

Overview of Internet- or Computer-Based Community Schools (E-Schools)



Legislative Service Commission
November 2018

Definition of E-School



- A type of community school in which students work primarily from their residences on assignments in nonclassroom-based learning opportunities (R.C. 3314.02(A)(7))

Legislative History of E-Schools



- 1997 – community schools authorized in Ohio law
- 2000 – first e-school began operating in Ohio
- 2001 – first time Ohio law contemplated the existence of e-schools

Legislative History of E-Schools (cont.)



- 2002 – e-school defined in Ohio law
- 2002-2003– hardware and software requirements enacted

Legislative History of E-Schools (cont.)



- 2005 – moratorium on the establishment of new e-schools enacted
- 2013 – moratorium lifted on July 1; enrollment limitation and current school funding formula enacted
- 2015 – community school reforms enacted in H.B. 2

Legislative History of E-Schools (cont.)



- 2017-2018 – changes enacted in the following acts:
 - H.B. 49
 - S.B. 216
 - H.B. 87

Current E-School Requirements



- Generally bound to the same requirements as brick-and-mortar community schools
- Exempt from certain requirements due to the nature of their online instructional programs

Current E-School Requirements



- Several separate provisions apply only to e-schools, including:
 - Requirement to set up a central base of operations
 - Compliance with standards developed by the International Association for K-12 Online Learning
 - Prohibition on contracting with a nonpublic school for facilities
 - Required location for taking state assessments
 - Prohibition on students spending more than 10 hours within a 24-hour period participating in learning opportunities

E-School Landscape



- 14 e-schools are currently active
 - 18 were active during FY 2018
- Territory
 - 7 (50%) are “statewide”
 - ✦ Students may reside anywhere in Ohio and enroll
 - 7 (50%) are district- or region-based
 - ✦ Enrollment may be limited to students residing in the sponsoring district’s or ESC’s territory
- Education Plan
 - 9 (64%) are designated as dropout prevention and recovery (DOPR) schools
 - ✦ Primarily serve students participating in DOPR programs
 - ✦ Rated under a separate report card system
 - 5 (36%) are designated as general education schools
 - ✦ Rated under the same report card system as traditional school districts

E-School Landscape



- E-schools educated 26,090 FTE students in FY18, representing:
 - 24% of the 107,500 community and STEM school FTEs
 - 1.5% of the 1.7 million public school FTE students statewide
- E-schools tend to educate somewhat higher concentrations of economically disadvantaged students and students with disabilities

E-School Student Demographic Data, FY 2018

	E-School Students	All Public School Students
Economically Disadvantaged	54.6%	48.7%
Students with Disabilities	17.0%	13.7%
Limited English Proficient	0.5%	3.1%

E-School FTE Determination



- Full-time equivalent (FTE) enrollment is determined by comparing the student's documented time participating in learning opportunities to the total learning opportunities offered by the e-school.
- **Example:**
 - A student is enrolled at an e-school for the entire school year
 - The student participates in 690 hours of documented learning opportunities
 - School offers 920 hours of learning opportunities in its calendar
 - Resulting FTE = 0.75
 - ✦ $690 \text{ hours of documented participation} / 920 \text{ hours offered} = 0.75 \text{ FTE}$
- Minimum calendar for a community school is 920 hours

E-School FTE Determination



- Participation in learning opportunities may include both:
 - Computer-based time tracked by e-school's online learning system
 - Non-classroom learning activities
 - ✦ Reading, research, assignments completed offline, field trips, phone calls with students to discuss coursework, credit-bearing work experience, etc. (ODE)
 - ✦ Time spent participating in non-classroom learning activities must be certified by a teacher

E-school Funding Mechanism



- In general, the state foundation formula allocates per-pupil funding to traditional districts based on the students who reside in the district, including those educated elsewhere.
 - Thus, an e-school student is counted in their resident school district for funding purposes
- The per-pupil foundation funding for students educated by a community or STEM school, including an e-school, is:
 - Deducted from the state foundation funding of the student's resident district
 - Provided as a transfer to the educating school based on the student's FTE.
- No local share is applied to e-school or site-based community or STEM school funding since the schools do not have taxing authority.

E-school Funding Components



- E-schools receive per-pupil foundation funding transfers from the following funding components:
 - Opportunity grant
 - Special education additional aid
 - Career-technical education (CTE) additional aid
- Unlike site-based community schools, e-schools do not receive:
 - Economically disadvantaged funding
 - Targeted assistance
 - Limited English proficiency funds
 - K-3 literacy funds

Opportunity Grant



- Per-pupil transfers are based on the same “formula amount” used in the funding formula for traditional school districts
 - FY 2018 - \$6,010
 - FY 2019 - \$6,020
- Largest e-school funding component, at 82% of state funding

Total E-school Opportunity Grant (\$ millions)	
FY 2018	\$156.9

Categorical Per-Pupil Funding



- The per-pupil amounts transferred for special education and CTE are the same amounts used for traditional school districts and site-based community and STEM schools.
- Students receiving special education services are grouped into six categories, depending on disability
 - Per-pupil category amounts range from \$1,578 to \$25,637
 - A total of 4,400 special education FTEs in e-schools in FY 2018, mostly in Category 2 (learning disabilities, developmental disabilities, other minor health impairments)
- Students participating in CTE programs are grouped into five categories depending on the student's program
 - Per-pupil category amounts range from \$1,308 to \$,5192
 - A total of 458 CTE FTEs in e-schools in FY18, mostly participating in family and consumer science programs

Categorical Per-Pupil Funding



- E-schools received categorical component funding totaling \$32.2 million in FY 2018
- 17% of e-school state funding

E-school Categorical Component Funding, FY 2018 (\$ millions)		
	Special Education	Career- Technical Education
FY 2018	\$31.1	\$1.0

Performance Bonuses



- Payments based on each school's:
 - Four-year graduation rate
 - Third grade reading proficiency rate
- Payments are calculated in the same manner as those for traditional school districts except that the state share index is not applied
- Bonus payments are funded directly by the state using GRF funds.
- Combined, the bonuses amounted to about \$865,000 in FY 2018.

Facilities Funding



- Facilities funding is based on per-pupil amount of \$25 in both FY 2018 and FY 2019.
- Funding is paid directly by the state using lottery profits.
- Facilities funding for e-schools statewide was just under \$640,000 in FY 2018.

Total E-School Funding



- Overall, e-schools received state funding totaling about \$191 million in FY 2018

Total E-School State Funding , FY 2018 (\$ millions)	
Foundation Aid Transfers	\$189.1
Performance Bonuses	\$0.9
Facilities Funding	\$0.6
Total State Funding	\$190.6

Additional Resources



- **LSC website:** www.lsc.ohio.gov
 - School Funding Complete Resource
 - Redbooks and Greenbooks
- **ODE website:** education.ohio.gov/Topics/Finance-and-Funding
 - District Payment Reports
 - Interactive Local Report Card

LSC Education Group Staff



- **Fiscal staff**

- Jason Phillips – 466-9753
- Alex Vitale – 466-6582
- Jason Glover – 466-8742
- Dan Redmond – 995-0142
- Ed Millane – 995-9991

- **Research staff**

- John Rau 466-2112
- Hannah Wann 728-4811
- Carol Napp 466-5707
- Holly Cantrell Gilman 466-5041
- Mike Niemi 644-7778
- Mitchell Smith 644-4174
- Allison Schoeppner – 644-3854