support of HB 1263? None. Opposition? None
Closed the hearing on HB 1263.

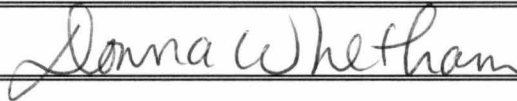
2015 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Pioneer Room, State Capitol

HB 1263
1/21/2015
22340

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to a study of virtual public schools by the superintendent of public instruction.

Attachment # 1

Minutes:

Chairman Nathe: Reopened the hearing on HB 1263. The bill is looking at creating a virtual school district and the state has independent study type courses already.

Rep Kelsh: I think we have a virtual school.

Chairman Nathe: Bob Marthaller will you come up and clarify?

Bob Marthaller: Assistant Superintendent of North Dakota Department of Public Instruction. There is I believe there are school districts across the state use center for distance education in a variety of ways to deliver curriculum. There is a smaller school district that provides all of their curriculum on the center.

Chairman Nathe: The state has an extensive online school already (See Attachment #1)

Rep Kelsh: Are all those courses are on line?

Chairman Nathe: Yes.

Rep Looyen: If I wanted to go out of state for a semester I would be able to enroll in those classes and continue back at Jamestown when I came back?

Bob Marthaller: Yes.

Rep Olson: Given we already have the center for distance education and if someone were to leave their district and go on an extended vacation they could continue to receive credits under the current law we have and the program we have right now?

Bob Marthaller: Yes potentially they could do that. Local school districts have policy that govern how their students can access for distance education. Some of this is controlled at the local level. Certainly if I am a student in school district A and I want to take an advanced class that is not offered, yes I could.

Rep Olson: Why the need for this bill, it seems like this is creating a virtual school district how would that work, could you graduate from a virtual school district without ever attending a brick and mortar school?

Chairman Nathe: The bill calls for the study of online learning, I think we already are doing the online learning. I think it is in place already.

Rep Meier: How much does it cost the state to offer the online courses?

Bob Marthaller: I do not know. I don't know the fees of accessing the courses, I believe it is online on the website.

Rep Meier: What is the appropriation for the state to run the program, do you know that?

Bob Marthaller: That is not in the departments' budget, I believe it runs through EduTech in the ETC budgets. I might be wrong about that.

Rep Kelsh: The reason for this bill, is Representative Muscha's granddaughter is here from Wisconsin, and she is doing all her school on line. If we had someone in that situation would they be able to do that?

Bob Marthaller: Yes, I believe a student in North Dakota could do that. They could complete a course with distance education and that course could come back to the local school district and they could graduate from that district.

Chairman Nathe: I imagine SLDS keeps some of this information on these students so it would go on their transcript?

Bob Marthaller: Certainly.

Rep Kelsh: Would they have to complete the course or can they go back to their class at their home school district?

Bob Marthaller: They would have to complete the course with the distance education, they would be who would grant the credit.

Rep Hunsakor: I understand DPI would like to just continue with what we now have, but would a study answer the questions of problems that might come up, or do you feel the system we have covers those things?

Bob Marthaller: I think with what we have in ND through distance education is enough. they are doing a great job. That is not to say there wouldn't be other online things out there that would also benefit the students of North Dakota. You asked me about the study. I guess I don't know we can study things to death. That is my personal opinion.

Rep Ben Koppelman: Is there a cost to the current virtual courses on line?

Bob Marthaller: Yes there is a cost, sometimes the school pays for it and sometimes the parents do.

Rep Ben Koppelman: With what we have for today, could a student enroll online and never attend school?

Bob Marthaller: Yes I believe a student in district A could drop out of district A and complete their high school education through the Center for Distance Education.

Chairman Nathe: The center for distance education has a ton of classes offered. (See Attachment #1)

Bob Marthaller: The Center for Distance Education is an approved school just like any other school in North Dakota.

Vice Chairman Schatz: Moved Do Not Pass on HB 1263.

Rep Zubke: seconded

Chairman Nathe: Any other discussion on the motion.

A Roll Call Vote was taken. Yes: 7 No: 5 Absent: 1

Motion carried.

Rep Olson: will carry the bill.

Date: 11/21/15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1263

House Education Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Schatz Seconded By Rep. Zubke

Representatives	Yes	No	Representatives	Yes	No
Chairman Nathe	✓		Rep. Hunskor		✓
Vice Chairman Schatz	✓		Rep. Kelsh		✓
Rep. Dennis Johnson	✓		Rep. Mock		✓
Rep. B. Koppelman	✓				
Rep. Looyen		✓			
Rep. Meier	✓				
Rep. Olson	✓				
Rep. Rohr	A				
Rep. Schreiber Beck		✓			
Rep. Zubke	✓				

Total (Yes) 7 No 5

Absent 1

Floor Assignment Rep. Olson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1263: Education Committee (Rep. Nathe, Chairman) recommends **DO NOT PASS** (7 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1263 was placed on the Eleventh order on the calendar.

2015 TESTIMONY

HB 1263

1
HB 1263
1/19/15

Mr. Chairman, members of the Education Committee, I am Representative Naomi Muscha from District 24. I'm here today to introduce House Bill 1263. HB 1263 is asking for our state superintendent and other entities to pursue ideas for developing a virtual online K-12 system which would be available to all North Dakota students. As a former teacher, I know North Dakota has a history of providing high quality education for our state's students and I'm NOT here to criticize what our educational leaders have been and currently are doing to ensure that history continues.

As I've learned in my short time of being a representative, many great things are going on in all areas of our state, but often one area isn't aware of another area's works. This is true of our nation as well. Many states have been offering public education via online access for several years. Since some of my grandchildren have been enrolled in online public education in other states, I've visited with many people who'd never heard of such a thing. Although, we have students who are searching for such avenues. One school in my district has lost 11 students in the past four years to out-of-state online education. The most popular one they've chosen is one from Pennsylvania.

I don't have the answers for the "hows" - I just can offer some answers for the "whys. I do have confidence that Superintendent Baesler, her staff and other educational leaders of North Dakota can find the answers to the "hows".

Thank you and I stand for any questions.

Mr. Chairman and Members of the House Education Committee: 1/19/15

For the record I am David Rust, Senator from District 2 in NW ND.

I request your support for HB 1263 for

- 1) the Superintendent of Public Instruction to study the expansion of online education
- 2) for all K-12 students
- 3) through a state operated online virtual school
- 4) that is free and open to any students in this state
- 5) including all required courses
- 6) and a wide variety of electives.

We live in a world where students should have access to online education where ever they may be.

I can see it as an effective tool for students who may be homebound due to health or injury as well as for students who learn at a pace different from their age-appropriate class members.

Upon hearing the report, an interim committee should make a recommendation to the Legislative Assembly of further action.

I urge a "Do Pass" on HB 1263.

Should you have any questions, I will try to answer them.

Thank you.

1/19/15

Amanda Muscha

1/19/2015

HB 1263

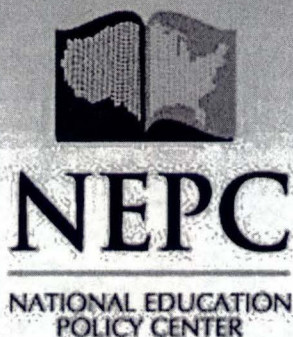
Mr. Chairman and members of the Education Committee, my name is Amanda Muscha and I am in favor of house bill 1263. I am from Wisconsin, currently in high school, and the only thing making it possible for me to be here as the committee clerk for Political Subdivisions, for the next four months, is online public education.

Through online public education, I am able to stay in my school district, and take a hold of this great opportunity of seeing government action first hand. This is not my first time attending an online public school. During my freshman year I attended Wisconsin Connections Academy, and my experience with them was great. With Wisconsin Connections Academy, I had full connections to my teachers throughout the day, and during scheduled class times, there were full on class discussions with other students from around the state. Wisconsin Connections Academy was also still into getting students connected and had field trips and other meet and greets scheduled throughout the year. Just because it is all online does not mean your students will forget how to connect with one another.

Besides the connections students are able to make, there are more class options available to them. For example, most average U.S. schools do not teach more than one or two foreign languages. While in Connections Academy, I had a choice from at least four or five different foreign language classes.

You could be anywhere in the world, and still stay caught up in your classes if there is an opportunity to be take somewhere else. Like I have heard so many times during Political Subdivisions meetings, it would simply be another tool in the tool box for students. Starting a study for online public education would not only give students more options, but also would allow doors to be opened on more opportunities for the students of North Dakota.

Thank you and I would answer any questions to the best of my ability.



#4 HB 1263
11/19/15

VIRTUAL SCHOOLS IN THE U.S. 2014

POLITICS, PERFORMANCE, POLICY,
AND RESEARCH EVIDENCE

Alex Molnar, Editor

University of Colorado Boulder

March 2014

National Education Policy Center

School of Education, University of Colorado Boulder
Boulder, CO 80309-0249
Telephone: (802) 383-0058
Email: NEPC@colorado.edu
<http://nepc.colorado.edu>

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CENTER**
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<http://www.greatlakescenter.org>
GreatLakesCenter@greatlakescenter.org

Kevin Welner

Project Director

Patricia H. Hinchey

Academic Editor

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Publishing Director: **Alex Molnar**

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VIRTUAL SCHOOLS IN THE U.S. 2014

POLITICS, PERFORMANCE, POLICY, AND RESEARCH EVIDENCE

Alex Molnar, Editor, University of Colorado Boulder

Executive Summary

Section I: Key Policy Issues in Virtual Schools

Luis Huerta, Teachers College, Columbia University

Jennifer King Rice, University of Maryland

Sheryl Rankin Shafer

A comprehensive analysis of all proposed and enacted virtual school legislation in 50 states during the 2012 and 2013 legislative sessions enables tracking whether legislative trends reflect a legislative focus on strengthening accountability and oversight of virtual schools.

Recommendations arising from Section I

- Develop new funding formulas based on the actual costs of operating virtual schools.
- Develop new accountability structures for virtual schools, calculate the revenue needed to sustain such structures, and provide adequate support for them.
- Establish geographic boundaries and manageable enrollment zones for virtual schools by implementing state-centered funding and accountability systems.
- Develop guidelines and governance mechanisms to ensure that virtual schools do not prioritize profit over student performance.
- Define new certification training and relevant teacher licensure requirements and continually improve online teaching models through comprehensive professional development.
- Address retention issues by developing guidelines for appropriate student-teacher ratios.

- Work with emerging research to create effective and comprehensive teacher evaluation rubrics.
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- Work with emerging research to create effective and comprehensive teacher evaluation rubrics.

Section II: The Disconnect Between Policy and Research

Michael K. Barbour, Sacred Heart University

Despite considerable enthusiasm for full-time virtual education in some quarters, there is little high-quality research to support the practice or call for expanding virtual schools.

Recommendations arising from Section II

Based on the existing research base, it is recommended that:

- State and federal policymakers create long-term programs to support independent research and evaluation of *full-time* K-12 online learning.
- Researchers focus on collaborating with individual K-12 online learning programs to identify specific challenges that can be answered using a design-based research methodology.
- Policymakers limit the growth and geographic reach of full-time, taxpayer-funded online learning programs.
- State and federal policymakers examine the role of the parent/guardian in the instructional model of full-time online learning to determine the level of teaching support that is necessary for students to be successful.

Section III: Full Time Virtual Schools

Gary Miron, Western Michigan University

Charisse Gulosino, University of Memphis

Brian Horvitz, Western Michigan University

Strong growth in enrollment continued in this sector in 2012-2013. This report provides a census of full-time virtual school and describes the students enrolled in them. It provides

4

state-specific school performance ratings and a comparison of virtual schools ratings as compared with national norms.

Thirty percent of the virtual schools in 2012-13 did not receive any state accountability/performance ratings. Of the 231 schools with ratings, only 33.76% had academically acceptable ratings. On average, virtual schools' Adequate Yearly Progress (AYP) results were 22 percentage points lower than those of brick-and-mortar schools (2011-12). AYP ratings were substantially weaker for virtual schools managed by EMOs than for brick-and-mortar schools managed by EMOs: 29.6% compared with 51.1%. Based on the available data, the on-time graduation rates for full-time virtual schools was close to half the national average: 43.8% and 78.6%, respectively.

Recommendations arising from Section III

- Given the rapid growth of virtual schools, the populations they serve, and their relatively poor performance on widely used accountability measures, it is recommended that:
- Policymakers should slow or stop growth in the number of virtual schools and the size of their enrollment until the reasons for their relatively poor performance have been identified and addressed.
- Given that all measures of school performance indicate insufficient or ineffective instruction, these virtual schools should be required to devote resources toward instruction, particularly by reducing the ratio of students to teachers.
- State education agencies and the federal National Center for Education Statistics should clearly identify full-time virtual-schools in their datasets, distinguishing them other instructional models. This will facilitate further research on this subgroup of schools.
- State agencies should ensure that virtual schools fully report data related to the population of students they serve and the teachers they employ.
- State and federal policymakers should promote efforts to design new outcomes measures appropriate to the unique characteristics of full-time virtual schools

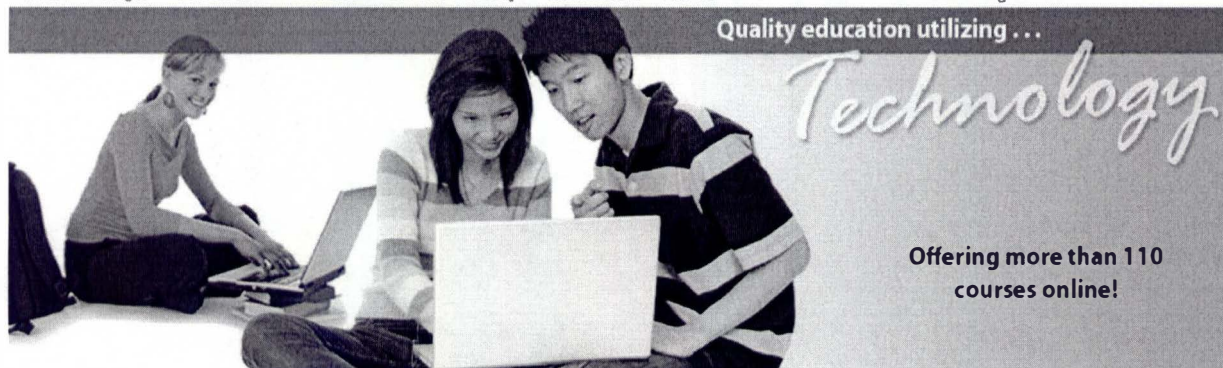
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Welcome

Students, Parents, Teachers and Schools,

By the end of October 2014 NDCDE will be moving from a home that it has occupied since 1961, Thordarson Hall. Thordarson Hall is located on the campus of North Dakota State University (NDSU). NDCDE was at one time a part of NDSU as its Division of Independent Study for middle and high school students. Though that status changed in 1989, NDCDE continued to reside in Thordarson Hall until the present.

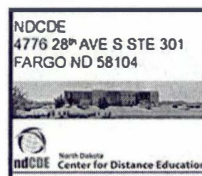
The key question at this time: Does NDCDE's move matter to you?

The following is a message we developed for an email blast to all administrators and counselors in North Dakota. I think the message appropriately answers the key question and provides some additional information that you might find applicable.



NDCDE is Moving!

When you are an online school, maybe a street address isn't so relevant to the many people with whom you interact each day (currently over 10,000 digitally-supported, individual communications per day). Regardless, on November 3, 2014, North Dakota Center for Distance Education will have a new home and a new address. We wanted you to be the first to know because we value your relationship with us. We invite you to stop by to check us out; we'd love to show you around (after November 3, of course).



What hasn't changed are the addresses to our online connections, including our website, courses, social media sites, and email addresses. Continue to use those connections as you have in the past.

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Requirements for High School courses vary from state to state. The courses listed below are designed to meet the requirements for students in grades nine through twelve. There will be instances, however, when these courses will apply to students in other grade levels and situations.

If you have questions, please feel free to call the NDCDE academic advisor at 701-298-4833.



Select one of the categories below for a listing of available courses.

Agriculture
 Art
 Business Education
 Computer Education
 English
 Family and Consumer Science
 General Education
 Mathematics
 Music
 Physical Education and Health
 Science
 Social Studies
 Technical Education
 World Languages