



# Ohio Legislative Service Commission

## Research Memorandum

Carol Napp and Mike Niemi  
September 11, 2018

### 50-STATE SURVEY OF FUNDING FORMULAS FOR INTERNET- OR COMPUTER-BASED PUBLIC CHARTER SCHOOLS (E-SCHOOLS)

This memorandum summarizes whether each state explicitly authorizes in law or rule<sup>1</sup> the existence of Internet- or computer-based public charter schools<sup>2</sup> ("e-schools"). For purposes of this memorandum, an "e-school" is defined as a public charter school "in which the enrolled students work primarily from their residences on assignments in nonclassroom-based learning opportunities provided via an Internet- or other computer-based instructional method that does not rely on regular classroom instruction or via comprehensive instructional methods that include Internet-based, other computer-based, and noncomputer-based learning opportunities."<sup>3</sup> As indicated below, six states do not authorize any type of public charter school, and 18 additional states authorize public charter schools but do not authorize e-schools.

<sup>1</sup> In preparing this memorandum, we used two documents prepared in January 2018 from the Education Commission of the States (ECS) as a starting point for our research: (1) "Charter Schools: Does the state have a charter school law?" (<http://ecs.force.com/mbdata/mbquestNB2C?rep=CS1701>) and (2) "Charter Schools: Does state law explicitly allow virtual charter schools?" (<http://ecs.force.com/mbdata/mbquestNB2C?rep=CS1724>). Our research focused on state statutory law, so we did not look at a state's administrative rules unless a rule was mentioned in an ECS document. As a result, in most cases, if we did not find authorization for e-schools in a state's statutory law, we did not identify that state as authorizing e-schools. The only exception is North Carolina. Although its state law does not explicitly authorize e-schools, we discovered while conducting our research that an e-school does exist in that state, which prompted us to search for, and ultimately find, the policies of the North Carolina State Board of Education that reference authorized e-schools (see below for more information).

<sup>2</sup> Ohio law uses the term "community schools" to describe what are commonly known as "public charter schools." This memorandum, however, will use the term "public charter schools" or "charter schools" for consistency.

<sup>3</sup> Quoted language is how Ohio law defines an "Internet- or computer-based community school." See R.C. 3314.02(A)(7).

For each state that authorizes e-schools, this memorandum describes the type of e-school funding formula that is used by the state. Throughout our research, we identified three broad types of e-school funding formulas which we have labeled as follows:

- (1) Enrollment-based – a funding formula that solely makes payments based on an e-school's enrollment/student count (often determined by taking into account a student's full-time equivalency);
- (2) Performance-based – a funding formula that solely makes payments based on the performance of an e-school or its students on one or more metrics specified in law; and
- (3) Hybrid – a funding formula that makes some payments using an enrollment-based method and other payments using a performance-based method.

As indicated below, 13 states have an enrollment-based e-school funding formula, 2 states have a performance-based funding formula, and 7 states have a hybrid e-school funding formula. Additionally, 1 state uses a combination of these types of e-school funding formulas based on e-school student population, and 3 states are categorized as having an "unknown type of e-school funding formula."

Finally, for each state with a performance-based or hybrid funding formula, this memorandum describes the performance-based formula or the components of the hybrid formula that are performance-based.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Alabama	No	N/A	N/A
Alaska	No	N/A	N/A
Arizona	Yes <sup>4</sup>	Enrollment-based <sup>5</sup>	N/A
Arkansas	No	N/A	N/A
California	No	N/A	N/A

<sup>4</sup> Ariz. Rev. Stat. Ann. § 15-808.

<sup>5</sup> Ariz. Rev. Stat. Ann. §§ 15-185 and 15-808.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Colorado	Yes <sup>6</sup>	Enrollment-based <sup>7</sup>	N/A
Connecticut	No	N/A	N/A
Delaware	No	N/A	N/A
Florida	Yes <sup>8</sup>	Performance-based <sup>9</sup>	Formula specifies that a student enrolled in an e-school is a full-time equivalent student (and therefore eligible for funding) if the student either has 6 full-credit completions or the prescribed level of content that counts toward promotion to the next grade in specified programs. <sup>10</sup>
Georgia	Yes <sup>11</sup>	Enrollment-based <sup>12</sup>	N/A

<sup>6</sup> Colo. Rev. Stat. § 22-30.7-105(1).

<sup>7</sup> Colo. Rev. Stat. § 22-30.7-107(2)(a)(II) and (b)(II).

<sup>8</sup> Fla. Stat. §§ 1002.33(1) and 1002.45(1)(d).

<sup>9</sup> Fla. Stat. § 1011.61(1)(c)1.b.(III).

<sup>10</sup> Fla. Stat. § 1011.61(1)(c)1.b.(III). The statute specifies that a "full-time equivalent student" may be a combination of "full-time or part-time students" (Fla. Stat. § 1011.61(1)(c)1.b.). For further information regarding Florida's funding formula for e-schools, see the Florida Department of Education's overview of virtual education and funding at [http://fsfoa.org/images/downloads/June\\_2016\\_Conference/Virtual\\_Education\\_Reporting\\_and\\_Funding\\_-\\_An\\_Overview.pdf](http://fsfoa.org/images/downloads/June_2016_Conference/Virtual_Education_Reporting_and_Funding_-_An_Overview.pdf).

<sup>11</sup> While Georgia law does not directly authorize the existence of e-schools, it is clear that these schools are permitted through other provisions in state law: (1) required annual reports on state charter schools that offer virtual instruction (Ga. Code Ann. §§ 20-2-2076 and 20-2-2093), (2) specific funding mechanisms for charter schools that offer virtual instruction (Ga. Code Ann. §§ 20-2-2068.1 and 20-2-2089), and (3) other miscellaneous references to these schools (Ga. Code Ann. §§ 20-2-2065 and 20-2-2084).

<sup>12</sup> Ga. Code Ann. §§ 20-2-2068.1 and 20-2-2089.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Hawaii	Yes <sup>13</sup>	Hybrid <sup>14</sup>	Formula specifies that an e-school's authorizer must do both of the following: (1) Provide 30% of the school's funding no later than December 1 of each year "only to schools in compliance with all financial reporting requirements;" and (2) Retain no more than 10% of the school's funding for a given fiscal year until the end of that fiscal year "as a contingency balance to ensure fiscal accountability and compliance." <sup>15</sup>
Idaho	Yes <sup>16</sup>	Hybrid <sup>17</sup>	Formula specifies that, for each student in attendance at an e-school, funding is based on the student's percentage of coursework completed if that is more advantageous to the school than funding based on the student's actual hours of attendance. <sup>18</sup>
Illinois	Yes <sup>19</sup>	Enrollment-based <sup>20</sup>	N/A

<sup>13</sup> Haw. Rev. Stat. § 302D-1.

<sup>14</sup> Haw. Rev. Stat. § 302D-28.

<sup>15</sup> Haw. Rev. Stat. § 302D-28(f)(2) and (3).

<sup>16</sup> Idaho Code Ann. §§ 33-5202A(11), 33-5203(5), and 33-5205(6).

<sup>17</sup> Idaho Code Ann. § 33-5208(10)(a).

<sup>18</sup> *Id.*

<sup>19</sup> 105 Ill. Comp. Stat. § 5/27A-5.

<sup>20</sup> 105 Ill. Comp. Stat. § 5/27A-11.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Indiana	Yes <sup>21</sup>	Hybrid <sup>22</sup>	<p>Formula specifies that an e-school may receive the following "honors grants":<sup>23</sup></p> <p>(1) An "honors designation award" that is based on the number of students who successfully complete an Indiana diploma with certain academic designations and are receiving Supplemental Nutrition Assistance Program (SNAP) benefits, Temporary Assistance for Needy Families (TANF) benefits, or foster care services;<sup>24</sup></p> <p>(2) An "annual performance grant" that is based on student graduation rates and performance on state assessments.<sup>25</sup></p>
Iowa	No	N/A	N/A

---

<sup>21</sup> Ind. Code §§ 20-24-7-13 and 20-24-8-2.

<sup>22</sup> Ind. Code § 20-24-7-13.

<sup>23</sup> Ind. Code § 20-24-7-13(c)(2)(C). Although the statute refers to these awards as "grants," they appear to be "bonuses" that are awarded to every school that satisfies certain criteria rather than competitive grants.

<sup>24</sup> Ind. Code § 20-43-10-2. This bonus is available to all public schools in Indiana.

<sup>25</sup> Ind. Code § 20-43-10-3. This bonus is available to all public schools in Indiana.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Kansas	Yes <sup>26</sup>	Unknown <sup>27</sup>	N/A
Kentucky	No <sup>28</sup>	N/A	N/A
Louisiana	Yes <sup>29</sup>	Unknown <sup>30</sup>	N/A

<sup>26</sup> Under Kansas law, "virtual schools" are both schools and educational programs that satisfy certain criteria, including the use of "distance-learning technologies which predominately use Internet-based methods to deliver instruction" (Kan. Stat. Ann. § 72-3711). According to the most current information available on the website of the Kansas Department of Education, four charter schools are also virtual schools (in other words, these four charter schools are e-schools). For the list of charter schools, go to <https://www.ksde.org/Agency/Division-of-Learning-Services/Career-Standards-and-Assessment-Services/CSAS-Home/Graduation-and-Schools-of-Choice/Charter-Schools> and click on "Charter School List"; for the list of virtual schools, go to <https://www.ksde.org/Agency/Division-of-Learning-Services/Career-Standards-and-Assessment-Services/CSAS-Home/Graduation-and-Schools-of-Choice/Virtual-Schools-and-Programs/Families-and-Students> and click on "2018-2019 Virtual Schools and Programs (XLS)" under "Virtual School and Program Directories."

<sup>27</sup> Kansas law does not specify a funding formula for charter schools; instead, it provides that the school's charter must contain (1) "the proposed school budget, including an estimate of federal funds therefor[e] and how such funds will be utilized" and (2) "a description of how the budget will be funded if federal funds are not available" (Kan. Stat. Ann. § 72.4208(c)(15) and (16)). However, Kansas law regarding "virtual schools" provides an enrollment-based funding formula for virtual schools, but that provision only applies to "virtual schools offered by a school district" (Kan. Stat. Ann. § 72-3715). Because a petition to establish a charter school in Kansas is submitted to a school district (Kan. Stat. Ann. § 72.4208), it could be interpreted that a "virtual charter school" is a "virtual school offered by a school district," and therefore that type of school would receive funds through the funding formula for virtual schools. But the law is not clear on this issue.

<sup>28</sup> Kentucky law explicitly states that a public charter school may not be an e-school (Ky. Rev. Stat. Ann. § 160-1591).

<sup>29</sup> According to the most current information available on the website of the Louisiana Department of Education, Louisiana has at least one e-school in operation (Louisiana Virtual Charter Academy) (go to <https://www.louisianabelieves.com/schools/charter-oversight-and-support> and click on "Charter School Annual Report"). On the other hand, Louisiana charter school law does not explicitly authorize e-schools.

Louisiana law does permit the State Board of Elementary and Secondary Education to authorize "course providers" ("entities that offer individual courses in person or online, including but not limited to online or virtual education providers . . .") (La. Rev. Stat. Ann. § 17:4002.3). These providers do not appear to be stand-alone schools; instead, they seem to provide courses to students enrolled in public and nonpublic schools and students who are homeschooled (La. Rev. Stat. Ann. §§ 17:4002.3 and 17:4002.4).

<sup>30</sup> Louisiana's funding formula for charter schools is enrollment-based (La. Rev. Stat. Ann. § 17:3995), but its funding formula for "course providers" is a hybrid (La. Rev. Stat. Ann. § 17:4002.6). As explained above, although it appears that Louisiana's "course providers" are not stand-alone schools, the manner in which e-schools are authorized under Louisiana law is unclear. Therefore, it is not possible to definitively categorize the type of e-school funding formula in Louisiana.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Maine	Yes <sup>31</sup>	Enrollment-based <sup>32</sup>	N/A
Maryland	No <sup>33</sup>	N/A	N/A
Massachusetts	No <sup>34</sup>	N/A	N/A

---

<sup>31</sup> Me. Rev. Stat. Ann. 20-A § 2401.

<sup>32</sup> Me. Rev. Stat. Ann. 20-A § 2413.

<sup>33</sup> In order to be a "public charter school" under Maryland law, the school must require "students to be physically present on school premises for a period of time substantially similar to that which other public school students spend on school premises" (Md. Code Ann., Educ. § 9-102). Therefore, it seems that a public charter school cannot be an e-school.

<sup>34</sup> Massachusetts charter school law does not explicitly authorize virtual charter schools (Mass. Gen. Laws ch. 71, § 89). Massachusetts law does allow the Board of Elementary and Secondary Education to authorize not more than 10 Commonwealth Virtual Schools, which are public schools operated by a board of trustees whose teachers primarily teach from a remote location using the Internet or other computer-based methods and whose students are not required to be located at the physical premises of the schools (Mass. Gen. Laws ch. 71, § 94). Although an association of two or more charter schools may submit a proposal for the creation of a Commonwealth Virtual School (Mass. Gen. Laws ch. 71, § 94(a)), it does not appear that a Commonwealth Virtual School created in this manner is also considered a charter school (and therefore an e-school) under Massachusetts law. Furthermore, according to the most current information available on the Massachusetts Department of Education website, neither school listed as a Commonwealth Virtual School (<http://www.doe.mass.edu/odl/cmvs/>) is also listed as a charter school (go to <http://www.doe.mass.edu/charter/about.html> and click on "Charter School List").

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Michigan	Yes <sup>35</sup>	Unknown <sup>36</sup>	N/A

---

<sup>35</sup> Mich. Comp. Laws §§ 380.551, 380.552(2), and 380.553a. Michigan law establishes four types of charter schools: public school academies (Mich. Comp. Laws §§ 380.501-380.507), urban high school academies (Mich. Comp. Laws §§ 380.521-380.529), schools of excellence (Mich. Comp. Laws §§ 380.551-380.561), and strict discipline academies (Mich. Comp. Laws §§ 380.1311b-380.1311l). Of these four types of schools, only a school of excellence may be an e-school.

<sup>36</sup> Michigan law does not directly state how e-schools are paid under its funding formula. However, it clearly contemplates the payment of funding to e-schools through the following provisions: (1) the requirement that a district code be assigned to an e-school that is eligible to receiving funding (Mich. Comp. Laws § 388.1608b), (2) the requirement that an e-school must forfeit part of its state aid if it requires employees to sign a nondisclosure agreement regarding salary or other compensation information in violation of state law (Mich. Comp. Laws § 388.1766d), (3) a provision establishing the eligibility of an e-school to receiving funding if certain student count requirements are satisfied (Mich. Comp. Laws § 388.1701(11)), (4) the requirement that an e-school's funding be paid to the school's authorizing body (Mich. Comp. Laws § 380.561(3)), and (5) the requirement that an e-school's authorizing body not charge a fee or require reimbursement in an amount that exceeds 3% of the total funding received by the e-school in any given school year (Mich. Comp. Laws § 380.552(10)).

Public school academies, which are another type of charter school in Michigan, receive funding through an enrollment-based formula that limits each school's payment to the lesser of (1) the foundation allowance (basic per pupil amount) of the district in which the school is located or (2) the state maximum public school academy allocation (Mich. Comp. Laws § 388.1620(6)). This provision also applies a similar formula to a "public school academy that is a cyber school" (e-school), but it is not clear what type of school this provision is referencing because Michigan law only permits schools of excellence (including public school academies that have converted to schools of excellence under Mich. Comp. Laws § 380.502a) to be "cyber schools." (Compare Mich. Comp. Laws §§ 380.501-380.507, which do not mention "cyber schools," to Mich. Comp. Laws §§ 380.551-380.561, which frequently reference "cyber schools.") Given that the school funding provisions in Michigan law reference both "public school academies" and "schools of excellence," it does not seem that a conclusion can be drawn that the provision establishing the formula for "public school academies" also applies to "schools of excellence." Therefore, the manner in which schools of excellence, including e-schools, are funded is not clear.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Minnesota	Yes <sup>37</sup>	Hybrid <sup>38</sup>	Formula specifies that an e-school may receive "literacy incentive aid" based on both (1) the percentage of students that meet or exceed proficiency on the 3rd grade reading Minnesota Comprehensive Assessment (averaged across the previous three test administrations) and (2) the percentage of students making medium or high growth on the 4th grade reading Minnesota Comprehensive Assessment (averaged across the previous three test administrations). <sup>39</sup>
Mississippi	No	N/A	N/A
Missouri	Yes <sup>40</sup>	Performance-based <sup>41</sup>	Formula specifies that, for each student enrolled in a charter school virtual class, funding must be distributed at two increments of course completion (50% and 100%) based on the student's completion of defined assignments and assessments. <sup>42</sup>
Montana	No <sup>43</sup>	N/A	N/A

<sup>37</sup> Minn. Stat. §§ 124D.095 and 124E.03.

<sup>38</sup> Minnesota law provides a specific formula for each student enrolled in online learning courses, but that formula does not apply to a student enrolled in online learning provided by the student's school of enrollment (including an e-school) (Minn. Stat. § 124D.095, Subd. 8.(c)(2)). Instead, e-schools receive funding for enrolled students through the charter school funding formula (Minn. Stat. §§ 124E.20, 124E.21, 124E.23, and 124E.24).

<sup>39</sup> Minn. Stat. § 124D.98 (which e-schools are eligible to receive under Minn. Stat. § 124E.24). This aid is available to all public schools in Minnesota.

<sup>40</sup> Missouri's charter school law and virtual school law do not explicitly authorize e-schools. Still, it appears that they are permitted because state law provides that charter schools must receive state funding for students who complete "a virtual course or full-time virtual program offered by" charter schools (Mo. Rev. Stat. § 162.1250, paragraph 2).

<sup>41</sup> Mo. Rev. Stat. § 162.1250, paragraph 3.

<sup>42</sup> Mo. Rev. Stat. § 162.1250, paragraph 3. This statute also specifies that attendance of a student enrolled in a virtual class equals, upon completion of the course, 97% of the "hours of attendance possible for such class delivered in the nonvirtual program in the student's resident district or charter school" (and, correspondingly, upon completion of 50% of the course, 47% of the hours).

<sup>43</sup> Montana law does not authorize public charter schools.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Nebraska	No <sup>44</sup>	N/A	N/A
Nevada	Yes <sup>45</sup>	Enrollment-based <sup>46</sup>	N/A
New Hampshire	Yes <sup>47</sup>	Hybrid <sup>48</sup>	Formula specifies that an e-school may receive a payment for each third grade student with a score below the proficient level on the reading component of the required state assessment or the authorized, locally-administered assessment. <sup>49</sup>
New Jersey	No	N/A	N/A

<sup>44</sup> Nebraska law does not authorize public charter schools.

<sup>45</sup> Nevada law authorizes charter schools to provide "distance education" (Nev. Rev. Stat. §§ 388A.246, paragraphs 9 and 33, and 388A.366, paragraph 1(o)). "Distance education" is defined as "instruction delivered by means of video, computer, television, or the Internet or other electronic means of communication, or any combination thereof, in such a manner that the person supervising or providing the instruction and the pupil receiving the instruction are separated geographically for a majority of the time during which the instruction is delivered" (Nev. Rev. Stat. § 388.826).

<sup>46</sup> Nev. Rev. Stat. §§ 387.124 and 387.1241.

<sup>47</sup> New Hampshire law does not explicitly authorize e-schools, but two statutory provisions acknowledge the existence of New Hampshire's Virtual Learning Academy Charter School and make clear that it has been authorized by the New Hampshire State Board of Education under New Hampshire's charter school law (N.H. Rev. Stat. Ann. §§ 194-B:1 and 194-B:11). The New Hampshire Virtual Learning Academy Charter School is the only e-school currently approved in New Hampshire ([https://www.education.nh.gov/program/school\\_approval/online.htm](https://www.education.nh.gov/program/school_approval/online.htm)).

<sup>48</sup> N.H. Rev. Stat. Ann. § 194-B:11, paragraph I.(b)(1)(B).

<sup>49</sup> N.H. Rev. Stat. Ann. § 198:40-a, paragraph II.(e), which is paid to an e-school under N.H. Rev. Stat. Ann. § 194-B:11, paragraph I.(b)(1)(B). This payment is provided for any student that is not (1) eligible for a free or reduced price meal, (2) an English language learner, or (3) receiving special education services.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
New Mexico	Yes <sup>50</sup>	Enrollment-based <sup>51</sup>	N/A
New York	No	N/A	N/A
North Carolina	Yes <sup>52</sup>	Enrollment-based <sup>53</sup>	N/A
North Dakota	No <sup>54</sup>	N/A	N/A

<sup>50</sup> New Mexico's statutory law does not explicitly authorize e-schools, but it is clear that these schools are permitted because New Mexico's administrative rules permit students enrolled in charter schools to take "distance learning courses," which are defined as educational courses that are "taught where the student and primary instructor are separate by time or space and linked by technology" (N.M. Code R. §§ 6.30.8.1 – 6.30.8.13 and 6.80.4.18; "distance learning course" is defined in N.M. Code R. § 6.30.8.7, paragraph F). Additionally, it seems that at least one e-school is included in the 2018-2019 New Mexico Charter School Directory that is available on the New Mexico Department of Education website (go to <https://webnew.ped.state.nm.us/bureaus/charter-schools/>, click on "Find a Charter School," then click on "Charter School List (PDF)").

<sup>51</sup> New Mexico law specifies that the amount of funding allocated to a charter school must not be less than 98% of the school-generated program cost (N.M. Stat. § 22-8B-13, paragraph A). New Mexico's administrative rules regarding distance learning specify only how students receiving distance learning are to be counted for purposes of state funding and do not specify a particular funding mechanism for e-schools; therefore, it appears that e-schools are funded in the same manner as all other charter schools in New Mexico.

<sup>52</sup> North Carolina law does not explicitly authorize e-schools. Nevertheless, according to the most current information available on the North Carolina Department of Education website, the state has at least one e-school in operation (North Carolina Virtual Academy) (go to <http://www.ncpublicschools.org/charterschools/>, click on "Schools," then click on "List of NC Charter Schools").

The North Carolina State Board of Education has adopted a board policy on "Virtual Charter Schools Attendance and Membership" that applies only to the "pilot virtual charter schools approved by the State Board of Education on February 5, 2015" (<https://stateboard.ncpublicschools.gov/policy-manual/charter-schools-administration/policy-governing-virtual-charter-schools>). This policy does not appear in North Carolina statutory law or administrative rule, nor do any references to the pilot virtual charter schools mentioned in the policy.

<sup>53</sup> The funding formula for North Carolina charter schools is enrollment-based (N.C. Gen. Stat. § 115C-218.105). Additionally, the North Carolina State Board of Education board policy on "Virtual Charter Schools Attendance and Membership" states that "a student's [average daily] membership [in an e-school] shall not begin until the student has actively participated in each of his or her courses" and provides for the removal of a student from average daily membership who has no activity for 10 consecutive calendar days, excluding holidays (<https://stateboard.ncpublicschools.gov/policy-manual/charter-schools-administration/policy-governing-virtual-charter-schools>).

<sup>54</sup> North Dakota law does not authorize public charter schools.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Ohio	Yes <sup>55</sup>	Hybrid <sup>56</sup>	Formula specifies that an e-school may receive the following bonus payments: (1) A "graduation bonus" that is based on how many students graduate from the school, as indicated on the school's most recent report card; (2) A "third-grade reading bonus" that is based on how many of the school's third grade students score at a proficient level of skill or higher on the school's most recent administration of the English language arts assessment. <sup>57</sup>
Oklahoma	Yes <sup>58</sup>	Enrollment-based <sup>59</sup>	N/A
Oregon	Yes <sup>60</sup>	Enrollment-based <sup>61</sup>	N/A
Pennsylvania	Yes <sup>62</sup>	Enrollment-based <sup>63</sup>	N/A
Rhode Island	No	N/A	N/A

<sup>55</sup> R.C. 3314.013(B) and 3314.02(A)(7).

<sup>56</sup> R.C. 3314.08(C)(2) and 3314.085.

<sup>57</sup> R.C. 3314.085(B). These bonuses are available to all public schools in Ohio.

<sup>58</sup> Okla. Stat. tit. 70, § 3-145.3.

<sup>59</sup> Okla. Stat. tit. 70, § 3-145.3, paragraph D (see also Okla. Stat. tit. 70, §§ 3-142 and 18-200.1).

<sup>60</sup> Or. Rev. Stat. §§ 338.005 and 338.120.

<sup>61</sup> Or. Rev. Stat. §§ 338.155, 338.157, and 338.165.

<sup>62</sup> 24 Pa. Stat. Ann. §§ 17-1703-A and 17-1741-A through 17-1751-A.

<sup>63</sup> 24 Pa. Stat. Ann. § 17-1725-A.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
South Carolina	Yes <sup>64</sup>	Enrollment-based <sup>65</sup>	N/A
South Dakota	No <sup>66</sup>	N/A	N/A
Tennessee	No <sup>67</sup>	N/A	N/A

---

<sup>64</sup> South Carolina law states that it does not prohibit charter schools from offering "virtual services," but it does specify that no more than 75% of a "student's core academic instruction in kindergarten through twelfth grade" may be via an online computer or instruction program (S.C. Code Ann. §§ 59-40-40(1) and 59-40-65(C)).

<sup>65</sup> S.C. Code Ann. § 59-40-140.

<sup>66</sup> South Dakota law does not authorize public charter schools.

<sup>67</sup> Tennessee law explicitly prohibits the authorization of a "cyber-based public charter school" (Tenn. Code Ann. § 49-13-106(c)(2)).

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Texas	Yes <sup>68</sup>	<p>Hybrid, for full-time electronic course programs offered for grades 3-8<sup>69</sup></p> <p>Performance-based, for (1) full-time electronic course programs offered to all other grades as long as they were operating on January 1, 2013, and (2) part-time enrollment for students in any grade in no more than 3 electronic courses per school year<sup>71</sup></p>	<p>Formula specifies that, for a full-time electronic course program offered for grades 3-8, an e-school may calculate the average daily attendance of a student enrolled in the program based on (1) hours of contact with the student, (2) the student's successful completion of a course, or (3) a method approved by the Texas Commissioner of Education.<sup>70</sup></p> <p>Formula specifies that funding must be paid in the same manner that the school is entitled to payment for the student's enrollment in courses provided in a traditional classroom setting, "provided that the student successfully completes the electronic course."<sup>72</sup></p>

<sup>68</sup> Under Texas law, an "open-enrollment charter school" may provide an electronic course through the Texas Virtual School Network to students enrolled in that school (Tex. Educ. Code Ann. § 30A.001). (Texas has four types of charter schools: open-enrollment charter schools (Tex. Educ. Code Ann. §§ 12.101-12.137), home-rule school district charter schools (Tex. Educ. Code Ann. §§ 12.011-12.030), campus or campus program charter schools (Tex. Educ. Code Ann. §§ 12.051-12.065), and college or university charter schools or junior college charter schools (Tex. Educ. Code Ann. §§ 12.151-12.156).) Presently, two Texas charter schools are also listed as part of the Texas Virtual School Network (and, therefore, are e-schools). For the list of Texas charter schools, go to <https://tea.texas.gov/CharterParentResources/#find>. For the list of schools that are part of the Texas Virtual School Network, go to <https://www.txvsn.org/OLS-Campuses>.

<sup>69</sup> Tex. Educ. Code Ann. § 30A.151.

<sup>70</sup> Tex. Educ. Code Ann. § 30A.151(f).

<sup>71</sup> Tex. Educ. Code Ann. § 30A.153(a) and (a-1).

<sup>72</sup> Tex. Educ. Code Ann. § 30A.153(a).

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Utah	Yes <sup>73</sup>	Hybrid <sup>74</sup>	Formula specifies that, for a student enrolled in an online course, an e-school receives 50% of the payment for that course if the student completes the course within a specified amount of time following the end of the semester (in the case of a 1 credit course, 12 months; in the case of a 0.5 credit course, 9 weeks). <sup>75</sup> If a student fails to complete a course within that timeframe, the e-school may receive 30% (rather than 50%) of the payment for that course if the student completes the online course before high school graduation. <sup>76</sup>
Vermont	No <sup>77</sup>	N/A	N/A
Virginia	No	N/A	N/A
Washington	No	N/A	N/A
West Virginia	No <sup>78</sup>	N/A	N/A

<sup>73</sup> Utah law authorizes e-schools provided that they are "created exclusively for the purpose of serving students online" (Utah Code Ann. § 53F-4-504(1)).

<sup>74</sup> Utah Code Ann. § 53F-4-505(4).

<sup>75</sup> Utah Code Ann. § 53F-4-505(4)(c). The other 50% of the funding for the course is paid to the e-school based on student enrollment according to a schedule specified in statute (Utah Code Ann. § 53F-4-505(4)(a) and (b)).

<sup>76</sup> Utah Code Ann. § 53F-4-505(5)(b).

<sup>77</sup> Vermont law does not authorize public charter schools.

<sup>78</sup> West Virginia law does not authorize public charter schools.

State	Are e-schools explicitly authorized by state law?	Type of e-school funding formula	If formula is performance-based or has performance-based components, description of the formula or the formula's performance-based components
Wisconsin	Yes <sup>79</sup>	Enrollment-based <sup>80</sup>	N/A
Wyoming	No	N/A	N/A

---

<sup>79</sup> Wis. Stat. §§ 115.001(16) and 118.40(8).

<sup>80</sup> Wis. Stat. § 118.40(2r)(e), (f), (fm), and (g).